



ALKALI METALS LTD.,

An ISO 9001 & 14001, API COMPANY AND EXPORT HOUSE

50 Years

ANNUAL REPORT

2017-18









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
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 - 531 019.

REGISTRARS AND SHARE TRANSFER AGENTS

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

ANNUAL REPORT 2017-18

NOTICE OF ANNUAL GENERAL MEETING

Notice is hereby given that the 50th Annual General Meeting of M/s. Alkali Metals Limited will be held on Saturday, 30th June, 2018 at 11:00 A.M. at the Registered Office of the Company situated at B-5, Block III, IDA, Uppal, Hyderabad – 500 039 to transact the following business:

ORDINARY BUSINESS

1) To receive, consider and adopt the Audited Balance Sheet as on 31st March, 2018 and the Statement of Profit & Loss for the financial year ended as on that date and reports of the Directors, Auditors thereon.

2) To elect a director in place of Smt. Y. Lalithya Poorna, (DIN: 00345471) who retires by rotation and being eligible offers herself for re-appointment.

3) To declare dividend for the financial year 2017-18.

SPECIAL BUSINESS:

4) To consider and if thought fit, to pass with or without modification the following resolution as a Special resolution:

"RESOLVED THAT in accordance with the provisions of Sections 196, 197 and 203 read with Schedule V and all other applicable provisions of the Companies Act, 2013 and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force), approval of the members be and is hereby accorded for the re-appointment of Mr. Y.V. Prashanth (DIN: 00345418), Executive Director of the Company, subject to retirement by rotation, for a further period of 3 years with effect from 10th January 2018 and the following remuneration w.e.f 1st April 2018 with liberty to the Board of Directors (hereinafter referred to as "the Board" which term shall be deemed to include Nomination and Remuneration Committee of the Board) to alter and vary the terms and conditions of the said appointment and / or remuneration as it may deem fit and as may be acceptable to Mr. Y.V. Prashanth, subject to the same not exceeding the limits specified under Schedule V of the Companies Act, 2013 or any statutory modification(s) or re-enactment thereof:

Basic Pay	:	INR 2,75,000/- Per Month
H.R.A	:	INR 75,000/- Per Month
Commission	:	5% on profits (calculated u/s 198 of the Companies Act, 2013)
Insurance	:	Accidental Insurance for INR 25 lakhs for self.
Medical benefit	:	Medi-claim policy for INR 5 lakhs.
Leave Travel	:	One month's basic pay per year which can be accumulated upto 2 years.
Vehicle	:	Company car with a driver for official use.
Telephone & Email	:	Free Cell and email service for Official use.
Gratuity	:	Half month's basic pay for each completed year of service.

RESOLVED FURTHER THAT the above remuneration will be paid as the minimum remuneration and in any case if the amount exceeds the limits specified in Schedule V, Company may obtain the approval in compliance with the provisions of the Companies Act, 2013"

5) To consider and if thought fit, to pass with or without modification the following resolution as a Special resolution:

"RESOLVED THAT in accordance with the provisions of Sections 196, 197 and 203 read with Schedule V and all other applicable provisions of the Companies Act, 2013 and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force), approval of the members be and is hereby accorded for the re-appointment of Sri Y.S.R. Venkata Rao (DIN: 00345524), Managing Director of the Company, for a further period of 3 years with effect from 1st May 2018 on the following remuneration w.e.f. 1st April 2018 with liberty to the Board of Directors (hereinafter referred to as "the Board" which term shall be deemed to include Nomination and Remuneration Committee of the Board) to alter and vary the terms and conditions of the said appointment and / or remuneration as it may deem fit and as may be acceptable to Sri. Y.S.R. Venkata Rao, subject to the same not exceeding the limits specified under Schedule V of the Companies Act, 2013 or any statutory modification(s) or re-enactment thereof:

Basic Pay	:	INR 3,75,000/- Per Month
H.R.A	:	INR 1,25,000/- Per Month
Commission	:	5% on profits (calculated u/s 198 of Companies Act, 2013)
Medical benefit	:	Medi-claim policy for INR 5 Lakhs.
Insurance	:	Accidental Insurance for INR 25 Lakhs for self.
Leave Travel	:	One month's basic pay per year which can be accumulated upto 2 years.
Vehicle	:	Company car with a driver for official use.
Telephone & Email	:	Free Cell and Email service for Official use.
Gratuity	:	Half month's basic pay for each completed Year of service.

RESOLVED FURTHER THAT the above remuneration will be paid as the minimum remuneration and in any case if the amount exceeds the limits specified in Schedule V, Company may obtain the approval in compliance with the provisions of the Companies Act."

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

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

Place : Hyderabad
Date : 12.05.2018.

Notes

1) Statement pursuant to Section 102 of the Companies Act, 2013 with respect to special business set out in the Notice is annexed.

2) A member entitled to attend and vote is entitled to appoint a proxy to attend and vote instead of himself / herself and such proxy need not be a member.

3) The instrument appointing a proxy, to be effective, must reach the Registered Office of the Company not less than 48 hours before the commencement of the meeting. A person can act as proxy on behalf of members not exceeding fifty (50) and holding in aggregate not more than ten percent of total share capital of the Company. Corporate members intending to send their authorised representatives to attend the meeting are requested to send to the Company a certified copy of the Board Resolution / Power of Attorney authorizing their representative to attend and vote on their behalf at the meeting.

4) Register of members and transfer books of the Company will remain closed from Sunday the 24.06.2018 to Saturday the 30.06.2018 both days inclusive.

5) Members, who hold shares in electronic / demat form are requested to furnish the change of address, details of their bank accounts, viz, name of the bank, full address of the branch, account no. etc., to their respective Depository Participants and who hold shares in physical form to the Company's Registrars and Transfer Agents M/s. Cameo Corporate Services Ltd., Subramanian Building, No.1, Club House Road, Chennai – 600 002 so as to enable the Company to incorporate the bank details on the dividend warrants.

6) Pursuant to Section 72 of the Companies Act, 2013 and the Rules made thereunder 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, without any hassles. Members desirous of making any cancellation / variation in the said nomination can do so in from SH-14.

7) Members seeking information or clarification on the Accounts are requested to send their queries in writing to the Company one week before the date of AGM, to enable the management to prepare with replies.

8) Members holding shares in identical order of names in more than one folio are requested to write to the Company's Registrars & Transfer Agents enclosing their share certificates to enable consolidation of their shareholdings in one folio. As per the amended provisions based on the PAN, all different folios of the same PAN will be treated as one folio.

9) Members are requested to refer to the Corporate Governance Report for information in connection with the unpaid / unclaimed dividends along with underlying shares thereto liable to be transferred to Investor Education and Protection Fund (IEPF) administered by the Central Government. Members are requested to refer website of the Company **www.alkalimetals.com** as details are made available by the Company pursuant to the Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Amendment Rules, 2017.

As per Section 124(6) of the Companies Act, 2013 read with IEPF Rules as amended from time to time, all the shares in respect of which dividend has remained unpaid / unclaimed for seven consecutive years or more are required to be transferred to an IEPF Demat Account. Company had transferred unpaid / dividend till the financial year 2009-10 along with underlying shares to IEPF authorities. Company will initiate the necessary steps on due dates to transfer shares held by the members to IEPF along with dividend remaining unpaid / unclaimed thereon.

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

10) The brief profile of the directors being re-appointed are furnished in Corporate Governance Report forming part of this Annual Report.

11) Notice of AGM, Annual Report and Attendance Slip are being sent in electronic mode to Members whose E-mail IDs are registered with the Company or the Depository Participant(s) unless the Members have registered their request for a hard copy of the same. Physical copy of the Notice of AGM, Annual Report and Attendance Slip are being sent to those Members who have not registered their E-mail IDs with the Company or Depository Participant(s). Members who have received the Notice of AGM, Annual Report and Attendance Slip in electronic mode are requested to print the Attendance Slip and submit a duly filled in Attendance Slip at the registration counter to attend the AGM.

12) Members may also note that the notice of 50th Annual General Meeting and Annual Report for 2018 will be available on the Company's website **www.alkalimetals.com.**

13) Securities and Exchange Board of India (SEBI) has mandated the submission of Permanent Account Number (PAN) by every participant in securities market. Members holding shares in electronic form are, therefore, requested to submit the PAN to their Depository Participants with whom they are maintaining their demat accounts. Members holding shares in physical form can submit their PAN details to the Registrars and Transfer Agents of Company.

14) Statutory Auditors were appointed during the AGM held on 21.08.2014 for a period of 5 years subject to their ratification by shareholders every year as per the provisions of the Companies Act, 2013. However as per the amended provisions of the Companies (Amendment) Act, 2017 which were notified on 07.05.2018 Company is not required to ratify the appointment of Auditor at every annual general meeting, therefore Company is not moving the resolution for ratification of auditor at the annual general meeting.

15) 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 50th Annual General Meeting (AGM) by electronic means and the business may be transacted through remote E-voting Services provided by Central Depository Services (India) Limited (CDSL).

The E-voting period commences on Wednesday 27.06.2018 (09:00 A.M.) and ends on Friday 29.06.2018 (5:00 P.M). During this period shareholders of the Company, holding shares as on cut-off date of 23.06.2018 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 entitled to attend the AGM but not entitled to vote again at the AGM.

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

16) The instructions for members for voting electronically are as under:

(i) The voting period begins on Wednesday, 27.06.2018 (09:00 A.M) and ends on Friday 29.06.2018 (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 23.06.2018, 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	Enter your 10 digit alpha-numeric PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders). • Members who have not updated their PAN with the Company / Depository Participant are requested to use the first two letters of their name and the 8 digits of the sequence number in the PAN field. • In case the sequence number is less than 8 digits enter the applicable number of 0's before the number after the first two characters of the name in CAPITAL letters. Eg. If your name is Ramesh Kumar with sequence number 1 then enter RA00000001 in the PAN field.
Dividend Bank Details or Date of Birth (DOB)	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. • 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 Limited** on which you choose to vote.

(xiii) On the voting page, you will see "RESOLUTION DESCRIPTION" and against the same the option "YES / NO" for voting. Select the option YES or NO as desired. The option YES implies that you assent to the Resolution and option NO implies that you dissent to the Resolution.

(xiv) Click on the "RESOLUTIONS FILE LINK" if you wish to view the entire Resolution details.

(xv) After selecting the resolution you have decided to vote on, click on "SUBMIT". A confirmation box will be displayed. If you wish to confirm your vote, click on "OK", else to change your vote, click on "CANCEL" and accordingly modify your vote.

(xvi) Once you "CONFIRM" your vote on the resolution, you will not be allowed to modify your vote.

(xvii) You can also take out print of the voting done by you by clicking on "Click here to print" option on the Voting page.

(xviii) If Demat account holder has forgotten the changed password then enter the User ID and the image verification code and click on Forgot Password & enter the details as prompted by the system.

(xix) Shareholders can also cast their vote using CDSL's mobile app m-Voting available for android based mobiles. The m-Voting app can be downloaded from Google Play Store. Apple and Windows phone users can download the app from the App Store and the Windows Phone Store respectively. 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.
- 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.**

17) The route map for the AGM Venue is provided on the last page of the Annual Report.

EXPLANATORY STATEMENT PURSUANT TO SECTION 102 OF THE ACT:

Item No. 4

Mr. Y.V. Prashanth, Executive Director's term of appointment ended on 9th January 2018. The Board of Directors at their meeting held on 13th November 2017 has re-appointed Mr. Y.V. Prashanth as Executive Director for a further period of 3 years w.e.f 10th January 2018 after the recommendation of the Remuneration Committee in compliance with the provisions of Companies Act, 2013 and other applicable rules, subject to approval of the members on such terms and conditions as set out in the resolution, Board further increased the remuneration of the Executive Director effective from 1st April 2018 as specified in the resolution.

Your Directors recommend the above resolution set out in the notice to be passed as a Special Resolution for your approval. The details as required as per SS-2 are covered in the Corporate Governance Report.

Other than the following Directors, none of the Directors, Managers, Key Managerial Persons or their relatives are in any way concerned or interested, financial or otherwise, in the above resolution

Name of the Director(s)/ Manager / Key Managerial Person/ Relative	Designation of Director(s) / Manager / Key Managerial Person / Relative	Nature of Concern or Interest, financial or otherwise in respect of the above resolution
Sri. Y.S.R. Venkata Rao	Managing Director	To the Extent of his Shareholding
Smt. Y. Lalithya Poorna	Director	To the Extent of her Shareholding
Mr. Y.V. Prashanth	Executive Director	To the Extent of his Shareholding and remuneration

Item No. 5

Sri. Y.S.R. Venkata Rao, Managing Director's term of appointment ended on 30th April 2018. The Board of Directors at their meeting held on 22nd January 2018 has re-appointed Sri. Y.S.R. Venkata Rao as Managing Director for a further period of 3 years with effect from 1st May 2018 after the recommendation of the Remuneration Committee in compliance with the provisions of Companies Act, 2013 and other applicable rules, subject to approval of the members on such terms and conditions as set out in the resolution.

Your Directors recommend the above resolution set out in the notice to be passed as a Special Resolution for your approval. The details as required as per SS-2 are covered in the Corporate Governance Report.

Other than the following Directors, none of the Directors, Managers, Key Managerial Persons or their relatives are in any way concerned or interested, financial or otherwise, in the above resolution

Name of the Director(s) /Manager / Key Managerial Person / Relative	Designation of Director(s) / Manager / Key Managerial Person / Relative	Nature of Concern or Interest, financial or otherwise in respect of the above resolution
Sri. Y.S.R. Venkata Rao	Managing Director	To the Extent of his Shareholding and remuneration
Smt. Y. Lalithya Poorna	Director	To the Extent of her Shareholding
Mr. Y.V. Prashanth	Executive Director	To the Extent of his Shareholding

STATEMENT OF PARTICULARS AS PER SCHEDULE V: (Both for item 4 & 5)

A statement containing information required to be provided to the shareholders as per the provisions of Schedule V of Companies Act, 2013 in respect of re-appointment of Mr. Y.V. Prashanth as Executive Director and re-appointment of Sri. Y.S.R. Venkata Rao as Managing Director, is given below

I. GENERAL INFORMATION

(1) Nature of industry : Manufacturing of Drug Intermediaries mainly Sodium Derivatives, Pyridine Derivatives and Fine Chemicals.

(2) Date or expected date of commencement of commercial production: Not applicable, as the Company is an existing Company.

(3) In case of new companies, expected date of commencement of activities as per project approved by financial institutions appearing in the prospectus: Not Applicable

(4) Financial performance based on given indicators

(All figures in INR)

Particulars	2017-18	2016-17	2015-16
Sales & Other Income	**66,72,99,063**	61,53,09,684	73,53,32,377
Profit before finance charges, depreciation and taxation	**7,35,76,511**	7,25,68,077	10,17,96,039
Finance Charges	**2,52,46,821**	2,96,46,932	3,43,64,210
Depreciation	**3,47,72,450**	3,61,96,672	3,75,,29,881
Profit / (Loss) before exceptional items and tax	**1,35,57,240**	67,24,473	2,99,01,948
Exceptional & Extraordinary items	**4,84,751**	28,76,238	38,488
Profit / (Loss) before Tax	**1,30,72,489**	38,48,235	2,98,63,459
Taxes including deferred tax and previous years	**3,833**	3,24,088	73,11,139
Net Profit	**1,30,68,656**	35,24,147	2,25,52,320
Other comprehensive income	**(16,31,464)**	(1,54,120)	NA
Total Comprehensive Income	**1,47,00,120**	36,78,267	NA

(5) Foreign Earnings, investments or collaborations, if any

(All figures in INR)

Particulars	2017-18	2016-17	2015-16
Earnings	**25,63,91,046**	27,60,88,432	36,28,75,782
Outgo	**8,11,98,696**	12,25,04,888	13,60,40,129

There is no foreign investment as well as collaboration by the Company.

