

|                                                                                                                                                                                                   |                                                                                           |                                                                                                                    |
|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------|
|                                                                                                                  | <b>ALKALI METALS LTD.,</b><br>Plot B-5, Block III, IDA, UPPAL, Hyderabad - 500 039, India | AN ISO 9001 & 14001 COMPANY<br> |
| Tel :-+91-40-2756 2932 / 2720 1179 Fax:- 91-40-2756 2634 / 2720 1454<br>Email: alkalinmetals@alkalinmetals.com ; Website :www.alkalinmetals.com                                                   |                                                                                           |                                                                                                                    |
| Manufacturers of Sodium Amide, Sodium Alkoxides, Sodium Hydride, Sodium Azide, Teravolts,<br>Amino Pyridines, Pyridine Derivatives, Cyclic Compounds, Fine Chemicals, Oleo Chemicals & Oleoresins |                                                                                           |                                                                                                                    |

AML/ STOCK EXCHANGES/BM/NSE/20130408

Dt.08-04-2013

To  
 The Vice President  
 Listing Department  
 National Stock Exchange of India Limited  
 Exchange Plaza,Bandra Kurla Complex,  
 Bandra (East)  
 Mumbai – 400 051  
 Ph: 022-26598235/36  
 Fax: 022-26598237/238/347/348

Dear Sir,

**Sub: Out come of Board Meeting held on 08-04-2013 – Reg.,**  
**Ref: Alkali Metals Ltd., Symbol: ALKALI, Series: EQ**

In the 217<sup>th</sup> Meeting of the Board of Directors of the Company held on Monday the 8<sup>th</sup> April 2013 at 11.30 Noon at #3, Prembagh Apts., 3-4-490/A, Barkatpura, Hyderabad - 500 027, the Board considered the following items:

1. Approved the Audited Financial Results of the Company Pursuant to Clause 41 of the Listing Agreement for the fourth quarter and financial year ended 31<sup>st</sup> March 2013 and to publish the same. A copy of the same along with Auditor Report is enclosed for your kind information and record.
2. Recommended Dividend of Rs. 1/- per share for the year ended 31<sup>st</sup> March 2013 subject to approval of the members at the AGM.
3. It was decided to hold 45<sup>th</sup> AGM on Tuesday the 30<sup>th</sup> July 2013.
4. The Register of Members and Transfer Books of the Company will remain closed from Thursday the 25<sup>th</sup> July 2013 to Tuesday the 30<sup>th</sup> July 2013 both days inclusive.

We also enclosed the Reconciliation of Shares Capital Audit certificate for the quarter ended 31<sup>st</sup> March 2013 and Certificate under clause 47C for the half year ended 31<sup>st</sup> March 2013.

Thanking you,

Yours faithfully  
 For ALKALI METALS LTD.

*Y.S.R. Venkata Rao*  
 Y.S.R. Venkata Rao  
 Managing Director



**ALKALI METALS LTD., (An ISO 9001-14001 accredited company)**  
**AUDITED FINANCIAL RESULTS FOR THE YEAR ENDED 31-03-2013**

