



# ALKALI METALS LTD.,

An ISO 9001 & 14001, API COMPANY and EXPORT HOUSE



## ANNUAL REPORT 2018-19





## **BOARD OF DIRECTORS**

DR. YADAV J. S.	CHAIRMAN
SRI. JAYARAMAN G.	DIRECTOR
SRI. SURYAPRAKASH RAO K.V.	DIRECTOR
SRI. VENKATA RAO Y. S. R.	MANAGING DIRECTOR
SMT. LALITHYA POORNA Y.	DIRECTOR
MR. PRASHANTH Y.V.	DIRECTOR
SRI. SANKARA RAO P.	CFO (up to 31 <sup>st</sup> December 2018)
Ms. UMA KUMARI K.	CFO (from 5 <sup>th</sup> February 2019)

## **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 Development Area, Uppal,  
Hyderabad - 500 039.

Sy.No. 299 to 302,  
Dommara Pochampally Village,  
Qutubullapur Mandal, Medchal District - 500 043.

Plot No. 36, 37 & 38  
JN Pharma City,  
Visakhapatnam - 531 019.

## **REGISTRARS AND SHARE TRANSFER AGENTS**

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

**NOTICE OF THE ANNUAL GENERAL MEETING**

Notice is hereby given that the 51<sup>st</sup> Annual General Meeting of M/s. Alkali Metals Limited will be held on Saturday the 3<sup>rd</sup> August, 2019 at 12:00 Noon, at the Registered Office of the Company situated at # B-5, Block III, IDA, Uppal, Hyderabad - 500 039 to transact the following business:

**ORDINARY BUSINESS**

- 1) To receive, consider and adopt the Audited Balance Sheet as on 31<sup>st</sup> March, 2019 and the Statement of Profit & Loss for the financial year ended as on that date i.e financial statements and the reports of the Directors, Auditors thereon.
- 2) To elect a director in place of Mr. Y.V. Prashanth (DIN: 00345418) who retires by rotation and being eligible offers himself for re-appointment.
- 3) To declare dividend for the financial year 2018-19.
- 4) To appoint M/s. Nagendrasundram & Co, Chartered Accountants (FRN 005355S) as the statutory auditors of the company and if thought fit, to pass with or without modification the following resolution as an Ordinary resolution:

“RESOLVED THAT pursuant to provisions of Section 139(1) of the Companies Act, 2013 and the rules made there under, M/s. Nagendrasundram & Co, Chartered Accountants, Hyderabad (FRN 005355S) be and are hereby appointed as Statutory Auditors in the place of M/s. C K S Associates, Chartered Accountants, Hyderabad who’s period of office is completed in terms of section 139(2), from the conclusion of this Annual General Meeting until the conclusion of the 6<sup>th</sup> consecutive Annual General Meeting (i.e till the AGM to be held in the year 2024), at a remuneration as may be fixed by the Board”

**SPECIAL BUSINESS:**

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

“RESOLVED THAT pursuant to the provisions of Sections 149, 150, 152 and any other applicable provisions of the Companies Act, 2013 and the Companies (Appointment and Qualification of Directors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force) read with Schedule IV to the Companies Act and applicable regulations of the SEBI (LODR) Regulations, 2015, (as amended from time to time) Sri Kotamarthy Venkata Surya Prakash Rao (DIN:06934146), who was appointed as an Additional Director of the Company by the Board of Directors with effect from 15<sup>th</sup> October, 2018 in terms of Section 161(1) of the Act and whose term of office expires at the Annual General Meeting and who has submitted a declaration that he meets the criteria for independence as provided in the Companies Act and Listing Regulations, be and is hereby appointed as an Independent Non-Executive Director of the Company to hold office for a term of five consecutive years with effect from 15<sup>th</sup> October, 2018 to 14<sup>th</sup> October, 2023.”



- 6) To consider and if thought fit, to pass with or without modification(s), the following resolution as a Special Resolution:
- “RESOLVED THAT pursuant to the provisions of Sections 149, 150, 152 and any other applicable provisions of the Companies Act, 2013 and the Companies (Appointment and Qualification of Directors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force) read with Schedule IV to the Companies Act and applicable regulations of the SEBI (LODR) Regulations, 2015 (as amended from time to time), Sri Jayaraman Ganapathy (DIN: 01461157), Independent Non-Executive Director of the Company who has submitted a declaration that he meets the criteria for independence as provided in the Companies Act and Listing Regulations and who is eligible for re-appointment, be and is hereby re-appointed as an Independent Non-Executive Director of the Company to hold office for a second term of five consecutive years with effect from 21<sup>st</sup> August, 2019 to 20<sup>th</sup> August, 2024”.
- 7) To consider and if thought fit, to pass with or without modification(s), the following resolution as a Special Resolution:
- “RESOLVED THAT pursuant to the provisions of Sections 149, 150, 152 and any other applicable provisions of the Companies Act, 2013 and the Companies (Appointment and Qualification of Directors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force) read with Schedule IV to the Companies Act and applicable regulations of the SEBI (LODR) Regulations, 2015 (as amended from time to time), Dr. Jhillu Singh Yadav (DIN: 02014136), Independent Non-Executive Director of the Company who has submitted a declaration that he meets the criteria for independence as provided in the Companies Act and Listing Regulations and who is eligible for re-appointment, be and is hereby re-appointed as an Independent Non-Executive Director of the Company to hold office for a second term of five consecutive years with effect from 21<sup>st</sup> August, 2019 to 20<sup>th</sup> August, 2024”.

By order of the Board of Directors  
**For Alkali Metals Limited**

Place : Hyderabad  
Dated : 27.05.2019

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

**Notes**

- 1) The Statement Pursuant to Section 102 of the Companies Act, 2013 with respect to special business set out in the Notice is annexed.
- 2) 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.
- 3) 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.
- 4) The Register of members and transfer books of the company will remain closed from Sunday the 28<sup>th</sup> July, 2019 to Saturday the 3<sup>rd</sup> August, 2019 both days inclusive.
- 5) 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.
- 6) 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 favor without hassles. Members desirous of making any cancellation / variation in the said nomination can do so in SH-14.
- 7) 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.
- 8) 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. As per the amended provisions based on the PAN, all different folios of the same PAN will be treated as one folio.
- 9) Members are requested to refer to the Corporate Governance Report for information in connection with the unpaid / unclaimed dividend along with underlying shares thereto liable to be transferred to Investor Education and Protection Fund (IEPF) administered by the Central Government. Members are requested to refer the web site of the Company **[www.alkalimetals.com](http://www.alkalimetals.com)** for the details made available by the Company pursuant to the Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund)



Amendment Rules, 2017.

As per Section 124(6) of the Act read with the IEPF Rules as amended from time to time, all the shares in respect of which dividend has remained unpaid / unclaimed for seven consecutive years or more are required to be transferred to an IEPF Demat Account. In case the dividends are not claimed by the respective shareholders. Company had transferred unpaid / unclaimed dividend till the financial year 2010 - 2011 along with underlying shares to IEPF authorities. Company will initiate the necessary steps on due dates to transfer shares held by the members to IEPF along with dividend remaining unpaid / unclaimed thereon.

Members may please note that in the event of transfer of such shares and the unclaimed dividends to IEPF, members are entitled to claim the same from IEPF authorities by submitting an online application in the prescribed Form IEPF-5 available on the website **www.iepf.gov.in** and sending a physical copy of the same duly signed to the Company along with the requisite documents enumerated in the Form IEPF- 5. Members can file only one consolidated claim in a financial year as per the IEPF Rules.

- 10) The brief profile of the directors being re-appointed are furnished in Corporate Governance Report forming part of the Annual Report.
- 11) 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.
- 12) Members may also note that the notice of 51<sup>st</sup> Annual General Meeting and Annual Report for 2019 will be available on the Company's website **www.alkalimetals.com**
- 13) 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.
- 14) 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 Requirement) 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 51<sup>st</sup> 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 the 31<sup>st</sup> July, 2019 (09:00 A.M.) and ends on Friday the 2<sup>nd</sup> August, 2019 (05:00 P.M). During this period shareholders of the Company, holding shares as on cut-off date of Saturday the 27<sup>th</sup> July, 2019 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 are entitle 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 Annual 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 has been listed.

- 15) The instructions for members for voting electronically are as under:-
- (i) The voting period begins on Wednesday the 31<sup>st</sup> July, 2019 (09:00 A.M.) and ends on Friday the 2<sup>nd</sup> August, 2019 (05:00 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 Saturday the 27<sup>th</sup> July, 2019, 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:

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"> <li>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.</li> <li>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.</li> </ul>
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"> <li>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).</li> </ul>

- (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 (Electronic Voting Sequence Number) for the relevant company **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 may also retain a 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. 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**
- 16) The route map for the AGM Venue is provided on the last page of the Annual Report.

**EXPLANATORY STATEMENT PURSUANT TO SECTION 102 OF THE COMPANIES ACT, 2013:****Item No. 4**

M/s. C K S Associates, Chartered Accountants were appointed for a term of 5 years during the Annual General Meeting held on 21<sup>st</sup> August, 2014 as per the provisions of the Section 139 of the Companies Act and their term of 5 years is going to be completed at the end of the ensuing Annual General Meeting. The audit firm will be completing a total term of 10 years and pursuant to the provisions of the Companies Act, 2013, they have to vacate their office mandatorily at the end of the ensuing Annual General Meeting.

The Company had identified M/s. Nagendrasundram & Co, Chartered Accountants (FRN 005355S) (Peer Review certificate No.010122), who expressed their willingness to be appointed by way of consent letter confirming their eligibility. The Audit Committee reviewed the same and after satisfying the credentials of the audit firm, recommended to the Board and the Board after review recommended their appointment as Statutory Auditors for a period of 5



years, to the shareholders to be passed as an ordinary resolution. Remuneration to the auditors will be fixed by the Board after their appointment and there will not be any material changes in the fee payable as compared to outgoing auditors.

None of the Directors and Key Managerial Personnel of the Company and their relatives is concerned or interested, financially or otherwise, in the resolution set out at Item No. 4 of the accompanying Notice of the AGM.

**Item No. 5, 6 and 7**

Sri. K.V. Suryaprakash Rao, Independent Additional Director appointed by the Board on 15<sup>th</sup> October 2018 and his term of office is up to the Annual General Meeting as per section 161 of the Companies Act, it is proposed to ratify his appointment at the ensuing annual general meeting for a period of 5 years i.e. up to 14<sup>th</sup> October 2023.

Sri. G. Jayaraman and DR. J.S. Yadav, Independent Directors were appointed on 21<sup>st</sup> August 2014 for a period of 5 years and their term of office will be terminating on 20<sup>th</sup> August 2019 and as per the provisions of the Companies Act, re-appointment for a second term of 5 years will require a special resolution to be passed at a general meeting.

Based on recommendation of Nomination and Remuneration Committee and in terms of the provisions of Companies Act and the Listing Regulations the above proposed appointments, re-appointments were recommended by the Board to be passed as an ordinary and a special resolution's as specified in the notice. The brief profile of all the Directors who are appointing / re-appointing is provided in the Corporate Governance report.

Except the Directors for their own appointment, none of the Directors and Key Managerial Personnel of the Company and their relatives is concerned or interested, financially or otherwise, in the resolution set out at Item No. 5 to 7 of the accompanying Notice of the AGM.

By order of the Board of Directors  
**For Alkali Metals Limited**

Place : Hyderabad  
Dated : 27.05.2019

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

**BOARD'S REPORT**

To,  
The Members,  
Alkali Metals Limited

Your Directors have pleasure in presenting the 51<sup>st</sup> Annual Report on the business and operations of the Company and the accounts for the Financial Year ended 31<sup>st</sup> March, 2019.

**1. Financial Summary or Highlights / Performance of the Company**

The performance of the company for the financial year ended 31<sup>st</sup> March, 2019 is summarized as below:

(All Figures in ₹)

	2018 - 19	2017 - 18
Net Turnover	715,562,262	657,798,312
Profit/(Loss) before finance charges, depreciation and taxation	78,160,649	73,576,511
Less : Finance Charges	27,097,451	25,246,821
Depreciation and Amortization expense	34,141,716	34,772,450
Profit/(Loss) before exceptional items and tax	16,921,482	13,557,240
Less: Exceptional items	0	484,751
Profit/(Loss) before tax	16,921,482	13,072,489
Less : Current Year's tax (MAT)	3,560,365	2,799,034
MAT Credit Entitlement	(3,560,365)	(2,799,034)
Previous Years	0	3,833
Profit / (Loss) After tax	16,921,482	13,068,656
Other Comprehensive Income (net)	1,883,398	1,631,464
Total Comprehensive income for the period	18,804,880	14,700,120

**2. Dividend**

Dividend of ₹ 1.20 per equity share of ₹ 10 each has been recommended by the Board of Directors for the year ended 31<sup>st</sup> March, 2019 subject to the approval of the shareholders at the ensuing Annual General Meeting. 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**

During the year 2018-19, the Company recorded a turnover of ₹ 7156 Lakhs and Net Profit of ₹ 188 Lakhs compared to the turnover of ₹ 6578 Lakhs and Net Profit of ₹ 147 Lakhs in the previous year 2017-18.



The Company achieved 8.79% growth in turnover and 1.28 times gain in net profit. Your Directors are confident that Company will able to achieve better turnover and margins in the coming years.

**5. Future outlook**

The facility at Vishakhapatnam had received an Establishment Inspection Report (EIR) from US Food and Drug Administration (USFDA), which indicates closure of the inspection and it also indicates that the Unit is in acceptable state of Compliance of Current Good Manufacturing Practice (CGMP). This will indeed serve as a big boost for the Company and enable it to venture into wide range of campaign products. The Company got a voluntary action indicated inspection from the USFDA for the Vishakhapatnam facility.

The Company expects to commercialize three to four products in the current financial year. The efforts are fully focused on improving the profitability in the current financial year and build on. Furthermore, the Company plans to implement various marketing strategies to counter the competition from other manufacturers and boost the regular products to increase the turnover as well as margins.

**6. Research & Development**

The Company has spent ₹ 91 Lakhs 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.

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

(All Figures in ₹ Lakhs)

2016-17	2017-18	2018-19
113	741	42

**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.

**10. Internal Financial Control**

Your Company has adequate internal controls and such procedures are adopted by the Company for ensuring the orderly and efficient conduct of its business, including safeguarding of all its assets and prevention / detection of frauds and errors, accuracy and completeness of accounting records.



Auditors have verified the internal financial controls and tested the adequacy and the procedures adopted by the company and confirm that the controls are adequate to the size of the transactions. The management reviews and monitors the controls and process on a regular basis.

**11. Risk Management**

The Management of the Company will take adequate steps in identifying, assessing, controlling and mitigating the risks associated with different areas of its business operations.

**12. Details of Subsidiary / Joint Ventures / Associate Companies**

Your Company had no Subsidiaries, Joint Ventures and Associate Companies during the financial year under review.

**13. Deposits**

Your Company has not accepted any deposits covered under Chapter V of the Companies Act, 2013 during the financial year under review and also has no outstanding deposits at the beginning of the financial year.

**14. Auditors**Statutory Auditors

M/s. C K S Associates, Chartered Accountants were appointed as Statutory Auditors for a term of 5 years during the Annual General Meeting held on 21<sup>st</sup> August, 2014 as per the provisions of the Section 139 of the Companies Act and their term of 5 years is going to be completed at the end of the ensuing Annual General Meeting. The audit firm will be completing a total term of 10 years and pursuant to the provisions of the Companies Act, 2013, they have to vacate their office mandatorily at the end of the ensuing Annual General Meeting.

The Company had identified M/s. Nagendrasundram & Co., Chartered Accountants (FRN 005355S) (Peer Review certificate No.010122), who expressed their willingness to be appointed by way of consent letter confirming their eligibility. The Audit Committee and the Board had reviewed the same and recommended their appointment as Statutory Auditors for a period of 5 years, to the shareholders to be passed as an ordinary resolution.

As observed by the Auditors for FY 2018-19 an amount of ₹ 14,34,921 has not been paid towards income tax dues for the FY 2002-03, the Company confirms that provision has been made for the said amount but due to non receipt of consequential order from the department amount is not paid by the company.

Internal Auditors

The Board of directors of the company had appointed M/s. Ramakrishna & Associates, Chartered Accountants as Internal Auditors to conduct the Internal Audit of the company for the financial year ended 31<sup>st</sup> March, 2019.

Secretarial Auditors

The Board of directors of the company had appointed CS B. Venkatesh Babu, Practicing



Company Secretary as Secretarial Auditor to conduct Secretarial Audit of the Company for the financial year ended 31<sup>st</sup> March, 2019.

**15. Share Capital**

Your Company had not issued and raised any share capital including sweat equity, employee stock options during the financial year under review. Your Company has also not provided any money for purchase of its own shares by employees or for the benefit of employees.

**16. Extract of the Annual Return**

The extract of the annual return in Form MGT – 9 is annexed and forming part of the Board's Report as Annexure -1.

**17. Conservation of energy, technology absorption and foreign exchange earnings and outgo**

The details of conservation of energy, technology absorption, foreign exchange earnings and outgo have been provided in Annexure - 2 and shall form part of this report.

**18. Corporate Social Responsibility (CSR)**

The provisions of the Section 135 of the Companies Act, 2013 relating to Corporate Social Responsibility are not applicable to the Company. However, the Promoters firmly believe in giving back to the society and provide free medical help to the poor and financial assistance to the needy students through a Charitable Trust run by them.

**19. Directors**

As on the date of this report the following are the Board of Directors of the Company

S.No.	Name of the Director	Designation
1	Sri. Y.S.R. Venkata Rao	Managing Director
2	Dr. J.S. Yadav	Director
3	Sri. G. Jayaraman	Director
4	Sri. K.V. Suryaprakash Rao	Additional Director
5	Smt. Y. Lalithya Poorna	Director
6	Mr. Y.V. Prashanth	Director

During the year under review, the following changes took place in the Board:

**i) Appointments:**

Sri. V.S.N. Murty and Sri. K.V. Suryaprakash Rao were appointed as an Additional Directors of the Company on 15<sup>th</sup> October, 2018 and their term of office is upto the date of Annual General Meeting.

**ii) Change in Designation :**

Mr. Y.V. Prashanth resigned as Executive Director and continuing as Director with effect from 15<sup>th</sup> October, 2018.

**iii) Vacation of office:**

Sri. Ch. S. Prasad, Sri. P.C. Patnaik and Sri. V.S.N. Murty, Directors had vacated their office with



effect from 1<sup>st</sup> April, 2019 pursuant to the SEBI (LODR) (Amendment) Regulations, 2018, due to their age being over 75 years.

Board expressed their appreciation for the services rendered by the vacated Directors Sri. Ch. S. Prasad, Sri. P.C. Patnaik and Sri. V.S.N. Murty, during their tenure as Directors and also acknowledged the services rendered by Mr. Y.V. Prashanth as Executive Director. Further the following proposals were made:

- a) Mr. Y.V. Prashanth, Director retires by rotation, being eligible, offers himself for reappointment at the ensuing annual general meeting.
- b) Sri. K.V. Suryaprakash Rao, Independent Additional Director holds office upto the Annual General Meeting and it has been proposed to ratify his appointment at the ensuing Annual General Meeting for a period of 5 years from the original date of appointment.
- c) The term of office of Sri. G. Jayaraman and DR. J.S. Yadav, Independent Directors will end on 20<sup>th</sup> August, 2019 and as per the provisions of the Companies Act, 2013, It is proposed to re-appoint them for an another term of 5 years at the ensuing Annual General Meeting.

Independent Director's appointment and re-appointment was made as per the applicable provision and evaluation process of the Act. Details of No. of Board meetings and profile of directors are covered under the Corporate Governance section.

#### Declaration by an Independent Director

Company had received the declaration from all the Independent Directors that they meet the criteria of independence as per the provisions of Section 149 of the Companies Act, 2013

#### Formal Annual Evaluation

Pursuant to the provisions of the Companies Act, 2013 the Board has devised a policy on evaluation of performance of Board of Directors, Committees and Individual Directors. Accordingly, the Chairman of the Nomination and Remuneration Committee obtained from all the board members duly filled in evaluation templates for evaluation of the Board as a whole, evaluation of the committees and peer evaluation. The summary of the evaluation reports were presented to the respective Committees and the Board for their consideration.

## **20. Key Managerial Persons**

During the year under review Mr. P. Shankar Rao, Chief Financial Officer of the Company had retired due to attaining the superannuation w.e.f. 1<sup>st</sup> January, 2019 and Ms. K. Uma Kumari had been appointed as the Chief Financial Officer of the Company w.e.f. 5<sup>th</sup> February, 2019.

Further Ms. M. Neeharika, Company Secretary and Compliance officer had resigned w.e.f. 18<sup>th</sup> April, 2019 and the company is in the process of appointing a new compliance officer in due course.

## **21. Director's Responsibility Statement**

As per the provisions of clause (c) of sub-section (3) of Section 134 of the Companies Act, 2013, your Directors shall state that—



- (a) in the preparation of the annual accounts, the applicable accounting standards have been followed along with proper explanation relating to material departures;
- (b) the directors have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year and of the profit or loss of the Company for that period;
- (c) the directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- (d) the directors have prepared the annual accounts on a going concern basis; and
- (e) the directors, have laid down internal financial controls to be followed by the Company and that such internal financial controls are adequate and were operating effectively.
- (f) the directors have devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

## **22. Committees**

Your company has Audit Committee, Nomination and Remuneration Committee and Stakeholders Relationship Committee and during the year there is a reconstitution of the committees and the details are provided in the Corporate Governance section.

## **23. Vigil mechanism for Directors and Employees**

The Company believes in the standard of conduct which all employees are expected to observe in their business endeavors. The Code (Vigil Mechanism) reflects the Company's commitment to principles of integrity, transparency and fairness. The copy of the Code of Vigil Mechanism is available on the Company website [www.alkalimetals.com](http://www.alkalimetals.com) under Investors tab.

The Company has adopted a Whistle Blower Policy, as part of vigil mechanism to provide appropriate avenues to the Directors and employees to bring to the attention of the management any issue which is perceived to be in violation of or in conflict with the fundamental business principles of the Company. The employees are encouraged to voice their concerns by way of whistle blowing and all the employees have been given access to the Audit Committee.

The Director Mr. Y.V. PRASHANTH is designated as ombudsperson to deal with all the complaints registered under the policy.

## **24. Policy on Sexual Harassment**

Company had adopted policy on Prevention of Sexual Harassment of Women at Workplace in accordance with The Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013. The Company had committee with internal persons and during the year there were no complaints / incident of harassment.

## **25. Particulars of loans, guarantees or investments**

The Company had not given any loans, guarantees or made investments as per the provisions of Section 186 of the Companies Act, 2013 during the financial year under review and also there



are no outstanding amounts of loans given, guarantees provided and / or investments made at the beginning of the year.

