



ALKALI METALS LTD.,

An ISO 9001 & 14001, API COMPANY and EXPORT HOUSE

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ANNUAL REPORT 2015-16

**BOARD OF DIRECTORS**

DR. YADAV J. S.	CHAIRMAN
SRI. PRASAD CH. S.	DIRECTOR
SRI. PATNAIK P.C.	DIRECTOR
SRI. JAYARAMAN G.	DIRECTOR
SRI. VENKATA RAO Y. S. R.	MANAGING DIRECTOR
SMT. LALITHYA POORNA Y.	DIRECTOR
SRI. PRASHANTH Y.V.	EXECUTIVE DIRECTOR
SRI. SANKARA RAO P.	CFO
SRI. KARUNAKAR REDDY M.	COMPANY SECRETARY From Jan. 2016

BANKERS

STATE BANK OF INDIA
Commercial Branch,
Bank Street, Koti,
Hyderabad – 500 095

AUDITORS

M/s. C K S ASSOCIATES
CHARTERED ACCOUNTANTS
Nagarjuna #87, Road # 3,
Gaganmahal Colony,
Hyderabad – 500 029

REGISTERED OFFICE & FACTORIES

Plot B-5, Block III,
Industrial Dev. Area, Uppal,
HYDERABAD - 500 039.

Sy.No. 299 to 302,
Dommara Pochampally Village,
Qutubullapur Mandal, R.R. Dist.

Plot No. 36, 37 & 38
JN Pharma City,
Visakhapatnam

REGISTRARS AND SHARE TRANSFER AGENTS

M/s. CAMEO CORPORATE SERVICES LIMITED
Subramanian Building, No.1,
Club House Road,
Chennai – 600 002

**NOTICE OF ANNUAL GENERAL MEETING**

Notice is hereby given that the 48th Annual General Meeting of M/s. Alkali Metals Limited will be held on Saturday, 30th July, 2016 at 11.00 A.M at Hotel Green Park, Ameerpet, Hyderabad-500 016, Telangana to transact the following business:

ORDINARY BUSINESS

- 1) To receive consider and adopt the Audited Balance Sheet as at 31st March, 2016 and the Statement of Profit & Loss for the year ended on that date and the reports of the Directors, Auditors thereon.
- 2) To elect a Director in place of Smt. Y. Lalitha Poorna, (DIN:00345471) who retires by rotation and being eligible offers herself for re-appointment.
- 3) To Declare Final Dividend for the financial Year 2015-16.
- 4) To ratify the appointment of M/s. C K S Associates, Chartered Accountants, Hyderabad

“RESOLVED THAT pursuant to provisions of Section 139 of the Companies Act, 2013 and the rules framed there under as modified from time to time and pursuant to the resolution passed by the members at the AGM held on 21st August 2014, the appointment of M/s. C K S Associates, Chartered Accountants, Hyderabad (Peer Review Certificate No.006803) as Statutory Auditors to hold office till the conclusion of AGM to be held in year 2019 be and is hereby ratified and the Board be and is hereby authorized to fix the remuneration for the financial year ending 31st March 2017.”

SPECIAL BUSINESS

- 5) To Consider and if thought fit, to pass with or without modification the following resolution as an Ordinary Resolution:

“RESOLVED THAT Pursuant to provisions of Section 20(2) and other applicable provisions if any of the Companies Act, 2013 read with rules made there under including any statutory modification(s) or re-enactment thereof for the time being in force, the approval of members be and is hereby accorded to accept interest free advance amount of ₹ 1,000/- (Rupees One Thousand Only) from any member of the Company, by way of DD in favour of the Company, who requested the company to send notices, documents or any other papers/documents by a particular mode of delivery only and use the cost incurred from the said amount and after the exhaust of advance Company will accept the said amount of advance from the members of the Company.

RESOLVED FURTHER THAT Managing Director/Executive Director/Company Secretary is authorised to take such steps to implement this resolution.”