|                                                                                                                                    | (Amount Rupees in Lakhs)     |                              |                                               |                                                             |                                                          |
|------------------------------------------------------------------------------------------------------------------------------------|------------------------------|------------------------------|-----------------------------------------------|-------------------------------------------------------------|----------------------------------------------------------|
|                                                                                                                                    | For the Quarter Ended        |                              |                                               | For the Year Ended                                          |                                                          |
| Particulars                                                                                                                        | 3 months ended<br>31-03-2013 | 3 months ended<br>31-12-2012 | Corresponding<br>3 months ended<br>31-03-2012 | Year to Date<br>figures for the year<br>ended<br>31-03-2013 | Year to Date<br>figures for the year ended<br>31-03-2012 |
|                                                                                                                                    | Audited                      | Un Audited                   | Audited                                       | Audited                                                     | Audited                                                  |
| 1. (a) Net Sales/Income from operations<br>(Net of Excise Duty)                                                                    | 1,745.10                     | 1,225.75                     | 1,207.16                                      | 6,192.09                                                    | 5,925.42                                                 |
| (b) Other Operating Income                                                                                                         | 0.00                         | 0.00                         | 0.00                                          | 0.00                                                        | 0.00                                                     |
| <b>Total Income from Operations (Net)</b>                                                                                          | <b>1,745.10</b>              | <b>1,225.75</b>              | <b>1,207.16</b>                               | <b>6,192.09</b>                                             | <b>5,925.42</b>                                          |
| 2. Expenses                                                                                                                        |                              |                              |                                               |                                                             |                                                          |
| a. Cost of material consumed                                                                                                       | 981.11                       | 540.25                       | 822.30                                        | 3,118.58                                                    | 2,773.90                                                 |
| b. Purchases of stock in trade                                                                                                     |                              |                              | 0.00                                          | 0.00                                                        | 0.00                                                     |
| c. Change in inventories of finished goods,<br>work in progress & stock in trade                                                   | -150.93                      | -148.60                      | 27.37                                         | -188.58                                                     | 1,156.54                                                 |
| d. Employees benefit expense                                                                                                       | 191.87                       | 179.34                       | 242.34                                        | 680.21                                                      | 724.30                                                   |
| e. Depreciation                                                                                                                    | 85.81                        | 87.42                        | 103.63                                        | 348.09                                                      | 312.65                                                   |
| f. Power & Fuel                                                                                                                    | 277.51                       | 232.56                       | 213.06                                        | 988.32                                                      | 933.60                                                   |
| g. Repairs & Maintenance                                                                                                           | 40.52                        | 16.91                        | 30.74                                         | 101.17                                                      | 151.10                                                   |
| h. Manufacturing Expenses                                                                                                          | 75.72                        | 60.99                        | 51.31                                         | 239.14                                                      | 264.33                                                   |
| i. R & D Expenditure                                                                                                               | 99.86                        | 18.36                        | 59.85                                         | 162.71                                                      | 201.61                                                   |
| j. Administrative Expenses                                                                                                         | 41.89                        | 24.67                        | 17.05                                         | 101.58                                                      | 97.70                                                    |
| k. Marketing Expenses                                                                                                              | 78.00                        | 70.74                        | 83.37                                         | 239.02                                                      | 276.34                                                   |
| l. Foreign Exchange Fluctuation                                                                                                    | -67.46                       | 21.65                        | 11.62                                         | 0.00                                                        | 13.01                                                    |
| m. Amortisation of Expenses                                                                                                        | 16.50                        | 16.50                        | 16.50                                         | 65.99                                                       | 65.99                                                    |
| n. Other expenditure (any item exceeding<br>10% of the total expenses relating to continuing<br>operations to be shown separately) | 15.35                        | 17.51                        | 60.80                                         | 64.56                                                       | 63.04                                                    |
| <b>Total Expenses</b>                                                                                                              | <b>1,685.74</b>              | <b>1,138.28</b>              | <b>1,739.92</b>                               | <b>5,920.78</b>                                             | <b>7,034.10</b>                                          |
| 3. Profit/(Loss) from Operations before Other<br>income, Finance costs and Exceptional Items (1-<br>2)                             | 59.36                        | 87.46                        | -532.76                                       | 271.31                                                      | -1,108.68                                                |
| 4. Other Income                                                                                                                    | -72.09                       | 29.01                        | 107.14                                        | 79.35                                                       | 184.44                                                   |
| <b>5. Profit/(Loss) from ordinary activities before<br/>Finance costs and Exceptional Items (3+/-4)</b>                            | <b>-12.73</b>                | <b>116.47</b>                | <b>-425.62</b>                                | <b>350.67</b>                                               | <b>-924.24</b>                                           |
| 6. Finance Costs                                                                                                                   | 84.73                        | 71.18                        | 67.40                                         | 311.55                                                      | 385.50                                                   |
| <b>7. Profit/(Loss) from ordinary activities after<br/>finance costs but before<br/>Exceptional Items (5+/-6)</b>                  | <b>-97.46</b>                | <b>45.29</b>                 | <b>-493.02</b>                                | <b>39.12</b>                                                | <b>-1,309.74</b>                                         |
| 8. Exceptional items                                                                                                               | 0.00                         | 0.00                         | 0.00                                          | 0.00                                                        | 0.00                                                     |
| <b>9. Profit/(Loss) from ordinary activities<br/>before tax (7+/-8)</b>                                                            | <b>-97.46</b>                | <b>45.29</b>                 | <b>-493.02</b>                                | <b>39.12</b>                                                | <b>-1,309.74</b>                                         |
| 10. tax expense - Current year                                                                                                     | -19.87                       | 9.06                         | 0.00                                          | 7.45                                                        | 0.00                                                     |
| - Earlier years                                                                                                                    | 0.00                         | 0.00                         | 82.47                                         | 3.37                                                        | 82.47                                                    |
| - Mat Credit entitlement                                                                                                           | -7.45                        | 0.00                         | 0.00                                          | -7.45                                                       | 0.00                                                     |
| Deferred tax - Current year                                                                                                        | -468.28                      | 28.51                        | 242.34                                        | -439.77                                                     | 242.34                                                   |
| <b>11. Net Profit (+)/ Loss (-) from<br/>Ordinary Activities after tax (9-10)</b>                                                  | <b>390.69</b>                | <b>7.73</b>                  | <b>-817.83</b>                                | <b>475.52</b>                                               | <b>-1,634.56</b>                                         |