II. INFORMATION ABOUT THE APPOINTEE

	Mr. Y.V. Prashanth	Sri. Y.S.R. Venkata Rao
1. Background details	Mr. Y.V. Prashanth, MS in Pharmacy from USA. He joined the Company as Director on 1st November, 2013 and he is appointed as Executive director with effect from 10th January, 2015. Mr. Y.V. Prashanth has rich experience in administrative, operation and marketing fields and his presence in the Company as Executive Director will benefit the Company. He is also third generation promoter of the Company. Before joining the Company, he was looking after his own business.	Sri. Y.S.R. Venkata Rao, B.E.(Mechanical). He joined the Company during 1977. He played a pivotal role in steering the growth of Alkali Metals from being a manufacturer of alkali metals to producer of sodium derivatives, cyclic compounds, fine chemicals, which find wide application in industries circle. His rich experience in the Industry and relation with the Company will help to enhance the growth of the Company.
2. Past remuneration	INR 44.18 lacs per annum	INR 61.91 lacs per annum
3. Recognition or awards	Nil	Member of the Year Award for the year 2002 from the All India Manufacturers' Association, Andhra Pradesh State Board He worked at various posts in FAPCCI, PHARMEXCIL, BDMA, VSEZ and such other Organisations.
4. Job profile and his suitability	Mr. Y.V. Prashanth is the Executive Director of the Company. He mainly looks after the finance, marketing and other administrative issues. His pharma based qualification and experience will be of immense benefit to the Company.	Sri. Y.S.R. Venkata Rao, Managing Director of the Company. He mainly looks after the production operations, R&D and other technical issues. He has rich experience which will help the Company in achieving its goals.
5. Remuneration proposed	INR 3,50,000 per month and other perks and commission as provided in the resolution	INR 5,00,000 per month and other perks and commission as provided in the resolution
6. Comparative remuneration profile with respect to industry, size of the Company, profile of the position and person (in case of expatriates the relevant details would be w.r.t. the country of his origin):	The remuneration offered to Mr. Y.V. Prashanth is justifiable and comparable with the industry norms considering the nature of industry, size of the Company, profile and position of person.	The remuneration offered to Sri Y.S.R. Venkata Rao is justifiable and comparable with the industry norms considering the nature of industry, size of the Company, profile and position of person.
7. Pecuniary relationship directly or indirectly with the Company, or relationship with the managerial personnel, if any:	Mr. Y.V. Prashanth is Third Generation Promoter of the Company and son of Sri. Y.S.R. Venkata Rao, Managing Director. Promoters hold 70% in the Company.	Sri Y.S.R. Venkata Rao is Second Generation Promoter of the Company. Promoters hold 70% in the Company.

III. OTHER INFORMATION

(1) Reasons for loss or inadequate profits:

Inadequate profits are mainly due to increase in overheads and over cost as well as global competition.

(2) Steps taken or proposed to be taken for improvement:

Company is looking and exploring several options to commercialize some of the R & D Products and in the process since last 3 years Company had commercialized 5 to 6 products. Company is also taking measures on continuous basis to minimize the overhead cost and reduce the process cost to increase the contributions and margins. The steps undertaken will improve overall performance of the Company over a period of time.

(3) Expected increase in productivity and profits in measurable terms:

The management has adopted focused and aggressive steps to control the cost and improve turnover and profitability of the Company. Management is confident of keeping a higher growth ratio in the period to come.

IV. DISCLOSURES

The details of remuneration and other information is given in the Corporate Governance part of the Directors' Report.

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

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

Place : Hyderabad
Date : 12.05.2018.

Directors' Report

To,
The Members,
Alkali Metals Limited

Your Directors have pleasure in presenting the 50th Annual Report on the business and operations of the Company and the accounts for the Financial Year ended 31st March, 2018.

1. Financial Summary or Highlights / Performance of the Company

The performance of the Company for the financial year ended 31st March, 2018 is summarized as below:

	(All figures in INR)	
	2017-18	2016-17
Net Turnover	**657,798,312**	611,236,798
Profit / (Loss) before finance charges, depreciation and taxation	**73,576,511**	72,568,077
Less: Finance Charges	**25,246,821**	29,646,932
Depreciation and Amortization expense	**34,772,450**	36,196,672
Profit / (Loss) before exceptional items and tax	**13,557,240**	6,724,473
Less: Exceptional Items	**484,751**	2,876,238
Extraordinary Items	**0**	0
Profit / (Loss) before tax	**13,072,489**	3,848,235
Less: Current Year's tax (MAT)	**2,799,034**	641,355
MAT Credit Entitlement	**(2,799,034)**	(641,355)
Previous Years	**3,833**	398,732
Deferred tax (AS22)	**0**	(74,,644)
Profit / (Loss) After tax	**13,068,656**	3,524,147
Other Comprehensive Income (net)	**1,631,464**	154,120
Total Comprehensive income for the period	**14,700,120**	3,678,267

2. Dividend

Dividend of INR 1/- per equity share of INR 10/- each has been recommended by the Board of Directors for the financial year ended 31st March, 2018 subject to 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 has not transferred any amount to General Reserves.

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

During the financial year 2017-18, the Company recorded a turnover of INR 657.80 Million compared to the turnover of INR 611.24 Million during 2016-17. Net Profit during

the financial year 2017-18 is INR 14.70 Million compared to Net Profit of INR 3.68 Million achieved during 2016-17.

The Company achieved 8% growth in turnover and 3 times gain in net profit.

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

SIGNIFICANT ACHIEVEMENT

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

(All figures in Millions)

2015-16	2016-17	2017-18
226.8	153.6	175.2

5. Future outlook

Your Company continues to focus on campaign products in addition to increasing the sales volume of newly commercialized products. Company expects to commercialize three to four products in the current financial year. Efforts of the Company will help to improve the profitability in the current financial year. Further, the Company plans to implement various marketing strategies to counter the competition from other manufacturers and boost the regular products to increase the turnover as well as margins.

6. Research & Development

Company has spent INR 15.84 Million towards Research and Development during the financial year and is putting continuous efforts in R&D to develop new products and process for optimum material consumptions by effective yield.

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

(All figures in Millions)

2015-16	2016-17	2017-18
69.1	11.3	74.1

7. Change in the nature of business, if any

Company had not changed its nature of business during the financial 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 has adequate internal controls and such procedures are adopted by the Company for ensuring 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 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

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 Subsidiaries / Joint Ventures / Associate Companies

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

13. Deposits

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

14. Auditors

Statutory Auditors

M/s. C K S Associates, Chartered Accountants were appointed as Statutory Auditors of the Company at the Annual General Meeting held on 21st August 2014 for a period of 5 years i.e upto year 2019, subject to ratification of their appointment at every annual general meeting in terms of the provisions of Companies Act, 2013. However as per the amended provisions of the Companies Act, 2017 notified on 07.05.2018 Company is not required to ratify the appointment of auditors at every annual general meeting, therefore, it is not proposed to ratify the appointment of auditors at the ensuing Annual General Meeting.

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

Internal Auditors

Board of directors of the Company has appointed M/s. Ramakrishna & Associates, Chartered Accountants as Internal Auditors to conduct Internal Audit of the Company for the financial year ended 31st March, 2018.

Secretarial Auditors

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, 2018.

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 had 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

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, providing 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.

During the year under review, Mr. Y.V.Prashanth, Executive Director and Sri. Y.S.R.Venkata Rao, Managing Director are re-appointed and both the re-appointments will be placed at the ensuing Annual General Meeting for approval of the members.

Smt. Y.Lalithya Poorna, Director will retire by rotation at the ensuring annual general meeting and, being eligible, offers herself 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 Independent Director(s) that he / they meet the criteria of independence as per the provisions of Section 149 of Companies Act, 2013.

Formal Annual Evaluation

Pursuant to 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, 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 Ms. M. Neeharika was appointed as Company Secretary and Compliance officer to fill the casual vacancy, 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 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;

(*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; and

(*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 endeavours. 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 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

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

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 Auditors 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 are paid for the current financial year.

32. Cost Audit

Pursuant to provisions of section 148 of the Companies Act, 2013 read with Companies (Cost Records and Audit) Rules, 2014 cost audit is not applicable for the financial year 2017-18 to 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 future endeavours. Directors are pleased to record their appreciation of the sincere and dedicated services of the employees and workmen at all levels.

Your Directors look forward to the long term future with confidence.

For and on behalf of Board of Directors
Alkali Metals Limited

	Y.S.R. VENKATA RAO	**DR. J.S. YADAV**
Place : Hyderabad	MANAGING DIRECTOR	CHAIRMAN
Date : 12.05.2018	DIN: 00345524	DIN: 02014136

ANNEXURE -1

EXTRACT OF ANNUAL RETURN

as on the financial year ended on 31/03/2018

[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 **secretarial@alkalimetals.com** 040 - 27562932
(vi)	Whether listed Company	:	Yes
(vii)	Name, Address and Contact details of Registrar and Transfer Agent, if any	:	Cameo Corporate Services Limited Subramanian Building, No.1 Club House Road, Chennai – 600 002 Mr. Murali 044-28460390 **cameosys@cameoindia.com** CIN: U67120TN1998PLC041613

II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY:

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

Sl.No.	Name and Description of main products / services	NIC Code of the Product / service	% to total turnover of the Company
1	Sodium Derivatives	20119	67.75
2	Pyridine Derivatives	20119	11.16
3	Fine Chemicals	20119	17.66

III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES:

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

IV. SHARE HOLDING PATTERN (Equity Share Capital Breakup as percentage of Total Equity):

i) Category-wise Share Holding: Equity

Category of Shareholders	No. of Shares held at the beginning of the year				No. of Shares held at the end of the year				% of Change during the Year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
(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) FIIs	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	280331	0	280331	2.753	253010	0	253010	2.485	(0.268)
ii. Overseas	0	0	0	0	0	0	0	0	0
(b) Individuals									

(Contd.)

Category of Shareholders	No. of Shares held at the beginning of the year				No. of Shares held at the end of the year				% of Change during the Year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
i. Individual share-holders holding nominal share capital up to 0.1 million	2229944	1083	2231027	21.910	2105358	783	2106141	20.684	(1.226)
ii. Individual sharehol-ders holding nominal share capital in excess of 0.1 million	353694	0	353694	3.474	460332	0	460332	4.521	1.047
(c) Others (Specify)									
NRI	95122	0	95122	0.934	80872	0	80872	0.794	(0.140)
HUF	107371	0	107371	1.054	134223	0	134223	1.318	0.264
Clearing members	14119	0	14119	0.139	42503	0	42503	0.417	0.279
Sub-Total (B)(2)	**3080581**	**1083**	**3081664**	**30.264**	**3076298**	**783**	**3077081**	**30.219**	**(0.045)**
Total Shareholding of Public (B)=(B)(1) + (B)(2)	**3080581**	**1083**	**3081664**	**30.264**	**3076298**	**783**	**3077081**	**30.219**	**(0.045)**
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**	**10177140**	**783**	**10177923**	**99.955**	**(0.045)**

(ii) Shareholding of Promoters:

Sl.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 Infras 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	
Sl.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):

Sl.No.	Name of the Shareholder	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No of shares	% of total shares of the Company	No of shares	% of total shares of the Company
1	INDRAJITSINH PRABHATSINH DABHI				
	At the beginning of the year 01-Apr-2017	55000	0.5401	55000	0.5401
	Purchase 14-Jul-2017	10000	0.0982	65000	0.6383
	Sale 16-Feb-2018	-2000	0.0196	63000	0.6187
	At the end of the Year 31-Mar-2018	63000	0.6187	63000	0.6187
2	NEETA MANOJ RUPAREL				
	At the beginning of the year 01-Apr-2017	51000	0.5008	51000	0.5008
	Purchase 14-Apr-2017	2250	0.0220	53250	0.5229
	Sale 23-Jun-2017	-250	0.0024	53000	0.5205
	Purchase 08-Sep-2017	2885	0.0283	55885	0.5488
	Purchase 15-Sep-2017	12115	0.1189	68000	0.6678
	Purchase 22-Sep-2017	2000	0.0196	70000	0.6874
	Purchase 27-Oct-2017	4000	0.0392	74000	0.7267
	Purchase 17-Nov-2017	5000	0.0491	79000	0.7758
	Purchase 08-Dec-2017	2000	0.0196	81000	0.7954
	Purchase 22-Dec-2017	6000	0.0589	87000	0.8544
	Purchase 12-Jan-2018	3000	0.0294	90000	0.8838
	Purchase 19-Jan-2018	1000	0.0098	91000	0.8936
	Purchase 25-Jan-2018	4000	0.0392	95000	0.9329
	At the end of the Year 31-Mar-2018	95000	0.9329	95000	0.9329
3	DARSHANA JIGNESH KOTHARI JT1 : NEETA MANOJ RUPAREL				
	At the beginning of the year 01-Apr-2017	50000	0.4910	50000	0.4910
	Purchase 14-Apr-2017	3250	0.0319	53250	0.5229
	Sale 23-Jun-2017	-250	0.0024	53000	0.5205
	Purchase 27-Oct-2017	17000	0.1669	70000	0.6874
	Purchase 01-Dec-2017	9000	0.0883	79000	0.7758
	Purchase 15-Dec-2017	2000	0.0196	81000	0.7954
	Purchase 22-Dec-2017	6000	0.0589	87000	0.8544
	Purchase 12-Jan-2018	3000	0.0294	90000	0.8838
	Purchase 25-Jan-2018	4751	0.0466	94751	0.9305
	Purchase 02-Feb-2018	249	0.0024	95000	0.9329
	At the end of the Year 31-Mar-2018	95000	0.9329	95000	0.9329
4	GEECY ENGINEERING PRIVATE LIMITED				
	At the beginning of the year 01-Apr-2017	40700	0.3997	40700	0.3997
	Purchase 14-Apr-2017	2884	0.0283	43584	0.4280
	Sale 21-Apr-2017	-184	0.0018	43400	0.4262
	Purchase 21-Jul-2017	1600	0.0157	45000	0.4419

(Contd.)

	Purchase 06-Oct-2017	10250	0.1006	55250	0.5425
	Purchase 01-Dec-2017	6750	0.0662	62000	0.6088
	Purchase 29-Dec-2017	1000	0.0098	63000	0.6187
	Purchase 12-Jan-2018	2000	0.0196	65000	0.6383
	Purchase 25-Jan-2018	4000	0.0392	69000	0.6776
	At the end of the Year 31-Mar-2018	69000	0.6776	69000	0.6776
*5	BALACHANDRAN C				
	At the beginning of the year 01-Apr-2017	40000	0.3928	40000	0.3928
	Sale 22-Dec-2017	-17000	0.1669	23000	0.2258
	Sale 12-Jan-2018	-2000	0.0196	21000	0.2062
	Sale 19-Jan-2018	-50	0.0004	20950	0.2057
	Sale 25-Jan-2018	-1169	0.0114	19781	0.1942
	Sale 09-Feb-2018	-7516	0.0738	12265	0.1204
	Sale 16-Feb-2018	-7000	0.0687	5265	0.0517
	Sale 23-Feb-2018	-1468	0.0144	3797	0.0372
	Sale 09-Mar-2018	-3000	0.0294	797	0.0078
	At the end of the Year 31-Mar-2018	797	0.0078	797	0.0078
*6	BABALBHAI MANILAL PATEL				
	At the beginning of the year 01-Apr-2017	37824	0.3714	37824	0.3714
	Sale 07-Apr-2017	-2104	0.0206	35720	0.3507
	Sale 14-Apr-2017	-1000	0.0098	34720	0.3409
	Sale 12-May-2017	-1000	0.0098	33720	0.3311
	Sale 19-May-2017	-2550	0.0250	31170	0.3061
	Sale 14-Jul-2017	-175	0.0017	30995	0.3043
	Sale 21-Jul-2017	-350	0.0034	30645	0.3009
	Sale 04-Aug-2017	-650	0.0063	29995	0.2945
	Sale 11-Aug-2017	-292	0.0028	29703	0.2917
	Sale 01-Sep-2017	-9983	0.0980	19720	0.1936
	Sale 08-Sep-2017	-4600	0.0451	15120	0.1484
	Sale 15-Sep-2017	-900	0.0088	14220	0.1396
	Sale 22-Sep-2017	-1000	0.0098	13220	0.1298
	Sale 29-Sep-2017	-1000	0.0098	12220	0.1200
	Sale 06-Oct-2017	-5	0.0000	12215	0.1199
	Purchase 13-Oct-2017	5	0.0000	12220	0.1200
	Sale 27-Oct-2017	-500	0.0049	11720	0.1150
	Sale 17-Nov-2017	-1000	0.0098	10720	0.1052
	Purchase 01-Dec-2017	1000	0.0098	11720	0.1150
	Sale 12-Jan-2018	-1000	0.0098	10720	0.1052
	Sale 19-Jan-2018	-1220	0.0119	9500	0.0932
	Sale 25-Jan-2018	-500	0.0049	9000	0.0883
	At the end of the Year 31-Mar-2018	9000	0.0883	9000	0.0883
*7	MOKSHA BHARAT SHAH				
	At the beginning of the year 01-Apr-2017	23980	0.2355	23980	0.2355
	Sale 28-Apr-2017	-3980	0.0390	20000	0.1964
	Sale 22-Dec-2017	-10000	0.0982	10000	0.0982

(Contd.)