**26. Particulars of contracts or arrangements with related parties**

During the Financial Year under review, Company had entered into certain Related Party Transactions which are on arms length basis; details of all such transactions as required under section 188 of the Companies Act are annexed in Form AOC-2 forming part of the Board's Report as Annexure - 3.

The Company has formulated a policy on materiality of Related Party Transactions and dealing with Related Party Transactions which can be accessed at the Company website [www.alkalimetals.com](http://www.alkalimetals.com) under Investors tab.

**27. Managerial Remuneration / Employee Details**

The Details required to be provided pursuant to Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 are annexed and forming part of the Board's Report as Annexure - 4.

There are no employees in the company in receipt of amounts covered in rule 5(2) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014. The top 10 employees details to be provided to the shareholders who made specific request to the company.

**28. Secretarial Audit Report**

Secretarial Audit Report obtained from CS B. Venkatesh Babu, Company Secretary in Practice is annexed and forming part of the Board's Report as Annexure - 5.

**29. Corporate Governance / Management Discussion and Analysis**

In terms of Regulation 34 of the SEBI (LODR) Regulations, 2015, a Report on Corporate Governance along with Compliance Certificate issued by Statutory Auditor's of the Company and also the Management Discussion and Analysis report is annexed and forms integral part of the Board's Report.

**30. Insurance**

All the properties and insurable interests of the Company including building, plant and machinery and stocks have been adequately insured.

**31. Listing on Stock Exchanges**

The securities of the company are continued to be listed on BSE and NSE. The listing fees for these stock exchanges are paid till the current financial year.

**32. Cost Audit**

Pursuant to provisions of section 148 of the Companies Act, 2013 read with Companies (Cost Records and Audit) Rules, 2014 cost audit is not applicable for the financial year 2018-19 for the Company.

**33. Compliance of Secretarial Standards**

The Company has duly complied with the applicable Secretarial Standards issued by The Institute of Company Secretaries of India, for the Board and General Meetings.

**34. Acknowledgements**

Your Directors express their gratitude to all stakeholders, bankers, Regulatory Authorities, Government, customers, suppliers, business associates, from India and abroad, staff and workers for their continued support at all times and look forward to have the same in our future endeavours. Directors are pleased to record their appreciation of the sincere and dedicated services of the employees and workmen at all levels.

Your Directors look forward to the long term future with confidence

For and on Behalf of Board of Directors

**For Alkali Metals Limited**

Place : Hyderabad  
Dated : 27.05.2019

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

**DR.J.S.YADAV**  
CHAIRMAN  
DIN: 02014136



**ANNEXURE -1**  
**EXTRACT OF ANNUAL RETURN**

as on the financial year ended on 31/03/2019

[Pursuant to section 92(3) of the Companies Act, 2013 and rule 12(1) of the Companies Management and Administration) Rules, 2014]

**I. REGISTRATION AND OTHER DETAILS:**

- (i) CIN : L27109TG1968PLC001196
- (ii) Registration Date : 17/04/1968
- (iii) Name of the Company : Alkali Metals Limited
- (iv) Category / Sub-Category of the Company : Limited Company/Indian Non Govt Company
- (v) Address of the Registered office and contact details : B-5, IDA, Uppal, Hyderabad - 500 039.  
**secretarial@alkalimetals.com**  
040 - 27562932
- (vi) Whether listed company : Yes
- (vii) Name, Address and Contact details of Registrar and Transfer Agent, if any : Cameo Corporate Services Limited  
Subramanian Building, No.1,  
Club House Road,  
Chennai - 600 002.  
Mr.Murali  
044-28460390  
**cameosys@cameoindia.com**  
CIN: U67120TN1998PLC041613

**II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY:**

All the business activities contributing 10 % or more of the total turnover of the Company shall be stated:-

S.No.	Name and Description of main products / services	NIC Code of the Product/ service	% to total turnover of the Company
1	Sodium Derivatives	20119	65.83
2	Pyridine Derivatives	20119	7.24
3	Fine Chemicals	20119	21.01

**III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES:**

S.No.	Name and address of the company	CIN/GLN	Holding/ Subsidiary/ Associate	% of shares held	Applicable Section
NIL					

**IV. SHARE HOLDING PATTERN (Equity Share Capital Breakup as percentage of Total Equity):**
**i) Category-wise Share Holding: Equity**

Category of Shareholders	No. of Shares held at the beginning of the year				No. of Shares held at the end of the year				% of Change during the Year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
<b>A) Promoters</b>									
<b>(1) Indian</b>									
(a) Individual/HUF	6904715	0	6904715	67.810	6904715	0	6904715	67.810	0
(b) Central Govt	0	0	0	0	0	0	0	0	0
(c) State Govt (s)	0	0	0	0	0	0	0	0	0
(d) Bodies Corp.	633	0	633	0.006	633	0	633	0.006	0
(e) Banks / FI	0	0	0	0	0	0	0	0	0
(f) Any Other.... Directors & Relatives	195494	0	195494	1.920	185494	0	185494	1.820	(0.100)
<b>Sub - Total (A) (1)</b>	<b>7100842</b>	<b>0</b>	<b>7100842</b>	<b>69.736</b>	<b>7090842</b>	<b>0</b>	<b>7090842</b>	<b>69.636</b>	<b>(0.100)</b>
<b>(2) Foreign</b>									
(a) NRIs-Individuals	0	0	0	0	0	0	0	0	0
(b) Other-Individuals	0	0	0	0	0	0	0	0	0
(c) Bodies Corp.	0	0	0	0	0	0	0	0	0
(d) Banks / FI	0	0	0	0	0	0	0	0	0
(e) Any Other....	0	0	0	0	0	0	0	0	0
<b>Sub - Total (A) (2)</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>Total Shareholding of Promoter (A)=(A) (1) + (A) (2)</b>	<b>7100842</b>	<b>0</b>	<b>7100842</b>	<b>69.736</b>	<b>7090842</b>	<b>0</b>	<b>7090842</b>	<b>69.636</b>	<b>(0.100)</b>
<b>(B) Public Shareholding</b>									
<b>(1) Institutions</b>									
(a) Mutual Funds	0	0	0	0	0	0	0	0	0
(b) Banks/FI	0	0	0	0	0	0	0	0	0
(c) Central Govt	0	0	0	0	0	0	0	0	0
(d) State Govt (s)	0	0	0	0	0	0	0	0	0
(e) Venture Capital funds	0	0	0	0	0	0	0	0	0
(f) Insurance Companies	0	0	0	0	0	0	0	0	0
(g) FIs	0	0	0	0	0	0	0	0	0
(h) Foreign Venture Capital Funds	0	0	0	0	0	0	0	0	0
(i) Others (Specify)	0	0	0	0	0	0	0	0	0
<b>Sub-Total (B)(1)</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>(2) Non-Institutions</b>									
(a) Bodies Corp.									
i. Indian	253010	0	253010	2.485	236802	0	236802	2.326	(0.159)
ii. Overseas	0	0	0	0	0	0	0	0	0
(b) Individuals									
i. Individual share-holders holding nominal share capital up to 0.1 million	2105358	783	2106141	20.684	2192297	783	2193080	21.538	0.854



Category of Shareholders	No. of Shares held at the beginning of the year				No. of Shares held at the end of the year				% of Change during the Year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
ii. Individual shareholders holding nominal share capital in excess of 0.1 million	460332	0	460332	4.521	453765	0	435765	4.280	(0.241)
<b>(C) Others (Specify)</b>									
NRI	80872	0	80872	0.794	84872	0	84872	0.834	0.04
HUF	134223	0	134223	1.318	124634	0	124634	1.224	(0.094)
Clearing members	42503	0	42503	0.417	6727	0	6727	0.066	(0.351)
IEPF	4583	0	4583	0.045	9784	0	9784	0.096	0.051
<b>Sub-Total (B) (2)</b>	<b>3080881</b>	<b>783</b>	<b>3081664</b>	<b>30.264</b>	<b>3090881</b>	<b>783</b>	<b>3091664</b>	<b>30.364</b>	<b>0.100</b>
<b>Total Shareholding of Public (B)=(B) (1) + (B) (2)</b>	<b>3080881</b>	<b>783</b>	<b>3081664</b>	<b>30.264</b>	<b>3090881</b>	<b>783</b>	<b>3091664</b>	<b>30.364</b>	<b>0.100</b>
<b>C. Shares held by custodian for GDRs &amp; ADRs</b>	0	0	0	0	0	0	0	0	0
<b>Grand Total (A+B+C)</b>	<b>10181723</b>	<b>783</b>	<b>10182506</b>	<b>100.000</b>	<b>10181723</b>	<b>783</b>	<b>101812506</b>	<b>100.00</b>	<b>0.000</b>

**(ii) Shareholding of Promoters:**

S.No.	Name of the Shareholder	Shareholding at the beginning of the year			Shareholding at the end of the year			% of Change during the Year
		No. of Shares	% of total Shares of the company	% of Shares Pledged / encumbered to total shares	No. of Shares	% of total Shares of the company	% of Shares Pledged / encumbered to total shares	
1	Y.S.R.Venkata Rao	6904715	67.810	20.920	6904715	67.810	20.920	0
2	Y. Lalithya Poorna	110000	1.080	0	110000	1.080	0	0
3	Y.S.R. Krishna Rao	56500	0.555	0	46500	0.455	0	(0.100)
4	Y. Krishna Veni	28994	0.285	0	28994	0.285	0	0
5	CDC Industrial Infrass Ltd	633	0.006	0	633	0.006	0	0
	<b>Total</b>	<b>7100842</b>	<b>69.736</b>	<b>20.920</b>	<b>7090842</b>	<b>69.636</b>	<b>20.920</b>	<b>(0.100)</b>

**(iii) Change in Promoters' Shareholding (please specify, if there is no change):**

S.No.	Name of the Shareholder	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of Shares	% of total Shares of the company	No. of Shares	% of total Shares of the company
1	Y.S.R. Krishna Rao	56500	0.555	56500	0.555
	i) Sale on 20-Apr-2018	-5000	-0.050	51500	0.505
	ii) Sale on 27-Apr-2018	-5000	-0.050	46500	0.455
	<b>Total</b>	<b>46500</b>	<b>0.455</b>	<b>46500</b>	<b>0.455</b>

**(iv) Shareholding Pattern of top ten Shareholders (other than Directors, Promoters and Holders of GDRs and ADRs):**

S.No.	Name of the Shareholder	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of Shares	% of total Shares of the company	No. of Shares	% of total Shares of the company
1	INDRAJITSINH PRABHATSINH DABHI				
	At the beginning of the year 01-Apr-2018	63000	0.6187	63000	0.6187
	At the end of the Year 30-Mar-2019	63000	0.6187	63000	0.6187
#2	RUSHITI SHAH				
	At the beginning of the year 01-Apr-2018	0	0.0000	0	0.0000
	Purchase 15-Jun-2018	48920	0.4804	48920	0.4804
	Purchase 21-Sep-2018	1580	0.0155	50500	0.4959
	Purchase 30-Nov-2018	2500	0.0245	53000	0.5205
	Purchase 21-Dec-2018	524	0.0051	53524	0.5256
	Purchase 22-Feb-2019	4476	0.0439	58000	0.5696
	Sale 08-Mar-2019	-405	0.0039	57595	0.5656
	Purchase 15-Mar-2019	250	0.0024	57845	0.5680
	At the end of the Year 30-Mar-2019	57845	0.5680	57845	0.5680
#3	NISHIT SHRIPAL BHANDARI				
	At the beginning of the year 01-Apr-2018	0	0.0000	0	0.0000
	Purchase 22-Jun-2018	56000	0.5499	56000	0.5499
	Sale 21-Sep-2018	-938	0.0092	55062	0.5407
	Purchase 30-Nov-2018	38	0.0003	55100	0.5411
	At the end of the Year 30-Mar-2019	55100	0.5411	55100	0.5411
4	BHARAT HIRALAL SHAH				
	At the beginning of the year 01-Apr-2018	51090	0.5017	51090	0.5017
	Sale 06-Apr-2018	-51090	0.5017	0	0.0000
	Purchase 15-Jun-2018	45118	0.4430	45118	0.4430
	Sale 10-Aug-2018	-514	0.0050	44604	0.4380
	Sale 07-Sep-2018	-150	0.0014	44454	0.4365
	Purchase 21-Sep-2018	400	0.0039	44854	0.4405
	Purchase 30-Nov-2018	1200	0.0117	46054	0.4522
	Purchase 21-Dec-2018	75	0.0007	46129	0.4530
	Purchase 22-Feb-2019	171	0.0016	46300	0.4547
	Sale 08-Mar-2019	-900	0.0088	45400	0.4458
	Sale 15-Mar-2019	-50	0.0004	45350	0.4453
	At the end of the Year 30-Mar-2019	45350	0.4453	45350	0.4453
5	MONIKA SUNIL KHATWANI				
	At the beginning of the year 01-Apr-2018	21000	0.2062	21000	0.2062
	Purchase 21-Sep-2018	4000	0.0392	25000	0.2455
	Purchase 30-Nov-2018	9275	0.0910	34275	0.3366
	Purchase 22-Feb-2019	5725	0.0562	40000	0.3928
	Sale 08-Mar-2019	-2000	0.0196	38000	0.3731
	At the end of the Year 30-Mar-2019	38000	0.3731	38000	0.3731



#6	BABALBHAI MANILAL PATEL				
	At the beginning of the year 01-Apr-2018	9000	0.0883	9000	0.0883
	Sale 06-Apr-2018	-2000	0.0196	7000	0.0687
	Purchase 25-May-2018	1000	0.0098	8000	0.0785
	Purchase 22-Jun-2018	117	0.0011	8117	0.0797
	Purchase 29-Jun-2018	1883	0.0184	10000	0.0982
	Sale 28-Sep-2018	-1000	0.0098	9000	0.0883
	Purchase 05-Oct-2018	6000	0.0589	15000	0.1473
	Purchase 12-Oct-2018	2311	0.0226	17311	0.1700
	Purchase 19-Oct-2018	289	0.0028	17600	0.1728
	Sale 26-Oct-2018	-110	0.0010	17490	0.1717
	Sale 02-Nov-2018	-2490	0.0244	15000	0.1473
	Purchase 30-Nov-2018	11105	0.1090	26105	0.2563
	Purchase 01-Feb-2019	895	0.0087	27000	0.2651
	At the end of the Year 30-Mar-2019	27000	0.2651	27000	0.2651
7	EMKAY GLOBAL FINANCIAL SERVICES LIMITED				
	At the beginning of the year 01-Apr-2018	3472	0.0340	3472	0.0340
	Purchase 06-Apr-2018	34741	0.3411	38213	0.3752
	Purchase 13-Apr-2018	2008	0.0197	40221	0.3950
	Purchase 20-Apr-2018	36173	0.3552	76394	0.7502
	Purchase 27-Apr-2018	53842	0.5287	130236	1.2790
	Purchase 04-May-2018	7553	0.0741	137789	1.3531
	Purchase 11-May-2018	12023	0.1180	149812	1.4712
	Purchase 18-May-2018	8939	0.0877	158751	1.5590
	Purchase 25-May-2018	9504	0.0933	168255	1.6523
	Sale 01-Jun-2018	-1170	0.0114	167085	1.6409
	Purchase 08-Jun-2018	3928	0.0385	171013	1.6794
	Sale 15-Jun-2018	-91370	0.8973	79643	0.7821
	Sale 22-Jun-2018	-71576	0.7029	8067	0.0792
	Purchase 29-Jun-2018	3987	0.0391	12054	0.1183
	Purchase 06-Jul-2018	176	0.0017	12230	0.1201
	Purchase 13-Jul-2018	3549	0.0348	15779	0.1549
	Purchase 20-Jul-2018	2868	0.0281	18647	0.1831
	Purchase 27-Jul-2018	2332	0.0229	20979	0.2060
	Purchase 03-Aug-2018	1584	0.0155	22563	0.2215
	Sale 10-Aug-2018	-11065	0.1086	11498	0.1129
	Purchase 17-Aug-2018	358	0.0035	11856	0.1164



	Purchase 24-Aug-2018	1675	0.0164	13531	0.1328
	Purchase 31-Aug-2018	1865	0.0183	15396	0.1512
	Purchase 07-Sep-2018	597	0.0058	15993	0.1570
	Purchase 14-Sep-2018	3336	0.0327	19329	0.1898
	Sale 21-Sep-2018	-14378	0.1412	4951	0.0486
	Purchase 28-Sep-2018	5854	0.0574	10805	0.1061
	Purchase 05-Oct-2018	2970	0.0291	13775	0.1352
	Purchase 12-Oct-2018	2060	0.0202	15835	0.1555
	Purchase 19-Oct-2018	1893	0.0185	17728	0.1741
	Purchase 26-Oct-2018	334	0.0032	18062	0.1773
	Sale 02-Nov-2018	-601	0.0059	17461	0.1714
	Purchase 09-Nov-2018	333	0.0032	17794	0.1747
	Sale 16-Nov-2018	-523	0.0051	17271	0.1696
	Purchase 23-Nov-2018	459	0.0045	17730	0.1741
	Sale 30-Nov-2018	-17159	0.1685	571	0.0056
	Purchase 07-Dec-2018	138	0.0013	709	0.0069
	Purchase 14-Dec-2018	534	0.0052	1243	0.0122
	Purchase 21-Dec-2018	204	0.0020	1447	0.0142
	Purchase 28-Dec-2018	685	0.0067	2132	0.0209
	Purchase 04-Jan-2019	865	0.0084	2997	0.0294
	Purchase 11-Jan-2019	64	0.0006	3061	0.0300
	Purchase 18-Jan-2019	100	0.0009	3161	0.0310
	Purchase 25-Jan-2019	1128	0.0110	4289	0.0421
	Purchase 01-Feb-2019	1781	0.0174	6070	0.0596
	Purchase 08-Feb-2019	5115	0.0502	11185	0.1098
	Purchase 15-Feb-2019	1187	0.0116	12372	0.1215
	Sale 22-Feb-2019	-11819	0.1160	553	0.0054
	Purchase 01-Mar-2019	952	0.0093	1505	0.0147
	Sale 08-Mar-2019	-1269	0.0124	236	0.0023
	Purchase 15-Mar-2019	1461	0.0143	1697	0.0166
	Purchase 22-Mar-2019	7793	0.0765	9490	0.0931
	Purchase 29-Mar-2019	15882	0.1559	25372	0.2491
	At the end of the Year 30-Mar-2019	25372	0.2491	25372	0.2491
	HAVING SAME PAN				
7	EMKAY GLOBAL FINANCIAL SERVICES LIMITED A/C DERIVATIVES COLLATERAL SECURITIES				
	At the beginning of the year 01-Apr-2018	0	0.0000	0	0.0000



	Purchase 25-Jan-2019	300	0.0029	300	0.0029
	At the end of the Year 30-Mar-2019	300	0.0029	300	0.0029
	<b>HAVING SAME PAN</b>				
7	<b>EMKAY GLOBAL FINANCIAL SERVICES LTD</b>				
	At the beginning of the year 01-Apr-2018	24603	0.2416	24603	0.2416
	Sale 06-Apr-2018	-24603	0.2416	0	0.0000
	Purchase 08-Jun-2018	215	0.0021	215	0.0021
	Sale 15-Jun-2018	-215	0.0021	0	0.0000
	Purchase 06-Jul-2018	500	0.0049	500	0.0049
	Sale 13-Jul-2018	-500	0.0049	0	0.0000
	Purchase 07-Sep-2018	2626	0.0257	2626	0.0257
	Sale 14-Sep-2018	-2626	0.0257	0	0.0000
	Purchase 31-Dec-2018	100	0.0009	100	0.0009
	Sale 04-Jan-2019	-100	0.0009	0	0.0000
	Purchase 25-Jan-2019	2963	0.0290	2963	0.0290
	Sale 01-Feb-2019	-2803	0.0275	160	0.0015
	Sale 08-Feb-2019	-160	0.0015	0	0.0000
	Purchase 22-Feb-2019	1150	0.0112	1150	0.0112
	Sale 01-Mar-2019	-1150	0.0112	0	0.0000
	At the end of the Year 30-Mar-2019	0	0.0000	0	0.0000
	<b>HAVING SAME PAN</b>				
7	<b>EMKAY GLOBAL FINANCIAL SERVICES LTD</b>				
	At the beginning of the year 01-Apr-2018	11197	0.1099	11197	0.1099
	Sale 06-Apr-2018	-11197	0.1099	0	0.0000
	Purchase 11-May-2018	191	0.0018	191	0.0018
	Sale 18-May-2018	-191	0.0018	0	0.0000
	Purchase 05-Oct-2018	104	0.0010	104	0.0010
	Sale 12-Oct-2018	-104	0.0010	0	0.0000
	Purchase 30-Nov-2018	2	0.0000	2	0.0000
	Sale 07-Dec-2018	-2	0.0000	0	0.0000
	Purchase 31-Dec-2018	500	0.0049	500	0.0049
	Sale 04-Jan-2019	-500	0.0049	0	0.0000
	Purchase 25-Jan-2019	405	0.0039	405	0.0039
	Sale 01-Feb-2019	-400	0.0039	5	0.0000
	Sale 08-Feb-2019	-5	0.0000	0	0.0000
	At the end of the Year 30-Mar-2019	0	0.0000	0	0.0000



8	SNEH GIRISH CHHADUA				
	At the beginning of the year 01-Apr-2018	21000	0.2062	21000	0.2062
	Sale 06-Apr-2018	-1556	0.0152	19444	0.1909
	Purchase 22-Jun-2018	2000	0.0196	21444	0.2105
	Purchase 09-Nov-2018	267	0.0026	21711	0.2132
	At the end of the Year 30-Mar-2019	21711	0.2132	21711	0.2132
9	DARSHANA JIGNESH KOTHARI JT1 : NEETA MANOJ RUPAREL				
	At the beginning of the year 01-Apr-2018	95000	0.9329	95000	0.9329
	Sale 24-Aug-2018	-7000	0.0687	88000	0.8642
	Sale 31-Aug-2018	-1000	0.0098	87000	0.8544
	Sale 19-Oct-2018	-4915	0.0482	82085	0.8061
	Sale 26-Oct-2018	-1088	0.0106	80997	0.7954
	Sale 02-Nov-2018	-2899	0.0284	78098	0.7669
	Sale 09-Nov-2018	-5125	0.0503	72973	0.7166
	Sale 23-Nov-2018	-4973	0.0488	68000	0.6678
	Sale 08-Feb-2019	-2800	0.0274	65200	0.6403
	Sale 15-Feb-2019	-1215	0.0119	63985	0.6283
	Sale 22-Feb-2019	-985	0.0096	63000	0.6187
	Sale 08-Mar-2019	-7100	0.0697	55900	0.5489
	Sale 15-Mar-2019	-18956	0.1861	36944	0.3628
	Sale 22-Mar-2019	-15242	0.1496	21702	0.2131
	At the end of the Year 30-Mar-2019	21702	0.2131	21702	0.2131
10	BANSURI POLY PACK PRIVATE LIMITED				
	At the beginning of the year 01-Apr-2018	20000	0.1964	20000	0.1964
	At the end of the Year 30-Mar-2019	20000	0.1964	20000	0.1964
	NEW TOP 10 AS ON (30-Mar-2019)				
11	NEETA MANOJ RUPAREL				
	At the beginning of the year 01-Apr-2018	95000	0.9329	95000	0.9329
	Sale 24-Aug-2018	-7000	0.0687	88000	0.8642
	Sale 31-Aug-2018	-1000	0.0098	87000	0.8544
	Sale 19-Oct-2018	-6000	0.0589	81000	0.7954
	Sale 09-Nov-2018	-8553	0.0839	72447	0.7114
	Sale 16-Nov-2018	-4497	0.0441	67950	0.6673
	Sale 23-Nov-2018	-3950	0.0387	64000	0.6285
	Sale 15-Feb-2019	-80	0.0007	63920	0.6277
	Sale 22-Feb-2019	-920	0.0090	63000	0.6187
	Sale 08-Mar-2019	-7000	0.0687	56000	0.5499



	Sale 15-Mar-2019	-20452	0.2008	35548	0.3491
	Sale 22-Mar-2019	-19931	0.1957	15617	0.1533
	At the end of the Year 30-Mar-2019	15617	0.1533	15617	0.1533
12	GEECY ENGINEERING PRIVATE LIMITED				
	At the beginning of the year 01-Apr-2018	69000	0.6776	69000	0.6776
	Sale 23-Nov-2018	-1000	0.0098	68000	0.6678
	Sale 08-Mar-2019	-10000	0.0982	58000	0.5696
	Sale 15-Mar-2019	-18737	0.1840	39263	0.3855
	Sale 22-Mar-2019	-34427	0.3380	4836	0.0474
	Sale 29-Mar-2019	-1036	0.0101	3800	0.0373
	At the end of the Year 30-Mar-2019	3800	0.0373	3800	0.0373
13	VINOD FOJMALJI KOTHARI HUF .				
	At the beginning of the year 01-Apr-2018	21800	0.2140	21800	0.2140
	Sale 27-Apr-2018	-21800	0.2140	0	0.0000
	At the end of the Year 30-Mar-2019	0	0.0000	0	0.0000

\* Ceased to be in the list of Top 10 shareholders as on 31<sup>st</sup> March 2019. The same has been reflected above since the shareholder was one of the Top 10 shareholders as on 1<sup>st</sup> April 2018.