For ALKALI METALS LTD.,

*21820026*  
Managing Director,

|                                                                                                              |          |          |          |          |           |
|--------------------------------------------------------------------------------------------------------------|----------|----------|----------|----------|-----------|
| 12. Extraordinary Items (net of tax expense Rs. _____)                                                       | 0.00     | 0.00     | 0.00     | 0.00     | 0.00      |
| 13. Net Profit/(+)/Loss(-) for the period (11+/-12)                                                          | 390.69   | 7.73     | -817.83  | 475.52   | -1,634.56 |
| 14. Share of profit/(loss) of associates                                                                     | 0.00     | 0.00     | 0.00     | 0.00     | 0.00      |
| 15. Minority interest                                                                                        | 0.00     | 0.00     | 0.00     | 0.00     | 0.00      |
| 16. Net Profit/(Loss) after taxes, minority interest and share of profit/(loss) of associates (13+/-14+/-15) | 365.70   | 7.73     | -817.83  | 475.52   | -1,634.56 |
| 17. Paid-up equity share capital (Face Value of the Share Rs.10/- each)                                      | 1,018.25 | 1,018.25 | 1,018.25 | 1,018.25 | 1,018.25  |
| 18. Reserves excluding Revaluation Reserves as per balance sheet of previous accounting year                 |          |          |          | 4,250.79 | 3,893.62  |
| 19. i) Earnings per Share (before extraordinary items) (of Rs. _____ each(not annualised))                   |          |          |          |          |           |
| a) Basic                                                                                                     | 3.59     | 0.08     | -8.03    | 4.67     | -16.05    |
| b) Diluted                                                                                                   | 3.59     | 0.08     | -8.03    | 4.67     | -16.05    |
| 19. ii) Earnings per Share (after extraordinary items) (of Rs. _____ each(not annualised))                   |          |          |          |          |           |
| a) Basic                                                                                                     | 3.59     | 0.08     | -8.03    | 4.67     | -16.05    |
| b) Diluted                                                                                                   | 3.59     | 0.08     | -8.03    | 4.67     | -16.05    |

# PART II

(Amount Rupees in Lakhs)

| Particulars                                                                         | For the Period ended      |                           |                                         |                                                    |                                                    |
|-------------------------------------------------------------------------------------|---------------------------|---------------------------|-----------------------------------------|----------------------------------------------------|----------------------------------------------------|
|                                                                                     | 3 months ended 31-03-2013 | 3 months ended 31-12-2012 | Corresponding 3 months ended 31-03-2012 | Year to Date figures for the year ended 31-03-2012 | Year to Date figures for the year ended 31-03-2012 |
|                                                                                     | Audited                   | Un Audited                | Audited                                 | Audited                                            | Audited                                            |
| <b>A. PARTICULARS OF SHARE HOLDING</b>                                              |                           |                           |                                         |                                                    |                                                    |
| 1. Public Share Holding                                                             |                           |                           |                                         |                                                    |                                                    |
| No. of Shares (Nos.)                                                                | 3,081,664                 | 3,081,664                 | 3,081,664                               | 3,081,664                                          | 3,081,664                                          |
| Percentage of shareholding (%)                                                      | 30.26%                    | 30.26%                    | 30.26%                                  | 30.26%                                             | 30.26%                                             |
| 2. Promoters and promoter group Shareholdings                                       |                           |                           |                                         |                                                    |                                                    |
| a. Pledge/Encumbered                                                                |                           |                           |                                         |                                                    |                                                    |
| Number of Shares                                                                    | 0.00                      | 0.00                      | 0.00                                    | 0.00                                               | 0.00                                               |
| Percentage of shares (as a % of total share holding of promoter and promoter group) | 0.00                      | 0.00                      | 0.00                                    | 0.00                                               | 0.00                                               |
| Percentage of shares (as a % of total share capital of the company)                 |                           |                           |                                         |                                                    |                                                    |
| b. Non-Encumbered                                                                   |                           |                           |                                         |                                                    |                                                    |
| Number of Shares                                                                    | 7100842                   | 7100842                   | 7100842                                 | 7100842                                            | 7100842                                            |
| Percentage of shares (as a % of total share holding of promoter and promoter group) | 100%                      | 100%                      | 100%                                    | 100%                                               | 100%                                               |
| Percentage of shares (as a % of total share capital of the company)                 | 69.74%                    | 69.74%                    | 69.74%                                  | 69.74%                                             | 69.74%                                             |