	Sale 29-Dec-2017	-10000	0.0982	0	0.0000
	At the end of the Year 31-Mar-2018	0	0.0000	0	0.0000
*8	R. K. STOCKHOLDING PVT. LTD				
	At the beginning of the year 01-Apr-2017	23000	0.2258	23000	0.2258
	Sale 16-Feb-2018	-3700	0.0363	19300	0.1895
	Sale 09-Mar-2018	-3656	0.0359	15644	0.1536
	Sale 16-Mar-2018	-15644	0.1536	0	0.0000
	At the end of the Year 31-Mar-2018	0	0.0000	0	0.0000
	HAVING SAME PAN				
*8	R K STOCKHOLDING PVT. LTD				
	At the beginning of the year 01-Apr-2017	619	0.0060	619	0.0060
	Sale 05-May-2017	-100	0.0009	519	0.0050
	Sale 23-Jun-2017	-10	0.0000	509	0.0049
	Sale 25-Aug-2017	-10	0.0000	499	0.0049
	Sale 29-Dec-2017	-10	0.0000	489	0.0048
	Purchase 19-Jan-2018	3303	0.0324	3792	0.0372
	Sale 16-Feb-2018	-384	0.0037	3408	0.0334
	Sale 16-Mar-2018	-3303	0.0324	105	0.0010
	At the end of the Year 31-Mar-2018	105	0.0010	105	0.0010
	HAVING SAME PAN				
*8	R.K.STOCKHOLDING (P) LTD.				
	At the beginning of the year 01-Apr-2017	0	0.0000	0	0.0000
	Purchase 16-Mar-2018	3	0.0000	3	0.0000
	At the end of the Year 31-Mar-2018	3	0.0000	3	0.0000
9	BANSURI POLY PACK PRIVATE LIMITED				
	At the beginning of the year 01-Apr-2017	20000	0.1964	20000	0.1964
	At the end of the Year 31-Mar-2018	20000	0.1964	20000	0.1964
*10	MONIKA CHOPRA				
	At the beginning of the year 01-Apr-2017	18266	0.1793	18266	0.1793
	Sale 16-Feb-2018	-500	0.0049	17766	0.1744
	At the end of the Year 31-Mar-2018	17766	0.1744	17766	0.1744
#11	BHARAT HIRALAL SHAH				
	At the beginning of the year 01-Apr-2017	2000	0.0196	2000	0.0196
	Sale 14-Apr-2017	-2000	0.0196	0	0.0000
	Purchase 19-May-2017	2053	0.0201	2053	0.0201
	Sale 26-May-2017	-2053	0.0201	0	0.0000
	Purchase 23-Jun-2017	500	0.0049	500	0.0049
	Sale 01-Sep-2017	-400	0.0039	100	0.0009
	Sale 22-Sep-2017	-100	0.0009	0	0.0000
	Purchase 15-Dec-2017	200	0.0019	200	0.0019
	Sale 22-Dec-2017	-200	0.0019	0	0.0000
	Purchase 02-Feb-2018	13558	0.1331	13558	0.1331
	Purchase 09-Mar-2018	29232	0.2870	42790	0.4202
	Purchase 16-Mar-2018	3100	0.0304	45890	0.4506

(Contd.)

	Purchase 30-Mar-2018	5200	0.0510	51090	0.5017
	At the end of the Year 31-Mar-2018	51090	0.5017	51090	0.5017
#12	EMKAY GLOBAL FINANCIAL SERVICES LTD				
	At the beginning of the year 01-Apr-2017	0	0.0000	0	0.0000
	Purchase 14-Apr-2017	360	0.0035	360	0.0035
	Sale 21-Apr-2017	-360	0.0035	0	0.0000
	Purchase 28-Apr-2017	190	0.0018	190	0.0018
	Sale 05-May-2017	-190	0.0018	0	0.0000
	Purchase 12-May-2017	106	0.0010	106	0.0010
	Sale 19-May-2017	-106	0.0010	0	0.0000
	Purchase 25-Jan-2018	250	0.0024	250	0.0024
	Sale 02-Feb-2018	-250	0.0024	0	0.0000
	Purchase 16-Feb-2018	300	0.0029	300	0.0029
	Sale 23-Feb-2018	-300	0.0029	0	0.0000
	Purchase 30-Mar-2018	10488	0.1030	10488	0.1030
	Purchase 31-Mar-2018	14115	0.1386	24603	0.2416
	At the end of the Year 31-Mar-2018	24603	0.2416	24603	0.2416
	HAVING SAME PAN				
#12	EMKAY GLOBAL FINANCIAL SERVICES LIMITED				
	At the beginning of the year 01-Apr-2017	6386	0.0627	6386	0.0627
	Purchase 07-Apr-2017	350	0.0034	6736	0.0661
	Sale 14-Apr-2017	-2786	0.0273	3950	0.0387
	Sale 21-Apr-2017	-550	0.0054	3400	0.0333
	Sale 28-Apr-2017	-1900	0.0186	1500	0.0147
	Purchase 12-May-2017	1551	0.0152	3051	0.0299
	Purchase 19-May-2017	1446	0.0142	4497	0.0441
	Sale 26-May-2017	-747	0.0073	3750	0.0368
	Purchase 02-Jun-2017	5900	0.0579	9650	0.0947
	Sale 16-Jun-2017	-6000	0.0589	3650	0.0358
	Sale 23-Jun-2017	-2800	0.0274	850	0.0083
	Purchase 30-Jun-2017	160	0.0015	1010	0.0099
	Purchase 07-Jul-2017	1790	0.0175	2800	0.0274
	Purchase 14-Jul-2017	851	0.0083	3651	0.0358
	Sale 21-Jul-2017	-1853	0.0181	1798	0.0176
	Purchase 18-Aug-2017	402	0.0039	2200	0.0216
	Sale 25-Aug-2017	-290	0.0028	1910	0.0187
	Sale 01-Sep-2017	-1910	0.0187	0	0.0000
	Purchase 08-Sep-2017	500	0.0049	500	0.0049
	Sale 15-Sep-2017	-500	0.0049	0	0.0000
	Purchase 22-Dec-2017	50	0.0004	50	0.0004
	Purchase 29-Dec-2017	11417	0.1121	11467	0.1126
	Purchase 05-Jan-2018	4176	0.0410	15643	0.1536
	Purchase 12-Jan-2018	42796	0.4202	58439	0.5739
	Sale 19-Jan-2018	-12844	0.1261	45595	0.4477

(Contd.)

	Purchase 25-Jan-2018	37315	0.3664	82910	0.8142
	Sale 02-Feb-2018	-16829	0.1652	66081	0.6489
	Purchase 09-Feb-2018	31559	0.3099	97640	0.9588
	Sale 16-Feb-2018	-29030	0.2850	68610	0.6738
	Purchase 23-Feb-2018	17774	0.1745	86384	0.8483
	Purchase 02-Mar-2018	15902	0.1561	102286	1.0045
	Sale 09-Mar-2018	-88260	0.8667	14026	0.1377
	Sale 16-Mar-2018	-11663	0.1145	2363	0.0232
	Purchase 23-Mar-2018	22217	0.2181	24580	0.2413
	Sale 30-Mar-2018	-21108	0.2072	3472	0.0340
	At the end of the Year 31-Mar-2018	3472	0.0340	3472	0.0340
	HAVING SAME PAN				
#12	EMKAY GLOBAL FINANCIAL SERVICES LTD				
	At the beginning of the year 01-Apr-2017	0	0.0000	0	0.0000
	Purchase 07-Apr-2017	50	0.0004	50	0.0004
	Purchase 14-Apr-2017	790	0.0077	840	0.0082
	Sale 21-Apr-2017	-840	0.0082	0	0.0000
	Purchase 14-Jul-2017	25	0.0002	25	0.0002
	Sale 21-Jul-2017	-25	0.0002	0	0.0000
	Purchase 19-Jan-2018	50	0.0004	50	0.0004
	Sale 25-Jan-2018	-50	0.0004	0	0.0000
	Purchase 09-Feb-2018	4000	0.0392	4000	0.0392
	Sale 16-Feb-2018	-4000	0.0392	0	0.0000
	Purchase 09-Mar-2018	2000	0.0196	2000	0.0196
	Sale 16-Mar-2018	-2000	0.0196	0	0.0000
	Purchase 30-Mar-2018	7012	0.0688	7012	0.0688
	Purchase 31-Mar-2018	4185	0.0410	11197	0.1099
	At the end of the Year 31-Mar-2018	11197	0.1099	11197	0.1099
#13	VINOD FOJMALJI KOTHARI HUF .				
	At the beginning of the year 01-Apr-2017	0	0.0000	0	0.0000
	Purchase 09-Mar-2018	21800	0.2140	21800	0.2140
	At the end of the Year 31-Mar-2018	21800	0.2140	21800	0.2140
#14	SNEH GIRISH CHHADUA				
	At the beginning of the year 01-Apr-2017	0	0.0000	0	0.0000
	Purchase 14-Apr-2017	3000	0.0294	3000	0.0294
	Purchase 19-May-2017	1	0.0000	3001	0.0294
	Purchase 16-Jun-2017	6500	0.0638	9501	0.0933
	Sale 01-Sep-2017	-9501	0.0933	0	0.0000
	Purchase 29-Dec-2017	4700	0.0461	4700	0.0461
	Sale 12-Jan-2018	-4700	0.0461	0	0.0000
	Purchase 16-Feb-2018	3693	0.0362	3693	0.0362
	Purchase 23-Feb-2018	2000	0.0196	5693	0.0559
	Purchase 30-Mar-2018	15307	0.1503	21000	0.2062
	At the end of the Year 31-Mar-2018	21000	0.2062	21000	0.2062

(Contd.)

#15	MONIKA SUNIL KHATWANI				
	At the beginning of the year 01-Apr-2017	0	0.0000	0	0.0000
	Purchase 29-Dec-2017	3058	0.0300	3058	0.0300
	Purchase 09-Mar-2018	16942	0.1663	20000	0.1964
	Purchase 30-Mar-2018	1000	0.0098	21000	0.2062
	At the end of the Year 31-Mar-2018	21000	0.2062	21000	0.2062

* Ceased to be in the list of Top 10 shareholders as on 31/03/2018. The same has been reflected above since the shareholder was one of the Top 10 shareholders as on 01/04/2017.

\# Not in the list of Top 10 shareholders as on 01/04/2017. The same has been reflected above since the shareholder was one of the Top 10 shareholders as on 31/03/2018.

(v) Shareholding of Directors and Key Managerial Personnel:

Sl.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	18,12,09,557	4,27,81,225	0	22,39,90,782
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)	18,15,09,372	4,27,81,225	0	22,42,90,597
Change in Indebtedness during the financial year				
Addition	0	0	0	0
Reduction	1,72,24,974	1,73,69,913	0	3,45,94,887
Net Change	(1,72,24,974)	(1,73,69,913)	0	(3,45,94,887)
Indebtedness at the end of the financial year				
i) Principal Amount	16,39,84,583	2,54,11,312	0	18,93,95,895
ii) Interest due but not paid	0	0	0	0
iii) Interest accrued but not due	88,488	0	0	88,488
Total (i+ii+iii)	16,40,73,071	2,54,11,312	0	18,94,84,383

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)

Sl.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	47,00,000	32,25,000	79,25,000
(b)	Value of perquisites under section 17(2) Income-tax Act, 1961	2,97,304	0	2,97,304
(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	11,93,457	11,93,457	23,86,914
5	Others, please specify Fee for attending the board meeting	0	0	0
Total (A)		**61,90,761**	**44,18,457**	**1,06,09,218**
Ceiling as per the Act		**84,00,000**	**84,00,000**	**1,68,00,000**

B. Remuneration to other Directors:

(All Figures in INR)

Sl.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	1,30,000	1,00,000	1,30,000	60,000	**4,20,000**
	Commission	0	0	0	0	**0**
	Others, please specify	0	0	0	0	**0**
	Total (1)	1,30,000	1,00,000	1,30,000	60,000	**4,20,000**
2	Other Non-Executive Directors	**Y. Lalithya Poorna**				
	Fee for attending board / committee meetings	20,000				**20,000**
	Commission	0				**0**
	Others, please specify	0				**0**
	Total (2)	**20,000**				**20,000**
Total (B) = (1) + (2)						**4,40,000**
Total Managerial Remuneration						**1,10,49,218**
Overall Ceiling as per the Act						**1,68,00,000**

C. Remuneration to other Directors, key managerial personnel other than MD / Manager / WTD:

(All Figures in INR)

Sl.No.	Particulars of Remuneration	Key Managerial Personnel		
		M.Neeharika, CS	P.Sankara Rao, CFO	Total
(a)	Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	3,14,368	12,09,747	15,24,115
(b)	Value of perquisites under section 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)		**3,14,368**	**12,09,747**	**15,24,115**

Note: CS M. Neeharika was appointed during May 2017.

VII. PENALTIES / PUNISHMENT / COMPOUNDING OF OFFENCES:

Type	Section under 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

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

DR. J.S. YADAV
CHAIRMAN
DIN: 02014136

Place : Hyderabad
Date : 12.05.2018

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 reusage 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 15.84 million.

C. FOREIGN EXCHANGE EARNINGS AND OUTGO

(All figures in INR)

	2017-18		2016-17	
Earnings		**256,391,046**		276,088,432
Outgo		**81,198,696**		122,504,888
Raw Materials	**79,519,071**		120,765,951	
Foreign currency Exp.	**1,679,625**		1,738,937	
Net Foreign Exchange earnings		**175,192,350**		153,583,544

For and on behalf of Board of Directors
Alkali Metals Limited

	Y.S.R. VENKATA RAO	**DR. J.S. YADAV**
Place : Hyderabad	MANAGING DIRECTOR	CHAIRMAN
Date : 12.05.2018	DIN: 00345524	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:

Sl.No.	Name of the Director	Ratio of the remuneration to the median remuneration of the employees
1	Mr. Y.S.R.Venkata Rao, Managing Director	18.55
2	Mr. Y.V. Prashanth, Executive Director	13.24

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:

Sl.No.	Name of the Director and KMP	Percentage increase in remuneration
1	Sri. Y.S.R. Venkata Rao, Managing Director	72%
2	Mr. Y.V. Prashanth, Executive Director	84%
3	Mr. P. Sankara Rao, CFO	5%
4	Ms. M. Neeharika, CS	Nil

Note: Ms.M.Neeharika, CS was appointed in May 2017.

(iii) The percentage increase in the median remuneration of employees in the financial year: 2%

(iv) The number of permanent employees on the rolls of Company:
116 members as on 31st March 2018.

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

Average increase in remuneration	Company's performance
11%	Turnover is INR 658 Million and the Profit before tax is INR 13 Million.

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

(All figures in INR)

Turnover	657,798,312
Profit before tax	13,072,489
Total Remuneration to KMP	12,133,333

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

Sl.No.	Particulars	31.03.2018	31.03.2017
1	Market Capitalisation		
	BSE (Amount in INR)	57,37,84,213	76,21,60,574
	NSE (Amount in INR)	57,73,48,090	77,43,79,581
2	Price Earnings ratio (based on Basic EPS)		
	BSE	39	214
	NSE	39	217
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 31st March 2018 the market quotation of the Company shares price is BSE - INR 56.35 and NSE - INR. 56.70.		

(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:

Average percentage of increase in remuneration of employees other than the managerial personnel is 5.54% as compared to increase in the remuneration of Managerial person by 76.82%.