# Not in the list of Top 10 shareholders as on 1<sup>st</sup> April 2018. The same has been reflected above since the shareholder was one of the Top 10 shareholders as on 31<sup>st</sup> March 2019.

**(v) Shareholding of Directors and Key Managerial Personnel:**

S.No.	For Each of the Directors and KMP	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of Shares	% of total Shares of the company	No. of Shares	% of total Shares of the company
1	Y.S.R. Venkata Rao				
	At the beginning of the year	6904715	67.810	6904715	67.810
	At the End of the year	6904715	67.810	6904715	67.810
2	Y. Lalithya Poorna				
	At the beginning of the year	110000	1.080	110000	1.080
	At the End of the year	110000	1.080	110000	1.080
3	Ch.S. Prasad				
	At the beginning of the year	253	0.002	253	0.002
	At the End of the year	253	0.002	253	0.002

**V. INDEBTEDNESS:**

*Indebtedness of the Company including interest outstanding / accrued but not due for payment:*

(All Figures in ₹)

For Each of the Directors and KMP	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
<b>Indebtedness at the beginning of the financial year</b>				
i) Principal Amount	16,39,84,583	2,54,11,312	0	18,93,95,895
ii) Interest due but not paid	0	0	0	0
iii) Interest accrued but not due	88,488	0	0	88,488
<b>Total (i+ii+iii)</b>	<b>16,40,73,071</b>	<b>2,54,11,312</b>	<b>0</b>	<b>18,94,84,383</b>
<b>Change in Indebtedness during the financial year</b>				
Addition	0	0	0	0
Reduction	1,11,51,008	81,49,325	0	1,93,00,333
<b>Net Change</b>	<b>(1,11,51,008)</b>	<b>(81,49,325)</b>	<b>0</b>	<b>(1,93,00,333)</b>
<b>Indebtedness at the end of the financial year</b>				
i) Principal Amount	15,29,22,063	1,72,61,987	0	17,01,84,050
ii) Interest due but not paid	0	0	0	0
iii) Interest accrued but not due	0	0	0	0
<b>Total (i+ii+iii)</b>	<b>15,29,22,063</b>	<b>1,72,61,987</b>	<b>0</b>	<b>17,01,84,050</b>

**VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL:**

**A. Remuneration to Managing Director(MD), Whole-time Directors(WTD) and / or Manager:**

(All Figures in ₹)

S.No.	Particulars of Remuneration	Name of MD / WTD / Manager		Total Amount
		Y.S.R. Venkata Rao, MD	Y.V. Prashanth, WTD (up to 15-Oct-2018)	
1	Gross salary			
(a)	Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	60,00,000	22,75,000	82,75,000
(b)	Value of perquisites u/s 17(2) Income-tax Act, 1961	3,75,000	0	3,75,000
(c)	Profits in lieu of salary under section 17(3) Income-tax Act, 1961	0	0	0
2	Stock Option	0	0	0
3	Sweat Equity	0	0	0
4	Commission			
	- as % of profit	10,16,197	3,71,550	13,87,747
	- others, specify (sitting fee)	0	35,000	35,000
5	Others, please specify			
	Fee for attending the board meeting	0	0	0
	<b>Total (A)</b>	<b>73,91,197</b>	<b>26,81,550</b>	<b>1,00,72,747</b>
	Ceiling as per the Act	84,00,000	84,00,000	1,68,00,000


**B. Remuneration to other Directors:**

(All Figures in ₹)

S. No.	Particulars of Remuneration	Name of Directors						Total Amount
		Ch.S. Prasad	G. Jayaraman	P.C. Patnaik	J.S. Yadav	K.V.S. Prakash Rao	V.S.N. Murthy	
1	Independent Directors Fee for attending board / committee meetings	1,55,000	2,05,000	1,55,000	1,25,000	65,000	60,000	7,65,000
	Commission	0	0	0	0	0	0	0
	Others, please specify	0	0	0	0	0	0	0
	<b>Total (1)</b>	<b>1,55,000</b>	<b>2,05,000</b>	<b>1,55,000</b>	<b>1,25,000</b>	<b>65,000</b>	<b>60,000</b>	<b>7,65,000</b>
2	Other Non-Executive Directors	<b>Y.V. Lalithya Poorna</b>	-	-	-	-	-	
	Fee for attending board / committee meetings	60,000	0	0	0	0	0	60,000
	Commission	0	0	0	0	0	0	0
	Others, please specify	0	0	0	0	0	0	0
	<b>Total (2)</b>	<b>60,000</b>						<b>60,000</b>
	<b>Total (B) = (1)+(2)</b>							<b>8,25,000</b>
	<b>Total Managerial Remuneration</b>							<b>1,05,22,747</b>
	<b>Overall Ceiling as per the Act</b>							<b>1,68,00,000</b>

**C. Remuneration to other Directors key managerial personnel other than MD / MANAGER / WTD:**

(All Figures in ₹)

S. No.	Particulars of Remuneration	Key Managerial Personnel			Total Amount
		M. Neeharika CS	P. Sankara Rao CFO	K. Uma Kumari CFO	
1	Gross salary				
(a)	Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	3,70,989	8,63,207	2,47,050	14,81,246
(b)	Value of perquisites u/s 17(2) Income-tax Act, 1961	0	0	0	0
(c)	Profits in lieu of salary under section 17(3) Income-tax Act, 1961	0	0	0	0
2	Stock Option	0	0	0	0
3	Sweat Equity	0	0	0	0
4	Commission - as % of profit - others, specify...	0	0	0	0
5	Others, please specify	0	0	0	0
	<b>Total (A)</b>	<b>3,70,989</b>	<b>8,63,207</b>	<b>2,47,050</b>	<b>14,81,246</b>

Note:

- i) Mr. P. Sankara Rao had retired due to superannuation w.e.f. 31<sup>st</sup> December 2018
- ii) Ms. K. Uma Kumari, was appointed as a CFO on 5<sup>th</sup> February 2019

**VII. PENALTIES / PUNISHMENT / COMPOUNDING OF OFFENCES:**

Type	Section of the Companies Act	Brief Description	Details of Penalty/ Punishment/ Compounding fees imposed	Authority [RD /NCLT/ COURT]	Appeal made, if any (give Details)
<b>A. COMPANY</b>					
Penalty	Nil	Nil	Nil	Nil	Nil
Punishment	Nil	Nil	Nil	Nil	Nil
Compounding	Nil	Nil	Nil	Nil	Nil
<b>B. DIRECTORS</b>					
Penalty	Nil	Nil	Nil	Nil	Nil
Punishment	Nil	Nil	Nil	Nil	Nil
Compounding	Nil	Nil	Nil	Nil	Nil
<b>C. OTHER OFFICERS IN DEFAULT</b>					
Penalty	Nil	Nil	Nil	Nil	Nil
Punishment	Nil	Nil	Nil	Nil	Nil
Compounding	Nil	Nil	Nil	Nil	Nil

For and on Behalf of Board of Directors

**Alkali Metals Limited**Place : Hyderabad  
Dated : 27.05.2019**Y.S.R.VENKATA RAO**  
MANAGING DIRECTOR  
DIN: 00345524**DR.J.S.YADAV**  
CHAIRMAN  
DIN: 02014136

**ANNEXURE - 2**

Disclosure of particulars with respect to conservation of energy, technology absorption and foreign exchange earnings and outgo as required under provisions of Section 134(3)(m) read with Companies (Accounts) Rules, 2014:

**A. CONSERVATION OF ENERGY**

- 1) The steps taken or impact on conservation of energy:  
The Company is taking continuous measures for conserving the energy. Company had installed Hydrogen recovery plant and Nitrous oxide generation plant at all the units which will help in reduction of cost and re-usage of fuels from the recovery plants. Company had taken measures for usage of cost effective fuels. The measures taken by the Company had substantial contribution towards cost reduction.
- 2) The steps taken by the Company for utilizing alternate sources of energy:  
The Company will take continuous steps to use the alternate sources by using cost effective fuels.
- 3) The Capital investment on energy conservation equipments:  
Not envisaged any additional investment in the coming year.

**B. TECHNOLOGY ABSORPTION**

- i. The Efforts made towards technology absorption:  
The Company had its own technology for the process and the products and the company is in the continuous process of its R&D to reduce the process time, cost etc.
- ii. The Benefits derived like product improvement, cost reduction, product development or import substitution:
  - Consistent approach to chemical process parameters for quality standards.
  - Commercialization of new products
  - Save time by automating repetitive R&D tasks
  - Gain valuable chemical process understanding from low value material and process attributes data using machine learning methods.
  - Adaptability to cost cutting measures.
- iii. Details of technology imported during the past 3 years:  
No technology has been imported during the past 3 years.
- iv. The expenditure incurred on Research and Development: ₹ 91 Lakhs.

**C. FOREIGN EXCHANGE EARNINGS AND OUTGO**

(All Figures in ₹)

	2018 - 19		2017 - 18	
Earnings		<b>286,768,050</b>		256,391,046
Outgo		<b>208,648,856</b>		81,198,696
Raw Materials	<b>206,323,369</b>		79,519,071	
Foreign currency Exp.	<b>2,325,487</b>		1,679,625	
Net Foreign Exchange earnings		<b>78,119,194</b>		175,192,350

For and on Behalf of Board of Directors  
**Alkali Metals Limited**

Place : Hyderabad  
Dated : 27.05.2019

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

**DR.J.S.YADAV**  
CHAIRMAN  
DIN: 02014136

**ANNEXURE - 3  
Form No. AOC-2**

(Pursuant to clause (h) of sub-section (3) of section 134 of the Act and Rule 8(2) of the Companies (Accounts) Rules, 2014  
Form for disclosure of particulars of contracts / arrangements entered into by the Company with related parties referred to in  
sub-section (1) of section 188 of the Companies Act, 2013 including certain arms length transactions under third proviso thereto

1. Details of contracts or arrangements or transactions not at arm's length basis: NIL
2. Details of Contract or arrangements or transactions at arm's length basis:

Name(s) of the related party	Nature of relationship	Nature of contracts/ arrangements/ transactions	Duration of the contracts / arrangements/ transactions	Salient terms of the contracts or arrangements or transactions including the value, if any:	Date(s) of approval by the Board/ Members, if any	Amount paid as advances, if Any
Sri. Y.S.R. Venkata Rao	Managing Director	Rent	Continuous transactions	Rent paid amounted to ₹ 1,65,000	5 <sup>th</sup> February, 2019	Rental deposit of ₹ 1,65,000
Mr. Y.V. Prashanth	Director	Rent	Continuous transactions	Rent paid amounted to ₹ 180,000	5 <sup>th</sup> February, 2019	Rental deposit of ₹ 180,000
Smt. Lalitha Devi	Mother of Managing Director	Rent	Continuous transactions	Rent paid amounted to ₹ 90,000	5 <sup>th</sup> February, 2019	Rental deposit of ₹ 90,000
CDC Industrial Infrass Limited	Entity in which common promoter Directors	Rent	Continuous transactions	Rent paid amounted to ₹ 90,000	5 <sup>th</sup> February, 2019	Rental deposit of ₹ 90,000
Asian Herbex Limited	Entity in which common promoter Directors	Towards consideration for Capital Equipment	One Time transaction	Towards consideration for Capital Equipment up to an amount of ₹ 2,00,00,000	5 <sup>th</sup> February, 2019	Advance paid ₹ 99,00,000
Zigna Analytics Private Limited	Entity in which common promoter Director	Sales Commission	Continuous transactions	Commission paid amounted to ₹ 5,30,050	5 <sup>th</sup> February, 2019	Nil

For and on Behalf of Board of Directors  
**For Alkali Metals Limited**

Place : Hyderabad  
Dated : 27.05.2019

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

**DR.J.S.YADAV**  
CHAIRMAN  
DIN: 02014136

**ANNEXURE - 4**

Statement of particulars as per Rule 5 of Companies (Appointment and Remuneration of Managerial personnel) Rules, 2014.

- (i) The ratio of the remuneration of each director to the median remuneration of the employees of the Company for the financial year :

S.No.	Name of the Director	Ratio of the remuneration to the median remuneration of the employees
1	Sri. Y.S.R.Venkata Rao, Managing Director	23.39
2	Mr. Y.V. Prashanth, Director (Executive Director up to 15.10.2018)	8.37

Note: No other director is drawing remuneration other than specified above

- (ii) The percentage increase in remuneration of each Director, Chief Financial Officer, Chief Executive Officer, Company Secretary or Manager in the financial year:

S.No.	Name of the Director and KMP	Percentage increase in remuneration
1	Sri. Y.S.R. Venkata Rao, Managing Director	19.39%
2	Mr. Y.V. Prashanth, Director	19.79%
3	Mr. P. Sankara Rao, CFO	Nil
4	Ms. K. Uma Kumari, CFO	Nil
5	Ms. M. Neeharika, CS	Nil

Note:

- a) Mr. Y.V. Prashanth was Executive Director up to 15<sup>th</sup> October 2018  
b) Mr. P. Sankara Rao, CFO retired due to superannuation w.e.f. 1<sup>st</sup> January, 2019  
c) Ms. K. Uma Kumari, CFO appointed w.e.f. 5<sup>th</sup> February, 2019

- (iii) The percentage increase in the median remuneration of employees in the financial year: NIL  
(iv) The number of permanent employees on the rolls of Company:  
119 members as on 31<sup>st</sup> March, 2019.  
(v) The explanation on the relationship between average increase in remuneration and company's performance.

Average increase in remuneration	Company's performance
8%	Turnover is ₹ 7156 Lakhs and the Net Profit is ₹ 188 Lakhs.

- (vi) Comparison of the remuneration of the Key Managerial Personnel (KMP) against the performance of the Company

(All Figures in ₹)

Turnover	71,55,62,262
Net Profit	1,88,04,880
Total Remuneration to KMP	1,15,18,993



- (vii) Variations in the market capitalisation of the Company, price earnings ratio as at the closing date of the current financial year and previous financial year and percentage increase or decrease in the market quotations of the shares of the Company in comparison to the rate at which the Company came out with the last public offer:

S.No.	Particulars	31.03.2019	31.03.2018
1	Market Capitalisation		
	BSE (amount in ₹)	42,15,55,748	57,37,84,213
	NSE (amount in ₹)	42,15,55,748	57,73,48,090
2	Price Earnings ratio (based on Basic EPS)		
	BSE	22	39
	NSE	22	39
3	Market quotation of the shares compare to rate at which came out with IPO.		
The Company came with Initial Public Offer during the period of 2008 at a price of ₹103 per share. As on 29 <sup>th</sup> March 2019 (last trading day) the market quotation of the company shares price is ₹ 41.40 in both BSE and NSE.			

- (viii) Average percentile increase already made in the salaries of employees other than the managerial personnel in the last financial year and its comparison with the percentile increase in the managerial remuneration and justification thereof and point out if there are any exceptional circumstances for increase in the managerial remuneration:

The Average percentage of increase in remuneration of employees other than the managerial personnel is NIL as compare to increase in the remuneration of Managerial person by 10%.

- (ix) Comparison of the each remuneration of the Key Managerial Personnel against the performance of the Company:

S.No.	Name	Remuneration of Key Managerial Person (in ₹)	Performance of the Company during 2018-19	% to Turnover
1	Sri. Y.S.R. Venkata Rao, MD	73,91,197	Turnover ₹71,55,62,262 Net Profit ₹ 1,88,04,880	1.03%
2	Mr. Y.V. Prashanth, ED (up to 15th October 2018)	26,46,550		0.37%
3	Mr. P. SankaraRao, CFO (up to 31 <sup>st</sup> December 2018)	8,63,207		0.12%
4	Ms. M. Neeharika, CS	3,70,989		0.05%
5	Ms. K. Uma Kumari, CFO (from 5 <sup>th</sup> February 2019)	2,47,050		0.03%

Note: Except Sri. Y.S.R. Venkata Rao other remunerations are annualized for the purpose of calculating % of turnover as they have not served full year in the same capacity.



- (x) The key parameters for any variable component of remuneration availed by the directors:  
Both Managing Director and Executive Directors are entitled 5% on profits as part of remuneration during the year ended 31<sup>st</sup> March 2019.
- (xi) The ratio of the remuneration of the highest paid director to that of the employees who are not directors but receive remuneration in excess of the highest paid director during the year:  
Not Applicable.
- (xii) Affirmation that the remuneration is as per the remuneration policy of the company:  
It is hereby affirmed that the remuneration paid is as per the Remuneration Policy for Directors, KMPs and other Employees.

For and on Behalf of Board of Directors  
**Alkali Metals Limited**

Place : Hyderabad  
Dated : 27.05.2019

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

**DR.J.S.YADAV**  
CHAIRMAN  
DIN: 02014136

**FORM MR-3**

[Pursuant to Section 204(1) of the Companies Act, 2013 and Rule No. 9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014]

**SECRETARIAL AUDIT REPORT**

(For the Financial Year ending 31<sup>st</sup> March 2019)

To  
The Members of  
M/s. Alkali Metals Limited  
Hyderabad.

I have conducted the Secretarial Audit on the compliance of applicable statutory provisions and the adherence to good corporate practices by **M/s. Alkali Metals Limited (CIN: L27109TG1968PLC001196)** (hereinafter called the Company). Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts / statutory compliances and expressing our opinion thereon.

Based on my verification of the Alkali Metals Limited, books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, I hereby report that in my opinion, the Company has, during the audit period covering the financial year ended on 31<sup>st</sup> March 2019, complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

The Company is carrying on the business activities of manufacture of Bulk Drug, Intermediaries such as Organic and Inorganic Chemical and Fine Chemicals.

I have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on 31<sup>st</sup> March 2019 according to the provisions of:

1. The Companies Act, 1956 (to the extent applicable) and The Companies Act, 2013 (to the extent notified) (the Act) and the Rules made there under;
2. The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the Rules made there under;
3. The Depositories Act, 1996 and the Regulations and Bye-laws framed there under;
4. Foreign Exchange Management Act, 1999 and the Rules and Regulations made there under to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings;
5. The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act') to the extent applicable to the Company :-
  - a. The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;



- b. The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992;
- c. The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015;
- d. The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009;
- e. The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999;
- f. The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008;
- g. The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;
- h. The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009; and
- i. The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998;

I have also examined compliance with applicable clauses of the following:

- i. The Secretarial Standards on the meeting of the Board of Directors and General Meetings issued by The Institute of Company Secretaries of India.
- ii. The Memorandum and Articles of Association.

During the year under review the Company has complied with the provisions of the Acts, Rules, Regulations, Guidelines, Standards etc mentioned above to the extent applicable to the Company.

However, please note that SEBIs ICDR, ESOS, Listing of Debt Securities, Registrar to an Issue, Delisting and Buyback of Securities are not applicable as there being no such activity / acts / events during the audit period for the Company.

The Company has identified the following laws as specifically applicable to the Company:

- a) Petroleum And Explosives Safety Organisation (Formerly Department of Explosives)
- b) Drugs and Cosmetics Act, 1940
- c) Prohibition and Excise
- d) Water (Prevention and Control of Pollution) Act, 1974
- e) Air (Prevention and Control of Pollution) Act, 1981
- f) Hazardous Wastes (Management, Handling and Transboundary Movement) Rules, 2008
- g) Indian Boilers Act, 1923

I further report that based on the information received, explanations given, process explained there are adequate systems and processes in the Company commensurate with the size and operations of the Company to monitor and ensure compliance with Sector Specific laws, rules, regulations and guidelines.