For ALKALI METALS LTD.,

*21/6/2013*

Managing Director

## Summary of Assets and Liabilities as on 31/03/2013

(All figures in Rs)

|                                            | As At (current<br>year end)<br>31.03.2013 | As At (current<br>year end)<br>31.03.2012 |
|--------------------------------------------|-------------------------------------------|-------------------------------------------|
| <b>I EQUITY AND LIABILITIES</b>            |                                           |                                           |
| <b>1. SHAREHOLDERS' FUNDS</b>              |                                           |                                           |
| a. Share Capital                           | 101,825,060                               | 101,825,060                               |
| b. Reserves and Surplus                    | 425,079,706                               | 389,362,103                               |
| <b>Sub-total – Shareholders' funds</b>     | <b>526,904,766</b>                        | <b>491,187,163</b>                        |
| <b>2. NON-CURRENT LIABILITIES</b>          |                                           |                                           |
| a. Long Term Borrowings                    | 130,979,010                               | 163,189,291                               |
| b. Deferred Tax Liabilities (Net)          | 12,100,481                                | 56,077,709                                |
| c. Long Term Provisions                    | 1,129,053                                 | 861,998                                   |
| <b>Sub-total – Non-current liabilities</b> | <b>144,208,544</b>                        | <b>220,128,998</b>                        |
| <b>3. CURRENT LIABILITIES</b>              |                                           |                                           |
| a. Short Term Borrowings                   | 188,758,546                               | 164,337,590                               |
| b. Trade Payables                          | 122,909,814                               | 103,778,318                               |
| c. Other Current Liabilities               | 14,901,971                                | 39,810,103                                |
| d. Short Term Provisions                   | 12,713,852                                | 11,971,174                                |
| <b>Sub-total – Current liabilities</b>     | <b>339,284,183</b>                        | <b>319,897,185</b>                        |
| <b>TOTAL – EQUITY AND LIABILITIES</b>      | <b>1,010,397,493</b>                      | <b>1,031,213,346</b>                      |
| <b>II. ASSETS</b>                          |                                           |                                           |
| <b>1. NON-CURRENT ASSETS</b>               |                                           |                                           |
| a. Fixed Assets                            |                                           |                                           |
| i. Tangible Assets                         | 570,035,974                               | 604,725,236                               |
| ii. Capital Work-in-progress               | 29,068,435                                | 7,821,769                                 |
| iii. Intangible Assets Under Development   | 5,800,317                                 | 4,697,317                                 |
| b. Long Term Loans and Advances            | 26,195,382                                | 35,657,078                                |
| c. Other Non-Current Assets                | 51,597                                    | 6,673,907                                 |
| <b>Sub-total – Non-current assets</b>      | <b>631,151,705</b>                        | <b>659,575,307</b>                        |
| <b>2. CURRENT ASSETS</b>                   |                                           |                                           |
| a. Inventories                             | 145,063,252                               | 125,115,318                               |
| b. Trade Receivables                       | 137,231,812                               | 113,530,088                               |
| c. Cash and Cash Equivalents               | 12,176,676                                | 10,112,784                                |
| d. Short Term Loans and Advances           | 72,500,711                                | 55,085,127                                |
| e. Other Current Assets                    | 12,273,337                                | 67,794,722                                |
| <b>Sub-total – current assets</b>          | <b>379,245,788</b>                        | <b>371,638,039</b>                        |
| <b>TOTAL-ASSETS</b>                        | <b>1,010,397,493</b>                      | <b>1,031,213,346</b>                      |

For ALKALI METALS LTD.,

*apoorva*

Managing Director

**Notes:-**

1. The above audited financial results as reviewed by the Audit Committee have been approved by the Board of Directors at their meeting held on 8th April, 2013.
2. Previous year and previous quarter figures have been re-grouped or re-classified wherever necessary.
3. EPS for the quarter and year-to-date was calculated as per AS 20.

