



ALKALI METALS LTD.,

An ISO 9001 & 14001, API COMPANY and EXPORT HOUSE

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ANNUAL REPORT
2016 - 17



**BOARD OF DIRECTORS**

DR. YADAV J. S.

CHAIRMAN

SRI. PRASAD CH. S.

DIRECTOR

SRI. PATNAIK P.C.

DIRECTOR

SRI. JAYARAMAN G.

DIRECTOR

SRI. VENKATA RAO Y. S. R.

MANAGING DIRECTOR

SMT. LALITHYA POORNA Y.

DIRECTOR

MR. PRASHANTH Y.V.

EXECUTIVE DIRECTOR

SRI. SANKARA RAO P.

CFO

SRI. KARUNAKAR REDDY M.

COMPANY SECRETARY up to Jan. 2017

Ms. NEEHARIKA M.

COMPANY SECRETARY from May 2017

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 - 531019

REGISTRARS AND SHARE TRANSFER AGENTS

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

**NOTICE OF ANNUAL GENERAL MEETING**

Notice is hereby given that the 49th Annual General Meeting of M/s. Alkali Metals Limited will be held on Friday, 4th August, 2017 at 11.00 A.M at the Registered office of the Company situated at B-5, IDA, Uppal, Hyderabad, Telangana - 500 039 to transact the following business:

ORDINARY BUSINESS

- 1) To receive consider and adopt the Audited Balance Sheet as on 31st March, 2017 and the Statement of Profit & Loss for the year ended on that date and the reports of the Directors, Auditors thereon.
- 2) To elect a Director in place of 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 2016-17.
- 4) To ratify the appointment of M/s. C K S Associates, Chartered Accountants, Hyderabad.

“RESOLVED THAT pursuant to provisions of Section 139 of the Companies Act, 2013 and the rules framed there under as modified from time to time and pursuant to the resolution passed by the members at the AGM held on 21st August 2014, the appointment of M/s. C K S Associates, Chartered Accountants, Hyderabad (Peer Review Certificate No. 006803) as Statutory Auditors to hold office till the conclusion of AGM to be held in year 2019 be and is hereby ratified and the Board be and is hereby authorized to fix the remuneration for the financial year ending 31st March 2018.”

Place : Hyderabad
Date : 15-05-2017

By order of the Board of Directors
For Alkali Metals Limited

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

**Notes**

- 1) A member entitled to attend and vote is entitled to appoint a proxy to attend and vote instead of himself / herself and such proxy need not be a member.
- 2) The instrument appointing a proxy, to be effective, must reach the Registered Office of the Company not less than 48 hours before the commencement of the meeting. A person can act as proxy on behalf of members not exceeding fifty (50) and holding in the aggregate not more than ten percent of the total share capital of the Company. Corporate members intending to send their authorised representatives to attend the meeting are requested to send to the company a certified copy of the Board Resolution / Power of Attorney authorizing their representative to attend and vote on their behalf at the meeting.
- 3) The Register of members and transfer books of the company will remain closed from Saturday the 29.07.2017 to Friday 04.08.2017 both days inclusive.
- 4) Members, who hold shares in electronic /demat form are requested to furnish the change of address, details of their bank accounts, viz, name of the bank, full address of the branch, account no. etc., to their respective Depository Participants and who hold shares in physical form to the company's Registrars and Transfer Agents M/s. Cameo Corporate Services Ltd., Subramanian Building, No.1, Club House Road, Chennai – 600 002 so as to enable the Company to incorporate the bank details on the dividend warrants.
- 5) Pursuant to Section 72 of the Companies Act, 2013 and the Rules made there under the Members holding shares in single name may, at any time, nominate in form SH-13, any person as his/her nominee to whom the securities shall vest in the event of his/her death. Nomination would help the nominees to get the shares transmitted in their favour, no hassles. Members desirous of making any cancellation/variation in the said nomination can do so in SH-14.
- 6) Members seeking information or clarification on the Accounts are requested to send their queries in writing to the company one week before the date of AGM, to enable the management to prepare with replies.
- 7) Members holding shares in identical order of names in more than one folio are requested to write to the company's Registrars & Transfer Agents enclosing their share certificates to enable consolidation of their shareholdings in one folio.
- 8) Shareholders who have not claimed their dividend for the years 2010-11, 2011-12, 2012-13 and 2015-16 are requested to claim the same.
- 9) The brief profile and other details as required of the directors being re-appointing are furnished elsewhere in the Annual Report.



- 10) The Notice of AGM, Annual Report and Attendance Slip are being sent in electronic mode to Members whose e-mail IDs are registered with the Company or the Depository Participant(s) unless the Members have registered their request for a hard copy of the same. Physical copy of the Notice of AGM, Annual Report and Attendance Slip are being sent to those Members who have not registered their e-mail IDs with the Company or Depository Participant(s). Members who have received the Notice of AGM, Annual Report and Attendance Slip in electronic mode are requested to print the Attendance Slip and submit a duly filled in Attendance Slip at the registration counter to attend the AGM.
- 11) Members may also note that the notice of the 49th Annual General Meeting and Annual Report for 2017 will be available on the Company's website www.alkalimetals.com.
- 12) The Securities and Exchange Board of India (SEBI) has mandated the submission of Permanent Account Number (PAN) by every participant in securities market. Members holding shares in electronic form are, therefore, requested to submit the PAN to their Depository Participants with whom they are maintaining their demat accounts. Members holding shares in physical form can submit their PAN details to the Registrars and Transfer Agents of Company.
- 13) In compliance with provisions of Section 108 of the Companies Act, 2013 and Rule 20 of the Companies (Management and Administration) Rules, 2014 as amended from time to time, Regulation 44 of the SEBI (Listing Obligations and Disclosure 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 49th 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 Tuesday 01st August 2017 (09:00 a.m.) and ends on Thursday 03rd August, 2017 (5:00 p.m). During this period shareholders' of the Company, holding shares as on cut-off date of 28th July 2017 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 overlook the remote e-voting process. The Scrutinizer shall, immediately after the conclusion of voting at the general meeting, will First count the votes cast at the meeting, and thereafter unblock the votes cast through remote e-voting in the presence of at least two witnesses not in the employment of the Company and he will submit his report within the period not exceeding three working days from the conclusion of e-voting. The Chairman will declare the results on or after the AGM of the Company accordingly and will also be placed at the company website and also forward the same to the stock exchanges where the shares has been listed.



- 14) The instructions for members for voting electronically are as under:-
- (i) The voting period begins on Tuesday, 01st August, 2017 (09:00 a.m.) and ends on Thursday 03rd August, 2017 (5:00 p.m). During this period shareholders’ of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date (record date) of 28th July, 2017, may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter.
 - (ii) Shareholders who have already voted prior to the meeting date would not be entitled to vote at the meeting venue.
 - (iii) The shareholders should log on to the e-voting website **www.evotingindia.com**.
 - (iv) Click on Shareholders
 - (v) Now Enter your User ID
 - a. For CDSL: 16 digits beneficiary ID
 - b. For NSDL: 8 Character DP ID followed by 8 Digits Client ID
 - c. Members holding shares in Physical Form should enter Folio Number registered with the Company.
 - (vi) Next enter the Image Verification as displayed and Click on Login.
 - (vii) If you are holding shares in demat form and had logged on to **www.evotingindia.com** and voted on an earlier voting of any company, then your existing password is to be used.
 - (viii) If you are a first time user follow the steps given below:

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



- (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 Ltd on which you choose to vote.
- (xiii) On the voting page, you will see “RESOLUTION DESCRIPTION” and against the same the option “YES/NO” for voting. Select the option YES or NO as desired. The option YES implies that you assent to the Resolution and option NO implies that you dissent to the Resolution.
- (xiv) Click on the “RESOLUTIONS FILE LINK” if you wish to view the entire Resolution details.
- (xv) After selecting the resolution you have decided to vote on, click on “SUBMIT”. A confirmation box will be displayed. If you wish to confirm your vote, click on “OK”, else to change your vote, click on “CANCEL” and accordingly modify your vote.
- (xvi) Once you “CONFIRM” your vote on the resolution, you will not be allowed to modify your vote.
- (xvii) You can also take out print of the voting done by you by clicking on “Click here to print” option on the Voting page.
- (xviii) If Demat account holder has forgotten the changed password then enter the User ID and the image verification code and click on Forgot Password & enter the details as prompted by the system.
- (xix) Shareholders can also cast their vote using CDSL’s mobile app m-Voting available for android based mobiles. The m-Voting app can be downloaded from Google Play Store. Apple and Windows phone users can download the app from the App Store and the Windows Phone Store respectively. 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**.

By order of the Board of Directors
For Alkali Metals Limited

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

Place : Hyderabad
Date : 15-05-2017

Director's Report

To,
The Members,
Alkali Metals Limited

Your Directors have pleasure in presenting the 49th Annual Report on the business and operations of the Company and the accounts for the Financial Year ended 31st March, 2017.

1. Financial Summary or Highlights/Performance of the Company

The performance of the company for the financial year ended 31st March, 2017 is summarized as below:

	(All figures in INR)	
	2016-17	2015-16
Net Turnover	580,634,493	732,815,895
Profit/(Loss) before finance charges, depreciation and taxation	71,766,857	101,796,039
Less : Finance Charges	28,077,553	34,364,210
Depreciation and Amortization expense	36,961,017	37,529,881
Profit/(Loss) before exceptional items and tax	6,728,287	29,901,948
Less: Exceptional items	2,876,238	38,488
Extraordinary Items	0	0
Profit/(Loss) before tax	3,852,049	29,863,459
Less : Current Year's tax (MAT)	670,730	6,238,171
MAT Credit Entitlement	(670,730)	(6,238,171)
Previous Years	324,088	7,311,139
Deferred tax (AS22)	0	0
Profit/(Loss) After tax	3,527,961	22,552,320
Add: Balance Brought forward	61,894,458	54,048,648
Less: Interim Dividend paid	0	8,146,005
Tax on Interim Dividend	0	1,658,335
Proposed Dividend	5,091,253	4,073,002
Tax on Proposed Dividend	1,036,459	829,168
Transfer to General Reserve	0	0
Balance surplus carried to Balance Sheet	59,294,707	61,894,458

2. Dividend

Dividend of INR 0.50 per equity share of INR. 10/- each has been recommended by the Board of Directors for the year ended 31st March, 2017 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 2016-17, the Company recorded a turnover of INR 580.63 Million compared to the turnover of INR 732.81 Million during 2015-16. Net Profit during the year 2016-17 is INR 3.5 Million compared to Net Profit of INR 23 Million achieved during 2015-16.



The Reduction in turnover and margins are mainly due to temporary slowdown in the Pharma Industry. Company had taken appropriate measures to control the cost thereby achieved the marginal profit during the year even after the reduction of turnover.

Your Directors are confident that company will able to achieve better turnover and margins in the coming year.

SIGNIFICANT ACHIEVEMENT

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

(All figures in INR)

2014-15	2015-16	2016-17
175.3 Million	226.8 Million	153.6 Million

5. Future outlook

Your company plans to focus on campaign products in addition to increase the sales volumes of commercial products which will help to improve the profitability in the current financial year. Also, the company expects to commercialize some R&D products which will benefit the company in the long run. Further, the company plans to implement various marketing strategies to counter the competition from other manufacturers.