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

Sl.No.	Name	Remuneration of Key Managerial Personnel	Performance of the Company during 2017-18	% to Turnover
1	Sri. Y.S.R. Venkata Rao	61,90,761	Turnover INR. 657,798,312 Profit before tax INR. 1,30,72,489	0.94%
2	Mr. Y.V. Prashanth	44,18,457		0.67%
3	Mr. P. Sankara Rao	12,09,747		0.18%
4	Mrs. M. Neeharika	3,14,368		0.06%
				(Annualized)

Note: Ms. M. Neeharika was appointed during May 2017.

(x) The key parameters for any variable component of remuneration availed by the directors:

Both Managing Director and Executive Directors are entitled 5% on profits as part of remuneration during the year ended 31st March, 2018.

(xi) The ratio of remuneration of the highest paid director to that of 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

	Y.S.R. VENKATA RAO	**DR. J.S. YADAV**
Place : Hyderabad	MANAGING DIRECTOR	CHAIRMAN
Date : 12.05.2018	DIN: 00345524	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 2018)

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, 2018, 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, 2018 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 thereunder;
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 thereunder;
4. Foreign Exchange Management Act, 1999 and the Rules and Regulations made there under to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings;
5. The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act') to the extent applicable to the Company:
    a. The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
    b. The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992;
    c. The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015;

d. The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009;

e. The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999;

f. The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008;

g. The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;

h. The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009; and

i. The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998;

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

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

ii. The Memorandum and Articles of Association.

During the year under review the Company has complied with the provisions of the Acts, Rules, Regulations, Guidelines, Standards, etc., mentioned above to the extent applicable to the Company. During the year Company Secretary has been appointed on 15th May 2017.

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

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

a) Petroleum And Explosives Safety Organisation (Formerly Department of Explosives)

b) Drugs and Cosmetics Act, 1940

c) Prohibition and Excise

d) Water (Prevention and Control of Pollution) Act, 1974

e) Air (Prevention and Control of Pollution) Act, 1981

f) Hazardous Wastes (Management, Handling and Transboundary, Movement) Rules, 2008

g) Indian Boilers Act, 1923

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

I further report that:

1. The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors, Independent Directors and Woman Director. There were no changes in composition of the Board of Directors during the year 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 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.

CS B. Venkatesh Babu
Company Secretary
FCS No. 6708, CP.No. 5103

Place : Hyderabad
Date : 12.05.2018

MANAGEMENT DISCUSSION AND ANALYSIS

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 financial year 2017-18 the Company recorded a turnover of INR 657.80 Million compared to the turnover of INR 611.24 Million during 2016-17. Comprehensive Net Profit during the financial year 2017-18 is INR 14.70 Million compared to previous year's INR 3.68 Million.

Company commercialized 4 new products and also got orders for the products commercialized in recent past. The efforts of the management is slowly showing results in the form of increase in turnover as well as margins.

OUTLOOK

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

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

Indian chemical sector is expected to grow 8 to 10% annually.

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 1245 MT of finished products during 2017-18 as against 1443 MT in the previous year.

Company has a mixture of products of sodium derivatives, pyridine derivatives and fine chemicals, Company is continuously developing new products and commercializing the same on campaign basis, your Company is planning to expand and / or diversify the range of products in the coming years and expecting an 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 Company 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 Millions)

	2017-18	2016-17
Net Sales	**657.80**	611.24
Other income	**9.50**	4.07
Total income	**667.30**	615.31
Total expenditure	**593.72**	542.75
Operating Profit / (Loss)	**73.58**	72.56
Finance charges	**25.25**	29.65
Gross profit before depreciation and taxes	**48.33**	42.91
Depreciation	**34.77**	36.19
Profit / (Loss) before exceptional items and tax	**13.56**	6.72
Exceptional and Extraordinary items	**0.48**	2.88
Provision for income tax & previous year taxes	**0.00**	0.32
Deferred Tax **(AS 22)**	**0.00**	0.00
Profit/(Loss) after tax	**13.07**	3.52
Other comprehensive income	**1.63**	0.15
Total Comprehensive income	**14.70**	3.67

The book value per share stands at INR 50.46 as on 31.03.2018 (INR 49.62 previous year).

HUMAN RESOURCE DEVELOPMENT

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

CAUTIONARY AND FORWARD LOOKING STATEMENT

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

For and on behalf of Board of Directors
Alkali Metals Limited

	Y.S.R. VENKATA RAO	**DR. J.S. YADAV**
Place : Hyderabad	MANAGING DIRECTOR	CHAIRMAN
Date : 12.05.2018	DIN: 00345524	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 level 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 seven Directors as on 31st March, 2018 of which four are 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 financial year (01-04-2017 to 31-03-2018) the Board met four times i.e. on 15.05.2017, 04.08.2017, 13.11.2017 and 22.01.2018. 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:

Sl.No.	Name of the Director	Category / Status of Directorship.	No. of Board Meetings attended during the year	No. of Director-ship(s) in other companies	No. of Committee position held in other Companies (6)		Attenda-nce at the AGM held on 04/08/2017
(1)	(2)	(3)	(4)	(5)	Chairman	Member	(7)
01	Dr. J.S. Yadav	Chairman & Independent Director	3	--	--	--	Yes
02	Sri. Ch.S. Prasad	Independent Director	4	1	--	--	Yes
03	Sri. P.C. Patnaik	Independent Director	4	--	--	--	Yes
04	Sri. G. Jayaraman	Independent Director	3	1	--	--	Yes
05	Sri. Y.S.R. Venkata Rao	Managing Director	4	5	--	--	Yes
06	Smt. Y. Lalithya Poorna	Non-Ind & Non-Exe. Director	1	3	--	--	Yes
07	Mr. Y.V. Prashanth	Executive Director	4	4	--	--	Yes

Notes: a. Other Directorships exclude foreign companies
b. Other companies as on 31.03.2018.
c. Sri Y.S.R. Venkata Rao is the Promoter of the Company and his son Mr. Y.V. Prashanth is an Executive Director and his daughter Smt. Y. Lalithya Poorna is a Woman Director and Non-Executive Director.
d. Smt Y. Lalithya Poorna holds 1,10,000 shares in the Company and Sri. Ch.S. Prasad holds 253 shares in the Company.

All Independent Directors possess the requisite qualifications and are very well experienced in their own fields. Independent Directors are appointed for a period of five years and the Managing Director does 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 joined our Company in the year 2013 and took the position as Executive Director in the year 2015. He is 39 years old and having 14 years of experience in different capacities. 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 was appointed as Executive Director and will take care of the day to day operations more specific to finance, Administration and operational issues of the Company. He presently draws the remuneration of INR 44.18 lakhs and proposed the remuneration as specified in the re-appointment resolution.

Sri. Y.S.R. Venkata Rao

He holds B.E.(Mechanical) from Sri Venkateswara University, Andhra Pradesh, and Fellow of the Institution of Engineers (India). He joined our Company in the year 1977 and since then, he has been playing a pivotal role in steering the growth of our Company from being a manufacturer of alkali metals to producer of sodium metal derivatives, cyclic compounds, fine chemicals, which find wide application in various industries, especially the pharmaceutical sector. He is 67 years old and having 42 years of experience in the industry. He takes care of operational and strategic initiatives and overview the financial issues. His technical expertise has earned him the 'Member of the Year Award' for the year 2002 from the All India Manufacturers' Association, Andhra Pradesh State Board and also various coveted posts in FAPCCI, PHARMEXCIL, BDMA. VSEZ and such other Organisations.

2. AUDIT COMMITTEE

Audit Committee (AC) assists the Board in 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) Regulations, 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 financial policies and practices followed by the Company. The audit committee reviews the compliance with legal and statutory requirements, the quarterly and annual financial statements and related party transactions and reports its findings to the Board. The committee also recommends the appointment of internal auditor, statutory auditor. The committee also looks into those matters specifically referred to it by the Board. The statutory auditors and internal auditors were present at all audit committee meetings.

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 4th August, 2017. During the period 01-04-2017 to 31-03-2018, 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:

Sl.No.	Name of the Member	Category	No. of Meetings Attended
01.	Sri. G. Jayaraman	Independent Director	3
02.	Sri. Ch. S. Prasad	Independent Director	4
03.	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 other employees of the Company.

NRC consists of three independent Directors and they met three times during the financial year 2017-18.

Composition of committee and attendance of members

Sl.No.	Name of the Member	Category	No. of Meetings Attended
01.	Sri. Ch. S. Prasad	Independent Director	3
02.	Sri. G. Jayaraman	Independent Director	2
03.	Sri. P.C. Patnaik	Independent Director	3

This committee recommends appointment / reappointment of executive directors and the appointments of employees 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. Company Secretary is the compliance officer and also nodal officer to deal with depositories in relation to IEPF transactions.

The SRC deals with approval of share transfers, transmissions, issue of duplicate share certificates, rematerialisation of shares and all other issues pertaining to shareholders and reviews 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 financial year 2017-18. Company had not received any complaints during the year except non receipt of financial statements and revalidation of dividend warrants which were attended immediately.

Composition of the committee is as follows:

Sl.No.	Name of the Member	Category
01	Sri. G. Jayaraman	Independent Director
02	Sri. Ch S. Prasad	Independent Director
03	Sri. P.C. Patnaik	Independent Director
04	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 on 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

Independent Directors of the Company had met during the financial 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 approval of the shareholders at the General Meeting. The non executive directors do not draw any remuneration from the Company except sitting fees for attending the meetings of the board and the committees.

Details of Remuneration paid to Directors during the Financial year

(All figures in INR)

Sl.No.	Name of the Director	Commission	Remuneration	Sitting Fee	Total
01	Dr. J.S.Yadav	--	--	60,000	60,000
02	Sri. Ch. S. Prasad	--	--	1,30,000	1,30,000
03	Sri. P.C. Patnaik	--	--	1,30,000	1,30,000
04	Sri. G. Jayaraman	--	--	1,00,000	1,00,000
05	Sri. Y.S.R. Venkata Rao	11,93,457	49,97,304	--	61,90,761
06	Smt. Y. Lalithya Poorna	--	--	20,000	20,000
07	Mr. Y.V.Prashanth	11,93,457	32,25,000	--	44,18,457

7. ANNUAL GENERAL MEETINGS AND EXTRAORDINARY GENERAL MEETING

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

Annual General Meetings of the Company:

Year	Location	Date	Time
2014-15	Hotel Green Park, Ameerpet, Hyderabad-500 016	19th September 2015	11:00 A.M.
2015-16	Hotel Green Park, Ameerpet, Hyderabad-500 016	30th July 2016	11:00 A.M.
2016-17	Plot B-5, IDA, Uppal, Hyderabad-500 039	4th August 2017	11:00 A.M.

a) No Extra-Ordinary General Meeting of the shareholders was held during the year.

b) No Postal Ballot was conducted during the year. None of the resolutions proposed for the ensuing Annual General Meeting need to be passed by Postal Ballot.

c) Special Resolutions passed during the previous three Annual General Meetings:

i) 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.

ii) 48th Annual General Meeting - 30th July 2016 – No Special Resolutions were passed

iii) 49th Annual General Meeting - 4th August 2017 – No Special Resolutions were passed

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

E-Voting is conducted for all the business items covered in the above 3 Annual General Meetings in Compliance with the Listing Agreement and SEBI LODR Regulations, 2015. CS B. Venkatesh Babu was appointed scrutinizer in all the meetings.

DISCLOSURES

8. SUBSIDIARY COMPANIES

The Company has no subsidiary Company.

9. RISK MANAGEMENT

Periodic assessments to identify the risky 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 Ind AS accounting standards in the preparation of its financial statements.

13. COMPLIANCES

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

14. MEANS OF COMMUNICATION

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

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

The standards for business conduct provide that the directors and the senior management will uphold ethical values and legal standards as the Company pursues its objectives, and that honesty and personal integrity will not be compromised under any circumstances.

A copy of the said code of conduct is available on Company's website i.e. **www.alkalimetals.com.** The Board members and senior management personnel have affirmed compliance with the code of conduct for the financial year 2017-2018.

16. GENERAL SHAREHOLDER INFORMATION

a) Annual General Meeting

Date and time	30.06.2018 at 11:00 A.M.
Venue	B-5, Block III, IDA, Uppal, Hyderabad – 500 039
Book Closure Date	24.06.2018 to 30.06.2018 (both days inclusive)

b) Financial Year : 1st April 2018 to 31st March 2019

Financial Calendar 2018 - 2019 (tentative)

First Quarter results (April – June)	:	On or before 14th August
Second Quarter results (July – Sept)	:	On or before 14th Novermber
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 31.03.2018 INR 1/- per share proposed as Dividend

d) Listing of Shares

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

Note: Annual Listing fees for the year 2017-18 were duly paid to the above stock exchanges

e) Stock Market Data

(All figures in INR)

Month	NSE			BSE		
	High	Low	Closing	High	Low	Closing
April	88.40	84.00	79.90	89.70	74.00	80.60
May	85.45	62.50	67.65	88.00	60.50	67.25
June	69.90	62.00	63.00	70.00	62.55	63.85
July	73.90	62.90	66.65	73.45	58.00	66.60
August	97.80	55.20	88.70	97.50	**52.00**	88.45
September	88.70	82.60	72.35	88.30	69.25	71.30
October	78.00	69.10	74.45	78.00	69.20	75.40
November	80.00	70.00	72.70	80.30	70.05	73.45
December	87.65	82.00	81.40	86.75	70.75	82.00
January	**106.40**	78.70	80.00	**106.00**	79.75	80.35
February	93.85	66.10	82.45	93.95	70.00	84.05
March	84.50	**55.15**	56.30	84.90	56.00	56.35

f) Shareholding Pattern as on 31st March 2018

Category	No. of shares held	% of holdings
Indian Promoters including persons acting in concert	7,100,842	69.74
Bodies corporate (including clearing members)	2,95,513	2.90
Resident Indians	25,71,056	25.25
Non-Resident Indians	80,872	0.79
Hindu undivided families	1,34,223	1.32
Total	**1,01,82,506**	**100.00**

g) Distribution of Shareholding as on 31st March 2018

HOLDING (in INR)	NUMBER	% OF TOTAL	SHARES	% OF TOTAL
between 10 and 5000	9643	91.30	993616	9.76
between 5001 and 10000	487	4.61	396847	3.90
between 10001 and 20000	223	2.11	334360	3.28
between 20001 and 30000	76	0.72	189415	1.86
between 30001 and 40000	43	0.41	149568	1.47
between 40001 and 50000	25	0.24	117076	1.15
between 50001 and 100000	36	0.34	253153	2.49
between 100001 and Above	29	0.27	7748471	76.10
Total	**10,562**	**100.00**	**1,01,82,506**	**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 SEBI LODR Regulations, 2015. 99.99 % of Company Shares are in the dematerialized form.

j) Reconciliation of Share Capital Audit

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

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

Under the provisions of the Companies Act, 2013 dividends that remain unclaimed for a period of seven years from the date of declaration are required to be transferred to the Investor Education and Protection Fund (IEPF) administered by the Central

Government and also during the financial year 2017-18 MCA also notified the transfer of underlying shares of unclaimed / unpaid dividend for seven years to IEPF account. Company accordingly followed the procedure laid down by issuing individual notices and paper advertisement for unclaimed / unpaid dividend lying shares pertaining to financial year 2009-10 and transferred the 87 shareholders' 4583 shares of INR 10/- each to IEPF account. The voting rights of these shares will remain frozen till the rightful owner of such shares claim the shares.

Your Company will undertake necessary steps for transfer of unclaimed / unpaid dividend lying shares pertaining to financial year 2010-11 in accordance with the applicable provisions of the Act and Rules and ensure the transfer to IEPF account. Shareholders are required to claim the unpaid dividend, if any immediately.

The unclaimed dividend as on March 31, 2018 with due date of transfer to IEPF is as follows:

Financial Year	Date of declaration	Date of transfer to IEPF
2010-11	30th July 2011	September 2018
2011-12	30th July 2012	September 2019
2012-13	30th July 2013	September 2020
2015-16 (interim dividend)	23rd January 2016	February 2023
2015 -16 (final dividend)	30th July 2016	September 2023
2016-17	4th August 2017	September 2024

l) Plant Locations

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
secretarial@alkalimetals.com

17. NON - MANDATORY DISCLOSURES

Company has complied with the following non-mandatory requirements as per the SEBI LODR Regulations, 2015:

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 2018.