**SEGMENT REPORTING**

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 AS - 17 issued by ICAI.

| Geographic Location                      | 3 months<br>ended 31-<br>03-2013 | 3 months<br>ended 31-<br>12-2012 | corresponding<br>3 months<br>ended<br>31-03-2012 | Year to date<br>figures for the<br>year ended<br>31-03-2013 | Year to date<br>figures for the<br>year ended<br>31-03-2012 |
|------------------------------------------|----------------------------------|----------------------------------|--------------------------------------------------|-------------------------------------------------------------|-------------------------------------------------------------|
| <b>Revenue</b>                           |                                  |                                  |                                                  |                                                             |                                                             |
| Domestic                                 | 818.59                           | 694.20                           | 558.73                                           | 3,053.48                                                    | 4,018.30                                                    |
| External                                 | 926.51                           | 560.55                           | 648.43                                           | 3,138.61                                                    | 1,907.13                                                    |
| <b>Total</b>                             | <b>1,745.10</b>                  | <b>1,254.75</b>                  | <b>1,207.16</b>                                  | <b>6,192.09</b>                                             | <b>5,925.42</b>                                             |
| <b>Trade Receivables</b>                 |                                  |                                  |                                                  |                                                             |                                                             |
| Domestic                                 | 562.83                           | 1,025.23                         | 497.23                                           | 562.83                                                      | 498.71                                                      |
| External                                 | 809.49                           | 417.97                           | 638.07                                           | 809.49                                                      | 636.59                                                      |
| <b>Total</b>                             | <b>1,372.32</b>                  | <b>1,443.19</b>                  | <b>1,135.30</b>                                  | <b>1,372.32</b>                                             | <b>1,135.30</b>                                             |
| <b>Other Disclosures:</b>                |                                  |                                  |                                                  |                                                             |                                                             |
| <b>Carrying amount of Segment assets</b> |                                  |                                  |                                                  |                                                             |                                                             |
| India                                    | 9,294.48                         | 9,807.08                         | 10,312.13                                        | 10,103.97                                                   | 10,312.13                                                   |
| <b>Additions to Fixed Assets</b>         |                                  |                                  |                                                  |                                                             |                                                             |
| India                                    | 218.84                           | 40.20                            | 692.45                                           | 218.84                                                      | 2,153.52                                                    |

The Company has no assets outside India other than the Trade Receivables.

**5. Status of Investor Complaints for the quarter ended 31st March, 2013**

|                                                    |     |
|----------------------------------------------------|-----|
| Complaints Pending at the beginning of the quarter | Nil |
| Complaints Received during the quarter             | 4   |
| Complaints disposed off during the quarter         | 2   |
| Complaints unresolved at the end of the quarter    | 2   |

For ALKALI METALS LTD.,

*Y.S.R. Venkata Rao*  
Y.S.R. Venkata Rao  
Managing Director

Date: 08-04-2013

Place: Hyderabad

## INDEPENDENT AUDITOR'S REPORT

**To the Members of ALKALI METALS LIMITED**

### *Report on the Financial Statements*

We have audited the accompanying financial statements of **ALKALI METALS LIMITED** ("the Company"), which comprise the Balance Sheet as at March 31, 2013, and the Statement of Profit and Loss and Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

### *Management's Responsibility for the Financial Statements*

Management is responsible for the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the Accounting Standards referred to in sub-section (3C) of section 211 of the Companies Act, 1956 ("the Act"). This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

### *Auditor's Responsibility*

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement. An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal controls relevant to the Company's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by management, as well as evaluating the overall presentation of the financial statements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.



***Opinion***

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

- a) in the case of the Balance Sheet, of the state of affairs of the Company as at March 31, 2013;
- b) in the case of Statement of Profit and Loss, of the profit for the year ended on that date; and
- c) in the case of the Cash Flow Statement, of the cash flows for the year ended on that date.