6. Research & Development

The company has spent INR 11.64 Million towards Research and Development during the financial year and is putting continuous efforts in R&D to develop the new products and process for optimum material consumptions by effective yield.

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

(All figures in INR)

2014-15	2015-16	2016-17
52.5 Million	69.1 Million	11.3 Million

7. Change in the nature of business, if any

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

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

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

9. Significant and Material Orders

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

**10. Internal Financial Controls**

Your company had adequate internal controls and such procedures 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 year under review and also no outstanding at the beginning of the financial year.

14. Auditors**Statutory Auditors**

M/s. CK S Associates, Statutory Auditors were appointed as auditors of the Company at the Annual General Meeting held on 21st August 2014 for a period of 5 years i.e upto year 2019. As per the provision of the Companies Act, 2013, the appointment of statutory auditors has to be ratified every year. Accordingly, it is proposed to ratify the appointment at the ensuing Annual General Meeting.

Internal Auditors

The Board of directors of the company has appointed M/s. Ramakrishna & Associates, Chartered Accountants as Internal Auditors to conduct the Internal Audit of the company for the financial year ended 31st March, 2017.

Secretarial Auditors

The Board of directors of the company has appointed CS B. Venkatesh Babu, Practicing Company Secretary as Secretarial Auditor to conduct Secretarial Audit of the company for the financial year ended 31st March, 2017.

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 enclosed as Annexure -1 and shall form part of the Board's report.

**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)

Your company is not covered under the provisions of Corporate Social Responsibility. However the company realizes its Social Responsibility and, therefore, is providing the free medical help to the poor people and financial assistance to the poor students through a Charitable Trust run by the promoters.

19. Directors

Since the last annual general meeting there is no change in the Board of Directors of the Company.

Mr. Y.V.Prashanth, Director will retire by rotation at the ensuring annual general meeting and, being eligible, offers himself for reappointment. Details of no. of Board meetings are covered under the Corporate Governance section.

Declaration by an Independent Director

Company had received the declaration by an Independent Director(s) that he/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. M. Karunakar Reddy, Company Secretary and Compliance officer resigned from the Company. Company has appointed Ms. M. Neeharika as Company Secretary and Compliance officer in the current year 2017-18, in compliance with the provisions of the Companies Act, 2013.

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 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 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 Executive 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. 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

The Company had not entered into any contract or arrangements 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.

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 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 enclosed as Annexure -3 and the same form part of the Directors Report.



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.

28. Secretarial Audit Report

A Secretarial Audit Report given by CS B. Venkatesh Babu, Company Secretary in Practice is enclosed as Annexure -4 and the same forms part of this report.

29. Corporate Governance/Management Discussion and Analysis

In terms of Regulation 34 of the SEBI (Listing Obligations and Disclosure Requirements) 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 to this Annual Report and forms integral part of this 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 is paid for the current 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 2016-17 for the Company.

33. 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 futur 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
Alkali Metals Limited

Place : Hyderabad
Date : 15-05-2017

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 31/03/2017
[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 - 500039
cs.alkalimetals@gmail.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	65.43
2	Pyridine Derivatives	20119	21.56
3	Fine Chemicals	20119	09.95

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 beginning of the year				% of Change during the Year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
(A) Promoters									
(1) Indian									
(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	195494	0	195494	1.920	0
Sub-Total (A) (1)	7100842	0	7100842	69.736	7100842	0	7100842	69.736	0
(2) Foreign									
(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
Sub-Total (A) (2)	0	0	0	0	0	0	0	0	0
Total Shareholding of Promoter									
(A) = (A) (1) + (A) (2)	7100842	0	7100842	69.736	7100842	0	7100842	69.736	0
(B) Public Shareholding									
(1) Institutions									
(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) FII's	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
Sub-Total (B)(1)	0	0	0	0	0	0	0	0	0
(2) Non- Institutions									
(a) Bodies Corp.									
i. Indian	302526	0	302526	2.971	280331	0	280331	2.753	(0.218)
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	2273332	1083	2274415	22.337	2229944	1083	2231027	21.910	(0.426)
ii. Individual shareholders holding nominal share capital in excess of 0.1 million	324305	0	324305	3.184	353694	0	353694	3.474	0.289



Category of Shareholders	No. of Shares held at the beginning of the year				No. of Shares held at the beginning of the year				% of Change during the Year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
(C) Others (Specify)									
NRI	67710	0	67710	0.664	95122	0	95122	0.934	0.270
HUF	110418	0	110418	1.084	107371	0	107371	1.054	(0.030)
Clearing members	2290	0	2290	0.022	14119	0	14119	0.139	0.117
Sub-Total (B)(2)	3080581	1083	3081664	30.264	3080581	1083	3081664	30.264	0
Total Shareholding of Public									
(B)= (B) (1) + (B) (2)	3080581	1083	3081664	30.264	3080581	1083	3081664	30.264	0
C. Shares held by custodian for GDRs & ADRs	0	0	0	0	0	0	0	0	0
Grand Total (A+B+C)	10181423	1083	10182506	100.000	10181423	1083	10182506	100.000	0

(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	56500	0.555	0	0
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
	Total	7100842	69.736	20.920	7100842	69.736	20.920	

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

		Shareholding at the beginning of the year		Cumulative Shareholding during the year	
S No.	Name of the Shareholder	No of shares	% of total shares of the company	No of shares	% of total shares of the company
	NIL				



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

		Shareholding at the beginning of the year		Cumulative Shareholding during the year	
S No.	Name of the Share holder	No of shares	% of total shares of the company	No of shares	% of total shares of the company
1	BABALBHAI MANILAL PATEL				
	At the beginning of the year 01-Apr-2016	65320	0.6414	65320	0.6414
	Purchase 08-Apr-2016	1004	0.0098	66324	0.6513
	Purchase 29-Apr-2016	3500	0.0343	69824	0.6857
	Purchase 06-May-2016	5000	0.0491	74824	0.7348
	Sale 10-Jun-2016	-1000	0.0098	73824	0.7250
	Sale 12-Aug-2016	-4000	0.0392	69824	0.6857
	Sale 09-Sep-2016	-3000	0.0294	66824	0.6562
	Sale 07-Oct-2016	-7000	0.0687	59824	0.5875
	Sale 14-Oct-2016	-3000	0.0294	56824	0.5580
	Sale 28-Oct-2016	-3000	0.0294	53824	0.5285
	Sale 04-Nov-2016	-3000	0.0294	50824	0.4991
	Sale 25-Nov-2016	-1000	0.0098	49824	0.4893
	Sale 23-Dec-2016	-4000	0.0392	45824	0.4500
	Sale 13-Jan-2017	-4000	0.0392	41824	0.4107
	Sale 20-Jan-2017	-2000	0.0196	39824	0.3911
	Sale 27-Jan-2017	-1000	0.0098	38824	0.3812
	Sale 03-Feb-2017	-1000	0.0098	37824	0.3714
	At the end of the Year 31-Mar-2017	37824	0.3714	37824	0.3714
*2	ARKOSHA TRADING & INVESTMENTS PRIVATE LIMITED				
	At the beginning of the year 01-Apr-2016	53550	0.5259	53550	0.5259
	Sale 29-Jul-2016	-11435	0.1123	42115	0.4136
	Sale 05-Aug-2016	-4000	0.0392	38115	0.3743
	Sale 23-Sep-2016	-11818	0.1160	26297	0.2582
	Sale 30-Sep-2016	-3371	0.0331	22926	0.2251
	Sale 07-Oct-2016	-22926	0.2251	0	0.0000
	At the end of the Year 31-Mar-2017	0	0.0000	0	0.0000
*3	G. SHANTHA				
	At the beginning of the year 01-Apr-2016	45000	0.4419	45000	0.4419
	Sale 21-Oct-2016	-2500	0.0245	42500	0.4173
	Sale 23-Dec-2016	-6000	0.0589	36500	0.3584
	Sale 13-Jan-2017	-11500	0.1129	25000	0.2455
	Sale 10-Feb-2017	-2000	0.0196	23000	0.2258
	Sale 17-Feb-2017	-5000	0.0491	18000	0.1767
	Sale 24-Feb-2017	-2822	0.0277	15178	0.1490
	Sale 03-Mar-2017	-4867	0.0477	10311	0.1012
	At the end of the Year 31-Mar-2017	10311	0.1012	10311	0.1012
	HAVING SAME PAN				



3	SHANTHA GOPALAKRISHNAN				
	At the beginning of the year 01-Apr-2016	12629	0.1240	12629	0.1240
	Purchase 09-Sep-2016	11569	0.1136	24198	0.2376
	Sale 07-Oct-2016	-4198	0.0412	20000	0.1964
	Sale 14-Oct-2016	-12500	0.1227	7500	0.0736
	Sale 21-Oct-2016	-7500	0.0736	0	0.0000
	At the end of the Year 31-Mar-2017	0	0.0000	0	0.0000
	HAVING SAME PAN				
3	SHANTHA. G.				
	At the beginning of the year 01-Apr-2016	1500	0.0147	1500	0.0147
	Sale 29-Apr-2016	-1000	0.0098	500	0.0049
	Sale 06-May-2016	-500	0.0049	0	0.0000
	Purchase 27-May-2016	1000	0.0098	1000	0.0098
	Purchase 03-Jun-2016	1000	0.0098	2000	0.0196
	Sale 10-Jun-2016	-2000	0.0196	0	0.0000
	At the end of the Year 31-Mar-2017	0	0.0000	0	0.0000
*4	SAVITA BHARAT JALAN				
	At the beginning of the year 01-Apr-2016	41217	0.4047	41217	0.4047
	Sale 15-Jul-2016	-8069	0.0792	33148	0.3255
	Sale 22-Jul-2016	-10316	0.1013	22832	0.2242
	Sale 29-Jul-2016	-6632	0.0651	16200	0.1590
	Sale 05-Aug-2016	-5000	0.0491	11200	0.1099
	Sale 12-Aug-2016	-4700	0.0461	6500	0.0638
	Sale 19-Aug-2016	-6500	0.0638	0	0.0000
	At the end of the Year 31-Mar-2017	0	0.0000	0	0.0000
*5	PADMARAJ INVESTMENT TRADING CO.(P) LTD.				
	At the beginning of the year 01-Apr-2016	26058	0.2559	26058	0.2559
	Sale 22-Jul-2016	-15591	0.1531	10467	0.1027
	Sale 29-Jul-2016	-10467	0.1027	0	0.0000
	At the end of the Year 31-Mar-2017	0	0.0000	0	0.0000
*6	BRAHMAIAH KOLLURI				
	At the beginning of the year 01-Apr-2016	25000	0.2455	25000	0.2455
	Sale 22-Apr-2016	-662	0.0065	24338	0.2390
	Sale 29-Apr-2016	-22411	0.2200	1927	0.0189
	Sale 06-May-2016	-1927	0.0189	0	0.0000
	At the end of the Year 31-Mar-2017	0	0.0000	0	0.0000
7	BANSURI POLY PACK PRIVATE LIMITED				
	At the beginning of the year 01-Apr-2016	20000	0.1964	20000	0.1964
	At the end of the Year 31-Mar-2017	20000	0.1964	20000	0.1964
*8	MANJUL SANJAY BANSAL				
	At the beginning of the year 01-Apr-2016	18000	0.1767	18000	0.1767
	Sale 07-Oct-2016	-18000	0.1767	0	0.0000
	At the end of the Year 31-Mar-2017	0	0.0000	0	0.0000
9	MOKSHA BHARAT SHAH				
	At the beginning of the year 01-Apr-2016	18000	0.1767	18000	0.1767
	Purchase 19-Aug-2016	1716	0.0168	19716	0.1936
	Purchase 16-Sep-2016	4264	0.0418	23980	0.2355
	At the end of the Year 31-Mar-2017	23980	0.2355	23980	0.2355