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

Place : Hyderabad
Date : 12.05.2018

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

We, Y.S.R. Venkata Rao, Managing Director and P. Sankara Rao, Chief Financial Officer 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, 2018 and that to the best of our knowledge and belief:
   a) These statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;
   b) These statements together present a true and fair view of the state of affairs of the Company's affairs and are in compliance with existing accounting standards(Ind AS), applicable laws and regulations.
2. To the best of our knowledge and belief, no transactions entered into by the Company during the year ended 31st March 2018 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 and that we have evaluated the effectiveness of internal control systems of the Company pertaining to financial reporting and we have disclosed to the auditors and audit committee, deficiencies in the design or operation of such internal controls, if any, of which we are aware and the steps have been taken or proposed to be taken to rectify these deficiencies.
4. We have indicated to the auditors and to the audit committee that:
   a) There are no significant changes in internal control over financial reporting during the year;
   b) There are significant changes in accounting policies i.e changes from GAAP to INDAS during the year and that the same have been disclosed in the notes to the financial statements; and
   c) There are no instances of significant fraud of which we have become aware of and the involvement therein, if any, of the management or an employee having significant role in the Company's internal control system and financial reporting.

P. SANKARA RAO
CFO

Y.S.R. VENKATA RAO
Managing Director
DIN: 00345524

Place : Hyderabad
Date : 12.05.2018

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, 2018 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)

N V S Srikrishna
Partner
M.No. : 025139

Place : Hyderabad
Date : 12.05.2018

INDEPENDENT AUDITOR'S REPORT

To the Members of ALKALIMETALS LIMITED

Report on the Ind AS Financial Statements

We have audited the acompanying Ind AS financial statements of **ALKALI METALS LIMITED** ("the Company"), which comprise the Balance Sheet as at March 31, 2018, the Statement of Profit and Loss (including other comprehensive income), the Statement of Cash Flows and the statement of changes in Equity for the year then ended on that date, and a summary of significant accounting policies and other explanatory information (herein after referred to as "Ind AS financial statements").

Management's Responsibility for the Ind AS 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 Ind AS financial statements that give a true and fair view of the financial position, financial performance including other comprehensive income, cash flows and changes of equity of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards ("Ind AS") 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 Ind AS 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 Ind AS 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 Ind AS financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the Ind AS financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the Ind AS 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 Ind AS 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 Ind AS financial statements.

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

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid Ind AS financial statements give the information required by the Act in the manner so required and give a true and fair view in conformitywith the accounting principles generally accepted in India including the Ind AS, of the financial position of the Company as at March 31,2018, and its financial performance including other comprehensive income, its cash flows and the changes in equity 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, the Statement of Profit and Loss (including other comprehensive income), the statement of cash flows and the statement of changes in equity dealt with by this Report are in agreement with the books of account.

    d. In our opinion, the aforesaid Ind AS financial statements comply with the Indian Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.

    e. On the basis of written representations received from the Directors as on March 31, 2018, and taken on record by the Board of Directors, none of the directors are disqualified as on March 31, 2018, 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 Ind AS 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.

For **C K S ASSOCIATES**
Chartered Accountants
(F.R.No. 007390S)

N V S SRIKRISHNA
Partner
M.No. 025139

Place : Hyderabad
Date : 12.05.2018

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 76 or any other relevant provisions of the Companies Act, 2013 and the rules framed there under.

6. We have broadly reviewed the cost records maintained by the Company pursuant sub-section (1) of Section 148 of the Companies Act, 2013 and are of the opinion that prima facie, the prescribed accounts and records have been made and maintained.

7.1 According to the information and explanations given to us, the Company is generally regular in depositing undisputed statutory dues including provident fund, employees state insurance, income tax, sales tax, service tax, duty of customs, duty of excise, value added tax, goods and service tax, cess and other statutory dues, as are applicable, with the appropriate authorities.

According to the information and explanations given to us, there are no arrears of outstanding statutory dues expect income tax provision of INR 14,34,921 pertaining to F Y 2002-03 as at the last day of the financial year under audit for a period of more than six months from the date they became payable.

7.2 According to the information and explanations given to us, there are no dues of income tax or sales tax or service tax or duty of customs or duty of excise or value added tax which have not been deposited on account of dispute.

8. According to the information and explanations given to us, the Company has not defaulted in repayment of loans or borrowings to a financial institution or bank.

9. According to the information and explanations given to us, during the year under review, the Company has not raised any money by way of initial public offer, further public offer, or term loans and hence the reporting requirement on the purpose of application of the same is not warranted.

10. According to the information and explanations given to us and based upon the audit procedures performed by us, no fraud by the Company or on the Company committed by its officers or employees has been noticed or reported during the year.

11. According to the information and explanations given to us, the managerial remuneration paid during the year is in compliance with the provisions of Section 197 read with Schedule V of the Companies Act, 2013.

12. As the Company is not a Nidhi Company in terms of the provisions of the Companies Act, 2013 read with Nidhi Rules, 2014, the matters to be reported under clause (xii) are not applicable.

13. According to the information and explanations given to us, in respect of the transactions with the related parties, the Company has complied with the provisions of Section 177 and 188 of the Companies Act. 2013, wherever applicable. In our opinion, the details as required by the applicable accounting standards have been disclosed in the financial statements for the year under review.

14. According to the information and explanations given to us, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year under review. Hence, reporting requirement on compliance with Section 42 of the Companies Act, 2013 and purpose of application of the funds so raised is not applicable.

15. According to the information and explanations given to us, the Company has not entered into any non-cash transactions with directors or persons connected with him and hence, reporting requirement on compliance with the provisions of Section 192 of the Companies Act, 2013 is not applicable.

16. According to the information and explanations given to us and in our opinion, the Company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934.

For **C K S ASSOCIATES**
Chartered Accountants
(F.R.No. 007390S)

N V S SRIKRISHNA
Partner
M.No. 025139

Place : Hyderabad
Date : 12.05.2018

ANNEXURE – 2 TO THE INDEPENDENT AUDITOR'S 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, 2018 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, 2018, 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
(F.R.No. 007390S)

N V S SRIKRISHNA
Partner
M.No. 025139

Place : Hyderabad
Date : 12.05.2018

BALANCE SHEET AS AT MARCH 31, 2018

(All figures in INR)

Paticulars	Note	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
I. ASSETS				
1. NON-CURRENT ASSETS				
a. Property, Plant and Equipment	7	**465,601,354**	495,209,390	533,221,745
b. Capital Work-in-progress	8	**15,520,738**	15,578,290	4,618,506
c. Intangible Assets	9	**2,587,021**	3,233,777	3,880,531
d. Financial Assets				
i. Other financial assets	10	**5,359,236**	5,359,236	4,997,236
e. Deffered tax assets(net)	11	**31,120,651**	27,988,961	27,243,587
f. Other non current assets	12	**28,872**	-	500,000
		520,217,873	547,369,654	574,461,605
2. CURRENT ASSETS				
a. Inventories	13	**171,967,010**	189,114,406	126,036,415
b. Financial Assets				
i. Trade Receivables	14	**140,969,848**	102,788,987	112,970,079
ii. Cash and Cash Equivalents	15	**582,151**	242,165	706,993
iii. Bank Balances others	16	**7,338,360**	10,917,237	9,577,716
iv. Other financial assets	17	**1,304,232**	1,785,457	1,417,439
c. Other Current Assets	18	**46,840,012**	42,871,730	44,643,006
		369,001,613	347,719,982	295,351,648
TOTAL		**889,219,486**	895,089,636	869,813,253
II EQUITY AND LIABILITIES				
1. EQUITY				
a. Equity Share Capital	19	**101,825,060**	101,825,060	101,825,060
b. Other Equity	20	**411,975,586**	403,403,178	404,627,081
		513,800,646	505,228,238	506,452,141
2. NON-CURRENT LIABILITIES				
a. Financial Liabilites				
i. Borrowings	21	**8,419,808**	16,690,198	13,812,412
b. Provisions	22	**1,038,772**	1,296,784	708,178
c Other Non Current Liabilities	23	**18,492,059**	19,447,399	20,402,739
		27,950,639	37,434,381	34,923,329
3. CURRENT LIABILITIES				
a. Financial Liabilities				
i. Borrowings	24	**163,984,583**	181,209,557	179,215,961
ii. Trade Payables	25	**147,658,508**	137,274,351	123,642,935
iii. Other Financial Liabilities	26	**9,185,190**	17,801,577	16,019,080
b. Other Current Liabilities	27	**20,217,083**	12,357,249	3,925,596
c. Provisions	28	**1,883,486**	1,842,361	1,187,233
d. Current tax liabilities	29	**4,539,352**	1,941,922	4,446,978
		347,468,201	352,427,017	328,437,783
TOTAL		**889,219,486**	895,089,636	869,813,253

The accompanying notes 1-46 form an integral part of this financial statements.

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

For and on Behalf of Board of Directors
Alkali Metals Limited

N V S SRIKRISHNA
PARTNER
M.NO.025139

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

DR.J.S.YADAV
CHAIRMAN
DIN: 02014136

Place : Hyderabad
Date : 12.05.2018

M.NEEHARIKA
COMPANY SECRETARY

P.SANKARA RAO
CFO

STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED ON MARCH 31,2018

a) Share capital (All figures in INR)

Balance as on April 1 , 2016	101,825,060
Balance as on March 31, 2016	101,825,060
Balance as on April 1, 2017	101,825,060
Balance as on March 31, 2018	101,825,060

b) Other Equity (All figures in INR)

Particulars	Securities premium account	Other reserves		General reserve	Retained earnings	TOTAL
		Revalutation reserve	Investment subsidy			
Balance on April 1 2016 as per previous GAAP	237,150,000	8,336,793	1,000,000	91,343,660	61,894,458	399,724,911
IND AS adjustment					-	-
Dividends (including tax)					4,902,170	4,902,170
Balance at the beginning of the reporting period April 1, 2016	**237,150,000**	**8,336,793**	**1,000,000**	**91,343,660**	**66,796,628**	**404,627,081**
Total comprehensive income					3,678,267	3,678,267
IND AS adjustment					-	-
Dividends (including tax)					(4,902,170)	(4,902,170)
Balance at the beginning of the reporting period April 1, 2017	**237,150,000**	**8,336,793**	**1,000,000**	**91,343,660**	**65,572,725**	**403,403,178**
Total comprehensive income					14,700,120	14,700,120
IND AS adjustment					-	-
Dividends (including tax)					(6,127,712)	(6,127,712)
Balance at the end of the reporting period March 31, 2018	**237,150,000**	**8,336,793**	**1,000,000**	**91,343,660**	**74,145,133**	**411,975,586**

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

For and on Behalf of Board of Directors
Alkali Metals Limited

N V S SRIKRISHNA
PARTNER
M.NO.025139

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

DR.J.S.YADAV
CHAIRMAN
DIN: 02014136

Place : Hyderabad
Date : 12.05.2018

M.NEEHARIKA
COMPANY SECRETARY

P.SANKARA RAO
CFO

STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED ON MARCH 31, 2018

(All figures in INR)

Particulars	Note No.	**Year ended March 31, 2018**	Year ended March 31, 2017
1. REVENUE			
Revenue from Operations	30	**657,798,312**	611,235,798
Other Income	31	**9,500,751**	4,073,886
Total Revenue		**667,299,063**	615,309,684
2. EXPENSES			
a. Cost of Materials Consumed		**306,035,137**	297,664,359
b. Changes in Inventories of Finished Goods Work-in-Progress and Stock-in-Trade	32	**21,220,045**	(23,718,856)
c. Employee Benefit Expense	33	**86,868,618**	78,256,852
d. Finance Costs	34	**25,246,821**	29,646,932
e. Depreciation & amortisation expenses	35	**34,772,450**	36,196,672
f. Other Expenses	36	**179,598,753**	190,539,252
Total Expenses		**653,741,824**	608,585,211
3. Profit for the year before exceptional items & tax		**13,557,240**	6,724,473
4. Exceptional Items	37	**484,751**	2,876,238
5. Profit Before Tax		**13,072,489**	3,848,235
6. Tax Expense			
a. Current Tax (MAT)		**2,799,034**	641,355
Less: MAT Credit Entitlement		**(2,799,034)**	(641,355)
Net Current Tax		**-**	-
b. Tax Pertaining to Earlier Years		**3,833**	398,732
Less: MAT Credit Entitlement		**-**	(74,644)
		3,833	324,088
		3,833	324,088
7. Profit for the year		**13,068,656**	3,524,147
8 Other Comprehensive Income (net)			
Items that will not be reclassified to P&L a/c			
Remeasurement of defined benefit plan		**1,631,464**	154,120
Current Tax (MAT)		**332,656**	29,375
Less: MAT Credit Entitlement		**(332,656)**	(29,375)
		1,631,464	154,120
9 Total Comprehensive Income for the period (7 + 8)		**14,700,120**	3,678,267
10. Earnings Per Share			
Face Value INR 10/- per share			
i Basic		**1.44**	0.36
ii Diluted		**1.44**	0.36

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

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

For and on Behalf of Board of Directors
Alkali Metals Limited

N V S SRIKRISHNA
PARTNER
M.NO.025139

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

DR.J.S.YADAV
CHAIRMAN
DIN: 02014136

Place : Hyderabad
Date : 12.05.2018

M.NEEHARIKA
COMPANY SECRETARY

P.SANKARA RAO
CFO

CASH FLOW STATEMENT FOR THE YEAR ENDED MARCH 31, 2018 (All figures in INR)

	March 31, 2018		March 31, 2017	
A. CASH FLOWS FROM OPERATING ACTIVITIES				
Net Profit / (Loss) before tax and exceptional items		**13,557,240**		6,724,473
Exceptionl items - income / (expenditure)*		**(484,751)**		(2,876,238)
Other comprehensive income (net)		**1,631,464**		154,120
Total comprehensive income before tax		**14,703,953**		4,002,355
Adjustments for				
Depreciation	**34,125,694**		36,961,017	
Amortisation of intangible assets	**646,756**		(764,345)	
Loss on sale of assets	**-**		215,466	
Assets written off	**484,751**		2,660,772	
Interest income	**(891,834)**		(1,632,645)	
Interest expense	**25,246,821**		29,646,932	
		59,612,188		67,087,197
Operating profit before working capital changes		**74,316,140**		71,089,552
(Increase) / decrease in sundry debtors	**(38,180,861)**		10,181,092	
(Increase) / decrease in inventories	**17,147,396**		(63,077,991)	
(Increase) / decrease in loans & advances	**(3,068,742)**		(681,638)	
Increase / (decrease) in current liabilities	**(7,556,246)**		26,494,290	
Increase / (decrease) in Provision	**(258,012)**		588,606	
(Increase) / decrease in Other Financial Assets	**(0)**		138,000	
		(31,916,465)		(26,357,641)
Cash generated from operations		**42,399,675**		44,731,911
Income tax paid net of refunds		**2,597,430**		(2,505,056)
Income tax adjustment relating to previous year		**(3,833)**		(324,088)
Net cash flow from operating activities (A)		**44,993,272**		41,902,767
B. CASH FLOW FROM INVESTING ACTIVITIES				
Purchase of fixed assets	**(4,944,857)**		(11,816,527)	
Sale proceeds of fixed assets	**-**		442,943	
Interest received	**891,834**		1,632,645	
Net cash flow from investing activities (B)		**(4,053,023)**		(9,740,939)
C. CASH FLOW FROM FINANCING ACTIVITIES				
Repayment / proceeds of long-term borrowings	**(8,270,390)**		2,877,786	
Repayment of interest free sales tax loans	**(955,340)**		(955,340)	
Dividend payment	**(6,127,712)**		(4,902,170)	
Interest paid	**(25,246,821)**		(29,646,932)	
Net cash flow used in financing activities (C)		**(40,600,263)**		(32,626,656)
NET INCREASE IN CASH AND CASH EQUIVALENTS (A+B+C)		**339,986**		(464,828)
Cash and cash equivalents as at the beginning of the period		**242,165**		706,993
Cash and cash equivalents at end of the period		**582,151**		242,165
Cash and cash equivalents				
Cash on hand		**420,383**		88,465
Balances with banks in current account		**161,768**		153,700
TOTAL		**582,151**		242,165

Notes to the cash flow statement for the year ended March 31,2018.

