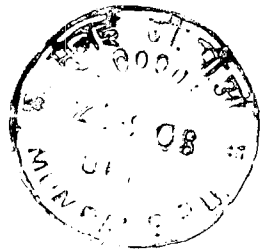


Sacheta Metals Limited



18th
Annual Report
for the year ended 31st March 2008

BOARD OF DIRECTORS

SHRI SATISH K. SHAH	Chairman & Managing Director
SMT. CHETNABEN R. SHAH	Jt. Managing Director
SHRI.ANKIT S. SHAH	Executive Director
SHRI PRAVIN P. SHAH	Director
SHRI JAGDISH K. GANDHI	Director
SHRI JAYESH J. VAKHARIA	Director

AUDITORS

R.R. Mandali & Co.
Chartered Accountants,
Ahmedabad.

BANKERS

State Bank of India
Malad, MUMBAI

REGISTERED OFFICE

Block No. 33, Sacheta Udyognagar,
Village Mahiyal Tal: Talod,
Dist. Sabarkantha (Gujarat)

REGISTRAR AND SHARE TRANSFER AGENT

M/s Purva Share Registry India Pvt. Ltd,
Gala No. 9, Shiv Shakti, Industrial Estate,
Sitaram Mill Compound, J. R. Boricha Marg,
Lower Parel (E), MUMBAI-400011

SACHETA METALS LIMITED
Regd. Office: Block No.33, Sacheta Udyognagar
Village: Mahiyal, Ta: Talod, Dist. Sabarkantha. Gujarat

NOTICE

Notice is hereby given that **Eighteenth Annual General Meeting** of the Members of SACHETA METALS LIMITED will be held on Tuesday, September 30, 2008 at 11.00 a.m. at the Registered office of the Company at Block No. 33, Sacheta Udyognagar, Village : Mahiyal Tal: Talod, Dist. Sabarkantha (Gujarat) to transact the following business:

ORDINARY BUSINESS :

1. To receive, consider and adopt the Audited Balance Sheet for the year ended March 31, 2008 and Profit & Loss Account for the year ended as on that date together with the Reports of Directors' and Auditors' thereon.
2. To appoint Director in place of Mr. Prawin P Shah who retires by rotation and is eligible for re-appointment as Director.
3. To appoint Director in place of Mr. Jayesh Vakharia who retires by rotation and is eligible for re-appointment as Director.
4. To declare dividend for the year 2007-2008.
5. To appoint Statutory Auditors to hold the office from the conclusion of this Annual General Meeting until the conclusion of the next Annual General Meeting and to fix their remuneration.

SPECIAL BUSINESS:

6. To consider and , if thought fit, to pass, with or without modifications, the following resolution as Special resolution:
"RESOLVED THAT the consent of the Company be and is hereby accorded to the Board of Directors u/s 81(1A) of the Companies Act, 1956 read with clause 23(a) of the listing agreement with Mumbai Stock Exchange for re-issue of 1,07,500 forfeited shares to persons whether or not share holders of the Company, subject, however to that the issue price of such share shall not be less than the price prevailing at the Mumbai Stock Exchange on the date of such re-issue and that the re-issue will be done by the Board within one month from the date of passing of this resolution.

By Order of the Board
FOR SACHETA METALS LIMITED

Date: 04.09.2008

Place : Mahiyal

SATISH K SHAH
Managing Director

NOTES:

1. A Member entitled to attend and vote at the meeting is entitled to appoint a proxy to attend and vote instead of himself and proxy need not be the member of the company.
2. The Instrument of proxies in order to be effective must be deposited at the registered office of the company not later than 48 hours before the commencement of the meeting.

3. The register of members and share transfer book shall remain closed on 27.9.2008 to 30.9.2008 (both days inclusive) for the purpose of annual general meeting.
4. The related Explanatory Statement pursuant to Section 173(2) of the Companies Act, 1956 in respect of the business under item Nos. 5 above, is annexed.
5. Members are requested to intimate the change in their address, if any, immediately to the Company's Registrars, M/s Purva Share Registry India Pvt. Ltd, Gala No. 9, Shiv Shakti Industrial Estate, Sitaram Mill Compound, J. R. Boricha Marg, Lower Parel (E), Mumbai-400011.
6. Members/Proxies are requested to bring their Attendance Slip duly filled up for attending the Meeting.

By Order of the Board
FOR SACHETA METALS LIMITED

Date: 04.09.2008

Place : Mahiyal

SATISH K SHAH
Managing Director

Explanatory Statement pursuant to section 173(2) of the Companies Act, 1956.

Item No. 6

The Board, after sending several reminders to the defaulting share holders and sending final notice by registered post, had already forfeited 1,07,500 equity shares for non payment of the call money. The re-issue of the forfeited shares to person, other than existing share holders on pro rata basis, require share holders approval. Hence the resolution is placed for members approval.

The Board recommends the passing of the resolution.

None of the directors is interested in the resolutions.