*10	CHILUKURI PRAVEEN				
	At the beginning of the year 01-Apr-2016	16250	0.1595	16250	0.1595
	Sale 10-Jun-2016	-4000	0.0392	12250	0.1203
	Sale 28-Oct-2016	-7949	0.0780	4301	0.0422
	Sale 11-Nov-2016	-4300	0.0422	1	0.0000
	Sale 18-Nov-2016	-1	0.0000	0	0.0000
	At the end of the Year 31-Mar-2017	0	0.0000	0	0.0000
#11	INDRAJITSINH PRABHATSINH DABHI				
	At the beginning of the year 01-Apr-2016	0	0.0000	0	0.0000
	Purchase 14-Oct-2016	26171	0.2570	26171	0.2570
	Purchase 21-Oct-2016	23829	0.2340	50000	0.4910
	Sale 28-Oct-2016	-10000	0.0982	40000	0.3928
	Purchase 04-Nov-2016	11351	0.1114	51351	0.5043
	Purchase 11-Nov-2016	3649	0.0358	55000	0.5401
	At the end of the Year 31-Mar-2017	55000	0.5401	55000	0.5401
#12	NEETA MANOJ RUPAREL				
	At the beginning of the year 01-Apr-2016	0	0.0000	0	0.0000
	Purchase 15-Jul-2016	500	0.0049	500	0.0049
	Purchase 22-Jul-2016	14500	0.1424	15000	0.1473
	Purchase 29-Jul-2016	3096	0.0304	18096	0.1777
	Purchase 05-Aug-2016	2657	0.0260	20753	0.2038
	Purchase 16-Sep-2016	3247	0.0318	24000	0.2356
	Purchase 10-Feb-2017	12500	0.1227	36500	0.3584
	Purchase 17-Feb-2017	5028	0.0493	41528	0.4078
	Purchase 24-Feb-2017	3472	0.0340	45000	0.4419
	Purchase 10-Mar-2017	3191	0.0313	48191	0.4732
	Purchase 17-Mar-2017	809	0.0079	49000	0.4812
	Purchase 31-Mar-2017	2000	0.0196	51000	0.5008
	At the end of the Year 31-Mar-2017	51000	0.5008	51000	0.5008
#13	DARSHANA JIGNESH KOTHARI JT1 : NEETA MANOJ RUPAREL				
	At the beginning of the year 01-Apr-2016	0	0.0000	0	0.0000
	Purchase 22-Jul-2016	15000	0.1473	15000	0.1473
	Purchase 05-Aug-2016	6000	0.0589	21000	0.2062
	Purchase 26-Aug-2016	3000	0.0294	24000	0.2356
	Purchase 03-Feb-2017	9000	0.0883	33000	0.3240
	Purchase 17-Feb-2017	7828	0.0768	40828	0.4009
	Purchase 24-Feb-2017	3791	0.0372	44619	0.4381
	Purchase 03-Mar-2017	381	0.0037	45000	0.4419
	Purchase 10-Mar-2017	4000	0.0392	49000	0.4812
	Purchase 31-Mar-2017	1000	0.0098	50000	0.4910
	At the end of the Year 31-Mar-2017	50000	0.4910	50000	0.4910



#14	GEECY ENGINEERING PRIVATE LIMITED				
	At the beginning of the year 01-Apr-2016	0	0.0000	0	0.0000
	Purchase 29-Jul-2016	16000	0.1571	16000	0.1571
	Purchase 26-Aug-2016	3000	0.0294	19000	0.1865
	Purchase 27-Jan-2017	1000	0.0098	20000	0.1964
	Purchase 03-Feb-2017	5000	0.0491	25000	0.2455
	Purchase 17-Feb-2017	5884	0.0577	30884	0.3033
	Purchase 24-Feb-2017	1000	0.0098	31884	0.3131
	Purchase 03-Mar-2017	1116	0.0109	33000	0.3240
	Purchase 10-Mar-2017	1000	0.0098	34000	0.3339
	Purchase 17-Mar-2017	214	0.0021	34214	0.3360
	Purchase 24-Mar-2017	2286	0.0224	36500	0.3584
	Purchase 31-Mar-2017	4200	0.0412	40700	0.3997
	At the end of the Year 31-Mar-2017	40700	0.3997	40700	0.3997
#15	BALACHANDRAN C				
	At the beginning of the year 01-Apr-2016	0	0.0000	0	0.0000
	Purchase 17-Jun-2016	19000	0.1865	19000	0.1865
	Purchase 24-Jun-2016	1000	0.0098	20000	0.1964
	Purchase 08-Jul-2016	6000	0.0589	26000	0.2553
	Purchase 15-Jul-2016	11000	0.1080	37000	0.3633
	Purchase 22-Jul-2016	3000	0.0294	40000	0.3928
	At the end of the Year 31-Mar-2017	40000	0.3928	40000	0.3928
#16	R. K. STOCKHOLDING PVT. LTD				
	At the beginning of the year 01-Apr-2016	11000	0.1080	11000	0.1080
	Purchase 11-Nov-2016	12000	0.1178	23000	0.2258
	At the end of the Year 31-Mar-2017	23000	0.2258	23000	0.2258
	HAVING SAME PAN				
16	R K STOCKHOLDING PVT. LTD				
	At the beginning of the year 01-Apr-2016	835	0.0082	835	0.0082
	Purchase 07-Oct-2016	17000	0.1669	17835	0.1751
	Sale 04-Nov-2016	-5316	0.0522	12519	0.1229
	Sale 11-Nov-2016	-12000	0.1178	519	0.0050
	Purchase 03-Mar-2017	100	0.0009	619	0.0060
	At the end of the Year 31-Mar-2017	619	0.0060	619	0.0060
#17	MONIKA CHOPRA				
	At the beginning of the year 01-Apr-2016	14137	0.1388	14137	0.1388
	Purchase 03-Jun-2016	2000	0.0196	16137	0.1584
	Purchase 23-Dec-2016	2129	0.0209	18266	0.1793
	At the end of the Year 31-Mar-2017	18266	0.1793	18266	0.1793

* Ceased to be in the list of Top 10 shareholders as on 31/03/2017. The same has been reflected above since the shareholder was one of the Top 10 shareholders as on 01/04/2016.

Not in the list of Top 10 shareholders as on 01/04/2016. The same has been reflected above since the shareholder was one of the Top 10 shareholders as on 31/03/2017.

**(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 INR)

	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
Indebtedness at the beginning of the financial year				
i) Principal Amount	19,29,90,896	2,53,65,155	0	21,83,56,051
ii) Interest due but not paid	2,10,081	0	0	2,10,081
iii) Interest accrued but not due	0	0	0	0
Total (i+ii+iii)	19,32,00,977	2,53,65,155	0	21,85,66,132
Change in Indebtedness during the financial year				
Addition	19,93,596	2,11,00,054	0	2,30,93,650
Reduction	1,10,74,935	69,98,023	0	1,80,72,958
Net Change	(90,81,339)	1,41,02,031	0	50,20,692
Indebtedness at the end of the financial year				
i) Principal Amount	18,39,09,557	3,94,67,186	0	22,33,76,743
ii) Interest due but not paid	52,727	0	0	52,727
iii) Interest accrued but not due	2,47,088	0	0	2,47,088
Total (i+ii+iii)	18,42,09,372	3,94,67,186	0	22,36,76,558

VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL:**A. Remuneration to Managing Director, (MD) Whole-time Directors (WTD) and/or Manager:**

(All Figures in INR)

S.No	Particulars of Remuneration	Name of MD/WTD/Manager		Total Amount
		Y.S.R. Venkata Rao, MD	Y.V. Prashanth, WTD	
1	Gross salary			
(a)	Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	36,00,000	24,00,000	60,00,000
(b)	Value of perquisites u/s 17(2) Income-tax Act, 1961	0	0	0
(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 - others, specify	0	0	0
5	Others, please specify Fee for attending the board meeting	0	0	0
Total (A)		36,00,000	24,00,000	60,00,000
Ceiling as per the Act		63,00,000	63,00,000	1,26,00,000



B. Remuneration to other Directors:

(All Figures in INR)

S.No	Particulars of Remuneration	Name of Directors				Total Amount
		Ch. S. Prasad	G. Jayaraman	P.C. Patnaik	J.S. Yadav	
1	Independent Directors Fee for attending board / committee meetings	93,000	93,000	93,000	45,000	3,24,000
	Commission	0	0	0	0	0
	Others, please specify	0	0	0	0	0
	Total (1)	93,000	93,000	93,000	45,000	3,24,000
2	Other Non-Executive Directors	Y.V. Lalithya Poorna				
	Fee for attending board / committee meetings	30000				30,000
	Commission	0		0		
	Others, please specify	0	0			
	Total (2)	30000				30,000
	Total (B) = (1)+(2)					3,54,000
	Total Managerial Remuneration					63,54,000
	Overall Ceiling as per the Act					1,26,00,000

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

(All Figures in INR)

S.No	Particulars of Remuneration	Key Managerial Personnel		
		M. Karunakar, CS	P. Sankara Rao, CFO	Total
(a)	Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	2,92,655	10,47,525	13,40,180
(b)	Value of perquisites u/s 17(2) Income-tax Act, 1961	0	0	0
(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 - others, specify	0	0	0
5	Others, please specify	0	0	0
	Total (A)	2,92,655	10,47,525	13,40,180

Note: CS had resigned in January 2017.

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)
Penalty	Nil	Nil	Nil	Nil	Nil
Punishment	Nil	Nil	Nil	Nil	Nil
Compounding	Nil	Nil	Nil	Nil	Nil
C. OTHER OFFICERS IN DEFAULT					
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
Date: 15.05.2017

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 company 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: INR.11.6 million.

C. FOREIGN EXCHANGE EARNINGS AND OUTGO

(All figures in INR)

	2016-17	2015-16
Earnings	276,088,432	362,875,782
Outgo	122,504,888	136,040,129
Raw Materials	120,765,951	134,359,982
Foreign currency Exp.	1,738,937	1,680,147
Net Foreign Exchange earnings	153,583,544	226,835,653

For and on behalf of Board of Directors
Alkali Metals Limited

Place: Hyderabad
Date: 15.05.2017

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

DR. J.S. YADAV
CHAIRMAN
DIN: 02014136

ANNEXURE -3

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	11.34
2	Mr. Y.V. Prashanth, Executive Director	7.56

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	Nil
2	Mr. Y.V. Prashanth, Executive Director	100%
3	Mr. P. Sankara Rao, CFO	6.23%
4	Mr. M. Karunakar Reddy, CS	Nil

Note: Mr. M. Karunakar Reddy, CS had resigned in Jan 2017.