I further report that:

1. The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors, Independent Directors and Woman Director. The following are the changes in the composition of the Board of Directors and KMPs during the year under review.
  - Mr. Y.V. Prashanth, Director resigned and continued as non executive Director with effect from 15<sup>th</sup> October 2018.
  - Sri. V.S.N. Murthy and Sri. K.V. Suryaprakash Rao, were appointed as an additional Independent Directors by the Board with recommendation of the Nomination and Remuneration Committee on 15<sup>th</sup> October 2018.
  - Mr. P. Sankara Rao, CFO retired by attaining superannuation with effect from 1<sup>st</sup> January 2018 and Company appointed Ms. K. Uma Kumari, as CFO with effect from 5<sup>th</sup> February 2019.
  - Pursuant to SEBI (LORD) (Amended) Regulations 2018 Sri. Ch.S. Prasad, Sri. P.C. Patnaik and Sri. V.S.N. Murthy were vacated the office with effect from 1<sup>st</sup> April 2019 due to their age being over 75 years.
2. Adequate notice is given to all directors to conduct the Meetings of Board and its committees. Agenda and detailed notes on agenda were sent at shorter period in advance, and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.
3. All decisions at Board Meeting and committee meetings were carried out unanimously as recorded in the minutes of the meeting and there were no instances of dissenting members in the board and committee meetings.
4. During the year, the Company had entered into related party transactions at arm's length price with the approval of the audit committee and Board.

I further report that there are adequate systems and processes in the Company commensurate with the size and operations of the Company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

I further report that during the audit period, there were no specific events / actions having a major bearing on the company's affairs in pursuance of the above referred laws, rules, regulations, guidelines, standards, etc. as referred to above.

For and on Behalf of Board of Directors  
**Alkali Metals Limited**

Place : Hyderabad  
Dated : 27.05.2019

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

**DR.J.S.YADAV**  
CHAIRMAN  
DIN: 02014136



**Secretarial compliance report of Alkali Metals Limited  
for the year ended 31<sup>st</sup> March, 2019**

I, CS B. Venkatesh Babu have examined:

- a) all the documents and records made available to me and explanation provided by **Alkali Metals Limited (CIN: L27109TG1968PLC001196)** (“the listed entity”)
- b) the filings / submissions made by the listed entity to the stock exchanges,
- c) website of the listed entity,
- d) any other document / filing, as may be relevant, which has been relied upon to make this certification,

For the year ended 31<sup>st</sup> March, 2019 (“Review Period”) in respect of compliance with the provisions of:

- a) the Securities and Exchange Board of India Act, 1992 (“SEBI Act”) and the Regulations, circulars, guidelines issued there under; and
- b) the Securities Contracts (Regulation) Act, 1956 (“SCRA”), rules made there under and the Regulations, circulars, guidelines issued there under by the Securities and Exchange Board of India (“SEBI”);

The specific Regulations, whose provisions and the circulars / guidelines issued there under, have been examined, include:

- a) Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015;
- b) Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018;
- c) Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
- d) Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;

And based on the above examination, I hereby report that, during the Review Period:

- a) The listed entity has complied with the provisions of the applicable above Regulations and circulars / guidelines issued there under.
- b) The listed entity has maintained proper records under the applicable provisions of the above Regulations and circulars / guidelines issued there under insofar as it appears from my examination of those records.
- c) The following are the details of actions taken against the listed entity/ its promoters/ directors/ material subsidiaries either by SEBI or by Stock Exchanges (including under the Standard Operating Procedures issued by SEBI through various circulars) under the aforesaid Acts / Regulations and circulars / guidelines issued there under:



Sl.No.	Action taken by	Details of violation	Details of action taken E.g. fines, warning letter, debarment, etc.	Observations/ Remarks of the Practicing Company Secretary
<b>Nil</b>				

- d) The listed entity has taken the following actions to comply with the observations made in previous reports:

Sl.No.	Observations of the Practicing Company Secretary in the previous reports	Observations made in the secretarial compliance report for the year ended...	Actions taken by the listed entity, if any	Comments of the Practicing Company Secretary on the actions taken by the listed entity
<b>There are no observations and accordingly no actions were taken</b>				

Place : Hyderabad  
Dated : 27.05.2019

**CS B. VENKATESH BABU**  
Company Secretary  
FCS No. 6708, CP.No. 5103



## MANAGEMENT DISCUSSION AND ANALYSIS

The Management and Discussion Analysis Report sets out developments in the business, environment and Company's performance since our last report. The analysis supplements the Board's Report and audited financial statements which form together part of this Annual Report.

## INDUSTRY OUTLOOK, OPPORTUNITIES AND THREATS

During the financial year 2018-19 the Company recorded a turnover of ₹ 7156 Lakhs compared to the turnover of ₹ 6578 Lakhs during 2017-18. Comprehensive Net Profit during the year 2018-19 is ₹ 188 Lakhs compared to previous years ₹ 147 Lakhs.

Company has been taking various initiatives in marketing and is working seamlessly to improve its overall performance. These efforts have shown better results in the second half of the financial year as an increase in turnover as well as margins.

## OUTLOOK

Chemical Industry in India is the third largest producer in Asia and sixth largest in the world. Indian chemical companies support a sizable and highly diversified industry that includes commodities, specialities, polymers, agrochemicals and a range of other groups. Total chemical sales are expected to grow from US \$139 billion in 2014 to US \$214 billion by 2019. By 2025, the Indian chemical industry is projected to reach US \$403 billion.

A number of MNCs are focusing on India for their manufacturing hub. Lower cost of labour, availability of key raw materials, large consumer markets and adaptability to technology are some of main attractions for having a strong manufacturing base in India.

Company's one of the facility located at Visakhapatnam received the Establishment Inspection Report (EIR) from United States Food and Drug Administration (US FDA) through a voluntary action indicated inspection by the US FDA. EIR from USFDA indicates closure of the inspection and the Unit is acceptable state of Compliance of Current Good Manufacturing Practice (CGMP).

On obtaining CGMP from US FDA, the Company expects good opportunities for exports of its products and better margins as well.

## POTENTIAL PITFALLS

- Chemical Industry is highly fragmented with intense rivalry amongst companies.
- As 100% FDI is allowed, domestic companies face stiff competition from foreign companies as well.
- International companies may also dump chemicals at low price.
- Buyers tend to have specific chemical requirements.
- There are no direct substitutes for a specific chemical requirement.

## PRODUCT PERFORMANCE

The company has sold 1280 MT of finished products during 2018-19 as against 1245 MT in the previous year.



Company had a mixture of products of sodium derivatives, pyridine derivatives and fine chemicals, company is continuously developing new products and commercialize the same on campaign basis, your company is planning to expand and / or diversify the range of products in the coming years and expecting the increase in turnover and margins.

### **INTERNAL CONTROL SYSTEM AND THEIR ADEQUACY**

The company has in place effective systems of internal control commensurate to its size and nature of business which provides for:

- Efficient use and safeguarding resources
- Accurate recording and custody of assets
- Compliance with prevalent statutes, policies, procedures, listing requirements, management guidelines and circulars.
- Transactions being accurately recorded, cross verified and promptly reported
- Adherence to applicable accounting standards and policies.
- IT systems which include controls for facilitating the above.

The internal control system provides for well documented policies, guidelines, authorizations and approval procedures. The internal audit reports are laid before Audit Committee and discussions were held periodically by the Audit Committee at its meetings. The observations / findings made in internal audit reports, along with the status of action thereon are reviewed by the Audit Committee of the Board of directors on a regular basis.

The company has an exhaustive budgetary control system and the management regularly reviews actual performance

### **FINANCIAL PERFORMANCE WITH RESPECT TO OPERATIONAL PERFORMANCE**

(All Figures in ₹ lakhs)

	<b>2018-19</b>	<b>2017-18</b>
Net Sales	<b>7156</b>	6578
Other income	<b>40</b>	55
Total income	<b>7196</b>	6633
Total expenditure	<b>6414</b>	5897
Operating profit/(Loss)	<b>782</b>	736
Finance charges	<b>271</b>	252
Gross profit before depreciation and taxes	<b>511</b>	484
Depreciation	<b>341</b>	348
Profit/(Loss) before exceptional items and tax	<b>169</b>	136
Exceptional and Extraordinary items	<b>0</b>	5
Provision for income tax & Prev. Yr. taxes	<b>0</b>	0
Profit/(Loss) after tax	<b>169</b>	131
Other comprehensive income	<b>19</b>	16
Total Comprehensive income	<b>188</b>	147

The book value per share stands at ₹ 51.10 as on 31.03.2019 (₹ 50.46 previous year).

**HUMAN RESOURCE DEVELOPMENT**

The Company believes that the key to success lies in creating and nourishing a pool of talent within its people whose skills, expertise and experience provide the impetus towards market leadership. Besides the dedication, commitment and aspirations of its employees provide the fuel for excellence in performance. The Company's human resource practices are widely accepted by the management, staff and workers. During the year under review, the Industrial relations with Employees / workers at all the Company's locations continued to be harmonious and positive.

**CAUTIONARY AND FORWARD LOOKING STATEMENT**

Statements in the Management Discussion and Analysis Report which describe the Company's objectives, projections, estimates, expectations or predictions may be considered to be "forward - looking statements" within the meaning of applicable Securities Laws and Regulations. These statements are based on certain assumptions and expectations of future events. Actual results could however materially differ from those expressed or implied. Important factors that could make a difference to the Company's Operations include global and Indian political, economic & demand-supply conditions, finished goods prices, raw materials cost & availability, cyclical demand and pricing in the company's principal markets, changes in Government regulations, Policies, tax regimes, economic developments within India besides other factors such as litigation and industrial relations as well as the ability to implement the strategies.

For and on Behalf of Board of Directors  
**Alkali Metals Limited**

Place : Hyderabad  
Dated : 27.05.2019

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

**DR.J.S.YADAV**  
CHAIRMAN  
DIN: 02014136



## REPORT ON CORPORATE GOVERNANCE

**Report Pursuant to Schedule V of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, compliance with the requirements of Corporate Governance is set out below:**

### **CORPORATE GOVERNANCE PHILOSOPHY OF THE COMPANY**

Corporate Governance envisages working towards high levels of transparency, accountability, consistent value systems, delegation across all facets of its operations leading to sharply focused and operationally efficient growth. The Company tries to work by these principles in all its interactions with stakeholders, including shareholders, employees, customers, suppliers and statutory authorities. Towards this, the Company continues to focus its energies and resources in order to enhance the trust of all its stakeholders.

The company follows all the principles of corporate governance in its true spirit and at all times.

### **1. BOARD OF DIRECTORS**

#### **Composition:**

The Board consists of Nine Directors as on 31<sup>st</sup> March, 2019 of which six are Independent Directors, Two Non Executive and Non Independent Directors and one Managing Director. The day-to-day management of the company was carried on by the Managing Director of the Company. On 1<sup>st</sup> April 2019 three Directors had to vacate their office pursuant to the provision of the SEBI (LODR) Regulations as they were over 75 years of age.

#### **Number of Board Meetings:**

During the year (01-04-2018 to 31-03-2019) the Board met four times i.e. on 12.05.2018, 07.08.2018, 15.10.2018 and 05.02.2019, wherein the gap between two consecutive board meetings was less than 120 days in any case.

The dates for the board meetings are fixed after taking into account the convenience of majority of the Directors and sufficient notice is given to them.

**Composition, Attendance Record and Directorships held:**

S.No.	Name of the Director	Category / Status of Directorship	No. of Board Meetings attended during the year	No. of Directorship(s) in other companies.	No. of Committee position held in other Companies (6)		Attendance at the AGM held on 30/06/2018
					Chairman	Member	
(1)	(2)	(3)	(4)	(5)			(7)
1	Dr. J.S. Yadav	Chairman & Independent Director	4	1	–	–	Yes
2	Sri. Ch. S. Prasad	Independent Director	3	1	–	–	Yes
3	Sri. P.C. Patnaik	Independent Director	3	–	–	–	Yes
4	Sri. G. Jayaraman	Independent Director	4	1	–	–	Yes
5	Sri. Y.S.R. Venkata Rao	Managing Director	4	5	–	–	Yes
6	Smt. Y. Lalithya Poorna	Non-Independent & Non-Executive Director	2	3	–	–	No
7	Mr. Y.V. Prashanth	Non-Independent & Non-Executive Director	4	4	–	–	Yes
8	Sr. V.S.N. Murty	Additional Independent Director	2	4	–	–	No
9	Sri. K.V. Suryaprakash Rao	Additional Independent Director	2	–	–	–	No

**Notes:**

- Other Directorships exclude foreign companies
- Other companies as on 31<sup>st</sup> March 2019
- Sri. Y.S.R. Venkata Rao is the Promoter of the Company and his son Mr. Y.V. Prashanth is a Non Executive and Non Independent Director and his daughter Smt. Y. Lalithya Poorna is a Woman Director and non executive.
- Smt. Y. Lalithya Poorna holds 1,10,000 shares in the company and Sri. Ch.S. Prasad holds 253 shares in the company.
- Sri. V.S.N. Murty and Sri K.V. Suryaprakash Rao were appointed as an Additional Directors of the Company on 15<sup>th</sup> October, 2018.
- Mr. Y.V. Prashanth resigned as Executive Director and continues as Director w.e.f. 15<sup>th</sup> October 2018.
- Sri. Ch. S. Prasad, Sri. P.C. Patnaik and Sri V.S.N. Murty, Director had vacated their office w.e.f. 1<sup>st</sup> April, 2019 due to age being above 75 years pursuant to the SEBI (LODR) (Amendment) Regulations, 2018.
- The existing Directors as on date are holding directorship in this listed entity only.

The Board Consists of Directors who possess the technical knowledge as required in the Chemical Industry and also possess the skills in R&D, Marketing, Financial Management and Administration

All Independent Directors possess the requisite qualifications and are experienced in their respective fields. The Board also confirms that the Independent Directors fulfill the criteria specified in the regulations and are independent of the management. The Independent Directors are appointed for a period of five years and the Managing Director is not liable to retire by rotation. The other Non Independent Directors are subject to retire by rotation.

All the necessary disclosures have been obtained from all the directors regarding their directorship and have also been taken on record by the Board.

**Profile of Directors seeking re-appointment:**

- Dr. J. S. Yadav, Chairman is a Non-Executive and Independent Director of our company. He is endowed with a Doctorate degree in Chemistry in the year 1976. He is a Post Doc at Rice University, Houston & UM, Madison in USA for years. His research group



- successfully developed cost effective technologies for speciality chemicals. His expertise and skills in Organic Chemistry are outstanding. He is an eminent scientist with a high level of commitment to the cause of his profession viz. Naturals Products - Organic Chemistry. He has been the Director of Indian Institute of Chemical Technology (IICT), Hyderabad.
- ii) Sri. G. Jayaraman, is a Non Executive and Independent Director of the Company. He holds B.Sc., Mathematics degree and is a Fellow member of Institute of Chartered Accountants of India, Institute of Cost & Works Accountants of India and Institute of Company Secretaries of India. He has multi-faceted industrial experience across information technology, textiles, cement and pharmaceuticals in the areas like finance, accounts, secretarial, legal and administration functions. He has been associated with Andhra Pradesh State Board of All India Manufacturers' Organization for the past 10 years and served as its Chairman during 2003-04 and 2004-05.
  - iii) Sri. K.V. Surya Prakash Rao, is a Non Executive and Independent Additional Director of our Company. He holds M.Tech in Plant Engineering, Management from JNTU and PG Diploma in Operations Management from IGNOU. He is a Fellow of the Institution of Engineers (India). Mr. K.V. Surya Prakash Rao has around 38 years of experience in the field of promoting Research & Development and academia. He has been the Head of Research & Development by Industry (RDI) Division and Advisor (Equivalent to Joint Secretary) in the Department of Scientific and Industrial Research (DSIR) of the Ministry of Science & Technology, Government of India. He also handled the additional charge as the acting Chairman and MD of the National Research Development Corporation, a Company owned by Govt of India, where he played a substantial role in turning over the Company.

## **2. AUDIT COMMITTEE**

The Audit Committee (AC) assists the Board in the dissemination of financial information and in overseeing the financial and accounting processes in the Company. The terms of reference of the audit committee covers all matters specified in SEBI (LODR) Regulation 2015 and also those specified in section 177 of the Companies Act, 2013. The terms of reference broadly include review of internal audit reports, assessment of the efficacy of the internal control systems / financial reporting systems and reviewing the adequacy of the financial policies and practices followed by the company. The audit committee reviews the compliance with legal and statutory requirements, the quarterly and annual financial statements and related party transactions and reports its findings to the Board. The committee also recommends the appointment of internal auditor, statutory auditor. The committee also looks into those matters specifically referred to it by the Board. The statutory auditors and internal auditors were present at all audit committee meetings.

The Audit Committee was reconstituted on 5<sup>th</sup> February 2019 by inclusion of Dr. J.S. Yadav, Sri. K.V. Suryaprakash Rao and Mr. Y.V. Prashanth into the Committee, there by committee consists of six directors out which five are independent directors and one is non-independent non-executive director. Pursuant to SEBI (LODR) (Amendment) Regulations, 2018, two of the audit committee members vacated the office w.e.f. 1<sup>st</sup> April 2019.



The Chairman of the Audit Committee is an Independent Director. All members including Chairman have adequate financial and accounting knowledge. The Chairman of the Audit Committee was present at the Annual General Meeting of the company held on 30<sup>th</sup> June, 2018. During the period 01-04-2018 to 31-03-2019, the committee met four times wherein the gap between two consecutive committee meeting was less than 120 days in any case.

### 3. NOMINATION AND REMUNERATION COMMITTEE:

**The Committee Directors and their attendance at the meetings of the Audit Committee is given below:**

S.No.	Name of the Member	Category	No. of Meetings Attended
1	Sri. G. Jayaraman	Independent Director	4
2	Sri. Ch. S. Prasad	Independent Director	3
3	Sri. P.C. Patnaik	Independent Director	3
4	Dr. J.S. Yadav	Independent Director	-
5	Sri. K.V. Suryaprakash Rao	Independent Director	-
6	Mr. Y.V. Prashanth	Non-Executive Non-Independent Director	-

Note:

1. Dr. J.S. Yadav, Sri. K.V. Suryaprakash Rao and Mr. Y.V. Prashanth were included w.e.f. 5<sup>th</sup> Feb., 2019.

2. Sri. Ch.S. Prasad and Sri. P.C. Patnaik had vacated their office due to their age being over 75 years w.e.f. 1<sup>st</sup> April 2019.

The Nomination and Remuneration Committee (NRC) terms of reference is for appointment of the directors and key managerial personnel of the Company and fixation of the remuneration to them and also the other employees of the Company.

The NRC is reconstituted on 5<sup>th</sup> February 2019 by inclusion of Dr. J.S. Yadav, Sri. K.V. Suryaprakash Rao and Mr. Y.V. Prashanth into the Committee, there by Committee consists of six directors out which five are independent directors and one is non-independent non-executive director. Pursuant to SEBI (LODR) (Amendment) Regulations, 2018, two of the NRC committee members vacated the office w.e.f. 1<sup>st</sup> April 2019.

During the financial year 2018-19, the NRC had met four times.

*Composition of committee and attendance of members*

This committee recommends appointment / reappointment of executive directors and the

S.No.	Name of the Member	Category	No. of Meetings Attended
1	Sri. Ch. S. Prasad	Independent Director	4
2	Sri. G. Jayaraman	Independent Director	4
3	Sri. P.C. Patnaik	Independent Director	3
4	Dr. J.S. Yadav	Independent Director	-
5	Sri. K.V. Suryaprakash Rao	Independent Director	-
6	Mr. Y.V. Prashanth	Non-Executive Non-Independent Director	-

Note:

1. Dr. J.S. Yadav, Sri. K.V. Suryaprakash Rao and Mr. Y.V. Prashanth were included w.e.f. 5<sup>th</sup> Feb., 2019.

2. Sri. Ch.S. Prasad and Sri. P.C. Patnaik had vacated their office due to their age being over 75 years w.e.f. 1<sup>st</sup> April 2019.



appointments of employees one level below the Board of Directors and KMP along with the remuneration to be paid to them. The remuneration is determined keeping in mind the person's track record, his / her potential individual performance, the market trends and scales prevailing in the similar industry.

**Nomination and Remuneration policy**

The objectives of the Policy

1. To lay down criteria and terms and conditions with regard to identifying persons who are qualified to become Directors (Executive and Non-Executive) and persons who may be appointed in Senior Management and Key Managerial positions.
2. To determine remuneration to Directors, KMP and other senior Employees based on the Company's size and financial position and trends and practices on remuneration prevailing in peer companies.
3. To carry out evaluation of the performance of Directors.
4. To retain, motivate and promote talent and to ensure long term sustainability of talented managerial persons and create competitive advantage.
5. Any other matter as the Board may decide from time to time.

**Mechanism for Evaluation of Board**

Evaluation of all Board members is done on an annual basis. The evaluation is done by the Board, Nomination and Remuneration Committee and Independent Directors with specific focus on the performance and effective functioning of the Board and Individual Directors.

**Criteria for evaluation Directors / KMP / Senior Employees**

- Leadership & Stewardship Abilities
- Contributing to clearly define Corporate objectives & Plans
- Communication of expectations & concerns clearly with subordinates
- Obtain adequate, relevant & timely information from external sources.
- Review & approval achievement of strategic and operational plans, objectives, budgets
- Regular monitoring of corporate results against projections
- Identify, monitor & mitigate significant corporate risks
- Assess policies, structures & procedures
- Direct, monitor & evaluate KMPs, senior officials
- Review management's succession plan
- Effective meetings
- Assuring appropriate board size, composition, independence, structure
- Clearly defining roles & monitoring activities of committees
- Review of corporation's ethical conduct

**4. STAKEHOLDERS' RELATIONSHIP COMMITTEE:**

The Stakeholders Relationship Committee (SRC) is reconstituted on 5<sup>th</sup> February 2019 by inclusion of Dr. J.S. Yadav, Sri. K.V. Suryaprakash Rao and Mr. Y.V. Prashanth into the Committee, there by Committee consists of seven directors out which five are independent directors and one is non-independent non-executive director and one executive director. Pursuant to SEBI (LODR) (Amendment) Regulations, 2018, two of the SRC committee members vacated the office w.e.f. 1<sup>st</sup> April 2019. Company Secretary is the compliance officer and also nodal agent to deal with depositories in relation to IEPF transactions.

The SRC deal with to approve share transfer, transmissions, issue of duplicate share certificates, rematerialisation of shares and all other issues pertaining to shareholders and review the redressal mechanism of investor grievances. The Committee also reviews the performance of the Registrar and Share Transfer Agents. SRC Committee had met one time during the year 2018-19. Company had not received any complaints during the year except non receipt of financial statements and revalidation of dividend warrants which were attended immediately.

Composition of the committee is as follows.

S.No.	Name of the Member	Category
1	Sri. G. Jayaraman	Independent Director
2	Sri. Ch. S. Prasad	Independent Director
3	Sri. P.C. Patnaik	Independent Director
4	Sri. Y.S.R. Venkata Rao	Managing Director
5	Dr. J.S. Yadav	Independent Director
6	Sri. K.V. Suryaprakash Rao	Independent Director
7	Mr. Y.V. Prashanth	Non-Executive Non-Independent Director

Note:

1. Dr. J.S. Yadav, Sri. K.V. Suryaprakash Rao and Mr. Y.V. Prashanth were included w.e.f. 5<sup>th</sup> Feb., 2019.

2. Sri. Ch. S. Prasad and Sri. P.C. Patnaik had vacated their office due to their age being over 75 years w.e.f. 1<sup>st</sup> April 2019.