**Report on Other Legal and Regulatory Requirements**

- 1. As required by the Companies (Auditor's Report) Order, 2003 ("the Order") issued by the Central Government of India in terms of sub-section (4A) of section 227 of the Act, we give in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the Order.
- 2. As required by section 227(3) of the Act, we report that:
  - a. we have 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 appears from our examination of those books and proper returns adequate for the purposes of our audit have been received from branches not visited by us.
  - c. the Balance Sheet, Statement of Profit and Loss, and Cash Flow Statement dealt with by this Report are in agreement with the books of account and with the returns received from branches not visited by us.
  - d. in our opinion, the Balance Sheet, Statement of Profit and Loss, and Cash Flow Statement comply with the Accounting Standards referred to in subsection (3C) of section 211 of the Companies Act, 1956;



- e. on the basis of written representations received from the directors as on March 31, 2013, and taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2013, from being appointed as a director in terms of clause (g) of sub-section (1) of section 274 of the Companies Act, 1956.

***HYDERABAD***  
***April 08, 2013***

***For C K S ASSOCIATES***  
***Chartered Accountants***  
***(Firm Regn. No. 007390S)***



***P. GANAPATI RAO***  
***Partner***  
***M.No. 24113***

**ANNEXURE TO THE AUDITORS' REPORT:**

*(Referred to in Paragraph 1 under "Report on Other Legal and Regulatory Requirements" of our report of even date)*

- 1.1. The company has maintained proper records showing full particulars including quantitative details and situation of fixed assets.
- 1.2. All the assets have been physically verified by the management during the year and no material discrepancies were noticed on such verification.
- 1.3. During the year, the company has not disposed off a substantial part of fixed assets during the year.
- 2.1. The inventories have been physically verified during the year by the management. In our opinion, the frequency of verification is reasonable.
- 2.2. In our opinion and according to the information and explanations given to us, the procedures of physical verification of inventories followed by the management are reasonable and adequate in relation to the size of the company and the nature of its business.
- 2.3. In our opinion and according to the information and explanations given to us, the Company has maintained proper records of its inventories and no material discrepancies were noticed on such physical verification.
- 3.1 The company has not granted any loans, secured or unsecured, to companies, firms or other parties covered in the register maintained under section 301 of the Companies Act 1956. Accordingly, the sub-clauses (a), (b), (c), (d) of clause (iii) are not applicable to the company.
- 3.2 The Company has taken unsecured loans amounting from two parties covered in the register maintained under section 301 of the Companies Act, 1956. The maximum amount outstanding during the year is ₹ 121,290,000 and the balance outstanding at the end of the year is ₹ 82,000,000. As per the information and explanations given to us, the rate of interest and other terms and conditions of loans taken by the Company are not prejudicial to the interests of the Company. *As no repayment terms are specified, we are unable to comment on whether the repayment of principal and interest are regular.*
4. In our opinion and according to the information and explanations given to us, there are adequate internal control procedures commensurate with the size of the company and the nature of its business with regard to purchases of inventory, fixed assets and with regard to the sale of goods and services. During the course of our audit, we have not observed any continuing failure to correct major weaknesses in internal controls



- 5.1. According to the information and explanations given to us, we are of the opinion that the transactions that need to be entered into the register maintained under section 301 of the Companies Act, 1956 have been so entered.
- 5.2. In our opinion and according to the information and explanations given to us, the transactions made in pursuance of contracts or arrangements entered in the register maintained under section 301 of the Companies Act, 1956 have been made at prices which are reasonable having regard to prevailing market prices at the relevant time.
6. The Company has not accepted any deposits from the public to which the directives issued by Reserve Bank of India and the provisions of Sections 58A, 58 AA or any other relevant provisions of the Companies Act, 1956 and the rules framed there under apply.
7. In our opinion, the company has an internal audit system commensurate with the size and nature of its business.
8. The company has maintained Cost Records prescribed under section 209 (1)(d) of the Companies Act, 1956.
- 9.1. The company is generally regular in depositing with appropriate authorities undisputed statutory dues including provident fund, investor education & protection fund, employees state insurance, income tax, sales tax, wealth tax, customs duty, excise duty, cess, service tax and other material statutory dues applicable to it.
- 9.2. According to the information and explanations given to us, no undisputed amounts payable in respect of income tax, wealth tax, service tax, sales tax, customs duty, excise duty, and cess were in arrears, as at March 31, 2013, for a period of more than six months from the date they became payable, except the following:

As per the records of the company, the dues of income tax which have not been deposited on account of disputes are as below:

| Name of the Statute | Nature of the dues      | Amount (₹) | Period to which the amount relates | Forum where appeal is preferred.                                               |
|---------------------|-------------------------|------------|------------------------------------|--------------------------------------------------------------------------------|
| Income tax Act      | Income tax & Interest   | 3,905,446  | A.Y. 2003-04                       | ITAT, Hyd.<br>Partial Relief given by ITAT. Consequential Order to be received |
| Income tax Act      | Penalty u/s 271 (1) (c) | 950,000    | A.Y 1999-2000                      | Commissioner (Appeals)–II, Hyd                                                 |
| Income tax Act      | Income tax & Interest   | 20,087,370 | AY 2010-11                         | Commissioner (Appeals)–II, Hyd                                                 |



10. The Company has no accumulated losses as at the end of the year. While the company has not incurred any cash losses during the year, it has incurred a cash loss of ₹ 125,591,578 during the immediately preceding financial year.
11. In our opinion and according to the information and explanations given to us, the company has not defaulted in repayment of dues to a financial institution or bank.
12. In our opinion and according to the information and explanations given to us, the Company has not granted any loans and advances, on the basis of security by way of pledge of shares, debentures and other securities.
13. In our opinion, the company is not a chit fund or a nidhi/mutual benefit fund/society. Therefore, the provisions of clause 4(xiii) of the Companies (Auditor's Report) Order, 2003 are not applicable to the company.
14. In our opinion, the company is not dealing in or trading in shares, securities, debentures and other investments. Accordingly, the provisions of clause 4(xiv) of the Companies (Auditor's Report) Order, 2003 are not applicable to the company.
15. In our opinion and according to the information and explanations given to us, the company has not given any guarantees for loans taken by others from banks or financial institutions.
16. The long term loans taken during the year were spent for the purpose for which the loans are obtained.
17. According to the information and explanations given to us and on an overall examination of the balance sheet of the company, we report that no funds raised on short-term basis have been used for long term investment.
18. The company has not made any preferential allotment of shares to the parties and companies covered in the register maintained under section 301 of the Act, during the year covered under report.
19. The Company has not issued any debentures.
20. The Company has not raised any money by public issue during the year.



21. According to the information and explanations given to us, no fraud on or by the company has been noticed or reported during the course of our audit.

***HYDERABAD***  
***April 08, 2013***

***For C K S ASSOCIATES***  
***Chartered Accountants***  
***(Firm Regn.No. 007390S)***  
  
***P. GANAPATI RAO***  
***Partner***  
***M.No. 24113***



*CS B. Venkatesh Babu*

B.Com., LLB., FCS

Practising Company Secretary

**RECONCILIATION OF SHARES CAPITAL AUDIT**

|    |                                                                        |                                                                                     |                        |
|----|------------------------------------------------------------------------|-------------------------------------------------------------------------------------|------------------------|
| 1  | For Quarter Ended                                                      | March 2013                                                                          |                        |
| 2  | ISIN                                                                   | INE773I01017                                                                        |                        |
| 3  | Face Value                                                             | Rs. 10/-                                                                            |                        |
| 4  | Name of the Company                                                    | M/s. Alkali Metals Limited                                                          |                        |
| 5  | Registered Office Address                                              | B-5, Block – III,<br>Industrial Development Area, Uppal<br>Hyderabad – 500 039      |                        |
| 6  | Correspondence Address                                                 | B-5, Block – III,<br>Industrial Development Area, Uppal<br>Hyderabad – 500 039      |                        |
| 7  | Telephone & Fax Nos.                                                   | Ph : 040 – 2720 2298/1179<br>Fax: 040 – 2720 1454                                   |                        |
| 8  | Email address                                                          | secretarial@alkalimetals.com                                                        |                        |
| 9  | Names of the Stock Exchanges where the company's securities are listed | The Bombay Exchange Limited, Mumbai<br>The National Stock Exchange of India Limited |                        |
| 10 | Issued Capital                                                         | Number of shares                                                                    | % of Total Issued Cap. |
|    |                                                                        | 1,01,82,506                                                                         | 100%                   |
| 11 | Listed Capital (Exchange-wise)                                         | 1,01,82,506 (ALL STOCK EXCHANGES)                                                   |                        |