- (iii) The percentage increase in the median remuneration of employees in the financial year: 23.44%

- (iv) The number of permanent employees on the rolls of Company:
118 members as on 31st March 2017.

- (v) The explanation on the relationship between average increase in remuneration and company's performance:

Average increase in remuneration	Company's performance
7.58%	Turnover is INR 581 Million and the Profit before tax is INR 3.5 Million.

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

All figures in INR

Turnover	580,634,493
Profit before tax	3,852,049
Total Remuneration to KMP	7,340,180



- (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 over 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	31.03.2017	31.03.2016
1	Market Capitalisation		
	BSE	76,21,60,574	41,79,91,871
	NSE	77,43,79,581	41,34,09,744
2	Price Earnings ratio (based on Basic EPS)		
	BSE	214	18.57
	NSE	217	18.37
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 INR. 103/- per share. As on 31 st March 2017 the market quotation of the company shares price is BSE- INR 74.85 and NSE INR. 76.05.		

- (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 6.19% as compare to increase in the remuneration of Managerial person by 27.66%.

- (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	Performance of the Company during 2016-17	% to Turnover
1	Sri. Y.S.R. Venkata Rao	36,00,000	Turnover INR. 580,634,493 Profit before tax INR. 3,852,049	0.62%
2	Mr. Y.V. Prashanth (Part of the Year)	24,00,000		0.41%
3	Mr. P. Sankara Rao	10,47,525		0.18%
4	Mr. M. Karunakar Reddy	2,92,655		0.06% (Annualized)

Note: M. Karunakar Reddy had resigned during Jan 2017.

- (x) The key parameters for any variable component of remuneration availed by the directors:
There is no variable component of remuneration to any Directors during the year ended 31st March 2017.
- (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
Date: 15.05.2017

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 31st March 2017)

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 31st March 2017, 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 31st March 2017 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 period 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. During the year Company Secretary has resigned and company appointed qualified Company Secretary during the March 2017 as assistant Company Secretary till the next board meeting to comply with statutory requirements for appointing as Company Secretary.

However, please note that SEBI's 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 a Woman Director. There were no changes in the composition of the Board of Directors during the period under review.
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.

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.

Place : Hyderabad
Date : 15-05-2017

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 Directors' Report and audited financial statements which form together part of this Annual Report.

INDUSTRY OUTLOOK, OPPORTUNITIES AND THREATS

During the year 2016-17, the Company recorded a turnover of INR 580 Million compared to the turnover of INR 733 Million during 2015-16. Net Profit during the year 2016-17 is INR 3.5 Million compared to Net Profit of INR 23 Million achieved during 2015-16. The decrease in sales turnover and profitability is due to temporary slowdown in Global Pharma industry.

OUTLOOK

Chemical industry in India is the third largest producer in Asia and sixth largest in the world. Indian chemical industry is expected to double its share in global chemical industry to 5-6% by 2021 registering growth of 8-9% in the next decade. Indian Specialty Chemicals industry is expected to reach USD 70 bn. by 2020. 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.

With the high significance of chemical industry in Indian economy, following are the expectations from government to address the bottlenecks and growth:

Incentives for export units under make-in-India program: Indian chemical industry is a net importer with imports of USD 19 bn compared to exports of USD 12.7 bn. Indian Government is planning to incentivise the Chemical units set-up with new technology catering to export market to give boost to the exports in turn reducing the current account deficit.

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 1443 MT of finished products during 2016-17 as against 1610 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 INR in Millions)

	2016-17	2015-16
Net Sales	580.63	732.81
Other income	3.12	2.52
Total income	583.75	735.33
Total expenditure	511.98	633.54
Operating profit/(Loss)	71.77	101.79
Finance charges	28.08	34.36
Gross profit before depreciation and taxes	43.69	67.43
Depreciation	36.96	37.53
Profit/(Loss)before tax	6.73	29.90
Exceptional and Extraordinary items	2.88	0.04
Provision for income tax & Prev. Yr. taxes	0.32	7.31
Deferred Tax (AS 22)	0.00	0.00
Profit/(Loss) after tax	3.53	22.55

The book value per share stands at INR 49.00 as on 31.03.2017 (INR 49.26 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. Also, 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
Date : 15-05-2017

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 7 Directors as on 31st March 2017 of which four of Independent Directors, one Non Executive and Non Independent Director, one Executive Director and one Managing Director. The day to day management of the company was carried on by the both Managing and Executive Directors of the company.

Number of Board Meetings:

During the year (01-04-2016 to 31-03-2017) the Board met four times i.e. on 02.05.2016, 30.07.2016, 28.10.2016 and 20.01.2017. The maximum time gap between any of the consecutive meetings is less than 120 days.

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		Attendance at the AGM held on 30/07/2016
					(6)		
(1)	(2)	(3)	(4)	(5)	Chairman	Member	(7)
1	Dr. J.S. Yadav	Chairman & Independent Director	3	--	--	--	Yes
2	Sri. Ch.S. Prasad	Independent Director	4	3	--	--	Yes
3	Sri. P.C. Patnaik	Independent Director	4	--	--	--	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-Ind & Non-Exe. Director	2	3	--	--	Yes
7	Mr. Y.V. Prashanth	Executive Director	3	4	--	--	Yes

Notes:

- Other Directorships exclude foreign companies
- Other companies as on 31.03.2017.

All Independent Directors possess the requisite qualifications and are very experienced in their own fields. Independent Directors are appointed for a period of five years and the Managing Director is not retire by rotation and the other Non Independent Directors are subject to retire by rotation. Necessary disclosures have been obtained from all the directors regarding their directorship and have been taken on record by the Board.

Profile of Directors seeking re-appointment:

Mr. Y. V. Prashanth

He holds MS in Pharmacy from USA. He is third generation promoter of the Company. He had vast experience in Administration and Marketing fields. His immense presence in the Board will have the benefit to the Company. He had appointed as Executive Director and will take care all the day to day operations more specific to Administration and operational issues of 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 were present at all audit committee meetings.

Audit committee consists of three independent directors. 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 previous Annual General Meeting of the company held on 30th July, 2016. During the period 01-04-2016 to 31-03-2017, the committee met four times and the time gap between one meeting to another is less than 120 days.

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	4
3	Sri. P.C. Patnaik	Independent Director	4

3. NOMINATION AND REMUNERATION COMMITTEE

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.

NRC consists of three independent Directors and they met two times during the year 2016-17.

Composition of committee and attendance of members

S. No.	Name of the Member	Category	No. of Meetings Attended
01.	Sri. Ch. S. Prasad	Independent Director	2
02.	Sri. G. Jayaraman	Independent Director	2
03.	Sri. P.C. Patnaik	Independent Director	2



This committee recommends the appointment/reappointment of executive directors and the appointments of employee's one level below the Board of Directors and KMP along with the remuneration to be paid to them. The remuneration is fixed keeping in mind the persons 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:

Stakeholders Relationship Committee (SRC) consists of four Directors of which 3 Independent Directors and Managing Director.

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 2016-17.

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

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

Two are executive directors out of the total Board. The remuneration payable to these directors is determined by the Board on the recommendation of the 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 for the year

(All figures in INR)

S.No.	Name of the Director	Commission	Remuneration	Sitting Fee	Total
01	Dr. J.S.Yadav	--	--	45,000	45,000
02	Sri. Ch. S. Prasad	--	--	93,000	93,000
03	Sri. P.C. Patnaik	--	--	93,000	93,000
04	Sri. G. Jayaraman	--	--	93,000	93,000
05	Sri. Y.S.R. Venkata Rao	--	36,00,000	--	36,00,000
06	Smt. Y. Lalithya Poorna	--	--	30,000	30,000
07	Mr. Y.V. Prashanth	--	24,00,000	--	24,00,000

7. ANNUAL GENERAL MEETINGS AND EXTRAORDINARY GENERAL MEETING

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

Annual General Meetings of the Company:

Year	Location	Date	Time
2013-14	Hotel Green Park, Ameerpet, Hyderabad – 500 016	21 st August 2014	11.00 AM
2014-15	Hotel Green Park, Ameerpet, Hyderabad – 500 016	19 th September 2015	11.00A.M
2015-16	Hotel Green Park, Ameerpet, Hyderabad – 500 016	30 th July 2016	11.00 AM



- 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) 46th Annual General Meeting - 21st August 2014 - No Special Resolutions were passed
 - ii) 47th Annual General Meeting - 19th September 2015 Special Resolution passed for the 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 period of 3 Years.
 - iii) 48th Annual General Meeting - 30th July 2016 - No Special Resolutions were passed
- d) E-Voting/Poll:
E-Voting is conducted for all the business items covered in the 47th AGM and 48th AGM held on 19th September 2015 and 30th July 2016 respectively in Compliance with the Listingement.

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 behaviour, 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 has 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.

12. ACCOUNTING TREATMENT

The Company has followed the 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 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 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 listing agreement 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 2016-2017.

16. GENERAL SHARE HOLDER INFORMATION

a) Annual General Meeting

Date and time	:	04.08.2017 at 11.00 A.M
Venue	:	B-5, IDA, Uppal, Hyderabad – 500 039
Book Closure Date	:	29.07.2017 to 04.08.2017 (both days inclusive)

b) Financial Year : 1st April 2017 to 31st March 2018

Financial Calendar 2017-2018 (tentative)

First Quarter results (April - June)	:	On or before 13th September
Second Quarter results (July - Sept)	:	On or before 14th December
Third Quarter results (Oct - Dec)	:	On or before 14th February
Annual Results audited (Audited)	:	On or before 30th May

c) Particulars of Dividend for the year ended 31.03.2017 INR 0.50 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



e) Stock Market Data

(All figures in INR)

Month	NSE			BSE		
	High	Low	Closing	High	Low	Closing
April	55.75	40.60	53.70	55.85	41.40	53.75
May	56.75	41.00	42.95	56.55	40.10	43.00
June	59.65	42.00	55.55	59.75	42.00	55.70
July	65.95	54.90	59.75	65.60	55.15	60.00
August	63.40	55.05	57.35	65.00	55.05	57.05
September	62.70	54.85	57.00	62.80	48.00	57.15
October	108.00	56.60	76.05	107.70	57.20	75.35
November	88.00	60.00	69.10	87.70	61.70	67.15
December	83.20	63.00	69.45	83.00	63.00	69.10
January	91.95	68.25	76.40	91.85	67.80	75.90
February	87.00	05	80.30	86.95	73.15	80.75
March	84.20	75.35	76.05	84.40	73.00	74.85

f) Shareholding Pattern as on 31st March 2017

Category	No. of shares held	% of holdings
Indian Promoters including persons acting in concert	7,100,842	69.74
Bodies corporate (including clearing members)	294,450	2.89
Resident Indians	2,584,721	25.39
Non-Resident Indians	95,122	0.93
Hindu undivided families	107,371	1.05
Total	10,182,506	100.00

g) Distribution of Shareholding as on 31st March 2017

HOLDING (in INR)	NUMBER	% of TOTAL	SHARES	% of TOTAL
between 10 and 5000	9,936	90.92	1,019,734	10.02
between 5001 and 10000	520	4.76	421,169	4.14
between 10001 and 20000	258	2.36	387,944	3.81
between 20001 and 30000	77	0.70	197,899	1.94
between 30001 and 40000	45	0.41	159,299	1.56
between 40001 and 50000	25	0.23	119,887	1.18
between 50001 and 100000	41	0.38	289,538	2.84
between 100001 and Above	26	0.24	7,587,036	74.51
Total	10,928	100.00	10,182,506	100.00

**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 listing Agreement. 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 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. The unclaimed dividend as on March 31, 2017 is as follows:

Financial Year	Date of declaration	Date of transfer to IEPF
2009-10	30 th July 2010	September 2017
2010-11	30 th July 2011	September 2018
2011-12	30 th July 2012	September 2019
2012-13	30 th July 2013	September 2020
2015-16 (interim dividend)	23 rd January 2016	February 2023
2015 -16 (final dividend)	30 th July 2016	September 2023

**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 - 500043.
Unit-III : J.N. Pharma City, Parwada, Visakhapatnam - 531019.

m) Address for correspondence:

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

17. 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 31st March 2017.