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

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

For and on Behalf of Board of Directors
Alkali Metals Limited

N V S SRIKRISHNA
PARTNER
M.NO.025139

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

DR.J.S.YADAV
CHAIRMAN
DIN: 02014136

Place : Hyderabad
Date : 12.05.2018

M.NEEHARIKA
COMPANY SECRETARY

P.SANKARA RAO
CFO

Notes to Financial Statements for the year ended March 31, 2018

1. COMPANY OVERVIEW

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

2. BASIS OF PREPARATION AND MEASUREMENT

i. Statement of Compliance

The financial statements as at end of the financial year ended March 31, 2018 have been prepared in accordance with Indian Accounting Standards ("Ind AS") notified under the Companies (Indian Accounting Standards) Rules, 2015 and Companies (Indian Accounting Standards) Amendment Rules, 2016.

For all the periods upto and including the financial year ended March 31, 2017, the Company prepared its financial statements in accordance with requirement of previous GAAP, which includes accounting standards notified under the section 133 of the Companies Act 2013 read together with Companies (Accounting Standards) Rules, 2006. The Date of transition to Ind AS is April 01, 2016. These financial statements for the financial year ended March 31, 2018 are Company's first Ind AS financial statements. The disclosure relating to Ind AS 101, First-time adoption of Indian Accounting Standards have been given in Note no.4

ii. Accounting Convention and Basis of Measurement

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

a. Certain financial assets and liabilities measured at fair value (refer accounting policy on financial instruments)

b. Defined benefit and other long-term employee benefits.

iii. Functional and Presentation Currency

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

iv. Use of Judgements, Estimates and Assumptions

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

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

a. Useful lives of property, plant, equipment and intangibles

b. Measurement of defined benefit obligations

c. Measurement and likelihood of occurrence of provisions and contingencies

d. Recognition of deferred tax assets.

e. Impairment of intangibles

f. Expenditure relating to research and development activities.

v. Operating Cycle

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

3. SIGNIFICANT ACCOUNTING POLICIES

i. Property Plant and Equipment

a) Property Plant and Equipment are measured at cost less accumulated depreciation and impairment losses.

b) The cost of property, plant and equipment includes those incurred directly for the construction or acquisition of the asset and directly attributable to bringing it to the location and condition necessary for it to be capable of operating in the manner intended by the management and includes the present value of expected cost for dismantling/ restoration wherever applicable.

c) The cost of major spares is recognised in the carrying amount of the item of property, plant and equipment in accordance with the recognition criteria set out in the standard. The carrying amount of the replaced part is derecognised at the time of actual replacement. The cost of the day-to-day servicing of the item are recognised in statement of profit and loss account.

d) Depreciation on all fixed assets is provided under straight line method over the useful life of assets specified in Part C of Schedule II to the Companies Act, 2013 and manner specified therein. Assets costing less than INR 5,000/- are fully depreciated in the year of purchase.

e) Expenditure attributable / relating to PPE under construction / erection is accounted as below:

- To the extent directly identifiable to any specific plant / unit, trail run expenditure net of revenue is included in the cost of property plant and equipment
- To the extent not directly identifiable to any specific plant / unit, is kept under “expenditure during construction” for allocation to property plant and equipment and is grouped under Capital work in progress.

ii. Intangible Assets

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

b) New product development expenditure, software licences, technical know-how fee, infrastructure and logistic facilities etc., are recognised as intangible asset upon completion of development and commencement of commercial production

c) Intangible assets are amortised on straight line method over their technically estimated useful life.

d) Residual values and useful lives for all intangible assets are reviewed at each reporting date. Changes if any are accounted for as changes in accounting estimates.

iii. Impairment of Asset

a) Financial Assets

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

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

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

b) Non – financial assets

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

iv. Inventories

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

v. Foreign Currency Transactions

a) Transactions relating to non-monetary items and purchase and sale of goods / services denominated in foreign currency are recorded at the exchange

rate prevailing or a rate that approximates the actual rate on the date of transaction.

b) Assets and liabilities in the nature of monetary items denominated in foreign currencies are translated and restated at prevailing exchange rates as at the end of the reporting period.

c) Exchange differences arising on account of settlement / conversion of foreign currency monetary items are recognised as expense or income in the period in which they arise.

d) Foreign currency gains and losses are reported on a net basis.

vi. Revenue Recognitions

Sales are recognised on dispatch of goods from the factory. In respect of export sales, the revenue is recognised on the basis of bill of lading. Miscellaneous sales are recognised on the basis of dispatch of goods. Other income such as interest etc., are recognised on accrual basis. Sales revenue is measured at fair value net of returns, trade discounts and volume rebates.

vii. Employee Benefits

a) Short term Benefits

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

b) Post-employment benefits

- **Defined Contribution Plans**

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

- **Defined Benefit Plans**

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

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

c) Long term Employee Benefits

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

viii. Borrowing Cost

a) Borrowing costs incurred for obtaining assets which take substantial period to get ready for their intended use are capitalised to the respective assets wherever the costs are directly attributable to such assets and in other cases by applying weighted average cost of borrowings to the expenditure on such assets.

b) Other borrowing costs are treated as expense for the year.

c) Significant transaction costs in respect of long-term borrowings are amortised over the tenor of respective loans using effective interest method.

ix. Provision for Current and Deferred Tax

a) Current Tax

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

b) Deferred Tax

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

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

Deferred tax liabilities and assets are measured at the tax rates that are expected to apply in the period in which the liability is settled or the asset realised, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period.

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

c) Current and deferred Tax for the year

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

Deferred tax resulting from "timing difference" between taxable and accounting income is accounted for using the tax rates and laws that are enacted or

substantively enacted as on the balance sheet date. Deferred tax asset is recognised and carried forward only to the extent there is reasonably certain that there will be sufficient future income to recover such Deferred Tax Asset.

x. Minimum Alternate Tax Credit

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

xi. Research and Development

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

xii. Claims

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

4. FIRST TIME ADOPTION OF IND AS

These financial statements of Alkali Metals Limited, for the financial year ended March 31, 2018 have been prepared in accordance with Ind AS. For the purpose of transition to Ind AS, the Company has followed the guidance prescribed in Ind AS 101 – first time adoption of Indian Accounting Standards, with effect from April 01, 2016 as the transition date and IGAAP as the previous GAAP.

The transition to Ind AS has resulted in changes in the presentation of the financial statements, disclosures in the notes thereto and accounting policies and principles. The Accounting policies set out in Note 3 have been applied in preparing the financial statements for the year ending March 31, 2018 and the comparative information. An explanation of how the transition from previous GAAP to Ind AS has affected the Company's Balance sheet, statement of profit and loss, is set out in note 6. Exemptions on first time adoption of Ind AS availed in accordance with Ind AS 101, have been set out in note 5.

5. EXEMPTIONS AVAILED ON FIRST TIME ADOPTION OF IND AS 101

Ind AS 101 allows first-time adopters certain exemptions from the retrospective application of certain requirements under Ind AS and exemptions from other Ind AS. The Company has accordingly applied the following exemptions.

a) **Deferred Government Grants**

The Company is permitted to apply the requirements under Ind AS 109, financial instruments and Ind AS 20, accounting for government grants and disclosure of government assistance, prospectively to government loans existing at the date of transition to Ind AS. Accordingly, the measurement of borrowings – interest free sales tax loan (IFST) is made prospectively.

b) Property, Plant and Equipment and Intangibles

The Company may elect to use the previous GAAP carrying amount as the deemed cost for measurement of items of property, plant and equipment and intangibles assets at the date of transition to Ind AS. Accordingly the Company adopted the previous GAAP carrying amount that existed at the date of transition to Ind AS.

6. RECONCILIATIONS

The following reconciliations provide the effect of transition to Ind AS from IGAAP in accordance with Ind AS 101

A. Equity as at April 1,2016 and March 31,2017

B. Net Profit for the year ended March 31,2017

A. RECONCILIATION OF EQUITY AS PREVIOUSLY REPORTED UNDER IGAAP TO IND AS

(All figures in INR)

PARTICULARS	NOTE	Opening Balance Sheet as at April 1, 2016			Opening Balance Sheet as at March 31, 2017		
		IGAAP	Effect of transition to Ind AS	Ind AS	IGAAP	Effect of transition to Ind AS	Ind AS
I ASSETS							
1 NON-CURRENT ASSETS							
a. Property Plant and Equipment		533,221,745	-	533,221,745	495,209,390	-	495,209,390
b. Capital Work-in-progress		4,618,506	-	4,618,506	15,578,290	-	15,578,290
c. Intangible Assets	a	3,880,531	-	3,880,531	2,469,432	764,345	3,233,777
d. Financial Assets		-	-	-	-	-	-
i. Other Financial Assets		4,997,236	-	4,997,236	5,359,236	-	5,359,236
e. Other non current assets		500,000	-	500,000			
		547,218,018	**-**	**547,218,018**	**518,616,348**	**764,345**	**519,380,693**
2 CURRENT ASSETS							
a. Inventories		126,036,415	-	126,036,415	189,114,406	-	189,114,406
b. Financial Assets							
i. Trade Receivables		112,970,079	-	112,970,079	102,788,987	-	102,788,987
ii. Cash and Cash Equivalents		706,993	-	706,993	242,165	-	242,165
iii. Bank Balances others		9,577,716	-	9,577,716	10,917,237	-	10,917,237
iv. Others		1,417,439	-	1,417,439	1,785,457	-	1,785,457
c. Current tax assets		27,243,587	-	27,243,587	27,988,961	-	27,988,961
d. Other current assets		44,643,006	-	44,643,006	42,871,730	-	42,871,730
		322,595,235	**-**	**322,595,235**	**375,708,943**	**-**	**375,708,943**
Total		**869,813,253**	**-**	**869,813,253**	**894,325,291**	**764,345**	**895,089,636**

PARTICULARS	NOTE	Opening Balance Sheet as at April 1, 2016			Opening Balance Sheet as at March 31, 2017		
		IGAAP	Effect of transition to Ind AS	Ind AS	IGAAP	Effect of transition to Ind AS	Ind AS
II EQUITY AND LIABILITIES							
1 EQUITY							
a. Equity Share Capital		101,825,060	-	101,825,060	101,825,060	-	101,825,060
b. Other Equity	b	399,724,911	4,902,170	404,627,081	397,125,160	6,278,018	403,403,178
		501,549,971	**4,902,170**	**506,452,141**	**498,950,220**	**6,278,018**	**505,228,238**
2 NON-CURRENT LIABILITIES							
a. Financial Liabilities							
i. Borrowings	c	24,321,151	(10,508,739)	13,812,412	15,120,819	1,569,379	16,690,198
b. Provisions		708,178	-	708,178	1,296,784	-	1,296,784
c. Other Non Current Liabilities	d	9,894,000	10,508,739	20,402,739	20,402,739	(955,340)	19,447,399
		34,923,329	**-**	**34,923,329**	**36,820,342**	**614,039**	**37,434,381**
3 CURRENT LIABILITIES							
a. Financial Liabilities							
i. Borrowings		179,215,961	-	179,215,961	181,209,557	-	181,209,557
ii. Trade Payables		123,642,935	-	123,642,935	137,274,351	-	137,274,351
iv. Other Financial Liabilities - Current		2,043,661	-	16,019,080	17,801,577	-	17,801,577
b. Other Current Liabilities		17,901,015	-	3,925,596	12,357,249	-	12,357,249
c. Provisions	e	6,089,403	(4,902,170)	1,187,233	7,970,073	(6,127,712)	1,842,361
d. Current tax laibilities		4,446,978	-	4,446,978	1,941,922	-	1,941,922
		333,339,953	**(4,902,170)**	**328,437,783**	**358,554,729**	**(6,127,712)**	**352,427,017**
Total		**869,813,253**	**-**	**869,813,253**	**894,325,291**	**764,345**	**895,089,636**

Explanation for reconciliation of Balance Sheet as previously reported under IGAAP to Ind AS:

Reasons for adjustments:

a. Estimated useful life of software has been revised for 5 years and amortization has been worked out accordingly.

b. Consequent to reclassification of financial instruments, dividends approved post to reporting period and change in life of the assets.

c. Unwinding and amortization of interest against interest free loans and government assistance by way of interest free sales tax loan.

d. Recognisation and amortization of deferred government assistance.

e. Derecognition of liability for dividend declared post reporting period.

B. Reconciliation statement of profit and loss as previously reported under IGAAP to Ind AS

(All figures in INR)

PARTICULARS	NOTE	Financial year ended March 31, 2017		
		IGAAP	Effect of transition to Ind AS	Ind AS
1. REVENUE				
Revenue from Operations	f	580,634,493	30,601,305	611,235,798
Other Income	g	3,118,546	955,340	4,073,886
Total Revenue		**583,753,039**	**31,556,645**	**615,309,684**
2. EXPENSES				
Cost of Materials Consumed		297,664,359	-	297,664,359
Changes in Inventories of Finished Goods Work-in-Progress and Stock-in-Trade		(23,718,856)	-	(23,718,856)
Employee Benefit Expenses	h	78,102,732	154,120	78,256,852
Finance Costs	i	28,077,553	1,569,379	29,646,932
Depreciation & amortization expense	a	36,961,017	(764,345)	36,196,672
Other Expenses	f	159,937,947	30,601,305	190,539,252
Total Expenses		**577,024,752**	**31,560,459**	**608,585,211**
3. Profit for the year before exceptional items and tax		6,728,287	(3,814)	6,724,473
4. Exceptional Items		2,876,238	-	2,876,238
5. Profit Before Tax		**3,852,049**	**(3,814)**	**3,848,235**
6. Tax Expense				
Current Tax (MAT)		670,730	29,375	641,355
Less: MAT Credit Entitlement		(670,730)	(29,375)	(641,355)
Net Current Tax		-	-	-
Tax Pertaining to Earlier Years		398,732	-	398,732
Less: MAT Credit Entitlement		(74,644)	-	(74,644)
		324,088		**324,088**
7. Profit for the period		**3,527,961**	**(3,814)**	**3,524,147**
8 Other Comprehensive Income (net)	h			
Items that will not be reclassified to P&L a/c				
Remeasurement of defined benefit plan		-	154,120	154,120
Current Tax (MAT)		-	29,375	29,375
Less: MAT Credit Entitlement			(29,375)	(29,375)
			154,120	**154,120**
9 Total Comprehensive income for the period		**3,527,961**	**150,306**	**3,678,267**

Explanations for the reconciliation of statement of profit and loss as previously reported under IGAAP to Ind AS:

Reasons for adjustments:

f. Inclusion of excise duty paid on sales.

g. Recognition of amortized government assistance.

h. Recognition of acturial gains and losses in other comprehensive income and consequential adjustment.

i. on account of finance cost on financial instruments as per Ind AS.

C. Cash Flow Statement

There were no significant reconcilition items between cash flows prepared under previous GAAP and those prepared under Ind AS.