SEBI vide Circular Ref: CIR/OIAE/2/2011 dated June 3, 2011 informed the company that they had commenced processing of investor complaints in a web based complaints redress system "SCORES". Under this system, all complaints pertaining to companies are electronically sent through SCORES and the companies are required to view the complaints pending against them and submit Action Taken Report (ATRs) along with supporting documents electronically in SCORES. All the requests and complaints received from the shareholders were attended to within the stipulated time and nothing was pending for disposal at the end of the year.

**5. MEETING OF INDEPENDENT DIRECTORS:**

The Independent Directors of the Company had met during the year to review the performance of non-Independent Directors and the Board as a whole, review the performance of the Chairperson of the Company and had accessed the quality, quantity and timeliness of flow of information between the Company management and the Board.

**6. REMUNERATION PAID TO DIRECTORS**

There were two executive directors at the beginning of the financial year and thereafter one executive director resigned as executive director. The remuneration payable to the directors is determined by the Board on the recommendation of the nomination and remuneration committee. This is subject to the approval of the shareholders at the General Meeting. The non executive directors do not draw any remuneration from the company except sitting fees for attending the meetings of the board and the committees.

**Details of Remuneration paid to Directors during the Financial year**

(All Figures in ₹)

S.No.	Name of the Member	Commission	Remuneration	Sitting Fee	Total
1	Dr. J.S.Yadav	–	–	1,25,000	1,25,000
2	Sri. Ch. S. Prasad	–	–	1,55,000	1,55,000
3	Sri. P.C. Patnaik	–	–	1,55,000	1,55,000
4	Sri. G. Jayaraman	–	–	2,05,000	2,05,000
5	Sri. Y.S.R. Venkata Rao	10,16,197	63,75,000	–	73,91,197
6	Smt. Y. Lalithya Poorna	–	–	60,000	60,000
7	Mr. Y.V.Prashanth	3,71,550	22,75,000	35,000	26,81,550
8	Sri. V.S.N. Murthy	–	–	60,000	60,000
9	Sri. K.V. Surayaprakash Rao	–	–	65,000	65,000

Note:

Sri. V.S.N. Murthy and Sri. K.V. Suryaprakash Rao were appointed on 15<sup>th</sup> October 2018.Mr. Y.V. Prashanth resigned as Executive director and continue as Director w.e.f. 15<sup>th</sup> October 2018.**7. ANNUAL GENERAL MEETINGS AND EXTRAORDINARY GENERAL MEETING**

The details of the Annual General Meetings / Extraordinary General Meeting held in the last three financial years are as follows:

**Annual General Meetings of the Company:**

Year	Location	Date	Time
2015-16	Hotel Green Park, Ameerpet, Hyderabad - 500 016	30 <sup>th</sup> July 2016	11:00 A.M.
2016-17	Plot B-5, IDA, Uppal, Hyderabad - 500 039	4 <sup>th</sup> August 2017	11:00 A.M.
2017-18	Plot B-5, IDA, Uppal, Hyderabad - 500 039	30 <sup>th</sup> June 2018	11:00 A.M.

- a) No Extra-Ordinary General Meeting of the shareholders was held during the year.
- b) No Postal Ballot was conducted during the year. None of the resolutions proposed for the ensuing Annual General Meeting need to be passed by Postal Ballot.
- c) Special Resolutions passed during the previous three Annual General Meetings:
  - i) 48<sup>th</sup> Annual General Meeting - 30<sup>th</sup> July 2016 - No Special Resolutions were passed
  - ii) 49<sup>th</sup> Annual General Meeting - 4<sup>th</sup> August 2017 - No Special Resolutions were passed
  - iii) 50<sup>th</sup> Annual General Meeting - 30<sup>th</sup> June 2018



Special Resolution passed for the Re-appointment of Mr. Y. V. Prashanth as Executive Director of the Company and Re-appointment of Sri. Y.S.R. Venkata Rao as Managing Director of the Company for a further period of 3 Years.

**d) E-Voting / Poll:**

E-Voting is conducted for all the business items covered in the above 3 Annual General Meetings in Compliance with the Listing Agreement. CS B. Venkatesh Babu was appointed scrutinizer in all the meetings.

## **DISCLOSURES**

### **8. SUBSIDIARY COMPANIES**

The Company has no subsidiary company.

### **9. RISK MANAGEMENT**

Periodic assessments to identify the risk areas are carried out and management is briefed on the risks in advance to enable the company to control risk through a properly defined plan. The risks are classified as financial risks, operational risks and market risks. The risks are taken into account while preparing the annual business plan for the year. The Board is also periodically informed of the business risks and the actions taken to manage them.

### **10. WHISTLE BLOWER POLICY**

The company has an established mechanism for Directors / Employees to report concerns about unethical behavior, actual or suspected fraud, or violation of the code of conduct or ethics policy. It also provides for adequate safeguards against victimization of directors / employees who avail of the mechanism. The company affirms that no personnel have been denied access to the audit committee. The Company has formulated a Policy of Vigil Mechanism and has established a mechanism that any personnel may raise Reportable Matters.

### **11. RELATED PARTY TRANSACTION**

There have been no materially significant related party transactions with the company's promoters, directors, KMP or relatives which may have potential conflict with the interests of the company at large. The necessary disclosures regarding the transactions are given in the notes to accounts and also provided the details as required in the Board's Report.

### **12. ACCOUNTING TREATMENT**

The Company has followed the Ind AS accounting standards in the preparation of its financial statements.

### **13. COMPLIANCES**

There have been no instances of non-compliance by the company on any matters related to the capital markets, nor have any penalty / strictures been imposed on the company by the Stock Exchanges or SEBI or any other statutory authority on such matters.

**14. MEANS OF COMMUNICATION**

The Quarterly, Half Yearly and Annual financial results are normally published by the company in the leading newspapers in English version circulating substantially in the whole of India and in Telugu (being the Regional language) where the registered office is situated. The financial results are also placed on company's website i.e. **www.alkalimetals.com** to access first-hand information about the financial information of the company. Besides this as required under the SEBI (LODR) Regulations 2015 the said information is also sent to Stock exchanges (BSE & NSE).

**15. CODE OF CONDUCT FOR THE BOARD OF DIRECTORS AND THE SENIOR MANAGEMENT**

The standards for business conduct provide that the directors and the senior management will uphold ethical values and legal standards as the company pursues its objectives, and that honesty and personal integrity will not be compromised under any circumstances. A copy of the said code of conduct is available on Company's website i.e. **www.alkalimetals.com**. The Board members and senior management personnel have affirmed compliance with the code of conduct for the financial year 2018-2019.

**16. GENERAL SHAREHOLDER INFORMATION****a) Annual General Meeting**

Date and time	3 <sup>rd</sup> August, 2019 at 12:00 Noon
Venue	B-5, Block III, IDA, Uppal, Hyderabad - 500 039.
Book Closure Date	28 <sup>th</sup> July, 2019 to 3 <sup>rd</sup> August, 2019 (both days inclusive)

**b) Financial Year : 1<sup>st</sup> April 2019 to 31<sup>st</sup> March 2020**

Financial Calendar 2019 - 2020 (tentative)

First Quarter results (April - June)	:	On or before 14 <sup>th</sup> August
Second Quarter results (July – Sept)	:	On or before 14 <sup>th</sup> November
Third Quarter results (Oct – Dec)	:	On or before 14 <sup>th</sup> February
Annual Results audited (Audited)	:	On or before 30 <sup>th</sup> May

**c) Particulars of Dividend for the year ended 31.03.2019 ₹ 1.20 per share proposed as Dividend****d) Listing of Shares**

Name of the Stock Exchange	Stock Code
Bombay Stock Exchange Limited, Mumbai (BSE)	533029
National Stock Exchange of India Limited (NSE)	ALKALI
ISIN allotted by Depositories (Company ID Number)	INE773I01017

Note: Annual Listing fees for the year 2019-20 were duly paid to the above stock exchanges

**e) Stock Market Data**

(All Figures in ₹)

Month	NSE			BSE		
	High	Low	Closing	High	Low	Closing
April	<b>91.30</b>	56.75	79.44	<b>91.30</b>	57.25	79.35
May	83.00	73.00	77.90	83.00	73.50	74.30
June	74.95	60.10	69.47	74.60	61.00	63.60
July	69.55	59.00	64.35	71.00	57.25	64.80
August	83.00	60.80	67.81	83.00	62.00	68.60
September	71.50	58.00	64.94	72.40	58.10	59.85
October	68.25	51.15	58.13	67.90	52.50	60.75
November	64.80	55.20	58.43	67.00	55.30	56.85
December	59.45	50.80	55.72	59.00	51.50	54.90
January	56.45	47.05	52.85	58.00	47.25	49.15
February	50.50	<b>35.25</b>	42.11	51.15	<b>35.25</b>	39.85
March	54.50	39.90	46.66	54.15	40.00	41.10

**f) Shareholding Pattern as on 31<sup>st</sup> March 2019**

Category	No. of shares held	% of holdings
Indian Promoters including persons acting in concert	70,90,842	69.64
Bodies corporate (including clearing members)	2,43,529	2.40
Resident Indians	26,38,629	25.91
Non-Resident Indians	84,872	0.83
Hindu undivided families	1,24,634	1.22
<b>Total</b>	<b>10,182,506</b>	<b>100.00</b>

**g) Distribution of Shareholding as on 31<sup>st</sup> March 2019**

HOLDING (in ₹)	NUMBER	% OF TOTAL	SHARES	% OF TOTAL
between 10 and 5000	9273	90.61	9646460	9.47
between 5001 and 10000	503	4.92	4084870	4.01
between 10001 and 20000	232	2.27	3446420	3.38
between 20001 and 30000	80	0.78	1971440	1.95
between 30001 and 40000	44	0.43	1538980	1.51
between 40001 and 50000	27	0.26	1275380	1.25
between 50001 and 100000	48	0.47	3513100	3.45
between 100001 and Above	27	0.26	76348410	74.98
<b>Total</b>	<b>10,562</b>	<b>100.00</b>	<b>10,182,506</b>	<b>100.00</b>

**h) Registrar and Share Transfer Agents**

Cameo Corporate Services Limited  
Subramanian Building, No.1, Club House Road  
Chennai-600 002,  
044-28460390/948  
044-28460129  
**cameo@cameoindia.com**  
Contact Person : Mr. Murali

**i) Share Transfer System**

The shares are transferred within the stipulated period as per the SEBI LODR Regulations, 2015. 99.99 % of Company Shares are in the dematerialized form.

**j) Reconciliation of Share Capital Audit**

A quarterly audit was conducted by a practicing company secretary, reconciling the issued and listed capital of the company with the aggregate of the number of shares held by investors in physical form and in the depositories and the said certificates were submitted to the stock exchanges within the prescribed time limit.

**k) Information in respect of transfer of shares to IEPF and unclaimed dividends due for remittance into Investor Education and Protection Fund (IEPF) is given below**

Under the provisions of the Companies Act, 2013 dividends that remain unclaimed for a period of seven years from the date of declaration are required to be transferred to the Investor Education and Protection Fund (IEPF) administered by the Central Government and also during the financial year 2017-18 MCA also notifies the transfer of under laying shares of unclaimed / unpaid dividend for seven years to IEPF account. Company transferred the unpaid dividend till 2010-11 to IEPF and with regard to under laying shares, followed the procedure laid down by issuing individual notices and paper advertisement for unclaimed / unpaid dividend laying shares pertains to financial year 2010-11 and transferred the 120 shareholders 5201 shares of ₹ 10 each to IEPF account. The Voting rights of these shares will remain frozen till the rightful owner of such shares claims the shares.

Your Company will undertake necessary steps for transfer of unclaimed / unpaid dividend laying shares pertains to financial year 2011-12 in accordance with the applicable provisions of the Act and Rules and ensure the transfer to IEPF account. Shareholders are required to claim the unpaid dividend if any immediately.



The unclaimed dividend as on March 31, 2019 with due date of transfer to IEPF is as follows:

Financial Year	Date of declaration	Date of transfer to IEPF
2011-12	30 <sup>th</sup> July 2012	September 2019
2012-13	30 <sup>th</sup> July 2013	September 2020
2015-16 (interim dividend)	23 <sup>rd</sup> January 2016	February 2023
2015 -16 (final dividend)	30 <sup>th</sup> July 2016	September 2023
2016-17	4 <sup>th</sup> August 2017	September 2024
2017-18	30 <sup>th</sup> June, 2018	August 2025

**l) Plant Locations**

The Company's plants are located at:

- Unit-I : Plot No. B-5, Block-III, IDA, Uppal, Hyderabad - 500 039.
- Unit-II : Survey No. 299 to 302, Dommara Pochampally Village, Qutubullapur Mandal, Medchal District - 500 043.
- Unit-III : J.N. Pharma City, Parwada, Visakhapatnam - 531 019.

**m) Address for correspondence:**

Registered office Address: Plot No. B-5, Block-III, IDA,  
Uppal, Hyderabad - 500 039.  
**cs.alkalimetals@gmail.com**  
**secretarial@alkalimetals.com**

**17.** The related party transactions and Auditor remuneration details are provided in the Notes to financial statements which will form part of the Annual Report.

**18. NON-MANDATORY DISCLOSURES**

The Company has complied with the following non-mandatory requirements as per the listing agreement:

- a) Company had appointed separate person to the position of Chairman and Managing Director.
- b) The Statutory financial statements of the company are unqualified.
- c) The Internal Auditor of the company directly reports to the Audit Committee.

**DECLARATION ON COMPLIANCE WITH CODE OF CONDUCT**

I declare that the Company has received affirmation of compliance with the "Code of Business conduct for Directors and Senior Executives" laid down by the Board of Directors, from all the Directors and Senior Management Personnel of the Company, to whom the same is applicable, for the financial year ended 31<sup>st</sup> March 2019.

Place : Hyderabad  
Dated : 27.05.2019

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

**CERTIFICATION BY MANAGING DIRECTOR (MD) AND  
THE CHIEF FINANCIAL OFFICER (CFO) TO THE BOARD**

To

The Board of Directors

Alkali Metals Limited

We Y.S.R. Venkata Rao, Managing Director and K. Uma Kumari, CFO of the Company hereby certify to the Board that:

1. We have reviewed the financial statements and cash flow statement for the financial year ended 31<sup>st</sup> March 2019 and that to the best of our knowledge and belief:
  - a) These statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;
  - b) These statements together present a true and fair view of the Company's affairs and are in compliance with existing accounting standards (IndAS), applicable laws and regulations.
2. To the best of our knowledge and belief, no transactions entered into by the Company during the year ended 31<sup>st</sup> March 2019 are fraudulent, illegal or violative of the Company's code of Conduct.
3. We accept responsibility for establishing and maintaining internal controls for financial reporting and that we have evaluated the effectiveness of internal control systems of the Company pertaining to financial reporting and we have disclosed to the Auditors and Audit Committee, deficiencies in the design or operation of such internal controls, if any, of which we are aware and the steps have been taken or proposed to be taken to rectify these deficiencies.
4. We have indicated to the Auditors and the Audit Committee
  - a) That there are no significant changes in internal control over financial reporting during the year;
  - b) Significant Changes in Accounting policies during the year and that the same have been disclosed in the notes to the financial statements; and
  - c) That there are no instances of significant fraud of which we have become aware and the involvement therein, if any, of the management or an employee having a significant role in the Company's internal control system over financial reporting.

Place : Hyderabad  
Dated : 27.05.2019

**K UMA KUMARI**  
CFO

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



**Auditors' certificate on compliance with the conditions of Corporate Governance under Chapter IV of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015**

**To**

**The Members of Alkali Metals Limited**

We have examined the compliance of conditions of Corporate Governance by Alkali Metals Limited for the year ended 31<sup>st</sup> March, 2019 as stipulated in Chapter IV of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Regulations").

The compliance of conditions of corporate governance is the responsibility of the management. Our examination was limited to procedure and implementation thereof, adopted by the company for ensuring the compliance of the conditions of corporate governance. It is neither an audit nor an expression of opinion on the financial statements of the company.

In our opinion and to the best of our information and according to the explanations given to us, we certify that the company has complied in general with the conditions of corporate governance as stipulated in the above mentioned Listing Agreement.

We further state that such compliance is neither an assurance as to the future viability of the company nor the efficiency or effectiveness with which the management has conducted the affairs of the company.

**For C K S Associates**  
Chartered Accountants  
(FRN 007390S)

Place : Hyderabad  
Dated : 27.05.2019

**N V S Srikrishna**  
Partner  
M.No. : 025139

**CERTIFICATE OF NON-DISQUALIFICATION OF DIRECTORS**  
**(pursuant to Regulation 34(3) and Schedule V Para C clause (10)(i) of the SEBI**  
**(Listing Obligations and Disclosure Requirements) Regulations, 2015)**

To,  
**The Members of**  
**Alkali Metals Limited.,**  
B-5, IDA, Uppal,  
Hyderabad

I have examined the relevant registers, records, forms, returns and disclosures received from the Directors of Alkali Metals Limited having CIN L27109TG1968PLC001196 and having registered office at B-5, Block III, IDA, Uppal, Hyderabad – 500 039 (hereinafter referred to as 'the Company'), produced before me by the Company for the purpose of issuing this Certificate, in accordance with Regulation 34(3) read with Schedule V Para-C Sub clause 10(i) of the SEBI (LODR) Regulations, 2015.

In my opinion and to the best of my information and according to the verifications (including Directors Identification Number (DIN) status at the portal [www.mca.gov.in](http://www.mca.gov.in)) as considered necessary and explanations furnished to me by the Company & its officers, I hereby certify that none of the Directors on the Board of the Company as stated below for the Financial Year ending on 31<sup>st</sup> March, 2019 have been debarred or disqualified from being appointed or continuing as Directors of companies by the Securities and Exchange Board of India, Ministry of Corporate Affairs, or any such other Statutory Authority

S.No.	Name of Director	DIN	Date of appointment in Company
1	Dr. J.S. Yadav	02014136	31 <sup>st</sup> March 2008
2	Sri. G. Jayaraman	01461157	7 <sup>th</sup> July 2007
3	Sri. K.V. Surya Prakash Rao	06934146	15 <sup>th</sup> October 2018
4	Sri. Y.S.R. Venkata Rao	00345524	1 <sup>st</sup> July 1991
5	Smt. Y. Lalithya Poorna	00345471	10 <sup>th</sup> April 2010
6	Mr. Y. V. Prashanth	00345418	1 <sup>st</sup> November 2013

Ensuring the eligibility of, for the appointment / continuity of every Director on the Board is the responsibility of the management of the Company. Our responsibility is to express an opinion on these based on our verification. This certificate is neither an assurance as to the future viability of the Company nor of the efficiency or effectiveness with which the management has conducted the affairs of the Company.

Place : Hyderabad  
Dated : 27.05.2019

Signature:  
Name: B. Venkatesh Babu  
Membership No.: F6708  
CP No.: 5103



## INDEPENDENT AUDITOR'S REPORT

To the Members of **ALKALI METALS LIMITED**

### Report on the Audit of the Standalone Financial Statements

#### Opinion

We have audited the accompanying standalone financial statements of **ALKALI METALS LIMITED** ("the Company"), which comprise the Balance Sheet as at 31<sup>st</sup> March 2019, the Statement of Profit and Loss (including Other Comprehensive Income), the Statement of Changes in Equity and statement of Cash Flows for the year then ended, and Notes to the Financial Statements, including a summary of significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Companies Act, 2013 in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended, ("Ind AS") and other accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2019, and its Profit and total comprehensive income, changes in equity and its cash flows for the year ended on that date.

#### Basis for Opinion

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Companies Act, 2013. Our responsibilities under those Standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Companies Act, 2013 and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the standalone financial statements.

#### Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the standalone financial statements of the current period. These matters were addressed in the context of our audit of the standalone financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. We have determined that there are no key audit matters to communicate in our report.

#### Other Information

The Company's Board of Directors is responsible for the preparation of the other information. The other information obtained at the date of this auditor's report comprises the information included in the Management Discussion and Analysis, Board's Report including Annexures to Board's Report and Shareholder's Information but does not include the standalone financial statements and our auditor's report thereon.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.



In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the standalone financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed on the other information obtained prior to the date of this auditor's report, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

### **Responsibilities of Management and Those Charged with Governance for the Standalone Financial Statements**

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these standalone financial statements that give a true and fair view of the financial position, financial performance, total comprehensive income, changes in equity and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Ind AS specified under section 133 of the Act. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those Board of Directors are also responsible for overseeing the company's financial reporting process.

### **Auditor's Responsibilities for the Audit of the Financial Statements**

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error,



as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(l) of the Companies Act, 2013, we are also responsible for expressing our opinion on whether the company has adequate internal financial controls system in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

### **Report on Other Legal and Regulatory Requirements**

1. As required by the Companies (Auditor's Report) Order, 2016 issued by the Central Government of India in terms of sub-section (11) of Section 143 of the Act (hereinafter referred to the "Order"), and on the basis of such checks of the books and records of the Company as we considered appropriate and according to the information and explanations given to us, we give in the Annexure -1 a statement on the matters specified in paragraphs 3 and 4 of the Order.
2. As required by section 143(3) of the Act, based on our audit we report that:
  - a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit.
  - b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
  - c) The Balance Sheet, the Statement of Profit and Loss (including other comprehensive income), the statement of cash flows and the statement of changes in equity dealt with by this Report are in agreement with the books of account.



- d) In our opinion, the aforesaid said financial statements comply with the Ind AS specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
- e) On the basis of written representations received from the Directors as on March 31, 2019, and taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2019, from being appointed as a director in terms of Section 164(2) of the Act.
- f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure -2".
- g) With respect to the other matters to be included in the Auditor's Report in accordance with the requirements of section 197(16) of the Act, as amended, we report that the remuneration paid by the Company to its directors during the year, in our opinion and to the best of our information and according to the explanations given to us, is in accordance with the provisions of section 197 of the Act."
- h) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors), 2014, in our opinion and to the best of our information and according to the explanations given to us;
  - i. The Company has disclosed the impact of pending litigations on its financial position in its IndAS financial statements.
  - ii. In our opinion and as per the information and explanations provides to us, the Company has not entered into any long-term contracts including derivative contracts, requiring provision under applicable laws or accounting standards, for material foreseeable losses, and
  - iii. There has been no delay in transferring the amounts, required to be transferred, to the Investor Education and Protection Fund by the Company.