Place : Hyderabad
Date : 15-05-2017

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

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

We, Y.S.R. Venkata Rao, Managing Director (MD) and P. Sankara Rao, Chief Financial Officer(CFO) of Alkali Metals Limited, certify that:

1. We have reviewed the financial statements and the cash flow statement for the Financial Year Ended 31st March, 2017 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 might be misleading;
 - b) These statements together present a true and fair view of the state of affairs of the company and are in compliance with existing accounting standards, applicable laws and regulations.
2. There are, to the best of our knowledge and belief, no transactions entered into by the company during the year which are fraudulent, illegal or violative of the company's code of conduct.
3. We accept overall responsibility for establishing and maintaining internal control for financial reporting. This is monitored by the internal audit function, which encompasses the examination and evaluation of the adequacy and effectiveness, of internal control. The internal auditor works with all levels of management and statutory auditors and reports significant issues to the audit committee of the Board. The auditors and audit committee are appraised of any corrective action taken with regard to significant deficiencies in the design or operation of internal controls.
4. We indicate to the auditors and to the audit committee that there are no:
 - a) 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) Instances of significant fraud of which we have become aware of and which involve management or other employees having significant role in the company's internal control system and financial reporting. However, during the year there was no such instance.

Place: Hyderabad
Date: 15.05.2017

P. SANKARA RAO
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 31st March, 2017 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
Date: 15.05.2017

N V S Srikrishna
Partner
M. No. : 025139



INDEPENDENT AUDITORS' REPORT

To the Members of ALKALI METALS LIMITED

Report on the Financial Statements

We have audited the accompanying financial statements of ALKALI METALS LIMITED (“the Company”), which comprise the Balance Sheet as at March 31, 2017, the Statement of Profit and Loss, the Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management’s Responsibility for the 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 preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding 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.

Auditor’s Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit.

We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder.

We conducted our audit in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. 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. In making those risk assessments, the auditor considers internal financial controls relevant to the Company’s preparation of the financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on whether the Company has in place an adequate internal financial control system over financial reporting and the operating effectiveness of such controls. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by the Company’s Directors, as well as evaluating the overall presentation of the financial statements.



We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the financial statements.

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India:

- a) in the case of the Balance Sheet, of the state of affairs of the Company as at March 31, 2017;
- b) in the case of Statement of Profit and Loss, of the profit for the year ended on that date; and
- c) in the case of the Cash Flow Statement, of the cash flows for the year ended on that date.

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) (i) of the Companies Act, 2013, we given in Annexure – 2, the report on Internal Financial Controls over Financial Reporting.
3. As required by section 143(3) of the Act, 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, Statement of Profit and Loss and the Cash Flow Statement dealt with by this Report are in agreement with the books of account.
 - d. In our opinion, the aforesaid financial statements comply with the Accounting Standardsspecified 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, 2017, and taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2017, from being appointed as a director in terms of Section 164(2) of the Act.
 - f. 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) Rules, 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 financial statements
- ii. In our opinion and as per the information and explanations provided 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.
- iv. The Company has provided requisite disclosures in the financial statements as to holdings as well as dealings in Specified Bank Notes during the period from 8th November, 2016 to 30th December, 2016. Based on audit procedures and relying on the management representation we report that the disclosures are in accordance with books of account maintained by the Company and as produced to us by the Management.

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

Place: Hyderabad
Date: 15.05.2017

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 Requirements 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 6 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, 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 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: 15.05.2017

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, 2017 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: 15.05.2017

N V S Srikrishna
Partner
M. No. : 025139



Balance Sheet as at March 31, 2017

(All Figures in INR)

	Note No.	31.03.2017	31.03.2016
I EQUITY AND LIABILITIES			
1. SHAREHOLDERS' FUNDS			
a. Share Capital	1	101,825,060	101,825,060
b. Reserves and Surplus	2	397,125,160	399,724,911
		498,950,220	501,549,971
2. NON-CURRENT LIABILITIES			
a. Long Term Borrowings	3	25,629,558	24,321,151
b. Other Long Term Liabilities	4	9,894,000	9,894,000
c. Long Term Provisions	5	1,296,784	7,08,178
		36,820,342	34,923,329
3. CURRENT LIABILITIES			
a. Short Term Borrowings	6	181,209,557	179,215,961
b. Trade Payables	7	137,274,351	123,642,935
c. Other Current Liabilities	8	30,158,826	19,944,676
d. Short Term Provisions	9	9,911,995	10,536,381
		358,554,729	333,339,953
TOTAL		894,325,291	869,813,253
II. ASSETS			
1. NON-CURRENT ASSETS			
a. Fixed Assets	10		
i. Tangible Assets		495,209,390	533,221,745
ii. Intangible Assets		2,469,432	3,880,531
iii. Capital Work-in-progress		15,578,290	4,618,506
b. Long Term Loans and Advances	11	33,348,197	32,240,823
c. Other Non-Current Assets	12	-	5,00,000
		546,605,309	574,461,605
2. CURRENT ASSETS			
a. Inventories	13	189,114,406	126,036,415
b. Trade Receivables	14	102,788,987	112,970,079
c. Cash and Cash Equivalents	15	11,159,402	10,284,709
d. Short Term Loans and Advances	16	42,871,730	44,643,006
e. Other Current Assets	17	1,785,457	1,417,439
		347,719,982	295,351,648
TOTAL		894,325,291	869,813,253

Refer accompanying Notes to 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
Dated : 15.05.2017

M. NEEHARIKA
COMPANY SECRETARY

P. SANKAR RAO
CFO



Statement of Profit And Loss For The Year Ended March 31, 2017

(All Figures in INR)

	Note No.	31.03.2017	31.03.2016
1. REVENUE			
Revenue from Operations	18	580,634,493	732,815,895
Other Income	19	3,118,546	2,516,482
Total Revenue		583,753,039	735,332,377
2. EXPENSES			
a. Cost of Materials Consumed		306,668,623	392,083,916
b. Changes in Inventories of Finished Goods Work-in-Progress and Stock-in-Trade	20	(23,718,856)	(6,033,845)
c. Employee Benefit Expense	21	78,102,732	73,719,403
d. Finance Costs	22	28,077,553	34,364,210
e. Depreciation		36,961,017	37,529,881
f. Other Expenses	23	150,933,683	173,766,865
Total Expenses		577,024,752	705,430,430
3. Profit for the year before exceptional items		6,728,287	29,901,948
4. Exceptional Items	24	2,876,238	38,488
5. Profit Before Tax		3,852,049	29,863,459
6. Tax Expense			
a. Current Tax (MAT)		670,730	6,238,171
Less: MAT Credit Entitlement		(670,730)	(6,238,171)
Net Current Tax		-	-
b. Tax Pertaining to Earlier Years		398,732	7,311,139
Less: MAT Credit Entitlement		(74,644)	-
		324,088	7,311,139
		324,088	7,311,139
7. Profit after taxes for the Year		3,527,961	22,552,320
8. Earnings Per Share			
Face Value Rs. 10/- per share			
i Basic /Diluted (excluding extra ordinary items)		0.35	2.21
ii Basic/Diluted (including extra ordinary items)		0.35	2.21

Refer accompanying Notes to 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
Dated : 15.05.2017

M. NEEHARIKA
COMPANY SECRETARY

P. SANKAR RAO
CFO



Cash Flow Statement For The Year Ended March 31, 2017

(All Figures in INR)

	2017		2016	
A. Cash flow from Operating activities				
1 Net Profit/(Loss) before Tax		3,852,049		29,863,459
2 Adjustments for				
Depreciation	36,961,017		37,529,881	
Interest expense	28,077,553		34,364,210	
Interest income	(1,632,645)		(1,217,883)	
Doubtful Debts Provision - Assets written off	2,660,772		695,876	
(Profit)/Loss on sale of Assets	215,466	66,282,163	38,488	71,410,572
3 Operating Profit before working capital changes		70,134,212		101,274,031
4 Adjustments for				
Increase/(Decrease) in Trade payables	13,631,416		19,144,312	
Increase/(Decrease) in Other Liabilities and Provisions	10,178,370		(15,161,870)	
(Increase)/Decrease in Inventories	(63,077,991)		38,417,580	
(Increase)/Decrease in Trade Receivables	10,181,092		(28,061,161)	
(Increase)/Decrease in Loans and Advances	663,902		6,766,268	
(Increase)/Decrease in Other Current Assets	131,982	(28,291,230)	5,442,161	26,547,290
5 Cash generated from operations		41,842,982		127,821,321
Interest paid		28,077,553		34,364,210
Adjustment for taxes of earlier years		324,088		7,311,139
Direct taxes paid		-		3,367,600
6 Net cash from Operating activities		13,441,341		82,778,372
B. Cash flow from investing activities				
Purchase of fixed assets/capital work in progress	(11,816,526)		(5,891,187)	
Sale of fixed assets	442,943		250,000	
Interest income & other receipts	1,632,645		1,217,883	
Investment Subsidy	-	(9,740,939)	-	(4,423,304)
C. Cash flow from Financing activities				
Proceeds / Repayments of borrowings	3,302,003		(80,774,962)	
Interim Dividend paid	-		(8,146,005)	
Tax on Interim Dividend paid	-		(1,658,335)	
Proposed Final Dividend	(5,091,253)		(4,073,002)	
Provision for Tax on Final Dividend	(1,036,459)		(829,167)	
Increase / Decrease in other liabilities	-	(2,825,709)	(3,721,427)	(99,202,898)
Net Increase/(Decrease) in Cash & cash equivalents		874,693		(20,847,831)
Cash and cash equivalents as at the beginning of the year		10,284,709		31,132,539
Cash and cash equivalents as at the end of the year		11,159,402		10,284,709

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

N V S SRIKRISHNA
PARTNER
M.NO.025139

Place : Hyderabad
Dated : 15.05.2017

For and on Behalf of Board of Directors
Alkali Metals Limited

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

M. NEEHARIKA
COMPANY SECRETARY

DR.J.S.YADAV
CHAIRMAN
DIN: 02014136

P. SANKAR RAO
CFO

**SIGNIFICANT ACCOUNTING POLICIES****A) Basis of Preparation of Financial Statement:**

The Financial Statements are prepared on going concern assumption and under the historical cost convention, except for certain fixed assets which are revalued in accordance with generally accepted Accounting principles in India and the provisions of the Companies Act 2013.