7. Property, Plant And Equipment as on March 31, 2018

(All figures in INR)

Sl.No.	Description	Gross Carrying Amount				Accumulated Depreciation				Net Carrying Amount	
		As on April 1, 2017	Additions	Adjust-ments/dele-tions	**As on March 31, 2018**	As on April 1, 2017	For the period	Adjust-ments/ deletions	**As on March 31, 2018**	**As on March 31,2018**	As on March 31,2017
1	Land	68,262,761	-	-	**68,262,761**	-	-	-	**-**	**68,262,761**	68,262,761
2	Building	204,418,712	4,008,624	-	**208,427,336**	51,147,003	7,987,630	-	**59,134,633**	**149,292,702**	153,271,708
3	Plant & Equipment	383,802,315	454,000	7,636,564	**376,619,751**	163,207,124	17,594,105	7,254,736	**173,546,493**	**203,073,258**	220,595,190
4	Pollution Control Equipment	9,377,291	-	2,058,462	**7,318,829**	7,966,211	284,795	1,955,539	**6,295,467**	**1,023,362**	1,411,080
5	Vehicles	3,406,071	-	-	**3,406,071**	2,179,499	216,020	-	**2,395,519**	**1,010,552**	1,226,572
6	Furniture & Fixture	4,831,226	-	-	**4,831,226**	1,652,037	410,951	-	**2,062,988**	**2,768,238**	3,179,189
7	Lab Equipment	8,443,146	322,088	-	**8,765,234**	6,556,653	252,366	-	**6,809,018**	**1,956,216**	1,886,493
8	Office Equipment	1,545,241	25,500	-	**1,570,741**	933,899	120,839	-	**1,054,738**	**516,002**	611,341
9	Computers	834,233	192,197	-	**1,026,430**	396,932	107,953	-	**504,885**	**521,545**	437,301
10	R & D Equipment	105,193,080	-	-	**105,193,080**	72,532,678	4,060,424	-	**76,593,102**	**28,599,978**	32,660,402
11	R & D Lab Equipment	29,102,939	-	-	**29,102,939**	18,616,911	2,882,446	-	**21,499,357**	**7,603,582**	10,486,028
12	Safety Equipment	3,772,531	-	-	**3,772,531**	2,591,208	208,165	-	**2,799,373**	**973,158**	1,181,323
Total		822,989,546	5,002,409	9,695,026	**818,296,929**	327,780,156	34,125,694	9,210,275	**352,695,574**	**465,601,354**	495,209,389
Carrying Value as of April 1,2017		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

Property, Plant And Equipment as on March 31, 2017

(All figures in INR)

Sl.No.	Description	Gross Carrying Amount				Accumulated Depreciation				Net Carrying Amount	
		As on April 1, 2016	Additions	Adjust-ments/dele-tions	**As on March 31, 2017**	As on April 1, 2016	For the period	Adjust-ments/ deletions	**As on March 31, 2017**	**As on March 31,2017**	As on March 31,2016
1	Land	68,262,761	-	-	**68,262,761**	-	-	-	**-**	**68,262,761**	68,262,761
2	Building	204,418,712	-	-	**204,418,712**	43,165,201	7,981,802	-	**51,147,003**	**153,271,708**	161,253,514
3	Plant & Equipment	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
4	Pollution Control Equipment	9,377,291	-	-	**9,377,291**	7,200,568	765,643	-	**7,966,211**	**1,411,080**	2,176,723
5	Vehicles	2,837,262	568,809	-	**3,406,071**	1,966,388	213,111	-	**2,179,499**	**1,226,572**	870,874
6	Furniture & Fixture	4,816,226	15,000	-	**4,831,226**	1,227,833	424,204	-	**1,652,037**	**3,179,189**	3,588,393
7	Lab Equipment	8,213,812	229,334	-	**8,443,146**	6,336,455	220,198	-	**6,556,653**	**1,886,493**	1,877,357
8	Office Equipment	1,545,241	-	-	**1,545,241**	817,628	116,271	-	**933,899**	**611,341**	727,612
9	Computers	790,633	43,600	-	**834,233**	294,454	102,437	-	**396,932**	**437,301**	496,138
10	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
11	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
12	Safety Equipment	3,772,531	-	-	**3,772,531**	2,383,045	208,163	-	**2,591,208**	**1,181,323**	1,389,486
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
Carrying Value as of April 1,2016		829,937,281	4,921,187	961,925	**833,896,549**	265,229,459	36,118,781	673,437	**283,103,585**	**533,221,745**	564,707,828

8. Capital Work-in-Progress

(All figures in INR)

	March 31, 2018	March 31, 2017	April 1, 2016
Civil Works in Progress	**15,520,738**	15,520,738	4,618,506
Other Assets	**-**	57,552	-
Total	**15,520,738**	15,578,290	4,618,506

9. Intangible assets as on 31st March, 2018

(All figures in INR)

Description	Gross Carrying Amount			Accumulated amortization				Net Carrying amount	
	As on April 1, 2017	Additions	**As on March 31, 2018**	As on April 1, 2017	For the period	Adjust-ments/ deletions	**As on March 31, 2018**	**As on March 31, 2018**	As on March 31, 2017
SAP Software Dovelopment	7,055,509	-	**7,055,509**	3,821,732	646,756	-	**4,468,488**	**2,587,021**	3,233,777
Total	7,055,509	-	**7,055,509**	3,821,732	646,756	-	**4,468,488**	**2,587,021**	3,233,777

Intangible assets as on 31st March, 2017

(All figures in INR)

Description	Gross Carrying Amount			Accumulated amortization				Net Carrying amount	
	As on April 1, 2016	Additions	**As on March 31, 2017**	As on April 1, 2016	For the period	Adjust-ments/ deletions	**As on March 31, 2017**	**As on March 31, 2017**	As on March 31, 2016
SAP Software Dovelopment	7,055,509	-	**7,055,509**	3,174,977	1,411,100	764,345	**3,821,732**	**3,233,777**	3,880,531
Total	7,055,509	-	**7,055,509**	3,174,977	1,411,100	764,345	**3,821,732**	**3,233,777**	3,880,531

10. OTHER FINANCIAL ASSETS (All figures in INR)

	March 31, 2018	March 31, 2017	April 1, 2016
Security Deposits	**5,359,236**	5,359,236	4,997,236
	5,359,236	5,359,236	4,997,236

11. DEFFERED TAX ASSETS (NET) (All figures in INR)

	March 31, 2018	March 31, 2017	April 1, 2016
MAT Credit Entitlement	**31,120,651**	27,988,961	27,243,587
	31,120,651	27,988,961	27,243,587

Note: Refer note no.39 for deferred tax asset of INR 15,894,243 on timing differences of assets/ liabilities, which is not recognised in the books of accounts as matter of prudence.

12. OTHER NON CURRENT ASSETS (All figures in INR)

	March 31, 2018	March 31, 2017	April 1, 2016
Capital Advances	**-**	-	500,000
Prepaid Taxes	**28,872**	-	-
	28,872	-	500,000

13. INVENTORIES (All figures in INR)

	March 31, 2018	March 31, 2017	April 1, 2016
Valued at Cost or Realisable Value, whichever is lower	**-**	-	500,000
(As Certified by Management)			
Raw Materials	**66,543,364**	65,261,854	25,076,931
Work-in-progress	**95,337,537**	116,557,582	89,535,533
Finished Goods	**-**	-	3,303,193
Stores, spares, fuels and consumables	**10,086,109**	7,294,970	8,120,758
	171,967,010	189,114,406	126,036,415
Less:Provision for slow-moving raw materials	**446,296**	-	-
	171,520,714	189,114,406	126,036,415

14. TRADE RECEIVABLES (All figures in INR)

	March 31, 2018	March 31, 2017	April 1, 2016
Unsecured, Considered Good	**140,969,848**	102,788,987	112,970,079
Unsecured and Considered Doubtful:	**-**	208,238	695,876
Allowance for credit losses	**-**	208,238	695,876
	-	-	-
	140,969,848	102,788,987	112,970,079

15. CASH AND CASH EQUIVALENTS

(All figures in INR)

	March 31, 2018	March 31, 2017	April 1, 2016
a. Balances with Banks			
Current Accounts	**154,720**	152,229	131,127
EEFC Account	**7,048**	1,471	106,739
b. Cash on Hand	**420,383**	88,465	469,127
	582,151	242,165	706,993

16. OTHER BANK BALANCES

(All figures in INR)

	March 31, 2018	March 31, 2017	April 1, 2016
Margin Money Deposit in Banks	**6,635,103**	9,953,103	8,587,656
Unpaid Dividend Accounts	**703,257**	964,134	990,060
	7,338,360	10,917,237	9,577,716

17. OTHER FINANCIAL ASSETS

(All figures in INR)

	March 31, 2018	March 31, 2017	April 1, 2016
Interest Receivable	**1,304,232**	1,785,457	1,417,439
	1,304,232	1,785,457	1,417,439

18. OTHER CURRENT ASSETS

(All figures in INR)

	March 31, 2018	March 31, 2017	April 1, 2016
Balances With Revenue Authorities	**37,498,425**	33,928,172	38,417,912
Prepaid Expenses	**5,044,356**	2,959,337	3,675,735
Advances to Suppliers	**3,905,430**	5,572,537	2,383,325
Other Advances	**391,802**	411,684	166,034
	46,840,012	42,871,730	44,643,006

19. SHARE CAPITAL

(All figures in INR)

	March 31, 2018	March 31, 2017	April 1, 2016
Authorised Share Capital			
15,000,000 Equity Shares of INR 10 Par Value	**150,000,000**	150,000,000	150,000,000
Issued, Subscribed and Paid-up Capital			
At the beginning and at the end of the year			
10,182,506 Equity Shares of INR 10 Par Value fully paid up	**101,825,060**	101,825,060	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.

Sl.No.	Name of shareholder		No. of shares	No. of shares	No. of shares
1	Sri. Y.S.R. Venkata Rao		6,904,715	6,904,715	6,904,715
		% of Holding	67.81%	67.81%	67.81%

20. OTHER EQUITY (All figures in INR)

	March 31, 2018	March 31, 2017	April 1, 2016
1 Securities Premium			
Balance at the beginning and at the end of the year	**237,150,000**	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	8,336,793
3 Capital Reserve - Investment Subsidy			
Balance at the beginning of the year*	**1,000,000**	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	1,000,000
4 General Reserve			
Balance at the beginning of the year	**91,343,660**	91,343,660	91,343,660
Addition during the year	**-**	-	-
Balance at the closing of the year	**91,343,660**	91,343,660	91,343,660
5 Retained earnings			
Balance of surplus in the statement of changes in Equity	**74,145,133**	65,572,725	66,796,628
	411,975,586	403,403,178	404,627,081

21. BORROWINGS

(All figures in INR)

	March 31, 2018	March 31, 2017	April 1, 2016
A. Secured:			
Term Loans from Bank	**-**	-	2,974,935
B. Unsecured:			
Deferred payment liability - Interest free sales tax loan (Refer Note 21.2)	**8,419,808**	8,750,368	10,837,477
Loans from Non Banking Financial Institutions (Refer Note 21.1)	**-**	7,939,830	-
	8,419,808	16,690,198	13,812,412

Disclosures:

1 Unsecured Loans

Non Banking Financial Institutions	TATA Capital Financial Services Ltd	Capital First Ltd	Magma Fincorp Ltd
Period of maturity with reference to Balance Sheet date	03.11.2018	05.11.2018	07.11.2018
Total number of Instalments	8	8	8
Amount of each instalment	252,043	378,065	255,795
Rate of Interest	18.77%	19.00%	19.50%
Overdue amount and period:	Nil	Nil	Nil

2 Deferred payment liability - Interest free sales tax loan

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 INR 26,979,010/- up to 31-03-2013 and the same is shown as liability in the Balance Sheet. The repayment started from March, 2016 and the Company has made payments as per the final eligibility certificate. Amount of INR 1,788,368 payable in the next financial year shown under the Other Current Liabilities pursuant to requirement under Ind AS-109 on financial instruments and in view of the option exercised under Ind AS-101 on first time adoption of Ind AS, un-winding of interest using effective interest rate was made and the deffered grant carved out, from the said loan, is being amortized in equal instalments over the remaining repayment period of the IFST loan.

22. PROVISIONS

(All figures in INR)

	March 31, 2018	March 31, 2017	April 1, 2016
Provision for Earned Leave Encashment (Non funded)	**1,038,772**	1,296,784	708,178
	1,038,772	1,296,784	708,178

23. OTHER NON-CURRENT LIABILITIES

(All figures in INR)

	March 31, 2018	March 31, 2017	April 1, 2016
Deposit*	**9,894,000**	9,894,000	9,894,000
Deffered Govt. Grant (Note 21.2)	**8,598,059**	9,553,399	10,508,739
	18,492,059	19,447,399	20,402,739

Disclosure:

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

24. BORROWINGS

(All figures in INR)

	March 31, 2018	March 31, 2017	April 1, 2016
Loans repayable on demand from Banks (Secured)			
a. Cash Credit facility	**163,984,583**	152,591,981	104,336,212
b. Export Packing Credit	**-**	28,617,576	74,879,749
	163,984,583	181,209,557	179,215,961

Disclosures:

a. Terms and Conditions of Cash Credit

1	Period of maturity with reference to Balance Sheet date	Renewable every year	Renewable every year	Renewable every year
2	Number of Instalments due	Nil	Nil	Nil
3	Amount Outstanding	163,984,583	152,591,981	104,336,212
4	Rate of Interest	Base Rate plus 4.5%	Base Rate plus 4.5%	Base Rate plus 4.5%
5	Overdue amount and period:	Nil	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 plus 4.5%	Base Rate plus 4.5%	Base Rate plus 4.5%
3	Overdue amount and period:	Nil	Nil	Nil
4.	Security: Capital Loan from bank and interest accrued on the loan are secured by hypothecation of present and future raw materials, work in progress, finished goods, stores and spares and book debts of the Company and a first charge on the immovable properties and personal guarantee of the Managing Director of the Company.			

25. TRADE PAYABLES

(All figures in INR)

	March 31, 2018	March 31, 2017	April 1, 2016
Trade payables for materials and services	**147,658,508**	137,274,351	123,642,935
	147,658,508	137,274,351	123,642,935

Disclosures:

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.

26. OTHER FINANCIAL LIABILITIES - CURRENT

(All figures in INR)

	March 31, 2018	March 31, 2017	April 1, 2016
Current maturities of Deferred payment liability - Interest free sales tax loan (refer Note no.21.2)	**1,788,368**	3,656,488	2,518,939
Current Maturities of Long Term Debt (refer Note 21.1)	**6,605,077**	12,881,140	10,800,000
Sales Tax Deferment Due (refer Note 21.2)	**-**	-	1,500,000
Interest Accrued but not due on Borrowings	**88,488**	247,088	210,081
Unpaid Dividends	**703,257**	964,134	990,060
Interest Accrued and Due on Borrowings	**-**	52,727	-
	9,185,190	17,801,577	16,019,080

27. OTHER CURRENT LIABILITIES

(All figures in INR)

	March 31, 2018	March 31, 2017	April 1, 2016
Statutory Dues Payable	**1,972,769**	1,627,952	843,520
Advance against Sales	**18,244,314**	10,729,297	3,082,076
	20,217,083	12,357,249	3,925,596

28. PROVISIONS

(All figures in INR)

	March 31, 2018	March 31, 2017	April 1, 2016
Provision for Earned Leave Encashment (Non funded)	**220,173**	135,277	137,827
Provision for Employee Benefits (Gratuity)	**1,663,313**	1,707,084	1,049,406
	1,883,486	1,842,361	1,187,233

29. CURRENT TAX LIABILITIES (NET)

(All figures in INR)

	March 31, 2018	March 31, 2017	April 1, 2016
Current tax liabilities	**4,539,352**	1,941,922	4,446,978
	4,539,352	1,941,922	4,446,978

30. REVENUE FROM OPERATIONS (All figures in INR)

	March 31,2018	March 31,2017
Sale of Products	**652,345,781**	608,076,302
Other Operating Revenue	**5,452,531**	3,159,496
	657,798,312	611,235,798

31. OTHER INCOME (All figures in INR)

	March 31,2018	March 31,2017
1. Interest earned	**891,834**	1,632,645
2. Other Non-Operating Income		
a Miscellaneous Income	**7,388,365**	315,887
b Balances / Excess Provisions written back	**265,212**	1,170,014
c Deffered government grant written back	**955,340**	955,340
	9,500,751	4,073,886

32. CHANGES IN INVENTORIES OF FINISHED GOODS, WORK-IN-PROGRESS AND STOCK-IN-TRADE (All figures in INR)

	March 31,2018	March 31,2017
1. Finished Goods		
a. Opening Stock	**-**	3,303,193
b. Closing Stock	**-**	-
Decrease / (Increase)	**-**	3,303,193
2. Work in Progress		
a. Opening Stock	**116,557,582**	89,535,533
b. Closing Stock	**95,337,537**	116,557,582
Decrease / (Increase)	**21,220,045**	(27,022,049)
Total Decrease / (Increase)	**21,220,045**	(23,718,856)