By order of the Board of Directors

Place: Hyderabad
Date: 02.06.2016

Y.S.R. VENKATA RAO
MANAGING DIRECTOR
DIN: 00345524

**Notes**

- 1) A member entitled to attend and vote is entitled to appoint a proxy to attend and vote instead of himself / herself and such proxy need not be a member.
- 2) The instrument appointing a proxy, to be effective, must reach the Registered Office of the Company not less than 48 hours before the commencement of the meeting. A person can act as proxy on behalf of members not exceeding fifty (50) and holding in the aggregate not more than ten percent of the total share capital of the Company.
Corporate members intending to send their authorised representatives to attend the meeting are requested to send to the company a certified copy of the Board Resolution / Power of Attorney authorizing their representative to attend and vote on their behalf at the meeting.
- 3) The Register of members and transfer books of the company will remain closed from Monday the 25th July 2016 to Saturday 30th July 2016 both days inclusive.
- 4) Members, who hold shares in electronic /Demat form are requested to furnish the change of address, details of their bank accounts, viz, name of the bank, full address of the branch, account no. etc., to their respective Depository Participants and who hold shares in physical form to the company's Registrars and Transfer Agents M/s. Cameo Corporate Services Ltd., Subramanian Building, No.1, Club House Road, Chennai – 600 002 so as to enable the Company to incorporate the bank details on the dividend warrants.
- 5) Pursuant to Section 72 of the Companies Act, 2013 and the Rules made there under the Members holding shares in single name may, at any time, nominate in form SH-13, any person as his/her nominee to whom the securities shall vest in the event of his/her death. Nomination would help the nominees to get the shares transmitted in their favour any hassles. Members desirous of making any cancellation/variation in the said nomination can do so in SH-14.
- 6) Members seeking information or clarification on the Accounts are requested to send their queries in writing to the company one week before the date of AGM, to enable the management to prepare with replies.
- 7) Members holding shares in identical order of names in more than one folio are requested to write to the company's Registrars & Transfer Agents enclosing their share certificates to enable consolidation of their shareholdings in one folio.
- 8) Shareholders who have not claimed their dividend for the years 2009-10, 2010-11, 2011-12, 2012-13 & 2015-16 (Interim Dividend) are requested to claim the same.
- 9) The brief profile and other details as required of the directors being re-appointing are furnished elsewhere in the Annual Report.



- 10) The Notice of AGM, Annual Report and Attendance Slip are being sent in electronic mode to Members whose e-mail IDs are registered with the Company or the Depository Participant(s) unless the Members have registered their request for a hard copy of the same. Physical copy of the Notice of AGM, Annual Report and Attendance Slip are being sent to those Members who have not registered their e-mail IDs with the Company or Depository Participant(s). Members who have received the Notice of AGM, Annual Report and Attendance Slip in electronic mode are requested to print the Attendance Slip and submit a duly filled in Attendance Slip at the registration counter to attend the AGM.
- 11) Members may also note that the notice of the 48th Annual General Meeting and Annual Report for 2016 will be available on the Company's website www.alkalimetals.com.
- 12) The Securities and Exchange Board of India (SEBI) has mandated the submission of Permanent Account Number (PAN) by every participant in securities market. Members holding shares in electronic form are, therefore, requested to submit the PAN to their Depository Participants with whom they are maintaining their Demat accounts. Members holding shares in physical form can submit their PAN details to the Registrars and Transfer Agents of Company.
- 13) In compliance with provisions of Section 108 of the Companies Act, 2013 and Rule 20 of the Companies (Management and Administration) Rules, 2014 as amended from time to time, Regulation 44 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015 and Secretarial Standard on General Meetings (SS2) issued by the Institute of Company Secretaries of India, the Company is pleased to provide the members with facility to exercise their right to vote at the 48th Annual General Meeting (AGM) by electronic means and the business may be transacted through remote e-Voting Services provided by Central Depository Services (India) Limited (CDSL).

The e-voting period commences on Wednesday 27th July 2016 (10:00 am) and ends on Friday 29th July, 2016 (5:00 pm). During this period shareholders' of the Company, holding shares as on cut-off date of 23rd July 2016 either in physical form or in dematerialized form, may cast their vote electronically. The e-voting portal shall be disabled by CDSL for voting thereafter. Once the vote on a resolution is cast by the shareholder, the shareholder shall not be allowed to change it subsequently. The voting rights of shareholders shall be in proportion to their shares of the paid up equity share capital of the Company. A member who has cast his/her vote by electronic means is entitled to attend the AGM but not entitled to vote again at the AGM.

CS B. Venkatesh Babu, Company Secretary in Practice (F6708) has been appointed as the scrutinizer to scrutinize the remote e-voting process. The Scrutinizer shall, immediately after the conclusion of voting at the general meeting, will first count the votes cast at the meeting, and thereafter unblock the votes cast through remote e-voting in the presence of at least two witnesses not in the employment of the Company and he will submit his report within the period not exceeding three working days from the conclusion of e-voting. The Chairman will declare the results on or after the AGM of the Company accordingly and will also be placed at the company website and also forward the same to the stock exchanges where the shares have been listed.

- 14) Explanatory statement pursuant to section 102 is enclosed.