B) Use of Estimates:

The preparation of financial statements requires estimates and assumption to be made that affect the reported amount of assets and liabilities on the date of the financial statements and the reported amount of revenues and expenses during the reporting period. Difference between the actual results and estimates are recognised in the period in which the results are known / materialised.

C) Fixed Assets:

Fixed assets are stated at cost net of cenvat / value added tax and includes amounts added on revaluation, less accumulated depreciation, and impairment of loss, if any. All costs including financing costs till commencement of production, net charges on foreign exchange contracts and adjustments arising from exchange rate variation attributable to the fixed assets are capitalised as per the applicable standards.

D) Depreciation and Amortisation:

Depreciation on all fixed assets is provided on systematic basis on straight-line method on the basis of useful lives specified in Schedule – II of the Companies Act, 2013. Intangible Asset (Computer Software) is amortised over a period of five years.

E) Impairment of Asset:

The Carrying amount of asset is reviewed at each balance sheet date to determine whether there is any indication of impairment. If any such indication exists, the recoverable amount of the asset is estimated. The recoverable amount is the greater of the asset's net selling price and value in use, which is determined based on the estimated future cash flow discounted to their present values. An impairment loss is recognised whenever the carrying amount of an asset or its cash generating unit exceeds its recoverable amount. Impairment loss is reversed if there has been change in the estimates used to determine the recoverable amount.

F) 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.

G) Foreign Currency Transactions:

Foreign Currency Transaction are recorded at the exchange rates prevailing at the transaction date. Current Assets and Current Liabilities relating to Foreign Currency Transactions remaining unsettled at the balance Sheet date are translated at the year end rates. The result gain/ loss, if any, is recognised in Profit & Loss Account.

H) Turnover:

Sales are recognised on despatch of goods from the factory.

I) Employee Benefits:**i. Gratuity:**

The Company contributes towards Group Gratuity Fund (defined benefit retirement plan) administered by the Life Insurance Corporation Of India, for eligible employees. Under this scheme the settlement obligation remains with the Company, while the Life Insurance Corporation of India administers the scheme and determines the premium to be contributed by the Company. The plan provides for a lump-sum payment to the vested employees on retirement or termination of employment, based on the respective employees' salary and the years of service with the Company.

ii. Provident Fund:

Retirement benefit in the form of Provident Fund is a defined contribution scheme and the contributions are charged off to the profit and loss account of the year when the contributions to the fund are due. There are no other obligations other than the contributions to be remitted to the Provident Fund Authorities.

iii. Leave Encashment:

Provision for Leave Encashment is recognised in the books as per the actuarial valuation.

J) Borrowing Cost:

Borrowing costs that are attributable to the acquisition or construction of qualifying assets are capitalised as part of the cost of such assets. A qualifying asset is one that takes necessarily substantial period of time to get ready for its intended use. All other borrowing costs are charged to revenue.

K) Provision for Current and Deferred Tax:

Provision for current tax is made after taking into consideration benefits admissible under the provisions of the Income tax Act, 1961. 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.

L) 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.

M) 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.

N) Claims:

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

O) Exceptional / Extraordinary Items:

All the exceptional and extraordinary items are recognised as per the provisions stipulated in AS 5- Net profit or loss for the period, Prior Period Items and Changes in Accounting Policies.

1. Share Capital

(All Figures in INR)

	31.03.2017	31.03.2016
Authorised Share Capital 15,000,000 Equity Shares of Rs. 10 Par Value	150,000,000	150,000,000
Issued, Subscribed and Paid-up Capital At the beginning and at the end of the year Equity Shares of Rs. 10 Par Value fully paid up	101,825,060	101,825,060
	101,825,060	101,825,060

Disclosures:

1. All the equity shares carry equal rights and obligations including for dividend and with respect to voting rights.

2. 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%

2. Reserves & Surplus

(All Figures in INR)

1. Securities Premium Balance at the beginning and at the end of the year	237,150,000	237,150,000
2. Revaluation Reserve on Land Balance at the beginning and at the end of the year	8,336,793	8,336,793
3. Capital Reserve - Investment Subsidy 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
4. General Reserve Balance at the beginning of the year	91,343,660	91,343,660
Addition during the year	-	-
Balance at the closing of the year	91,343,660	91,343,660
5. Surplus Balance brought forward from previous year	61,894,458	54,048,648
Add: Transfer from Statement of Profit and Loss for the year	3,527,961	22,552,320
Balance available for Appropriations	65,422,419	76,600,968
Appropriations:		
Interim Dividend paid	-	8,146,005
Tax on Interim Dividend paid	-	1,658,335
Provision for Final Dividend**	5,091,253	4,073,002
Provison for Tax on Final Dividend	1,036,459	829,167
Balance carried forward to next year	59,294,707	61,894,458
	397,125,160	399,724,911

*Investment subsidy received from Government of AP towards purchase of Land has been considered as Capital Reserve as per AS 12, Government Grants.

** Due to Inadequacy of current year profits, the Company has drawn INR 2,599,751 from opening free reserves and complied with the provisions of section 123 of the Companies Act, 2013 read with Companies (Declaration and Payment of Dividend Rules, 2014).

3. Long Term Borrowings
(All Figures in INR)

	31.03.2017	31.03.2016
A. Secured:		
Loans from Bank:		
Term Loans	-	2,974,935
B. Unsecured:		
Loans from Non Banking Financial Institutions	7,939,830	-
Deferred Payment Liabilities :		
Sales Tax Deferment	17,689,728	21,346,216
	25,629,558	21,346,216
	25,629,558	24,321,151

Disclosures:
A. Secured Loans
(All Figures in INR)

Term Loan from State Bank of India	
1 Period of maturity with reference to Balance Sheet date	2017-2018
2 Total number of Quarterly Installments	1
3 Amount of each instalment	One installment of Rs. 2,700,000
4 Rate of Interest	Base rate + 4.70%
5 Overdue amount and period:	Nil
6 Security	
The loan is secured by hypothecation of entire fixed assets(including civil structures) purchased out of the term loan, collateral security of Land & Buildings of the Company and by personal guarantee of the Managing Director of the Company.	

B. Unsecured Loans
(All Figures in INR)

Non Banking Financial Institutions	Bajaj Finance Ltd	TATA Capital Financial Services Ltd	Capital First Ltd	Magma Fincorp Ltd
Period of maturity with reference to Balance Sheet date	02.11.2018	03.11.2018	05.11.2018	07.11.2018
Total number of Installments	20	20	20	20
Amount of each instalment	178951	252043	378065	255795
Rate of Interest	19.00%	18.77%	19.00%	19.50%
Overdue amount and period:	Nil	Nil	Nil	Nil

Sales Tax Deferment:

The Company was sanctioned Interest Free Sales Tax Deferment of INR 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 Rs 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 Rs.3,656,488 payable in the next financial year shown under the Other Current Liabilities

4. Other Long Term Liabilities
(All Figures in INR)

Deposits	9,894,000	9,894,000
	9,894,000	9,894,000

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.

5. Long Term Provisions
(All Figures in INR)

Provision for Employee Benefits		
Leave Encashment (Non funded)	1,296,784	708,178
	1,296,784	708,178

6. Short Term Borrowings
(All Figures in INR)

Secured:		
Working Capital Loans repayable on demand		
a. Cash Credit facility	152,591,981	104,336,212
b. Export Packing Credit	28,617,576	74,879,749
	181,209,557	179,215,961

(All Figures in INR)

Disclosures:		
a. Terms and Conditions of Cash Credit Particulars		
1 Period of maturity with reference to Balance Sheet date	Renewable every year	Renewable every year
2 Number of Instalments due	Nil	Nil
3 Amount Outstanding	152,591,981	104,336,212
4 Rate of Interest	Base Rate + 4.5%	Base Rate + 4.5%
5 Overdue amount and period:	Nil	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 INR 120 Mil is a sub limit to the Cash Credit limit of INR 180 Mil		
1 Amount Outstanding	28,617,576	74,879,749
2 Rate of Interest	Base Rate + 4.5%	Base Rate + 4.5%
3 Overdue amount and period:	Nil	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.		

7. Trade Payables
(All Figures in INR)

Trade payables	137,274,351	123,642,935
	137,274,351	123,642,935
Disclosures: The Company has no information as to whether any of its vendors constitute a "Supplier" within the meaning of Section 2 (n) of the Micro, Small and Medium Enterprises Development Act, 2006 as no declarations were received under the said Act from them.		

8. Other Current Liabilities
(All Figures in INR)

Current Maturities of Long Term Debt (refer Note 3 above)	12,881,140	10,800,000
Interest Acrued but not due on Borrowings	247,088	-
Interest Accrued and Due on Borrowings	52,727	210,081
Advance against Sales	10,729,297	3,082,076
Unpaid Dividends	964,134	990,060
Other Payables:		
Statutory Dues Payable	1,627,952	843,520
Sales Tax Deferment Due	-	1,500,000
Sales Tax Deferment - Current Maturities	3,656,488	2,518,939
	30,158,826	19,944,676

9. Short Term Provisions
(All Figures in INR)

Provision for Employee Benefits	1,842,361	1,187,233
Provision for Income Tax (Net)	1,941,922	4,446,978
Others		
Proposed Final Dividend	5,091,253	4,073,002
Provision for Tax on Final Dividend	1,036,459	829,167
	9,911,995	10,536,381



10. Fixed Assets

(All Figures in INR)