**FOR C K S ASSOCIATES**  
Chartered Accountants  
(FRN 007390S)

Place: HYDERABAD  
Date: 27-05-2019

**N V S SRIKRISHNA**  
Partner  
M. No. : 025139

**ANNEXURE - 1 TO THE INDEPENDENT AUDITORS' REPORT:**

***(Referred to in Paragraph 1 under section 'Report on Other Legal and Regulatory Requirement's of our report of even date)***

- 1.1. According to the information and explanations given to us, the Company is maintaining proper records showing full particulars including quantitative details and situation of fixed assets.
- 1.2. According to the information and explanations given to us, all the fixed assets have been physically verified by the management at reasonable intervals and no material discrepancies were noticed on such verification.
- 1.3. All the title deeds of the immovable properties are held in the name of the Company.
2. According to the information and explanations given to us, the inventories have been physically verified at reasonable intervals by the management and no material discrepancies were noticed on such verification.
3. According to the information and explanations given to us, the Company has not granted any loans, secured or unsecured, to companies, firms, Limited Liability Partnerships or other parties covered in the register maintained under Section 189 of the Companies Act, 2013. Accordingly, the sub-clauses (a), (b) and (c) are not applicable to the company.
4. According to the information and explanations given to us, the Company has not granted any loans nor has it made any investments or given any guarantee or security which are covered under the provisions of Section 185 and 186 of the Companies Act, 2013.
5. According to the information and explanations given to us, the Company has not accepted any deposits in terms of the directives issued by Reserve Bank of India and the provisions of Sections 73 to 76 or any other relevant provisions of the Companies Act, 2013 and the rules framed there under.
6. We have broadly reviewed the cost records maintained by the Company pursuant sub-section (1) of Section 148 of the Companies Act, 2013 and are of the opinion that prima facie, the prescribed accounts and records have been made and maintained.
- 7.1. According to the information and explanations given to us, the company is generally regular in depositing undisputed statutory dues including provident fund, employees state insurance, income tax, sales tax, service tax, duty of customs, duty of excise, value added tax, goods and service tax, cess and other statutory dues, as are applicable, with the appropriate authorities.  
  
According to the information and explanations given to us, there are no arrears of outstanding statutory dues except income tax provision of ₹ 1,434,921 pertaining to FY 2002-03 as at the last day of the financial year under audit for a period of more than six months from the date they became payable.
- 7.2. According to the information and explanations given to us, there are no dues of income tax or sales tax or service tax or duty of customs or duty of excise or value added tax which have not been deposited on account of dispute.



8. According to the information and explanations given to us, the Company has not defaulted in repayment of loans or borrowings to a financial institution or bank.
9. According to the information and explanations given to us, during the year under review, the Company has not raised any money by way of initial public offer, further public offer, or term loans and hence the reporting requirement on the purpose of application of the same is not warranted.
10. According to the information and explanations given to us and based upon the audit procedures performed by us, no fraud by the Company or on the Company committed by its officers or employees has been noticed or reported during the year.
11. According to the information and explanations given to us, the managerial remuneration paid during the year is in compliance with the provisions of Section 197 read with Schedule V of the Companies Act, 2013.
12. As the Company is not a Nidhi Company in terms of the provisions of the Companies Act, 2013 read with Nidhi Rules, 2014, the matters to be reported under clause (xii) are not applicable.
13. According to the information and explanations given to us, in respect of the transactions with the related parties, the Company has complied with the provisions of Section 177 and 188 of the Companies Act, 2013, wherever applicable. In our opinion, the details as required by the applicable accounting standards have been disclosed in the financial statements for the year under review.
14. According to the information and explanations given to us, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year under review. Hence, reporting requirement on compliance with Section 42 of the Companies Act, 2013 and purpose of application of the funds so raised is not applicable.
15. According to the information and explanations given to us, the Company has not entered into any non-cash transactions with directors or persons connected with him and hence, reporting requirement on compliance with the provisions of Section 192 of the Companies Act, 2013 is not applicable.
16. According to the information and explanations given to us and in our opinion, the Company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934.

**FOR C K S ASSOCIATES**

Chartered Accountants  
(FRN 007390S)

Place: HYDERABAD  
Date: 27-05-2019

**N V S SRIKRISHNA**

Partner  
M. No. : 025139

**ANNEXURE – 2 TO THE INDEPENDENT AUDITORS’ REPORT:****Report on the Internal Financial Controls under Clause (I) of Sub-section 3 of Section 143 of the Companies Act, 2013 (“the Act”):**

We have audited the internal financial controls over financial reporting of **ALKALI METALS LIMITED** (“the Company”) as of March 31, 2019 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

**Management’s Responsibility for Internal Financial Controls**

The Company’s management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company’s policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

**Auditors’ Responsibility**

Our responsibility is to express an opinion on the Company’s internal financial controls over financial reporting based on our audit.

We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls over Financial Reporting (the “Guidance Note”) and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and, both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor’s judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company’s internal financial controls system over financial reporting.



### **Meaning of Internal Financial Controls over Financial Reporting**

A Company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A Company's internal financial control over financial reporting includes those policies and procedures that

- 1) Pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company;
- 2) Provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and
- 3) Provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

### **Inherent Limitations of Internal Financial Controls over Financial Reporting**

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

### **Opinion**

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2017, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India.

**FOR C K S ASSOCIATES**

Chartered Accountants  
(FRN 007390S)

Place: HYDERABAD  
Date: 27-05-2019

**N V S SRIKRISHNA**

Partner  
M. No. : 025139

**BALANCE SHEET AS AT MARCH 31, 2019**

(All Figures in ₹)

Particulars	Note No.	As at March 31, 2019	As at March 31, 2018
<b>I ASSETS</b>			
<b>1. NON CURRENTS ASSETS</b>			
a. Property, Plant and Equipment	7	445,629,963	465,601,354
b. Capital Work-in-progress	8	31,075,740	15,520,738
c. Intangible Assets	9	1,940,265	2,587,021
d. Financial Assets			
i. Other Financial Assets	10	6,086,236	5,359,236
e. Deferred tax assets(net)	11	35,068,748	31,120,651
f. Other non current assets	12	358,640	28,872
		<b>520,159,592</b>	<b>520,217,873</b>
<b>2. CURRENTS ASSETS</b>			
a. Inventories	13	226,384,158	171,967,010
b. Financial Assets			
i. Trade Receivables	14	107,402,908	140,969,848
ii. Cash and Cash Equivalents	15	733,064	582,151
iii. Bank Balances others	16	10,269,226	7,338,360
iv. Others financial asset	17	1,327,700	1,304,232
c. Other Current Assets	18	43,567,205	46,840,012
		<b>389,684,261</b>	<b>369,001,613</b>
<b>TOTAL</b>		<b>909,843,853</b>	<b>889,219,486</b>
<b>II EQUITY AND LIABILITIES</b>			
<b>1. EQUITY</b>			
a. Equity Share Capital	19	101,825,060	101,825,060
b. Other Equity	20	418,504,928	411,975,586
		<b>520,329,988</b>	<b>513,800,646</b>
<b>2. NON-CURRENT LIABILITIES</b>			
a. Financial Liabilities			
i. Borrowings	21	7,951,331	8,419,808
b. Provisions	22	1,092,654	1,038,772
c. Other Non Current Liabilities	23	17,536,719	18,492,059
		<b>26,580,704</b>	<b>27,950,639</b>
<b>3. CURRENT LIABILITIES</b>			
a. Financial Liabilities			
i. Borrowings	24	172,322,002	163,984,583
ii. Trade Payables	25	159,417,768	147,658,508
iii. Other Financial Liabilities	26	2,276,942	9,185,190
b. Other Current Liabilities	27	22,133,555	20,217,083
c. Provisions	28	1,144,784	1,883,486
d. Current tax liabilities	29	5,638,110	4,539,352
		<b>362,933,162</b>	<b>347,468,201</b>
<b>TOTAL</b>		<b>909,843,853</b>	<b>889,219,486</b>

The accompanying notes form an integral part of this financial statements.

As per our Report attached  
For **C K S Associates**  
Chartered Accountants  
FRN 007390S

For and on Behalf of Board of Directors  
**Alkali Metals Limited**

**N.V.S. SRIKRISHNA**  
PARTNER  
M.NO.025139

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

**DR.J.S. YADAV**  
CHAIRMAN  
DIN: 02014136

Place: HYDERABAD  
Date: 27-05-2019

**K. UMA KUMARI**  
CFO

**STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED ON MARCH 31, 2019.****a) Share Capital**

(All Figures in ₹)

Balance as on March 31, 2018	101,825,060
Balance as on March 31, 2019	101,825,060

**b) Other Equity**

(All Figures in ₹)

Particulars	Securities premium account	Revaluation reserve	Investment subsidy	General reserve	Retained earnings	TOTAL
Balance at the beginning of the reporting period April 1, 2017	237,150,000	8,336,793	1,000,000	91,343,660	65,572,725	403,403,178
Total comprehensive income					14,700,121	14,700,121
Dividends (including tax)					(6,127,712)	(6,127,712)
<b>Balance at the beginning of the reporting period April 1, 2018</b>	<b>237,150,000</b>	<b>8,336,793</b>	<b>1,000,000</b>	<b>91,343,660</b>	<b>74,145,134</b>	<b>411,975,587</b>
Total comprehensive income					18,804,880	18,804,880
Dividends (including tax)					(12,275,543)	(12,275,543)
<b>Balance at the end of the reporting period March 31, 2019</b>	<b>237,150,000</b>	<b>8,336,793</b>	<b>1,000,000</b>	<b>91,343,660</b>	<b>80,674,470</b>	<b>418,504,928</b>

As per our Report attached  
For **C K S Associates**  
Chartered Accountants  
FRN 007390S

For and on Behalf of Board of Directors  
**Alkali Metals Limited**

**N.V.S. SRIKRISHNA**  
PARTNER  
M.NO.025139

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

**DR.J.S. YADAV**  
CHAIRMAN  
DIN: 02014136

Place: HYDERABAD  
Date: 27-05-2019

**K. UMA KUMARI**  
CFO

**STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED MARCH 31, 2019**

(All Figures in ₹)

Particulars	Note No.	As at March 31, 2019	As at March 31, 2018
<b>1. REVENUE</b>			
Revenue from Operations	30	715,562,262	657,798,312
Other Income	31	3,975,725	5,525,000
<b>Total Revenue</b>		<b>719,537,988</b>	<b>663,323,312</b>
<b>2. EXPENSES</b>			
a. Cost of Materials Consumed		398,155,172	302,059,386
b. Changes in Inventories of Finished Goods Work-in-Progress and Stock-in-Trade	32	(55,526,541)	21,220,045
c. Employee Benefit Expense	33	94,401,121	87,308,618
d. Finance Costs	34	27,097,451	25,246,821
e. Depreciation & amortisation expenses	35	34,141,716	34,772,450
f. Other Expenses	36	204,347,588	179,158,753
<b>Total Expenses</b>		<b>702,616,506</b>	<b>649,766,073</b>
<b>3. Profit for the year before exceptional items &amp; tax</b>		<b>16,921,482</b>	<b>13,557,240</b>
<b>4. Exceptional Items</b>	37	-	484,751
<b>5. Profit Before Tax</b>		<b>16,921,482</b>	<b>13,072,489</b>
<b>6. Tax Expense</b>			
a. Current Tax (MAT)		3,560,365	2,799,034
Less: MAT Credit Entitlement		(3,560,365)	(2,799,034)
Net Current Tax		-	-
b. Tax Pertaining to Earlier Years		-	3,833
Less: MAT Credit Entitlement		-	-
		-	3,833
		-	3,833
<b>7. Profit for the year</b>		<b>16,921,482</b>	<b>13,068,656</b>
<b>8. Other Comprehensive Income (net)</b>			
<b>Items that will not be reclassified to P&amp;L a/c</b>			
Remeasurement of defined benefit plan		1,883,398	1,631,464
Current Tax (MAT)		387,731	332,656
Less: MAT Credit Entitlement		(387,731)	(332,656)
		1,883,398	1,631,464
<b>9. Total Comprehensive Income for the period (7+8)</b>		<b>18,804,880</b>	<b>14,700,121</b>
<b>10. Earnings Per Share</b>			
<b>Face Value Rs. 10/- per share</b>			
i Basic		1.85	1.44
ii Diluted		1.85	1.44

The accompanying notes form an integral part of this financial statements.

As per our Report attached  
For **C K S Associates**  
Chartered Accountants  
FRN 007390S

For and on Behalf of Board of Directors  
**Alkali Metals Limited**

**N.V.S. SRIKRISHNA**  
PARTNER  
M.NO.025139

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

**DR.J.S. YADAV**  
CHAIRMAN  
DIN: 02014136

Place: HYDERABAD  
Date: 27-05-2019

**K. UMA KUMARI**  
CFO



## CASH FLOW STATEMENT FOR THE YEAR ENDED MARCH 31, 2019 (All Figures in ₹)

Particulars	March, 2019		March, 2018	
<b>A. CASH FLOWS FROM OPERATING ACTIVITIES</b>				
Net Profit/(Loss) before tax and exceptional items		16,921,482		13,557,240
Exceptional items - income / (expenditure) *		-		(484,751)
Other comprehensive income (net)		1,883,398		1,631,464
<b>Total comprehensive income before tax</b>		<b>18,804,880</b>		<b>14,703,953</b>
Adjustments for				
Depreciation	33,494,960		34,125,694	
Amortisation of intangible assets	646,756		646,756	
Assets written off	-		484,751	
Interest income	(1,017,757)		(891,834)	
Interest expense	27,097,451		25,246,821	
		60,221,410		59,612,188
<b>Operating profit before working capital changes</b>		<b>79,026,290</b>		<b>74,316,140</b>
(Increase)/decrease in sundry debtors	33,566,941		(38,180,861)	
(Increase)/decrease in inventories	(54,417,148)		17,147,396	
(Increase)/decrease in loans & advances	(3,959,392)		(3,068,742)	
Increase/(decrease) in current liabilities	14,366,203		(7,556,246)	
Increase/(decrease) in Provision	53,882		(258,012)	
(Increase)/decrease in Other Financial Assets	(726,999)		-	
		(11,116,514)		(31,916,465)
<b>Cash generated from operations</b>		<b>67,909,776</b>		<b>42,399,675</b>
Income tax paid net of refunds		1,098,758		2,597,430
Income tax adjustment relating to previous year		-		(3,833)
Net cash flow from operating activities (A)		<b>69,008,534</b>		<b>44,993,272</b>
<b>B. CASH FLOW FROM INVESTING ACTIVITIES</b>				
Purchase of fixed assets	(29,078,567)		(4,944,857)	
Sale proceeds of fixed assets	-		-	
Interest received	1,017,757		891,834	
Net cash flow from investing activities (B)		<b>(28,060,810)</b>		<b>(4,053,023)</b>
<b>C. CASH FLOW FROM FINANCING ACTIVITIES</b>				
Repayment/proceeds of long-term borrowings	(468,477)		(8,270,390)	
Repayment of interest free sales tax loans	(955,340)		(955,340)	
Dividend payment	(12,275,543)		(6,127,712)	
Interest paid	(27,097,451)		(25,246,821)	
Net cash flow used in financing activities (C)		<b>(40,796,811)</b>		<b>(40,600,263)</b>
<b>NET INCREASE IN CASH AND CASH EQUIVALENTS (A+B+C)</b>		<b>150,912</b>		<b>339,986</b>
Cash and cash equivalents as at the beginning of the period		582,151		242,165
<b>Cash and cash equivalents at end of the period</b>		<b>733,064</b>		<b>582,151</b>
<b>Cash and cash equivalents</b>				
Cash on hand		398,861		420,383
Balances with banks in current account		334,203		161,768
<b>Total</b>		<b>733,064</b>		<b>582,151</b>

Notes to the cash flow statement for the year ended March 31, 2019

1. This statement is prepared as per Ind AS-7 (Indirect method).
2. Previous year's figures were re-grouped wherever necessary.

As per our Report attached  
For **C K S Associates**  
Chartered Accountants  
FRN 007390S

For and on Behalf of Board of Directors  
**Alkali Metals Limited**

**N.V.S. SRIKRISHNA**  
PARTNER  
M.NO.025139

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

**DR.J.S. YADAV**  
CHAIRMAN  
DIN: 02014136

Place: HYDERABAD  
Date: 27-05-2019

**K. UMA KUMARI**  
CFO

**Notes to Financial Statements for the year ended March 31, 2019****1. COMPANY OVERVIEW**

Alkali Metals Ltd. which was established in 1968, at Hyderabad, Telangana, India, as a closely held company, became a Public Listed company on 6<sup>th</sup> November, 2008 being listed on BSE & NSE. Originally set up for manufacturing of Sodium Metal, the company subsequently diversified into manufacturing of Sodium derivatives, Pyridine derivatives, Fine Chemicals and API's etc. The company is recognised as an "Export House" by DGFT and also recognised by Dept. of Science and Technology, New Delhi as an approved "In house R & D Facility". The company has three manufacturing units, at Uppal, Dommara Pochampally and JNPC Visakhapatnam.

**2. BASIS OF PREPARATION AND MEASUREMENT****i Statement of Compliance**

The financial statements as at and for the year ended March 31, 2019 have been prepared in accordance with Indian Accounting Standards ("Ind AS") notified under the Companies (Indian Accounting Standards) Rules, 2015 as amended from time to time.

**ii. Accounting Convention and Basis of Measurement**

The financial statements have been prepared on the historical cost convention and on an accrual basis, except for the following material items that have been measured at fair value as required by relevant Ind AS:

- a Certain financial assets and liabilities measured at fair value (refer accounting policy on financial instruments)
- b Defined benefit and other long-term employee benefits.

**iii. Functional and Presentation Currency**

The financial statements are presented in Indian rupees, which is the functional currency of the company and the currency of the primary economic environment in which the company operates. All financial information presented in Indian rupees has been rounded to the nearest rupee except share and earning per share data.

**iv. Use of Judgements, Estimates and Assumptions**

The preparation of financial statements in conformity with Ind AS requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses and the disclosure of contingent liabilities and assets. Actual results may differ from these estimates. Estimates and underlying assumptions are reviewed on a periodic basis. Revisions to accounting estimates are recognised in the period in which the estimates are revised and in any future periods affected.

Information about critical judgements in applying accounting policies, as well as estimates and assumptions in respect of the following areas, that have most significant effect to the carrying amounts within the next financial year are included in the relevant notes.



- a. Useful lives of property, plant, equipment and intangibles
- b. Measurement of defined benefit obligations
- c. Measurement and likelihood of occurrence of provisions and contingencies
- d. Recognition of deferred tax assets.
- e. Impairment of intangibles
- f. Expenditure relating to research and development activities.

**v. Operating Cycle**

Based on the nature of products / activities of the Company and the normal time between acquisition of assets and their realisation in cash or cash equivalents, the Company has determined its operating cycle as 12 months for the purpose of classification of its assets and liabilities as current and non-current.

**3. SIGNIFICANT ACCOUNTING POLICIES**

**i. Property Plant and Equipment**

- a. Property Plant and Equipment are measured at cost less accumulated depreciation and impairment losses.
- b. The cost of property, plant and equipment includes those incurred directly for the construction or acquisition of the asset, and directly attributable to bringing it to the location and condition necessary for it to be capable of operating in the manner intended by the management and includes the present value of expected cost for dismantling / restoration wherever applicable.
- c. The Cost of major spares is recognised in the carrying amount of the item of property, plant and equipment in accordance with the recognition criteria set out in the standard. The carrying amount of the replaced part is derecognised at the time of actual replacement. The cost of the day-to-day servicing of the item are recognised in statement of profit and loss account.
- d. Depreciation on all fixed assets is provided under straight line method over the useful life of assets specified in Part C of Schedule II to the Companies Act, 2013 and manner specified therein. Assets costing less than ₹ 5,000 are fully depreciated in the year of purchase.
- e. Expenditure attributable / relating to PPE under construction / erection is accounted as below:
  - To the extent directly identifiable to any specific plant / unit, trail run expenditure net of revenue is included in the cost of property plant and equipment.
  - To the extent not directly identifiable to any specific plant / unit, is kept under “expenditure during construction” for allocation to property plant and equipment and is grouped under Capital work in progress.

**ii. Intangible Assets**

- a. Intangible asset is recognised when it is probable that future economic benefits that



are attributable to the asset will flow to the enterprise and the cost of the asset can be measured reliably. Expenditure incurred for creating infrastructure facilities where the ownership does not rest with the company and where the benefits from it accrue to the company over a future period is also considered as intangible asset.

- b. New product development expenditure, software licences, technical knowhow fee, infrastructure and logistic facilities etc., are recognised as intangible asset upon completion of development and commencement of commercial production.
- c. Intangible assets are amortised on straight line method over their technically estimated useful life.
- d. Residual values and useful lives for all intangible assets are reviewed at each reporting date. Changes if any are accounted for as changes in accounting estimates.

### **iii. Impairment of Asset**

#### **a. Financial Assets**

Company applies expected credit loss (ECL) model for measurement and recognition of impairment loss on the following financial assets and credit risk exposure:

- Financial assets that are debt instruments and are measured at amortised cost whether applicable for e.g. loans debt securities, deposits, and bank balances.
- Trade Receivables

The Company follows 'simplified approach' for recognition of impairment loss allowance on trade receivables which do not contain a significant financing component. The application of simplified approach does not require the company to track changes in credit risk. Rather, it recognises impairment loss allowance based on lifetime ECLs at each reporting date, right from its initial recognition.

#### **b. Non-financial assets**

The Company assesses at each reporting date whether there is any objective evidence that a non-financial asset or a group of non-financial assets is impaired. If any such indication exists, the company estimates the amount of impairment loss.

### **iv. Inventories**

Items of inventories are valued at lower of cost or net realisable value after providing for obsolescence, if any. Cost of inventories comprises of cost of purchase, cost of conversion and other costs incurred in bringing them to their respective present location and condition. Cost of raw material is determined on FIFO method. Appropriate provisions will be made for non-moving / slow-moving items.

### **v. Foreign Currency Transactions**

- a. Transactions relating to non-monetary items and purchase and sale of goods /services denominated in foreign currency are recorded at the exchange rate prevailing or a rate that approximates the actual rate on the date of transaction.



- b. Assets and liabilities in the nature of monetary items denominated in foreign currencies are translated and restated at prevailing exchange rates as at the end of the reporting period.
- c. Exchange differences arising on account of settlement / conversion of foreign currency monetary items are recognised as expense or income in the period in which they arise.
- d. Foreign currency gains and losses are reported on a net basis.

**vi. Revenue Recognition**

While recognizing the revenue under Ind AS115 in respect of Contracts which meet the defined criteria, due consideration has been given to identify all the performance obligations stated therein including transfer of goods or services as well as term of payment. The transaction price is allocated to each distinct and identifiable performance obligation and is also adjusted for the time value of money. In respect of goods, revenue is recognised on transfer of significant risks and rewards of the ownership including effective control of the buyer. In respect of all other services / performance obligations, revenue is recognised upon of completion of such performance. The revenue so measured is stated net of trade discounts / rebated and other price allowances, wherever applicable. Other income including interest are recognised on accrual basis.