15) The instructions for members for voting electronically are as under:-

- (i) The voting period begins on Wednesday, 27th July, 2016 (10:00 A.M) and ends on Friday 29th July, 2016 (5:00 P.M). During this period shareholders' of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date (record date) of 23rd July, 2016, may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter.
- (ii) Shareholders who have already voted prior to the meeting date would not be entitled to vote at the meeting venue.
- (iii) The shareholders should log on to the e-voting website www.evotingindia.com.
- (iv) Click on Shareholders.
- (v) Now Enter your User ID
 - a. For CDSL: 16 digits beneficiary ID,
 - b. For NSDL: 8 Character DP ID followed by 8 Digits Client ID,
 - c. Members holding shares in Physical Form should enter Folio Number registered with the Company.
- (vi) Next enter the Image Verification as displayed and Click on Login.
- (vii) If you are holding shares in Demat form and had logged on to www.evotingindia.com and voted on an earlier voting of any company, then your existing password is to be used.
- (viii) If you are a first time user follow the steps given below:

For Members holding shares in Demat Form and Physical Form	
PAN	<p>Enter your 10 digit alpha-numeric *PAN issued by Income Tax Department (Applicable for both Demat shareholders as well as physical shareholders)</p> <ul style="list-style-type: none"> Members who have not updated their PAN with the Company/Depository Participant are requested to use the first two letters of their name and the 8 digits of the sequence number in the PAN field. In case the sequence number is less than 8 digits enter the applicable number of 0's before the number after the first two characters of the name in CAPITAL letters. Eg. If your name is Ramesh Kumar with sequence number 1 then enter RA00000001 in the PAN field.
Dividend Bank Details OR Date of Birth (DOB)	<p>Enter the Dividend Bank Details or Date of Birth (in dd/mm/yyyy format) as recorded in your Demat account or in the company records in order to login.</p> <ul style="list-style-type: none"> If both the details are not recorded with the depository or company please enter the member id / folio number in the Dividend Bank details field as mentioned in instruction (iv).
For Members holding shares in Demat Form and Physical Form	

- (ix) After entering these details appropriately, click on "SUBMIT" tab.
- (x) Members holding shares in physical form will then directly reach the Company selection screen. However, members holding shares in Demat form will now reach 'Password Creation' menu wherein they are required to mandatorily enter their login password in the new password field. Kindly note that this password is to be also used by the Demat holders for voting for resolutions of



any other company on which they are eligible to vote, provided that company opts for e-voting through CDSL platform. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.

- (xi) For Members holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.
- (xii) Click on the EVSN for the relevant <Alkali Metals Limited> on which you choose to vote.
- (xiii) On the voting page, you will see “RESOLUTION DESCRIPTION” and against the same the option “YES/NO” for voting. Select the option YES or NO as desired. The option YES implies that you assent to the Resolution and option NO implies that you dissent to the Resolution.
- (xiv) Click on the “RESOLUTIONS FILE LINK” if you wish to view the entire Resolution details.
- (xv) After selecting the resolution you have decided to vote on, click on “SUBMIT”. A confirmation box will be displayed. If you wish to confirm your vote, click on “OK”, else to change your vote, click on “CANCEL” and accordingly modify your vote.
- (xvi) Once you “CONFIRM” your vote on the resolution, you will not be allowed to modify your vote.
- (xvii) You can also take out print of the voting done by you by clicking on “Click here to print” option on the Voting page.
- (xviii) If Demat account holder has forgotten the changed password then enter the User ID and the image verification code and click on Forgot Password & enter the details as prompted by the system.
- (xix) Shareholders can also cast their vote using CDSL’s mobile app m-Voting available for android based mobiles. The m-Voting app can be downloaded from Google Play Store. Apple and Windows phone users can download the app from the App Store and the Windows Phone Store respectively on or after 30th June 2016. Please follow the instructions as prompted by the mobile app while voting on your mobile.
- (xx) Note for Non – Individual Shareholders and Custodians
 - Non-Individual shareholders (i.e. other than Individuals, HUF, NRI etc.) and Custodian are required to log on to www.evotingindia.com and register themselves as Corporates.
 - A scanned copy of the Registration Form bearing the stamp and sign of the entity should be emailed to helpdesk.evoting@cdslindia.com.
 - After receiving the login details a compliance user should be created using the admin login and password. The Compliance user would be able to link the account(s) for which they wish to vote on.
 - The list of accounts should be mailed to helpdesk.evoting@cdslindia.com and on approval of the accounts they would be able to cast their vote.
 - A scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, should be uploaded in PDF format in the system for the scrutinizer to verify the same.
- (xxi) In case you have any queries or issues regarding e-voting, you may refer the Frequently Asked Questions (“FAQs”) and e-voting manual available at www.evotingindia.com, under help section or write an email to helpdesk.evoting@cdslindia.com.