Gross Block	Gross Block			Depreciation			Net Block			
	Opening Block as on 01.04.2016	Additions during the Year	Deduction during the Year	Closing Block as on 31.03.17	Accumulated Depreciation upto 31.03.2016	For the Year 2016-17	Withdrawn during the Year	Accumulated Depreciation upto 31.03.2017	Written Down value as on 31.03.2017	Written Down value as on 31.03.2016
I Tangible Assets										
Land	68,262,761	-	-	68,262,761	-	-	-	-	68,262,761	68,262,761
Building	204,418,712	-	-	204,418,712	43,165,201	7,981,802	-	51,147,003	153,271,708	161,253,514
Plant & machinery	386,832,427	-	3,030,112	383,802,315	146,990,628	17,987,460	1,770,964	163,207,124	220,595,191	239,841,797
Pollution Control										
Equipm	9,377,291	-	-	9,377,291	7,200,568	765,643	-	7,966,211	1,411,080	2,176,723
Vehicles	2,837,262	568,809	-	3,406,071	1,966,388	213,111	-	2,179,499	1,226,572	870,874
Furniture & Fixture	4,816,226	15,000	-	4,831,226	1,227,833	424,204	-	1,652,037	3,179,189	3,588,393
Lab Equipment	8,213,812	229,334	-	8,443,146	6,336,455	220,198	-	6,556,653	1,886,493	1,877,357
Office Equipment	1,545,241	-	-	1,545,241	817,628	116,271	-	933,899	611,341	727,612
Computers	790,633	43,600	-	834,233	294,495	102,437	-	396,932	437,301	496,138
R& D Equipment	110,665,443	-	5,472,363	105,193,080	71,938,356	4,275,721	3,681,399	72,532,678	32,660,402	38,727,086
R&D Lab Equipment	32,364,209	-	3,261,270	29,102,939	18,354,205	3,254,907	2,992,201	18,616,911	10,486,028	14,010,004
Safety Equipment	3,772,531	-	-	3,772,531	2,383,045	208,163	-	2,591,208	1,181,323	1,389,485
Total	833,896,548	856,743	11,763,745	822,989,546	300,674,803	35,549,917	8,444,564	327,780,156	495,209,390	533,221,745
II Intangible Assets										
Computer Software	7,055,508	-	-	7,055,508	3,174,977	1,411,100	-	4,586,077	2,469,431	3,880,531
III Capital Work in Progress										
Building under construction	4,618,506	10,959,784	-	15,578,290	-	-	-	-	15,578,290	4,618,506
Grand Total	845,570,561	11,816,527	11,763,745	845,623,343	303,849,780	36,961,017	8,444,564	332,366,233	513,257,111	541,720,782
Previous year Figures	840,641,295	10,812,374	5,883,112	845,570,558	266,993,336	37,529,881	673,437	303,849,780	541,720,778	573,647,965

11. Long Term Loans & Advances
(All Figures in INR)

Unsecured, Considered Good:		
Security Deposits	5,359,236	4,997,236
MAT Credit Entitlement	27,988,961	27,243,587
	33,348,197	32,240,823

12. Other Non-current Assets
(All Figures in INR)

Capital Advances	-	500,000
	-	500,000

13. Inventories
(All Figures in INR)

Valued at Cost or Realisable Value, whichever is lower (As Certified by Management)		
Raw Materials	72,556,824	33,197,689
Work-in-progress	116,557,582	89,535,533
Finished Goods	-	3,303,193
	189,114,406	126,036,415

14. Trade Receivables
(All Figures in INR)

Unsecured, Considered Good		
Outstanding for a period exceeding six months	2 1,158	85,167
Other Receivables	102,767,829	112,884,912
	102,788,987	112,970,079
Unsecured, Considered Doubtful:		
Outstanding for period exceeding six months	208,238	695,876
Less: Provision for doubtful debts	208,238	695,876
	-	-
	102,788,987	112,970,079

15. Cash And Cash Equivalents
(All Figures in INR)

a. Balances with Banks		
Current Accounts	152,229	131,127
EEFC Account	1,471	106,739
b. Cash on Hand	88,465	469,127
c. Other Bank Balances		
Margin Money Deposit in Banks	9,953,103	8,587,656
Unpaid Dividend Accounts	964,134	990,060
	11,159,402	10,284,709

16. Short Term Loans And Advances
(All Figures in INR)

Unsecured, Considered Good		
Balances With Revenue Authorities	33,928,172	38,417,912
Prepaid Expenses	2,959,337	3,675,735
Advances to Suppliers	5,572,537	2,383,325
Other Advances	411,684	166,034
	42,871,730	44,643,006

17. Other Current Assets
(All Figures in INR)

Interest Receivable	1,785,457	1,417,439
	1,785,457	1,417,439

18. Revenue From Operations
(All Figures in INR)

Sale of Products	608,076,302	766,223,584
Less: Excise Duty	30,601,305	34,777,354
	577,474,997	731,446,230
Other Operating Revenue	3,159,496	1,369,665
	580,634,493	732,815,895

19. Other Income
(All Figures in INR)

1. Interest earned	1,632,645	1,217,883
2. Other Non-Operating Income		
a Rental Income	-	1,185,000
b Miscellaneous Income	315,887	113,599
c Balances / Excess Provisions written back	1,170,014	-
	3,118,546	2,516,482

20. Changes In Inventories Of Finished Goods, work-in-progress And Stock-in-trade
(All Figures in INR)

1. Finished Goods		
a. Opening Stock	3,303,193	-
b. Closing Stock	-	3,303,193
Decrease / (Increase)	3,303,193	(3,303,193)
2. Work in Progress		
a. Opening Stock	89,535,533	86,804,881
b. Closing Stock	116,557,582	89,535,533
Decrease / (Increase)	(27,022,049)	(2,730,652)
Total Decrease / (Increase)	(23,718,856)	(6,033,845)

21. Employee Benefits Expense
(All Figures in INR)

Salaries & Wages	72,442,067	64,725,772
Contribution to Provident and Other Funds	3,930,442	5,401,366
Staff Welfare Expenses	1,730,223	2,474,424
Retrenchment Compensation	-	1,117,841
	78,102,732	73,719,403

22. Finance Costs
(All Figures in INR)

Interest Expense	25,701,003	32,937,738
Interest on Income Tax	34,023	36,658
Other Borrowing Costs	2,342,527	1,389,814
	28,077,553	34,364,210

23. Other Expenses
(All Figures in INR)

Consumption of Stores and Spares	19,958,322	25,813,801
Power & Fuel	60,424,429	77,426,743
Rent	228,000	174,000
Repairs to Buildings	1,245,547	982,395
Repairs to Machinery	7,445,154	5,901,543
Insurance	2,430,715	2,345,050
Production & Processing charges	2,900,442	6,087,251
Rates and Taxes	2,913,211	3,757,763
R & D	11,640,343	7,174,008
Freight on Sales	15,143,978	20,217,772
Net Loss on Foreign Currency Transaction & Translation	2,422,931	74,286
Doubtful Debts Provision	-	695,876
Miscellaneous Expenses	24,180,611	23,116,377
	150,933,683	173,766,865

24. Exceptional Items
(All Figures in INR)

Loss on Sale of Fixed Assets	215,466	38,488
Assets written off	2,660,772	-
	2,876,238	38,488

25. History

Alkali Metals Ltd. which was established in 1968, at Hyderabad, Telangana, India, as a closely held company, became a Public Listed company on 6th. 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.

26. Contingent Liabilities And Commitments (to the extent not provided for)

i. Contingent Liabilities

a. Claim against the company not acknowledged as debts (All Figures in INR)

	2016-17	2015-16
Sewerage cess claimed by HMWS&SB	3,014,786	2,686,138

b. Guarantees (All Figures in INR)

	2016-17	2015-16
Letters of credit	-	40,202,583

ii. Commitments (All Figures in INR)

	2016-17	2015-16
Estimated amount of contracts remaining to be executed on capital account and not provided for	2,921,711	4,351,494

27. Unhedged foreign currency exposure at the year end (All Figures in INR)

	2016-17	2015-16
a) Trade receivables	70,313,160	84,707,168
b) Trade payables	14,176,311	28,717,035

28. The Disclosures of Employee Benefits as required by Accounting Standard – 15 (Revised) "Employee Benefits", are given below

I. Defined Contribution Plan

Contributions to defined contribution plan recognized as expenses for the year are as under:

	2016-17	2015-16
Employer's Contribution to PF	2,854,583	2,645,456
Employer's Contribution to ESI	415,695	404,279

ii. Defined Benefit Plan

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 recognizes each period of service as giving rise to additional unit of employee benefit entitlement and measures each unit to build up the final obligation.



Reconciliation of opening and closing balances of the present value of defined benefit obligation

		31-03-2017	31-03-2016	31-03-2017	31-03-2016
		Gratuity	Gratuity	Leave Enc.	Leave Enc.
1	Assumptions	(Funded)	(Funded)	(Unfunded)	(Unfunded)
	Discount Rate	6.81 %	7.46 %	6.81 %	7.46 %
	Salary Escalation	3.00 %	3.00 %	3.00 %	3.00%
2	Changes in the present value of obligation				
	Present value of obligationsa as at beginning of year	11,841,256	10,337,981	846,005	756,102
	Interest cost	871,442	762,884	40,983	26,490
	Current Service Cost	794,179	750,471	948,946	999,735
	Benefits Paid	(319,460)	(1,039,313)	(593,279)	(830,356)
	Actuarial (gain)/Loss on obligations	(258,108)	1,029,233	189,406	(105,966)
	Present value of obligations as at end of year	12,929,309	11,841,256	1,432,061	846,005
3	Changes in Fair Value of Plan Assets				
	Fair value of plan assets at beginning of year	10,791,850	10,398,080	-	-
	Adjustment to opening balance	(119,802)	-	-	-
	Expected return on plan assets	919,828	888,595	-	-
	Contributions	-	553,901	593,279	830,356
	Benefits paid	(319,460)	(1,039,313)	(593,279)	(830,356)
	Actuarial Gain / (Loss) on Plan assets	(50,191)	(9,413)	-	-
	Fair value of plan assets at the end of year	11,222,225	10,791,850	-	-
4	Fair Value of Plan Assets				
	Fair value of plan assets at beginning of year	10,791,850	10,398,080	-	-
	Adjustment to opening balance	(119,802)	-	-	-
	Actual return on plan assets	869,637	879,182	-	-
	Contributions	-	553,901	593,279	830,356
	Benefits Paid	(319,460)	(1,039,313)	(593,279)	(830,356)
	Fair value of plan assets at the end of year	11,222,225	10,791,850	-	-
	Funded status	(1,707,084)	(1,049,406)	(1,432,061)	(846,005)
	Excess of Actual over estimated return on plan assets	(50,191)	(9,413)	-	-
5	Actuarial Gain/Loss recognized				
	Actuarial (gain)/Loss for the year – Obligation	258,108	(1,029,233)	(189,406)	105,966
	Actuarial (gain)/Loss for the year - plan assets	(50,191)	(9,413)	-	-
	Total (gain)/Loss for the year	207,917	(1,038,645)	(189,406)	105,966
	Actuarial (gain)/Loss recognized in the year	207,917	(1,038,645)	(189,406)	105,966



		31-03-2017	31-03-2016	31-03-2017	31-03-2016
		Gratuity	Gratuity	Leave Enc.	Leave Enc.
6	The amounts to be recognized in the balance sheet and statements of profit and loss account				
	Present value of obligations as at the end of year	12,929,309	11,841,256	1,432,061	846,005
	Fair value of plan assets as at the end of the year	11,222,225	10,791,850	-	-
	Funded status	(1,707,084)	(1,049,406)	(1,432,061)	(846,005)
	Net asset/(liability) recognized in balance sheet	(1,707,084)	(1,049,406)	(1,432,061)	(846,005)
7	Expenses Recognised in statement of Profit & loss Account				
	Current Service cost	794,179	750,471	948,946	999,735
	Interest Cost	871,442	762,884	40,983	26,490
	Expected return on plan assets	(919,828)	(888,595)	-	-
	Net Actuarial (gain)/Loss recognised in the year	(207,917)	1,038,645	189,406	(105,966)
	Expenses recognised in statement of Profit & Loss Account	537,876	1,663,406	1,179,335	920,259

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.