**vii. Employee Benefits****a. Short term Benefits**

All employee benefits falling due wholly within twelve months of rendering the service are classified as short-term employee benefits. The cost of the benefits like salaries, wages, medical, leave travel assistance, short term compensated absences, bonus, exgratia etc., is recognised as an expense in the period in which the employee renders the related service.

**b. Post - employment Benefits****• Defined Contribution Plans**

The contribution paid /payable under provident fund scheme, ESI scheme, and employee pension scheme is recognised as expenditure in the period in which the employee renders the related service.

**• Defined Benefit Plans**

The company's obligation towards gratuity is a defined benefit plan. The present value of the estimated future cash flows of the obligation under such plan is determined based on actuarial valuation using the projected unit credit method. Any difference between the interest income on plan asset and the return actually achieved and any changes in the liabilities over the year due to changes in actuarial assumptions or experienced adjustments within the plan are recognised immediately in other comprehensive income and subsequently not reclassified to the statement of profit and loss.



All defined benefit plans obligations are determined based on valuation as at the end of the reporting period, made by independent actuary using the projected unit credit method. The classification of the company's net obligation into current and non-current is as per the actuarial valuation report.

**c. Long term Employee Benefits**

The obligation for long term employee benefits such as long term compensated absences, is determined and recognised in the similar manner stated in the defined benefit plan.

**viii. Borrowing Cost**

- a. Borrowing costs incurred for obtaining assets which take substantial period to get ready for their intended use are capitalised to the respective assets wherever the costs are directly attributable to such assets and in other cases by applying weighted average cost of borrowings to the expenditure on such assets.
- b. Other borrowing costs are treated as expense for the year.
- c. Significant transaction costs in respect of long-term borrowings are amortised over the tenor of respective loans using effective interest method.

**ix. Provision for Current and Deferred Tax**

**a. Current Tax**

The tax currently payable is based on taxable profit for the year. Taxable profits differ from the profit as reported in the statement of profit and loss because of items of income or expense that are taxable or deductible in other years and items that are never taxable or deductible. The company's current tax is calculated using tax rates that have been enacted or substantially enacted by the end of the reporting period. In the event of Tax computed as stated is less than the tax computed under section 115JB of the Income tax Act., 1961, provision for current tax will be made in accordance with such provisions.

**b. Deferred Tax**

Deferred tax is recognised on temporary differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit. Deferred tax liabilities are generally recognised for all taxable temporary differences. Deferred tax assets are generally recognised for all deductible temporary differences to the extent that it is probable that taxable profits will be available against which those deductible temporary differences can be utilised.

The carrying amount of deferred tax asset is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

Deferred tax liabilities and assets are measured at the tax rates that are expected to apply in the period in which the liability is settled or the asset realised, based on tax



rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period.

The measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the company expects, at the end of the reporting period to recover or settle the carrying amount of its assets and liabilities.

**c. Current and deferred Tax for the year**

Current and deferred tax are recognised in profit and loss, except when they relate to items that are recognised in other comprehensive income or directly in equity, in which case, the current and deferred tax are also recognised in other comprehensive income or directly in equity respectively.

Deferred tax resulting from “timing difference” between taxable and accounting income is accounted for using the tax rates and laws that are enacted or substantively enacted as on the balance sheet date. Deferred tax asset is recognised and carried forward only to the extent there is reasonably certain that there will be sufficient future income to recover such Deferred Tax Asset.

**x. Minimum Alternate Tax Credit**

Minimum Alternate Tax Credit Entitlement is recognized in the books of account when there is convincing evidence that the Company will pay normal income tax during the specified period. The Entitlement is reviewed at each balance sheet date with regard to the correctness of the carrying amount

**xi. Research and Development**

Capital expenditure incurred has been disclosed under separate heads of account and revenue expenditure incurred is charged off as a distinct item in the Profit and Loss account.

**xii. Financial instruments (financial assets and financial liabilities):**

All financial instruments are recognized initially at fair value. The Classification of financial instruments depends on the objective of the business model for which it is held and the contractual cash flows that are solely payments of principal and interest on the principal outstanding. For the purpose of subsequent measurement, financial instruments of the Company are classified into (a) non-derivate financial instruments and (b) derivative financial instruments.

**a) Non-derivative financial instruments:**

- Security Deposits, cash and cash equivalents, other advances, trade receivables and eligible current and non-current financial assets are classified as financial assets under this clause.
- Loans and borrowings, trade and other payables including deposits collected from various parties and eligible current and non-current financial liabilities are classified as financial liabilities under this clause.



- Financial instruments are subsequently carried at amortized cost .
- Transaction costs that are attributable to the financial instruments recognized at amortized cost are included in the fair value of such instruments.

**b) Derivative financial instruments:**

- The policy in respect of Derivatives will be determined as and when required.

**xiii. Claims**

Claims by and against the company, including liquidated damages, are recognised on acceptance basis.



(All Figures in ₹)

**7. Property, Plant And Equipment as on March 31, 2019**

S. No.	Description	Gross Carrying Amount			Accumulated Depreciation			Net Carrying Amount		
		As on April 1, 2018	Additions	Adjustments/deletions	As on March 31, 2019	As on April 1, 2018	For the Period	Adjustments/deletions	As on March 31, 2019	As on March 31, 2019
1	Land	68,262,761	-	-	68,262,761	-	-	-	68,262,761	68,262,761
2	Building	208,427,338	8,676,385	-	217,103,723	59,134,633	8,122,467	-	149,846,623	149,292,704
3	Plant & Equipment	376,638,462	2,237,643	-	378,876,105	173,546,493	17,226,013	-	188,103,598	203,091,969
4	Pollution Control Equipment	7,318,829	-	-	7,318,829	6,295,467	284,794	-	738,568	1,023,362
5	Vehicles	3,406,071	-	-	3,406,071	2,395,519	216,021	-	2,611,540	1,010,552
6	Furniture & Fixture	4,831,226	1,772,133	-	6,603,359	2,062,988	422,103	-	2,485,091	2,768,238
7	Lab Equipment	8,765,234	17,000	-	8,782,234	6,809,018	219,609	-	7,028,627	1,956,216
8	Office Equipment	1,570,741	436,536	-	2,007,277	1,054,738	120,095	-	1,174,833	516,002
9	Computers	1,026,430	111,542	-	1,137,972	504,885	118,014	-	622,899	521,545
10	R & D Equipment	105,174,371	230,000	-	105,404,371	76,593,102	4,062,737	-	80,655,839	28,581,269
11	R & D Lab Equipment	29,102,939	-	-	29,102,939	21,499,357	2,494,716	-	23,994,073	7,603,582
12	Safety Equipment	3,772,531	42,330	-	3,814,861	2,799,377	208,392	-	3,007,769	973,154
Total		818,296,933	13,523,569	-	831,820,502	352,695,579	33,494,960	-	386,190,539	465,601,354
	Carrying Value as of March 31, 2018	822,989,546	5,002,409	9,695,026	818,296,929	327,780,156	34,125,694	9,210,275	352,695,574	495,209,389

**8. Capital Work-in-Progress**

(All Figures in ₹)

	March 31, 2019	March 31, 2018
Civil Works in Progress	17,020,738	15,520,738
Other Assets	14,055,002	-
<b>Total</b>	<b>31,075,740</b>	<b>15,520,738</b>

**9. Intangible Assets as on 31<sup>st</sup> March, 2019**

(All Figures in ₹)

Description	Gross Carrying Amount			Accumulated Amortization			Net Carrying Amount	
	As on April 1, 2018	Additions	As on March 31, 2019	As on April 1, 2018	For the Period	Adjustments/deletions	As on March 31, 2019	As on March 31, 2018
SAP Software Development	7,055,509	-	7,055,509	4,468,488	646,756	-	5,115,244	2,587,021
Total	7,055,509	-	7,055,509	4,468,488	646,756	-	5,115,244	2,587,021
Carrying Value as of March 31, 2018	7,055,509	-	7,055,509	3,821,732	646,756	-	4,468,488	3,233,777

**10. OTHER FINANCIAL ASSETS**

(All Figures in ₹)

	March 31, 2019	March 31, 2018
Security Deposits	6,086,236	5,359,236
	<b>6,086,236</b>	5,359,236

**11. DEFFERED TAX ASSETS (NET)**

(All Figures in ₹)

	March 31, 2019	March 31, 2018
MAT Credit Entitlement	35,068,748	31,120,651
	<b>35,068,748</b>	31,120,651

**12. OTHER NON CURRENT ASSETS**

(All Figures in ₹)

	March 31, 2019	March 31, 2018
Prepaid Taxes	358,640	28,872
	<b>358,640</b>	28,872

**13. INVENTORIES**

(All Figures in ₹)

	March 31, 2019	March 31, 2018
<b>Valued at Cost or Realisable Value, whichever is lower (As Certified by Management)</b>		
Raw Materials	64,231,871	66,543,364
Work-in-progress	150,864,079	95,337,537
Stores,spares, fuels and consumables	11,288,208	10,086,109
	<b>226,384,158</b>	<b>171,967,010</b>

**14. TRADE RECEIVABLES**

(All Figures in ₹)

	March 31, 2019	March 31, 2018
Unsecured, Considered Good	107,402,908	140,969,848
	<b>107,402,908</b>	140,969,848

**15. CASH & CASH EQUIVALENTS**

(All Figures in ₹)

	March 31, 2019	March 31, 2018
a. Balances with Banks		
Current Accounts	93,142	154,720
EEFC Account	241,061	7,048
b. Cash on Hand	398,861	420,383
	<b>733,064</b>	582,151

**16. OTHER BANK BALANCE**

(All Figures in ₹)

	March 31, 2019	March 31, 2018
Margin Money Deposit in Banks	9,659,603	6,635,103
Unpaid Dividend Accounts	609,623	703,257
	<b>10,269,226</b>	<b>7,338,360</b>

**17. OTHER FINANCIAL ASSETS**

(All Figures in ₹)

	March 31, 2019	March 31, 2018
Interest Receivable	1,327,700	1,304,232
	<b>1,327,700</b>	<b>1,304,232</b>

**18. OTHER CURRENT ASSETS**

(All Figures in ₹)

	March 31, 2019	March 31, 2018
Balances With Revenue Authorities	33,522,598	37,498,425
Prepaid Expenses	6,030,591	5,044,356
Advances to Suppliers	2,556,013	3,905,430
Other Advances	1,458,004	391,802
	<b>43,567,205</b>	<b>46,840,012</b>

**19. SHARE CAPITAL**

(All Figures in ₹)

	March 31, 2019	March 31, 2018
<b>Authorised Share Capital</b>		
15,000,000 Equity Shares of Rs. 10 Par Value	150,000,000	150,000,000
<b>Issued,Subscribed and Paid-up Capital</b>		
At the beginning and at the end of the year		
10,182,506 Equity Shares of Rs. 10 Par Value fully paid up	101,825,060	101,825,060
	<b>101,825,060</b>	<b>101,825,060</b>

**Disclosures:**

- All the equity shares carry equal rights and obligations including for dividend and with respect to voting rights.
- Names of shareholders holding more than 5% of the Share capital and their shareholding.

S.No.	Name of Share Holder	No. of Shares	No. of Shares
1	Sri. Y.S.R. Venkata Rao	6,904,715	6,904,715
	% of Holding	67.81%	67.81%

**20. OTHER EQUITY**

(All Figures in ₹)

	March 31, 2019	March 31, 2018
<b>1. Securities Premium</b>		
Balance at the beginning and at the end of the year	237,150,000	237,150,000
<b>2. Revaluation Reserve on Land</b>		
Balance at the beginning and at the end of the year	8,336,793	8,336,793
<b>3. Capital Reserve - Investment Subsidy</b>		
Balance at the beginning of the year	1,000,000	1,000,000
Add: Amount received during the year	-	-
Balance at the end of the year	1,000,000	1,000,000
<b>4. General Reserve</b>		
Balance at the beginning of the year	91,343,660	91,343,660
Balance at the closing of the year	91,343,660	91,343,660
<b>5. Surplus</b>		
Balance of surplus in the statement of changes in Equity	80,674,470	74,145,133
	<b>418,504,928</b>	<b>411,975,586</b>

**21. BORROWINGS**

(All Figures in ₹)

	March 31, 2019	March 31, 2018
<b>A. Unsecured:</b>		
Deferred payment liability - Interest free sales tax loan ( Refer Note 21.1)	7,951,331	8,419,808
	<b>7,951,331</b>	<b>8,419,808</b>

**Disclosures:****1. Deferred payment liability - Interest free sales tax loan**

The Company was sanctioned Interest Free Sales Tax Deferment of ₹ 34,585,650 under Target – 2000 Scheme by the Government of Andhra Pradesh vide final eligibility Certificate No. LR No.10/4/2001/0878/0878/ID dt. 24-07-2001, for a period of 14 years starting from 20-03-1999 to 19-03-2013. The Company has availed itself of total Sales Tax Deferment of ₹ 26,979,010 up to 31-03-2013 and the same is shown as liability in the Balance Sheet. The repayment is started from March, 2016 and the Company has made the payments as per the final eligibility certificate. Amount of ₹ 1,667,937 payable in this financial year in 2019-20 financial year shown under the Other Financial Liabilities under Current Liabilities Pursuant to requirement under Ind AS-109 on financial instruments and in view of the option exercised under Ind AS-101 on first time adoption of Ind AS, un-winding of interest using effective interest rate was made and the deferred grant carved out, from the said loan, is being amortised in equal installments over the remaining repayment period of the IFST loan.

**22. PROVISIONS**

(All Figures in ₹)

	March 31, 2019	March 31, 2018
Provision for earned Leave Encashment (Non funded)	1,092,654	1,038,772
	1,092,654	1,038,772

**23. OTHER NON CURRENT LIABILITIES**

(All Figures in ₹)

	March 31, 2019	March 31, 2018
Deposit*	9,894,000	9,894,000
Deffered Govt. Grant(Note 21.1)	7,642,719	8,598,059
	17,536,719	18,492,059

**Disclosures:**

\*The above deposit is received from a customer of the Company in foreign currency and the same is adjustable against the supplies of the Company in future years.

**24. BORROWINGS**

(All Figures in ₹)

	March 31, 2019	March 31, 2018
<b>Loans repayable on demand from Banks (Secured)</b>		
a. Cash Credit facility	152,922,063	163,984,583
b. Export Packing Credit	19,399,939	-
	172,322,002	163,984,583

**Disclosures:****a. Terms and Conditions of Cash Credit**

1. Period of maturity with reference to Balance Sheet date	<b>Renewable every year</b>	Renewable every year
2. Number of Instalments due	<b>Nil</b>	Nil
3. Amount Outstanding	<b>152,922,063</b>	163,984,583
4. Rate of Interest	<b>Base Rate plus 3.75%</b>	Base Rate plus 4.5%
5. Overdue amount and period:	<b>Nil</b>	Nil
6. Security: Working Capital Loan from bank and interest accrued on the loan are secured by hypothecation of raw materials, work in progress, finished goods, stores and spares and book debts of the Company and a first charge on the immovable properties and personal guarantee of the Managing Director of the Company.		

**b. Terms and Conditions of Export Packing Credit**

EPC limit of ₹ 12 cr is a sub limit to the Cash Credit limit of ₹ 18 cr

1. Amount Outstanding	<b>19,399,939</b>	-
2. Rate of Interest	<b>Base Rate plus 3.75%</b>	Base Rate plus 4.5%
3. Over Due Amount and period	<b>Nil</b>	Nil
4. Security: Working Capital Loan from bank and interest accrued on the loan are secured by hypothecation of present and future raw materials, work in progress, finished goods, stores and spares and book debts of the Company and a first charge on the immovable properties and personal guarantee of the Managing Director of the Company.		

**25. TRADE PAYABLES**

(All Figures in ₹)

	March 31, 2019	March 31, 2018
Total outstanding dues of:		
Micro enterprises & Small Enterprises (MSME)	11,038,682	10,008,080
Payables other than MESE	148,379,086	137,650,428
	<b>159,417,768</b>	147,658,508

**Disclosures:**

The information has been given in respect of those suppliers who have intimated the Company that they are registered as micro enterprises and small enterprises. The Company is usually prompt in servicing these vendors as per mutually agreed payment terms.

**26. OTHER FINANCIAL LIABILITIES - CURRENT**

(All Figures in ₹)

	March 31, 2019	March 31, 2018
Current maturities of Deferred payment liability - Interest free sales tax loan (refer Note no.21.1)	1,667,937	1,788,368
Current Maturities of Long Term Debt	-	6,605,077
Interest Accrued but not due on Borrowings	-	88,488
Unpaid Dividends	609,005	703,257
	<b>2,276,942</b>	9,185,190

**27. OTHER CURRENT LIABILITIES**

(All Figures in ₹)

	March 31, 2019	March 31, 2018
Statutory Dues Payable	6,143,504	1,972,769
Advance against Sales	15,990,051	18,244,314
	<b>22,133,555</b>	20,217,083

**28. PROVISIONS**

(All Figures in ₹)

	March 31, 2019	March 31, 2018
Provision for earned Leave Encashment (Non funded)	87,450	220,173
Provision for Employee Benefits (Gratuity)	1,057,334	1,663,313
	<b>1,144,784</b>	1,883,486

**29. CURRENT TAX LIABILITIES (NET)**

(All Figures in ₹)

	March 31, 2019	March 31, 2018
Current tax liabilities	5,638,110	4,539,352
	<b>5,638,110</b>	4,539,352

**30. REVENUE FROM OPERATIONS**

(All Figures in ₹)

	March 31, 2019	March 31, 2018
Sale of Products	704,163,342	652,345,781
Other Operating Revenue	11,398,920	5,452,531
	<b>715,562,262</b>	657,798,312

**31. OTHER INCOME**

(All Figures in ₹)

	March 31, 2019	March 31, 2018
1. Interest earned	1,017,757	891,834
2. Other Non-operating Income		
a. Gain on Foreign Currency Translation and Transactions	2,002,628	-
b. Miscellaneous Income	-	3,412,614
c. Balances / Excess Provisions written back	-	265,212
d. Deferred government grant written back	955,340	955,340
	<b>3,975,725</b>	<b>5,525,000</b>

**32. CHANGES IN INVENTORIES OF FINISHED GOODS, WORK-IN-PROGRESS AND STOCK-IN-TRADE**

(All Figures in ₹)

	March 31, 2019	March 31, 2018
1. Work in Progress		
a. Opening Stock	95,337,537	116,557,582
b. Closing Stock	150,864,079	95,337,537
Decrease / (Increase)	(55,526,541)	21,220,045
<b>Total Decrease / (Increase)</b>	<b>(55,526,541)</b>	<b>21,220,045</b>

**33. EMPLOYEE BENEFITS EXPENSE**

(All Figures in ₹)

	March 31, 2019	March 31, 2018
Salaries & Wages	88,056,420	80,154,063
Contribution to Provident and Other Funds	4,195,305	5,176,385
Staff Welfare Expenses	2,149,396	1,978,170
	<b>94,401,121</b>	<b>87,308,618</b>

**34. FINANCE COSTS**

(All Figures in ₹)

	March 31, 2019	March 31, 2018
Interest	25,866,735	23,658,116
Interest on Income Tax	255,092	204,449
Other Borrowing Costs	975,624	1,384,256
	<b>27,097,451</b>	<b>25,246,821</b>

**35. DEPRECIATION AND AMORTIZATION EXPENSE**

(All Figures in ₹)

	March 31, 2019	March 31, 2018
Depreciation of tangible assets	33,494,960	34,125,694
Amortisation of intangible assets	646,756	646,756
	<b>34,141,716</b>	<b>34,772,450</b>

**36. OTHER EXPENSES**

(All Figures in ₹)

	March 31, 2019	March 31, 2018
Consumption of Stores and Spares	31,666,477	32,811,384
Power & Fuel	83,416,727	59,550,958
Rent	833,690	237,000
Excise	-	8,526,966
Repairs to Buildings	4,498,223	4,832,892
Repairs to Machinery	11,817,276	6,569,247
Insurance	2,096,697	2,320,239
Production & Processing charges	8,601,938	3,276,171
Rates and Taxes	2,712,313	3,084,786
R & D	9,094,817	15,844,882
Freight on Sales	17,777,837	14,942,802
Net Loss on Foreign Currency Transaction & Translation	-	1,289,995
Miscellaneous Expenses	31,831,594	25,871,432
	<b>204,347,588</b>	<b>179,158,753</b>

**37. EXCEPTIONAL ITEMS**

(All Figures in ₹)

	March 31, 2019	March 31, 2018
Assets written off	-	484,751
	-	484,751

**38. Disclosure as per schedule III of the act and Ind AS - 37 on Provisions, Contingent Liabilities and Contingent assets:****A. Contingent Liabilities****Claim against the company not acknowledged as debts:** (All Figures in ₹)

Particulars	March 31, 2019	March 31, 2018
Sewerage cess claimed by HMWS&SB	3,863,208	3,423,498

**B. Commitments**

(All Figures in ₹)

Particulars	March 31, 2019	March 31, 2018
Estimated amount of contracts remaining to be executed on capital account and not provided for	20,268,968	2,921,711

**C. Commitment towards dividend and dividend distribution tax**

The board in its meeting held on May 27, 2019 has recommended a dividend of ₹ 1.20 per equity share of ₹ 10 each for the financial year ended March 31, 2019. The proposal is subject to the approval of shareholders at the annual general meeting to be held, and if approved would result in a cash outflow of ₹ 12,219,007 towards dividend and ₹ 2,511,655 towards corporate dividend distribution tax.

**39. Disclosure as per Ind AS - 12 Income tax****A. Income tax assessments**

The company's income tax assessments were completed upto AY 2016 - 2017

**B. The tax effects of significant temporary differences that resulted in deferred income tax asset and liability are as follows**

(All Figures in ₹)

Particulars	March 31, 2019	March 31, 2018
Difference in WDV of PPE and Intangible assets	(201,836,313)	(213,126,542)
Carried forward losses	255,842,737	265,471,851
Post Employment Benefits	4,982,753	5,341,807
Other disallowances	-	-
Net Deferred Taxes Assets / (Liabilities)	58,989,177	57,687,117
Deferred Taxes Asset there on at applicable rates	16,410,789	15,894,243

**40. Confirmation of balances**

The company had sent letters seeking confirmation of balances to various parties under trade payables, trade receivables, advance to suppliers and other advance from customers. Based on the confirmations received and upon proper review, corrective actions have been initiated and the amounts have been tried up, accounting adjustments have been made wherever found necessary.