EXPLANATORY STATEMENT PURSUANT TO SECTION 102 OF THE ACT:

Item No.5

Company had received a notice from one of the members to send all the notices, annual reports and other documents in a particular mode of Speed Post. In view of the provisions of Proviso to Section 20(2) of the Companies Act, 2013, if any member requested to deliver the documents in a specific mode of delivery, he has to pay such fees as determined by the Company in its Annual General Meeting. Your Directors recommended the above resolution set out in the notice to be passed as an Ordinary Resolution for your approval.

None of the Directors, Managers, Key Managerial Persons or their relatives are in any way concerned or interested, financial or otherwise, in the above resolution.

By order of the Board of Directors

Place: Hyderabad
Date: 02.06.2016

Y.S.R. VENKATA RAO
MANAGING DIRECTOR
DIN: 00345524

**Director's Report**

To,
The Members,
Alkali Metals Limited

Your Directors have pleasure in presenting the 48th Annual Report on the business and operations of the Company and the accounts for the Financial Year ended 31st March, 2016.

1. Financial summary or highlights/Performance of the Company

The performance of the company for the financial year ended 31st March, 2016 is summarized as below:

	(All figures in ₹)	
	2015-16	2014-15
Net Turnover	732,815,895	684,394,228
Profit/(Loss) before finance charges, depreciation and taxation	101,757,550	101,512,407
Less : Finance Charges	34,364,210	45,002,861
Depreciation and Amortization expense	37,529,881	42,730,767
Profit/(Loss) before exceptional items and tax	29,863,459	13,778,779
Less: Exceptional items	--	7,330,352
Extraordinary Items	--	3,407,658
Profit/(Loss) before tax	29,863,459	3,040,769
Less : Current Year's tax (MAT)	6,238,171	579,419
MAT Credit Entitlement	(6,238,171)	(579,419)
Previous Years	7,311,139	201,884
Deferred tax (AS22)	--	--
Profit/(Loss) After tax	22,552,320	2,838,885
Add: Balance Brought forward	54,048,648	68,628,281
Less: Interim Dividend paid	8,146,005	--
Tax on Interim Dividend	1,658,335	--
Proposed Dividend	4,073,002	--
Tax on Proposed Dividend	829,168	--
Transfer to General Reserve	--	--
Adjusted for Depreciation as per new regulations	--	17,418,518
Balance surplus carried to Balance Sheet	61,894,458	54,048,648

2. Dividend

Final dividend of ₹ 0.40 per equity share of ₹ 10/- each has been recommended by the Board of Directors for the year ended 31st March, 2016 subject to the approval of the shareholders at the ensuing Annual General Meeting, in addition to the interim dividend at the rate of ₹ 0.80 per equity share of ₹ 10/- each was declared on 23.01.2016 and paid accordingly. Final Dividend if approved, will be paid within 30 days of the Annual General Meeting.

3. Reserves

During the year under review, company had not transferred any amount to General Reserves.

4. Brief description of the Company's performance during the year

Your Directors are happy to announce that a Turnover of ₹ 733 Million, which is the highest ever recorded in the company history. The turnover is increased by 7% as Compare to last year and the profit after tax is increased by 695% as compared to last year and stood at ₹23 Million.



Company had taken appropriate measures to control the cost including financial measures and was able to sell the value added products to achieve the profit during the year.

Your Directors are confident that the measures taken by them will continue to give good results in the coming years.

SIGNIFICANT ACHIEVEMENT

Company is a regular foreign exchange earner; the following are the details of the Net foreign exchange earnings for the last 3 years.

(All figures in ₹)

2013-14	2014-15	2015-16
92.5 Million	175.3 Million	226.8 Million

5. Future outlook

Your Company is planning to expand by increasing the capacities and/or range of products both regular as well as APIs either at the Unit-III located at Vishakhapatnam or the proposed Pharmacity at Mucharla in the state of Telangana. This will increase the company top/bottom line.

Your Directors are confident to increase the volumes and margins as well as net foreign exchange earnings in the coming years.

6. Research & Development

The company has spent ₹ 7.2 Million towards Research and Development during the financial year and is putting continuous efforts in R&D to develop the new products and process for optimum material consumptions by effective yield.

During the year, the company has commercialized 4 new products which have good potential in the years to go.

The revenues generated by the R&D products for the last 3 years are

(All figures in ₹)

2013-14	2014-15	2015-16
4.5 Million	52.5 Million	69.1 Million

7. Change in the nature of business, if any

Company had not changed its nature of business during the year under review.

8. Material changes and commitments after the closure of financial year

Company had not faced any Material changes subsequent to the closure of the financial year, which will affect the financial position or operations of the Company.

9. Significant and Material Orders

There are no significant and material orders passed by the regulators or court or tribunals impacting the going concern status and Company operations in future.