29. Earnings Per Share

(All Figures in INR)

	2016-17	2015-16
Profit after Taxes and exceptional items	3,527,961	22,552,320
Total No. of Shares	10,182,506	10,182,506
Earnings per share (Basic and Diluted)	0.35	2.21
Earnings per share (Basic and Diluted)	0.35	2.21

30. Deferred Tax

The Company has computed Deferred Tax in accordance with the Accounting Standard on Accounting for Taxes on income (AS-22) issued by the Institute of Chartered Accountants of India. As at the end of the year, the Company has substantial amount of carried forward losses under the Income Tax Act which resulted in Deferred Tax Asset. The details of deferred tax assets and liabilities of the Company as on the date of Balance Sheet are given below:

(All Figures in INR)

SI	Particulars	2016-17	2015-16
		Rs	Rs
	Timing Differences resulting in		
a	Deferred Tax Liability		
	Difference in depreciation on fixed assets	220,853,441	229,733,871
b	Deferred Tax Asset		
	Gratuity / Leave Encashment	3,139,145	1,895,411
	Carried forward losses under the Income Tax Act, 1961	284,144,490	284,436,338
	Sub- Total	287,283,635	286,331,749
	Net Timing Differences	(66,430,194)	(56,597,877)
	Deferred Tax Asset thereon at applicable tax rates	21,963,815	18,712,956

However, as a matter of prudence, the Company has not recognised the same in the books of account.

31. Segment Reporting

As the Company is predominantly engaged in the manufacture and sale of chemicals where the risks and returns associate with the products are uniform, the Company has identified geographical segments based on location of customers as reportable segments in accordance with AS 17 issued by ICAI.

a. Segment Revenue

(All Figures in INR)

Geographical Location	2016-17		2015-16	
		%		%
Domestic	291,128,328	50.14	352,203,524	48.06
External	289,506,165	49.86	380,612,371	51.94
Total	580,634,493	100.00	732,815,895	100.00

b. Segment Assets (Trade Receivables)

(All Figures in INR)

Geographical Location	2016-17		2015-16	
		%		%
Domestic	32,475,827	31.59	28,262,911	25.02
External	70,313,160	68.41	84,707,168	74.98
Total	102,788,987	100.00	112,970,079	100.00

c. Other Disclosures

(All Figures in INR)

Geographical Location	Carrying Amount of Segment Assets		Carrying Amount of Segment Assets	
	2016-17 Rs.	2015-16 Rs.	2016-17 Rs.	2015-16 Rs.
Unallocable Assets	824,012,131	785,106,085	856,743	4,921,187

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

**32. RELATED PARTY TRANSACTIONS**

In accordance with Accounting Standard 18, the details of related party transactions are as follows

S.No.	Particulars of the Party	Nature of Relationship	Transaction	Transactions during the year 2016-17	Closing balance at the end of the year 2016-17
1	Sri Y.S.R. Venkata Rao	Managing Director	Remuneration paid	3,600,000 (3,500,000)	-
2	Mr. Y.V. Prashanth	Executive Director	Remuneration paid	2,400,000 (1,200,000)	-
3	Mr.P.Sankara Rao	Chief Financial Officer	Remuneration paid	1,047,525 (986,106)	-
4	Mr.M. Karunakar Reddy	Company Secretary	Remuneration paid	292,655 (62,576)	-

33. Additional information pursuant to Note 5 of Part II of Schedule III of the Companies Act, 2013**A. TURNOVER**

Product	Turnover Value Rs.	Closing Stock of Finished Goods Value Rs.
Sodium Metal Derivatives, Amino Pyridines, Fine Chemicals	577,347,032 (731,220,557)	----
Caustic Lye	127,965 (225,673)	----

(Figures in Brackets relate to Previous year)

B. WORK IN PROGRESS:

Product	Opening Stock Rs.	Closing Stock Rs.
Sodium Metal Derivatives, Amino Pyridines, Fine Chemicals	89,535,533 (86,804,881)	116,557,582 (89,535,533)

(Figures in Brackets relate to Previous year)

**C. CONSUMPTION****(All Figures in INR)**

	2016-17	2015-16
1) Chemicals	260,500,718	338,665,924
2) Gases (MT)	8,322,150	17,722,572
Gases (CYL)	18,506,401	13,563,654
3) Oils & solvents (KL)	5,779,098	761,475
Oils & solvents (MT)	13,560,257	21,370,291
Total	306,668,623	392,083,916

D. BREAK UP OF CONSUMPTION OF RAW MATERIALS**(All Figures in INR)**

	2016-17 Rs	2016-17 %	2015-16 Rs	2015-16 %
Indigenous	179,674,065	58.59	200,866,080	51.23
Imported	126,994,598	41.41	191,217,836	48.77
Total	306,668,623	100.00	392,083,916	100.00

E. FOREIGN EXCHANGE TRANSACTIONS**(All Figures in INR)**

		2016-17		2015-16	
a) C.I.F value of Imports					
Raw Materials		120,765,951		134,353,983	
b) Expenditure in Foreign currency					
i) Travelling		115,380		277,760	
ii) Others		1,623,557	1,738,937	1,402,387	1,680,147
c) Earnings in Foreign Currency					
F.O.B Value of Exports		276,171,472		362,875,782	

34. Remuneration to Auditor (excluding service tax)**(All Figures in INR)**

	Particulars	2016-17	2015-16
1	Statutory Audit	400,000	300,000
2	Taxation Matters	255,000	135,000
3	Certifications	39,000	63,520



35. Details of specified Bank Notes (SBN) held and transacted during the period from 8th November, 2016 to 30th December 2016.
(All Figures in INR)

	SBNs	Other Denomination Notes	Total
Closing Cash in Hand as on 08.11.2016	51,000	89,881	140,881
(+) Permitted receipts	-	749,571	749,571
(-) Permitted payments	51,000	729,504	780,504
(-) Amount deposited in Banks	-	-	-
Closing Cash in Hand as on 30.12.2016	-	109,948	109,948

36. Figures of the previous year have been regrouped / rearranged / reclassified wherever considered necessary to conform to the classification of the current year.

As per our Report attached.

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

*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*

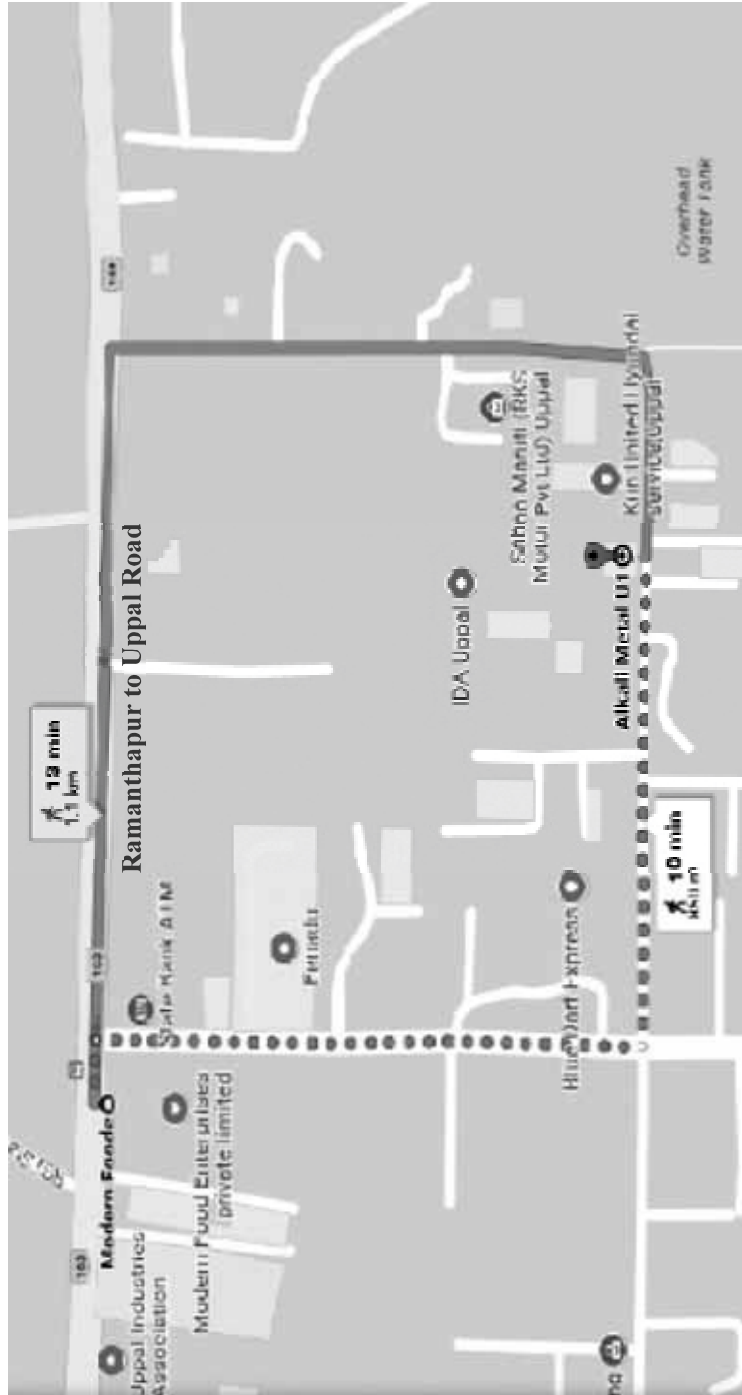
*Place: Hyderabad
Dated: 15.05.2017*

*M.NEEHARIKA
Company Secretary*

*P. SANKARA RAO
C F O*



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





ALKALI METALS LIMITED
CIN: L27109TG1968PLC001196
B-5, BLOCK III, IDA, UPPAL, HYDERABAD – 500 039

ATTENDANCE SLIP
49TH ANNUAL GENERAL MEETING- 04.08.2017 – 11.00 AM

DP. Id		Name & Address Of The Registered Shareholder /Proxy
Client Id/ Folio No.		
No. of Shares		

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

I hereby record my presence at the 49th ANNUAL GENERAL MEETING of the Company at Registered office of the Company situated at B-5, IDA, Uppal, Hyderabad – 500 039 on 04.08.2017 at 11.00 A.M

Member's/Proxy's Signature

Note: Please complete this form 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 : PLOT NO. B-5, 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 named company, hereby appoint

1. Name			
Address			
E-mail Id		Signature	
	or failing him		
2. Name			
Address			
E-mail Id		Signature	
	or failing him		
3. Name			
Address			
E-mail Id		Signature	

as my/our proxy to attend and vote (on a poll/ballot) for me/us and on my/our behalf at the 49th Annual General Meeting of the Company, to be held on Friday, 04.08.2017 at 11:00 a.m. at the Registered office of the Company situated at B-5, IDA, Uppal, Hyderabad-500 039, Telangana and at any adjournment thereof in respect of such resolutions as are indicated below:
Resolution No.

1.	2.	3.
4.		

Signed this day of 2017.

Signature of shareholder :

Signature of Proxy holder(s) :

Affix Rs.1/-
Revenue
Stamp

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.





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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e-mail : alkalimetals@alkalimetals.com
website : www.alkalimetals.com