33. EMPLOYEE BENEFITS EXPENSE (All figures in INR)

	March 31,2018	March 31,2017
Salaries & Wages	**79,714,063**	72,234,150
Contribution to Provident and Other Funds	**5,176,385**	4,292,479
Staff Welfare Expenses	**1,978,170**	1,730,223
	86,868,618	78,256,852

34. FINANCE COSTS (All figures in INR)

	March 31,2018	March 31,2017
Interest	**23,658,116**	27,270,382
Interest on Income Tax	**204,449**	34,023
Other Borrowing Costs	**1,384,256**	2,342,527
	25,246,821	29,646,932

35. DEPRECIATION AND AMORTIZATION EXPENSE

(All figures in INR)

	March 31,2018	March 31,2017
Depreciation of tangible assets	**34,125,694**	35,549,917
Amortization of intangible assets	**646,756**	646,755
	34,772,450	36,196,672

36. OTHER EXPENSES

(All figures in INR)

	March 31,2018	March 31,2017
Consumption of Stores and Spares	**32,811,384**	28,962,586
Power & Fuel	**59,550,958**	60,424,429
Rent	**237,000**	228,000
Excise	**8,526,966**	30,601,305
Repairs to Buildings	**4,832,892**	1,245,547
Repairs to Machinery	**6,569,247**	7,445,154
Insurance	**2,320,239**	2,430,715
Production & Processing charges	**3,276,171**	2,900,442
Rates and Taxes	**3,084,786**	2,913,211
R & D	**15,844,882**	11,640,343
Freight on Sales	**14,942,802**	15,143,978
Net Loss on Foreign Currency Transaction & Translation	**1,289,995**	2,422,931
Miscellaneous Expenses	**26,311,432**	24,180,611
	179,598,753	190,539,252

37. EXCEPTIONAL ITEMS

(All figures in INR)

	March 31,2018	March 31,2017
Loss on Sale of Fixed Assets	**-**	215,466
Assets written off	**484,751**	2,660,772
	484,751	2,876,238

38. Disclosure as per Schedule III of the Act and Ind AS-37 on Provisions, Contingent Liabilities and Contingent assets

i. CONTINGENT LIABILITIES

Claim against the Company not acknowledged as debts: **(All figures in INR)**

	March 31,2018	March 31, 2017
Sewerage cess claimed by HMWS & SB	**3,423,498**	3,014,786

ii. COMMITMENTS **(All figures in INR)**

	March 31,2018	March 31, 2017
Estimated amount of contracts remaining to be executed on capital account and not provided for	**2,921,711**	2,921,711

39. Disclosure as per Ind AS – 12 Income tax

A. Income tax assessments:

The Company's income tax assessments were completed upto A.Y. 2015-16

B. The tax effects of significant temporary differences that resulted in deferred income tax asset and liability are as follows: **(All figures in INR)**

Particulars	**March 31,2018**	March 31,2017	April 1,2016
Difference in WDV of PPE and Intangible assets	**(213,126,542)**	(220,853,441)	(229,733,871)
Carried forward losses	**265,471,851**	284,144,490	284,436,338
Post Employment Benefits	**5,341,807**	3,139,145	1,895,411
Other disallowances	**-**	-	-
Net timing differences	**57,687,117**	66,430,194	56,597,877
Deferred Taxes Asset there on at applicable rates	**15,894,243**	21,963,815	18,712,956

40. Disclosure as per Ind AS-19 – Employee benefits

A. Defined Contribution Plan

Contribution to Defined Contribution Plan recognised as expenses for the financial year as under: **(All figures in INR)**

	2017-18	2016-17
Employer's Contribution to Provident Fund	**2,705,357**	2,854,583
Employer's Contribution to ESI	**434,524**	415,695

B. Defined Benefit Plan

I. Gratuity obligation of the Company

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

Assets and Liability (Balance sheet position) **(All figures in INR)**

Particulars	March 31,2018	March 31,2017
Present value of obligation	**11,222,225**	10,791,850
Fair value of plan assets	**(141,455)**	(119,802)
Surplus / (deficit)	**956,170**	550,177
Contributions paid	**1,686,443**	-
Net asset / (liability)	**13,723,383**	11,222,225

Expense recognised during the period **(All figures in INR)**

Particulars	March 31,2018
In Income statement (P&L A/c – expense provision)	**1,892,157**
In other comprehensive income (Balance sheet item)	**(390,941)**

Changes in the present value of obligation **(All figures in INR)**

Particulars	For the period ending	
	March 31,2018	March 31,2017
Present value of obligations as at the beginning	**12,929,309**	11,841,256
Interest cost	**880,486**	871,442
Current Service Cost	**823,695**	794,179
Past service cost – (Vested benefits)	**1,000,000**	-
Benefits Paid	**-**	(319,460)
Actuarial (Gain) / Loss on obligation	**(246,795)**	(258,108)
Present value of obligations as at the end	**15,386,695**	12,929,309
Bifurcation of net liability		
Current liability (Short Term)	**3,759,934**	2,178,915
Non-current liability (Long Term)	**11,626,761**	10,750,394
Net liability	**1,663,312**	1,707,084

Changes in the fair value of plan assets **(All figures in INR)**

Particulars	For the period ending	
	March 31,2018	March 31,2017
Fair value of plan assets as at the beginning	**11,222,225**	10,791,850
Adjustment to opening Fair value of plan asset	**(141,455)**	(119,802)
Return on plan assets excluding Interest Income	**144,146**	85,418
Contributions by employer	**1,686,443**	-
Interest Income	**812,024**	784,219
Benefits Paid	**-**	(319,460)
Fair value of plan assets as at the end	**13,723,383**	11,222,225

Expense recognised in the Income Statement **(All figures in INR)**

Particulars	March 31,2018
Current Service Cost	**823,695**
Past Service Cost	**1,000,000**
Interest Cost	**68,462**
Expense recognised in the Income statement	**1,892,157**

Other Comprehensive Income **(All figures in INR)**

Particulars	March 31,2018
Actuarial (gains) / losses	
Actuarial (gains) / losses on obligations	**(246,795)**
Actuarial (gains) / losses on plan assets	**(144,146)**
Total OCI	**(390,941)**

II. Long Term compensated absences – Leave Encashment

Assets and Liability (Balance sheet position) **(All figures in INR)**

Particulars	March 31,2018	March 31,2017
Present value of obligation	**1,432,061**	846,005
Fair value of plan assets	**-**	-
Surplus / (deficit)	**(173,116)**	586,056
Net asset / (liability)	**1,258,945**	1,432,061

Expense recognised during the period **(All figures in INR)**

Particulars	March 31,2018
In Income statement (P&L A/c – expense provision)	**1,067,407**

Changes in the present value of obligation **(All figures in INR)**

Particulars	For the period ending	
	March 31,2018	March 31,2017
Present value of obligations as at the beginning	**1,432,061**	846,005
Interest cost	**97,523**	40,983
Current Service Cost	**969,884**	948,946
Benefits Paid	**-**	(593,279)
Actuarial (Gain) / Loss on obligation	**(1,240,523)**	189,406
Present value of obligations as at the end	**1,258,945**	1,432,061
Bifurcation of net liability		
Current liability (Short Term)	**220,173**	135,277
Non-current liability (Long Term)	**1,038,772**	1,296,784
Net liability	**1,258,945**	1,432,061

Changes in the fair value of plan assets **(All figures in INR)**

Particulars	For the period ending	
	March 31,2018	March 31,2017
Fair value of plan assets as at the beginning	**-**	**-**
Adjustment to opening Fair value of plan asset	**-**	**-**
Return on plan assets excluding Interest Income	**-**	**-**
Interest Income	**-**	**-**
Contribution by employer	**-**	593,279
Benefits Paid	**-**	-
Fair value of plan assets as at the end	**-**	**-**

Expense recognised in the Income Statement **(All figures in INR)**

Particulars	March 31,2018
Current Service Cost	**969,884**
Past Service Cost	**-**
Interest Cost	**97,523**
Expense recognised in the Income statement	**1,067,407**

III. Actuarial assumptions:

	Gratuity (Funded) 2017-18	**Leave Encashment (Non funded) 2017-18**	Gratuity (Funded) 2016-17	Leave Encashment (Non funded) 2016-17
Mortality Table (LIC)	**7.33%**	**7.33%**	6.81%	6.81%
Discount rate (per annum)	**3.00%**	**3.00%**	3.00%	3.00%
Expected rate of return on plan assets (Per annum)	**10.10**	**9.12**	10.13	9.55
Rate of escalation in salary (per annum)	**5%**	**5%**	5%	5%

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

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

41. Disclosure as per Ind AS – 21 – The effects of changes in foreign exchange rates

Un-hedged foreign currency exposure at the year end: **(All figures in INR)**

Particulars	March 31,2018	March 31,2017
Trade payables	**95,29,996**	14,176,311
Trade receivables	**58,818,646**	70,313,160

Particular	March 31,2018	March 31,2017
a.Exchange differences arising out of settlement / translation on account of export sales for the year	**30,591**	19,65,376
b.Exchange differences arising out of settlement / translation on account of previous year imports	**633,173**	(116,910)
c.Exchange differences arising out of settlement / translation on account of others	**626,231**	574,465
Net gain / (loss) recognised during the year	**1,289,995**	2,422,931

42. Disclosure as per Ind AS – 33 Earning per Share:

Particulars	March 31,2018	March 31,2017
Total No. of Shares	**10,182,506**	10,182,506
Profit after Taxes and exceptional items (In INR)	**14,700,120**	3,527,961
Earning per share Basic & Diluted (INR 10 per share)	**1.44**	0.35

43. Disclosure as per Ind AS-108 Operating segments:

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

a. Segment Revenue:

Geographical Location	March 31 ,2018		March 31 ,2017	
	INR	%	INR	%
Domestic	**388,360,942**	**59.04**	321,729,633	52.64
External	**269,437,370**	**40.96**	289,506,165	47.36
Total	**657,798,312**		611,235,798	

b. Segment Assets (Trade Receivables):

Geographical Location	March 31 ,2018		March 31 ,2017	
	INR	%	INR	%
Domestic	**82,142,964**	**58.24**	32,475,827	31.59
External	**58,826,884**	**41.76**	70,313,160	68.41
Total	**140,969,848**	**100.00**	102,788,987	100.00

c. Other Disclosures:

Geographical Location	Carrying Amount of Segment Assets		Additions to Fixed Assets	
	March 31 2018	March 31 2017	**March 31 2018**	March 31 2017
	INR	INR	**INR**	INR
Unallocable Assets	**830,392,602**	**824,776,476**	**5,002,409**	**856,743**

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.

44. Disclosure as per Ind AS – 24 – Related party disclosures **(All figures in INR)**

Sl.No.	Particulars of the Party	Nature of Relationship	Transaction	Transactions during the year 2017-18	Closing balance at the end of the year 2017-18
1	Sri Y.S.R. Venkata Rao	Managing Director	Remuneration paid	**4,997,304**	-
			Commission	**1,193,457**	
2	Mr. Y.V.Prashanth	Executive Director	Remuneration paid	**3,225,000**	-
			Commission	**1,193,457**	-
3	P. Sankara Rao	Chief Financial Officer	Remuneration paid	**1,209,747**	-
4	Ms. M. Neeharika	Company Secretary	Remuneration paid	**314,368**	-

45. Remuneration to Auditor (excluding GST): **(All figures in INR)**

	2017-18	2016-17
Statutory Audit	**550,000**	400,000
Taxation Matters	**75,000**	50,000
Other Services	**129,000**	245,500

46. Previous year figures as per previous GAAP have been regrouped / re arranged / reclassified wherever considered necessary to conform to the classifications / disclosures of the current year.

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 : 12.05.2018

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.SANKARA RAO
CFO

ALKALI METALS LIMITED

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

ATTENDANCE SLIP

50TH ANNUAL GENERAL MEETING - 30.06.2018 – 11:00 A.M.

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 50th ANNUAL GENERAL MEETING of the Company at Registered office of the Company situated at B-5, Block III, IDA, Uppal, Hyderabad – 500 039 on Saturday 30.06.2018 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 50th Annual General Meeting of the Company, to be held on Saturday, 30.06.2018 at 11:00 A.M. at the Registered office of the Company situated at B-5, Block III, 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 ..... 2018.

Affix INR 1/- Revenue Stamp

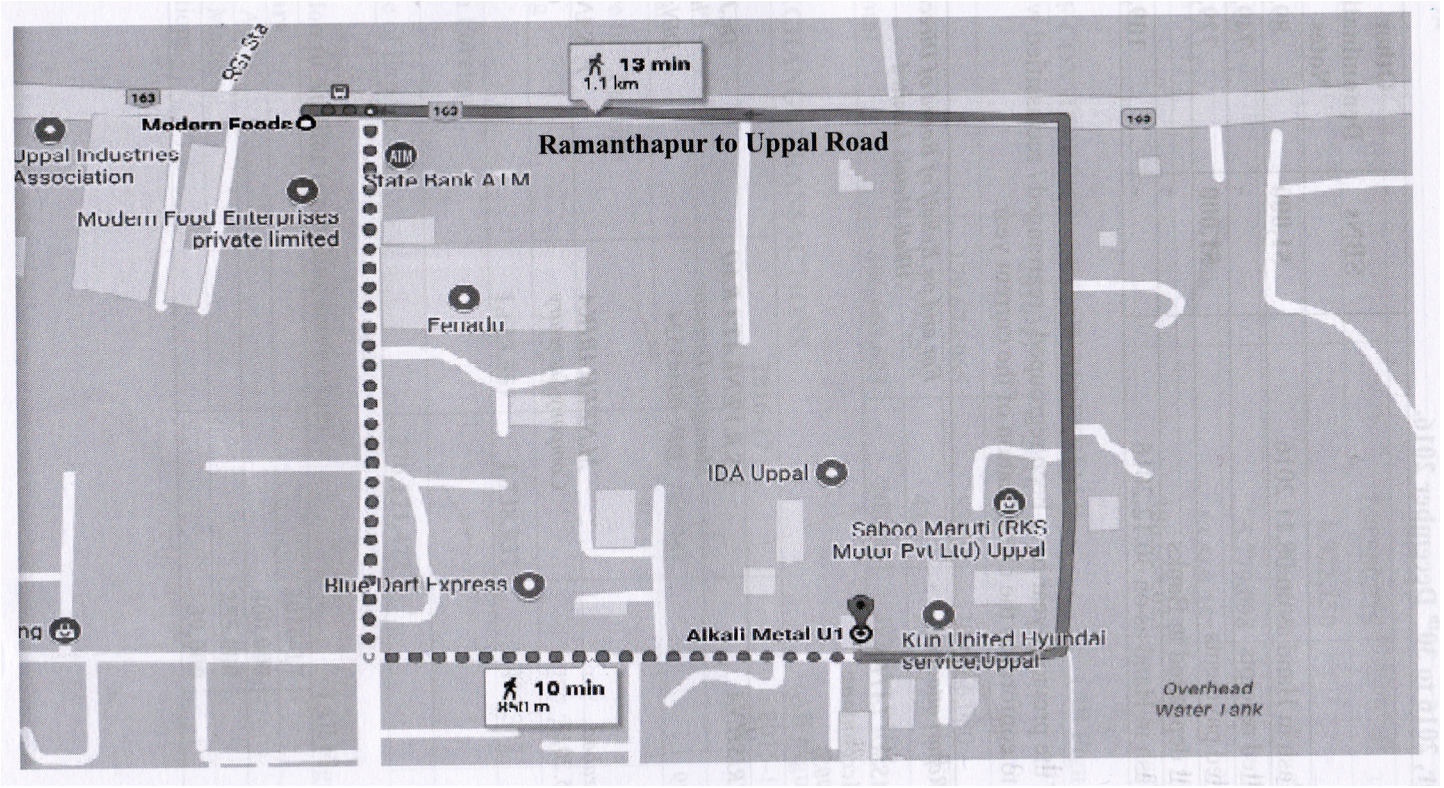
Signature of shareholder :

Signature of Proxy holder(s) :

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

ROUTE MAP TO AGM VENUE:

Location Map of Annual General Meeting Venue




SURGE
TANK




T.L.C CHAMBER



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
Ph: +91-40-27201179, 27202298
Fax: +91-40-27201454
e-mail: alkalimetals@alkalimetals.com
website: www.alkalimetals.com