**41. Disclosures as prescribed by Indian Accounting Standard (Ind AS)****41.1 Disclosure as per Ind AS - 7**

Statement of reconciliation for changes in liabilities arising from financial activities (All Figures in ₹)

Particulars	Working capital borrowings	Interest free sales tax loan	Unsecured loans
Opening balance	163,984,583	11,407,634	6,605,077
Borrowed during the year	-	-	-
Repaid during the year	-	(1,788,368)	(6,605,077)
Net movement	8,337,419	(1,788,368)	(6,605,077)
Closing balance	172,322,002	9,619,268	-

**41.2 Disclosure as per Ind AS - 19 - Employee benefits****A. Defined Contribution Plan**

Contribution to Defined Contribution Plan recognised as expenses for the year as under:

(All Figures in ₹)

Particulars	2018 - 2019	2017 - 2018
Employer's Contribution to Provident Fund	2,677,739	2,705,357
Employer's Contribution to ESI	478,333	434,524

**B. Defined Benefit Plan****(I) Gratuity obligation of the company**

The employees' gratuity fund scheme managed by a Trust is a defined benefit plan. The present value of obligation is determined based on actuarial valuation using the Projected Unit Credit Method, which recognised each period of service as giving rise to additional unit of employee benefit entitlement and measures each unit to build up the final obligation. The obligation for leave encashment is recognised in the books as per Actuarial Valuation.

**Assets and Liability (Balance sheet position)**

(All Figures in ₹)

Particulars	March 31, 2019	March 31, 2018
Present value of obligation	13,723,383	11,222,225
Fair value of plan assets	-	(141,455)
Surplus / (deficit)	926,879	956,170
Contributions paid	1,034,990	1,686,443
Benefits paid	(438,595)	-
Net asset / (liability)	15,246,657	13,723,383

**Expense recognised during the period**

(All Figures in ₹)

Particulars	March 31, 2019
In Income statement (P&L a/c – expense provision)	1,038,477
In other comprehensive income (Balance sheet item)	(609,466)

**Changes in the present value of obligation**

(All Figures in ₹)

Particulars	For the period ending	
	March 31, 2019	March 31, 2018
Present value of obligations as at the beginning	15,386,695	12,929,309
Interest cost	1,111,770	880,486
Current Service Cost	954,489	823,695
Past service cost – (Vested benefits)	-	1,000,000
Benefits Paid	(438,595)	-
Actuarial (Gain) / Loss on obligation	710,369	(246,795)
Present value of obligations as at the end	16,303,990	15,386,695
Bifurcation of net liability		
Current liability (Short Term)	3,264,121	3,759,934
Non-current liability (Long Term)	13,039,869	11,626,761
Net liability	1,057,333	1,663,312

**Changes in the present value of obligation**

(All Figures in ₹)

Particulars	For the period ending	
	March 31, 2019	March 31, 2018
Fair value of plan assets as at the beginning	13,723,383	11,222,225
Adjustment to opening Fair value of plan asset	-	(141,455)
Return on plan assets excluding Interest Income	(100,903)	144,146
Contribution by Employer	1,034,990	1,686,443
Interest Income	1,027,782	812,024
Benefits Paid	(438,595)	-
Fair value of plan assets as at the end	15,246,657	13,723,383

**Expense recognised in the Income Statement**

(All Figures in ₹)

Particulars	March 31, 2019
Current Service Cost	954,489
Past Service Cost	-
Interest Cost	83,988
Expense recognised in the Income statement	1,038,477

**Other Comprehensive Income**

(All Figures in ₹)

Particulars	March 31, 2019
Actuarial (gains) / losses	
Actuarial (gains) / losses on obligations	(710,369)
Actuarial (gains) / losses on plan assets	100,903
Total OCI	(609,466)

**(II) Long Term compensated absences – Leave Encashment****Assets and Liability (Balance sheet position)**

(All Figures in ₹)

Particulars	March 31, 2019	March 31, 2018
Present value of obligation	1,258,945	1,432,061
Fair value if plan assets	-	-
Surplus / (deficit)	(78,841)	(173,116)
Net asset / (liability)	1,180,104	1,258,945

**Expense recognised during the period**

(All Figures in ₹)

Particulars	March 31, 2019
In Income statement (P&L a/c – expense provision)	1,195,091

**Changes in the present value of obligation**

(All Figures in ₹)

Particulars	For the period ending	
	March 31, 2019	March 31, 2018
Present value of obligations as at the beginning	1,258,945	1,432,061
Interest cost	92,281	97,523
Current Service Cost	1,102,810	969,884
Benefits Paid	-	-
Actuarial (Gain) / Loss on obligation	1,273,932	(1,240,523)
Present value of obligations as at the end	1,180,104	1,258,945
Bifurcation of net liability		
Current liability (Short Term)	87,450	220,173
Non-current liability (Long Term)	1,092,654	1,038,772
Net liability	1,180,104	1,258,945

**Changes in the present value of obligation**

(All Figures in ₹)

Particulars	For the period ending	
	March 31, 2019	March 31, 2018
Fair value of plan assets as at the beginning	-	-
Adjustment to opening Fair value of plan asset	-	-
Return on plan assets excluding Interest Income	-	-
Interest Income	-	-
Contribution by employer	-	-
Benefits Paid	-	-
Fair value of plan assets as at the end	-	-

**Expense recognised in the Income Statement**

(All Figures in ₹)

Particulars	March 31, 2019
Current Service Cost	1,102,810
Past Service Cost	-
Interest Cost	92,281
Expense recognised in the Income statement	1,195,091

### (III) Actuarial assumptions

#### Changes in the present value of obligation

Particulars	Gratuity (Funded) 2018-19	Leave Encashment (Non funded) 2018-19	Gratuity (Funded) 2017-18	Leave Encashment (Non funded) 2017-18
Mortality Table (LIC)	7.35%	7.35%	7.33%	7.33%
Discount rate (per annum)	3.00%	3.00%	3.00%	3.00%
Expected rate of return on plan assets (Per annum)	9.74%	8.77%	10.10%	9.12%
Rate of escalation in salary (per annum)	5.00%	5.00%	5.00%	5.00%

The estimates of rate of escalation in salary considered in actuarial valuation, take into account inflation, seniority, promotion and other relevant factors including supply and demand in the employment market. The above information is certified by the actuary.

The expected rate of return on plan assets is determined considering several applicable factors, mainly the composition of plan assets held, assessed risks, historical results of return on plan assets and the Company's policy for plan assets management.

#### 41.3 Disclosure as per Ind AS - 21 - The effects of changes in foreign exchange rates Un-hedged foreign currency exposure at the year end

(All Figures in ₹)

Particulars	March 31, 2019	March 31, 2018
Trade payables	48,399,435	9,529,996
Trade receivables	64,067,801	58,826,884

Particulars	March 31, 2019	March 31, 2018
a. Exchange differences arising out of settlement / translation on account of export sales for the year	2,791,842	(30,591)
b. Exchange differences arising out of settlement / translation on account of previous year., imports	(122,869)	(633,173)
c. Exchange differences arising out of settlement / translation on account of others	(666,345)	(626,231)
Net gain / (loss) recognised during the year	2,002,628	(1,289,995)

#### 41.4 Disclosure as per Ind AS - 33 Earning per Share

Particulars	March 31, 2019	March 31, 2018
Total No. of Shares	10,182,506	10,182,506
Profit after Taxes and exceptional items	18,804,880	14,700,120
Earning per share Basic & Diluted (₹10 per share)	1.85	1.44

**41.5 Disclosure as per Ind AS - 108 Operating segments:**

As the Company is predominantly engaged in the manufacture and sale of chemicals where the risks and returns associated with the products are uniform, the Company has identified geographical segments based on location of customers as reportable segments in accordance with Ind AS 108 issued by ICAI.

**a) Segment Revenue**

Geographical Location	March 31, 2019		March 31, 2018	
	₹	%	₹	%
Domestic	413,012,260	57.72	388,360,942	59.04
External	302,550,002	42.28	269,437,370	40.96
Total	715,562,262	100.00	657,798,312	100.00

**b) Segment Assets (Trade Receivables)**

Geographical Location	March 31, 2019		March 31, 2018	
	₹	%	₹	%
Domestic	43,335,107	40.35	82,142,964	58.24
External	64,067,801	59.65	58,826,884	41.76
Total	107,402,908	100.00	140,969,848	100.00

**c) Other Disclosures**

(All Figures in ₹)

Geographical Location	Carrying Amount of Segment Assets		Additions to Fixed Assets	
	March 31, 2019	March 31, 2018	March 31, 2019	March 31, 2018
Unallocable Assets	845,776,052	830,392,602	13,523,569	5,002,409

Note: The Company has no assets outside India other than the External Trade Receivables. All the assets, other than trade receivables, are shown as unallocable assets.

**41.6 Disclosure as per Ind AS - 24 - Related party disclosures**

Directors' interested Companies	Asian Herbex Ltd
	Zigna Analytics Pvt Ltd
	CDC Industrial Infrass Ltd

Key Management Personnel	
Sri. Y.S.R. VenkataRao	Managing Director
Mr. Y.V. Prashanth	Director
Mr. P. Shankara Rao	Chief Financial Officer (up to 31 <sup>st</sup> Dec, 2018)
Ms. K. Uma Kumari	Chief Financial Officer (from 5 <sup>th</sup> Feb, 2019)
Ms. M. Neeharika	Company Secretary



<b>Non - Key Management Personnel</b>	
Ms. Lalithya Poorna .Y	Director
Ms. Lalitha Devi	Relative of Director
Mr. Yadav .J. S	Chairman & Independent Director
Mr. Jayaraman .G	Independent Director
Mr. Suryaprakash Rao .K.V	Independent Director (from 15 <sup>th</sup> Oct, 2018)
Mr. Patnaik .P. C	Independent Director (upto 31 <sup>st</sup> March, 2019)
Mr. Prasad CH. S	Independent Director (upto 31 <sup>st</sup> March, 2019)
Mr. Murthy .V.S.N	Independent Director (from 15 <sup>th</sup> Oct, 2018 to 31 <sup>st</sup> March 2019)

**Disclosure of transactions with related parties**

(All Figures in ₹)

S.No.	Name	Nature of Transaction	Transactions during the year
1	Directors' interested Companies	Rent Paid	180,000
		Sales Commission Paid	530,050
		Consideration for Capital Equipment	9,900,000
2	Key Managerial Personnel	Remuneration Paid	10,131,246
		Commission on profits Paid	1,387,747
		Rent Paid	690,000
		Sitting Fees Paid	35,000
3	Non - Key Managerial Personnel	Rent Paid	180,000
		Sitting Fees Paid	825,000

**41.7 Financial instruments****A) Capital management**

The Company manages its capital structure and makes adjustments to it, in light of changes in economic condition. To maintain or adjust the capital structure, the Company may adjust the dividend payment to shareholders. No changes were made in the objectives, policies and procedures in the past three years. The company monitors capital using a gearing ratio, which is net debt divided by total capital plus net debt. The Company includes within net debt, borrowings, trade and other payables, other liabilities, less cash and cash equivalents Capital includes issued equity capital, share premium and all other equity reserves attributable to the equity holders.

**B) Financial instruments by category**

The carrying and fair value of financial instruments by categories of March 31, 2019 and March 31, 2018 were as follows

(All Figures in ₹)

Particulars	March 31, 2019			March 31, 2018		
	Amortised Cost	Total carrying value	Total fair Value	Amortised Cost	Total carrying value	Total fair Value
<b>Assets</b>						
Cash and cash equivalents	733,064	733,064	733,064	582,151	582,151	582,151
Other bank balances	10,269,226	10,269,226	10,269,226	7,338,360	7,338,360	7,338,360
Trade receivables	107,402,908	107,402,908	107,402,908	140,969,848	140,969,848	140,969,848
Other financial assets	7,413,936	7,413,936	7,413,936	6,663,468	6,663,468	6,663,468
<b>Total</b>	<b>125,819,134</b>	<b>125,819,134</b>	<b>125,819,134</b>	<b>155,553,828</b>	<b>155,553,828</b>	<b>155,553,828</b>
<b>Liabilities</b>						
Trade payables	159,417,768	159,417,768	159,417,768	147,658,508	147,658,508	147,658,508
Borrowings	180,273,333	180,273,333	180,273,333	172,404,391	172,404,391	172,404,391
Other financial liabilities	2,276,942	2,276,942	2,276,942	9,185,190	9,185,190	9,185,190
<b>Total</b>	<b>341,968,043</b>	<b>341,968,043</b>	<b>341,968,043</b>	<b>329,248,088</b>	<b>329,248,088</b>	<b>329,248,088</b>

**C) Financial risk management****Financial risk factors**

The company is exposed to financial risks arising from its operations and the use of financial instruments. The key financial risks include market risk, and liquidity risk. The management reviews and design policies and procedures to minimize potential adverse effects on its financial performance. The primary market risk to the Company foreign exchange risk. The Company's exposure to credit risk is influenced mainly by the customer repayments. The Company's exposure to liquidity risks are on account of interest rate risk on borrowings. The following sections provide details regarding the Company's exposure to the above mentioned financial risks and the management thereof.

**Market risk**

The Company operates internationally and a portion of the business is transacted in foreign currencies and consequently the Company is exposed to foreign exchange risk through its sales and services in those countries. The exchange rate between the rupee and foreign currencies has changed substantially in recent years and may fluctuate substantially in the future. Consequently, the results of the Company's operations are affected as the rupee appreciates / depreciates against these currencies. The Company leaves exchange rate risk with regard to foreign exposures unhedged when the local currency is appreciating against the foreign currency.



The following table analyzes foreign currency risk from financial instruments:

Particulars	As of March 31, 2019		As of March 31, 2018	
	USD	Euro	USD	Euro
Trade receivables	926,219	-	904,416	-
Other financial assets	-	-	-	-
Trade payables	699,704	-	146,516	15,164
Other financial Liabilities	-	-	-	-
Net assets (liabilities)	226,515	-	757,900	15,164

### Credit risk

Credit risk is the risk of loss that may arise on outstanding financial instruments when counter party defaults on its obligations. The Company's exposure to credit risk arises primarily from loans extended, security deposits, balances with bankers and trade and other receivables. The Company minimises credit risk by dealing exclusively with high credit rating counter parties. The Company's objective is to seek continual revenue growth while minimising losses incurred due to increased credit risk exposure. The Company trades only with recognised and credit worthy third parties. It is the Company's policy that all customers who wish to trade on credit terms are subject to credit verification procedures. In addition, receivable balances are monitored on an ongoing basis with the result that the Company's exposure to bad debts is not significant.

### Credit risk exposure

At the end of the reporting period, the Company's maximum exposure to credit risk is represented by the carrying amount of each class of financial assets recognised in the statement of financial position. No other financial assets carry a significant exposure to credit risk.

### Liquidity risk

The Company's principal sources of liquidity are cash and cash equivalents and the cash flow that is generated from operations. The Company has short term borrowings from banks. Short term loans repayable on demand from banks are obtained for the working capital requirements of the Company.

As of March 31, 2019 the Company had a working capital of ₹ 267.51 Lakhs including cash and cash equivalents of ₹ 7.33 Lakhs. As of March 31, 2018, the Company had a working capital of ₹ 215.33 Lakhs including cash and cash equivalents of ₹ 5.82 Lakhs.

As of March 31, 2019 and March 31, 2018, the outstanding gratuity were ₹ 163.04 Lakhs and ₹ 153.87 Lakhs, respectively, which have been substantially funded. Accordingly, no liquidity risk is perceived.

### Interest Rate risk

The interest rate risk is the risk that the fair value or the future cash flows of the company's financial instruments will fluctuate because of the change in market interest rates. The Company is exposed to interest rate risks as it has significant interest bearing working capital loans from bank. Short term loans repayable on demand are subject to prevailing market rate fluctuations and sanctioned facilities are availed on a need to borrow basis to ensure minimum exposure to interest rate fluctuations.

**42. Remuneration to Auditor (excluding GST)**

(All Figures in ₹)

Particulars	2018 - 19	2017 - 2018
Statutory Audit	550,000	550,000
Taxation Matters	90,000	75,000
Other Services	61,000	1,29,000

**43.** Previous year figures have been regrouped / reclassified wherever necessary to correspond with the current year's classification/ disclosure

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**As per our Report attached****For and on Behalf of Board of Directors  
Alkali Metals Ltd**

As per our Report attached  
For **C K S Associates**  
Chartered Accountants  
FRN 007390S

**N V S SRIKRISHNA**  
PARTNER  
M.NO.025139

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

**DR.J.S.YADAV**  
CHAIRMAN  
DIN: 02014136

Place : Hyderabad  
Dated : 27.05.2019

**K. UMA KUMARI**  
CFO



**ALKALI METALS LIMITED**

CIN: L27109TG1968PLC001196  
B5, BLOCK III, IDA , UPPAL, HYDERABAD 500 039.

**ATTENDANCE SLIP**

**51<sup>ST</sup> ANNUAL GENERAL MEETING - 03.08.2019 - 12:00 NOON**

<b>DP. ID</b>		<b>Name And Address Of The Registered Shareholder/Proxy</b>
<b>Client ID/Folio No.</b>		
<b>No. of Shares</b>		

I certify that I am a registered shareholder / proxy for the registered shareholder of the Company.

I hereby record my presence at the 51<sup>ST</sup> ANNUAL GENERAL MEETING of the Company at the registered office of the Company situated at B5, Block III, IDA, Uppal, Hyderabad - 500 039, Telangana, India, on Saturday, the 3<sup>rd</sup> Day of August, 2019 at 12:00 Noon.

Member's / Proxy's Signature

Note: Please complete this and hand it over at the entrance of the hall.

**Form No. MGT-11  
PROXY FORM**

[Pursuant to section 105(6) of the Companies Act, 2013 and rule 19(3) of the Companies (Management and Administration) Rules, 2014]

CIN : L27109TG1968PLC001196  
Name of the Company : **ALKALI METALS LIMITED**  
Registered Office : B5, BLOCK III, IDA , UPPAL, HYDERABAD - 500 039.

Name of the member (s) :	
Registered address :	
E-mail Id :	
Folio No/ Client ID :	
DP ID :	

I/We, being the member (s) of ..... shares of the above mentioned company, hereby appoint

1. Name			
Address			
E-mail Id		Signature	
	Or failing him		
1. Name			
Address			
E-mail Id		Signature	
	Or failing him		
1. Name			
Address			
E-mail Id			

as my / our proxy to attend and vote (on a poll) for me / us and on my / our behalf at the 51<sup>st</sup> Annual General Meeting of the Company, to be held on Saturday, the 3<sup>rd</sup> day of August, 2019 at 12:00 Noon at the Registered Office of the Company situated at B-5, Block III, IDA , Uppal, Hyderabad - 500 039, Telangana, India and at any adjournment thereof in respect of such resolutions as are indicated below:

**Resolution No.**

1.	2.	3.
4.	5.	6.
7.		

Signed this ..... day of ..... 2019

Signature of shareholder :

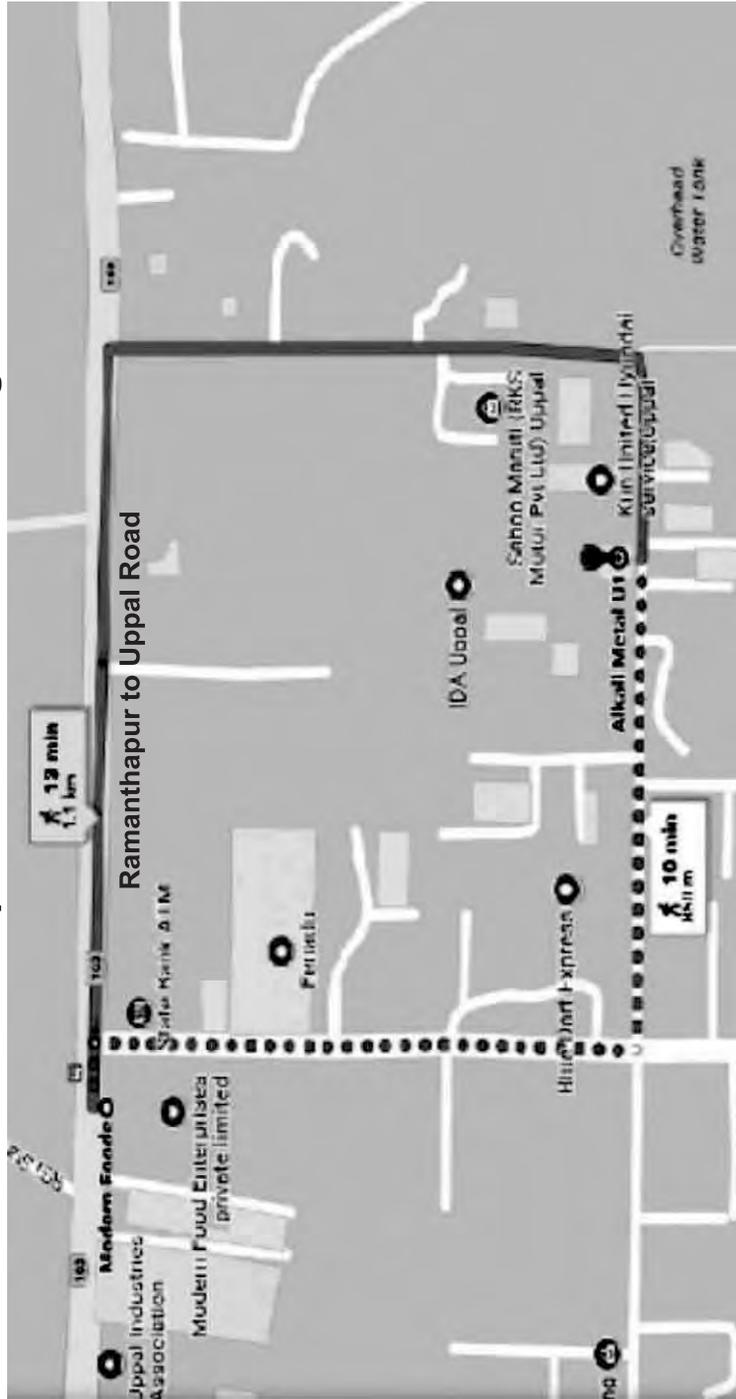
Signature of Proxy holder(s) :



**Note: This form of proxy in order to be effective should be duly completed and deposited at the Registered Office of the Company, not less than 48 hours before the commencement of the Meeting.**



**Route Map to AGM Venue : Alkali Metals Limited  
Location Map of Annual General Meeting Venue**





Regd. POST

**An  
ISO 9001 & 14001,  
API Company  
and Export House**

**BUREAU VERITAS  
Certification**



If undelivered, please return to



**ALKALI METALS LTD.,**

B-5, Block-III, IDA, Uppal,  
Hyderabad - 500 039. INDIA

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