::2::

|    |                                                                      |                |        |
|----|----------------------------------------------------------------------|----------------|--------|
| 12 | Held in dematerialised form in NSDL                                  | 91,24,504      | 89.61  |
| 13 | Held in dematerialised form in CDSL                                  | 10,56,919      | 10.38  |
| 14 | Physical                                                             | 1,083          | 0.01   |
| 15 | Total No.of shares (12+13+14)                                        | 1,01,82,506    | 100.00 |
| 16 | Reasons for difference if any, between (10&11) , (10&15) , (11&15) : | NOT APPLICABLE |        |

|    |                                                                                                                |  |  |
|----|----------------------------------------------------------------------------------------------------------------|--|--|
| 17 | Certifying the details of changes in share capital during the quarter under consideration as per Table below : |  |  |
|----|----------------------------------------------------------------------------------------------------------------|--|--|

| Particulars | No.of shares | Applied / Not Applied for listing | Listed on Stock Exchanges (Specify Names) | whether intimated to CDSL | whether intimated to NSDL | In-prin. appr. pending for SE (Specify Names) |
|-------------|--------------|-----------------------------------|-------------------------------------------|---------------------------|---------------------------|-----------------------------------------------|
|             |              |                                   | Nil                                       |                           |                           |                                               |

|    |                                                                                                                                                               |                |
|----|---------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------|
| 18 | Register of Members is updated (Yes / No ) If not, updated upto which date                                                                                    | Yes            |
| 19 | Reference of previous quarter with regards to excess dematerialized shares,if any.                                                                            | NOT APPLICABLE |
| 20 | Has the company resolved the matter mentioned in point no.19 above in the current quarter ? If not, reason why ?                                              | NOT APPLICABLE |
| 21 | Mentioned the total no.of requests, if any, confirmed/rejected after 21 days and the total no.of requests pending beyond 21 days with the reasons for delay : |                |

| Total No.of demat requests       | No.of requests | No.of shares | Reasons for delay |
|----------------------------------|----------------|--------------|-------------------|
| Confirmed/rejected after 21 days | Nil            | Nil          |                   |
| Pending for more than 21 days    | Nil            | Nil          |                   |



|    |                                                                                                                                 |                                                                                                                                                                                                          |
|----|---------------------------------------------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| 22 | Name, Telephone & Fax No. of the Compliance Officer of the Co.                                                                  | Sri. Deepak Tibrewal<br>Company Secretary and Compliance Officer<br>Ph : 040 – 2720 1179<br>Fax: 040 – 2720 1454                                                                                         |
| 23 | Name, Address, Tel. & Fax No., Regn. no. of the Auditor                                                                         | B. Venkatesh Babu<br>6/3/154-159, Flat No. 303<br>3 <sup>rd</sup> Floor, Royal Majestic<br>Prem Nagar Colony,<br>Near Care Hospital, R.No. 1<br>Banjara Hills<br>Hyderabad – 500 004<br>Cell: 9440415369 |
| 24 | Appointment of common agency for share registry work if yes (name & address)                                                    | M/s. Cameo Corporate Services Limited<br>Subramanian Building, No.1<br>Club House Road,<br>Chennai – 600 002                                                                                             |
| 25 | Any other detail that the auditor may like to provide.<br>(e.g. BIFR company, delisting from SE, company changed its name etc.) | Nil                                                                                                                                                                                                      |

Date : 08/04/2013

Place: Hyderabad

  
 B. Venkatesh Babu  
 Company Secretary  
 CP. No. 5103





*CS B. Venkatesh Babu*

B.Com., LLB., FCS

Practising Company Secretary

**COMPLIANCE CERTIFICATE IN TERMS OF CLAUSE 47(c) OF LISTING AGREEMENT:**

I have examined all relevant Books, Registers, Forms, Documents and papers of M/s. ALKALI METALS LIMITED, B-5, Block III, Industrial Development Area, Uppal, Hyderabad kept at M/s. Cameo Corporate Services Limited, Subramanian Building, No.1, Club House Road, Chennai – 600 002, Share Transfer Agents for the purpose of issuing certificate under sub-clause (c) of clause 47 of the Listing Agreement with the Stock Exchange and hereby certify that the company has delivered, during the half year ended on 31.03.2013:

- a) All certificate of shares issued after registration of transfer within fifteen days of the date of lodgment of transfer.
- b) All certificate of shares issued on sub-division, consolidation, renewal and exchange of certificate within one month of the date of lodgment to the company.

I further certify that there are no transfer of shares and also sub-division, consolidation, renewal and duplicate shares during half year ended 31.03.2013.

Date : 08-04-2013

Place: Hyderabad

  
B. VENKATESH BABU  
COMPANY SECRETARY  
C.P. No. 5103