By Order of the Board
FOR SACHETA METALS LIMITED

Date: 04.09.2008

Place : Mahiyal

SATISH K SHAH
Managing Director

DIRECTORS' REPORT

To the Members,

Your Directors have great pleasures in presenting you the Eighteenth Annual Reports of the company together with the Audited Accounts for the year ended on March 31, 2008.

FINANCIAL RESULTS :

The Operating results of your Company for the period under review are as follows:

Particulars	(Rs. in Lacs)	
	Current Year Ended 31.03.2008	Current Year Ended 31.03.2007
Profit before Interest, Depreciation & Tax	163.45	90.43
Less Interest	59.04	15.28
Profit before Depreciation and Tax	104.41	75.15
Less Depreciation for the year	46.03	42.55
Profit before tax	58.38	32.60
Taxation including deferred tax	18.27	17.32
Net profit for the year after tax	40.11	15.28
Balance brought forward from previous year	4.82	0
Prior year adjustment	0.35	0.003
Profit available for appropriation	45.27	15.28
Add Transferred from Deferred Tax Asset	0	4.83
Add Transferred from general Reserve	0	0
Balance Appropriation	45.27	20.12
Less Dividend Tax	3.05	2.22
Less Dividend Proposed	19.72	13.08
Balance carried forward to Balance-Sheet	22.49	4.82

DIVIDEND:

Your Company recommends Dividend of 2.50% for the year 2007-08 to the Members.

OPERATIONS:

During the year, the company has achieved an export sales of Rs. 1903.28 lacs as compared to the previous year figure of Rs. 2154.24 lacs. The total income is Rs. 2928.06 Lacs as compared to the previous year of Rs. 3227.77 lacs. Moreover, the total expenditure incurred for the year 2007-08 is Rs. 2796.03 lacs as compared to the previous year of Rs. 3152.62 lacs. The Company has profit after taxation of Rs. 40.10 lacs for the year 2007-08 as compared to the previous year of Rs. 15.29 lacs.

The company during the year has successfully completed its expansion plan and started operationalised on 15.01.2008. Due to continuous rise in prices of aluminium and expansion of existing plant, the sale of the company is slightly goes down during the year 2007-08.

MANAGEMENT DISCUSSION AND ANALYSIS REPORT

We "Sacheta" are at present one of the major manufacturers & exporters of Aluminium Utensils - Casting - Sheet - Circles, Non Stick Cookware - Pressure Cooker & other Houseware & also Stainless Steel Kitchenware in India. Our Sacheta brand is well known & accepted in countries like Dubai, Muscat, Doha, Yemen, Central America, Singapore, Beharain, Kuwait, Jeddah, Riyadh etc in last 15 years. We are a Government recognised Export House. We enjoy very high credit status in customers. Till date we haven't received any complain in any of our products. More than 80% of our production is exported against advance orders. As on date we have confirm orders of around 700 lacs and we expect to add more to it soon.

The use of aluminium is increasing day by day. During the year, the Company successfully completed its expansion plan and started its operation with effect from 15.01.2008. The consumption of aluminium foils & coils is on rise as packing material in Pharma & Food processing industries. Being a light metal its sheets is also used in making of aircraft, steamer, buses and vehicles.

Presently, we are purchasing Aluminium Sheet as raw material for conversion to Utensils as final product. The company is planning to further integrate its manufacturing facilities by going backward into manufacturing of Aluminium Sheets, coils & foils. With this the present capacity of 2160 M.T. is now been raised three fold to 6000 M.T. The overall operating cycle will be reduced and margin will improve.

DIRECTORS:

During the year 2007-08, no appointment / changes among directors taken place. As a part of the compliances of Corporate Governance norms, the Company has already been appointed Independent Directors in the Board of the Company; hence during the year the company has an equal number of executive and non-executive directors in the Board. The composition of the directors is adequately filled as per the requirements under the Corporate Governance.

CORPORATE GOVERNANCE:

The detailed report on Corporate Governance for the financial year from 1.4.2007 to 31.3.2008 on the line of requirements of Listing Agreement and SEBI appears in the annexure to the Directors Report and forms a part of this Annual Report.

AUDITORS AND AUDIT REPORT

M/s R. R. Mandali & Co. Chartered Accountants, the Auditors of the Company retire at the conclusion of the Eighteenth Annual General Meeting & being eligible offer themselves for re-appointment. Your Directors recommend their appointment.

The observations made by the Auditors' in their report are self-explanatory and therefore, do not call for any comments.

CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS AND OUTGO

A statement giving details of conservation of energy, technology absorption, foreign exchange earnings and outgo, as prescribed under section 217 (1) (e) of the Companies Act, 1956 read with Companies (Disclosure of particulars in the Report of Board of Directors) Rules, 1988 is annexed hereto as Annexure "A" and forms part of this Report.

DEPOSITS:

The Company has not accepted any deposits coming under the provisions of Section 58A of the Companies Act, 1956 read with Companies (Acceptance of deposits) Rules 1975.

INSURANCE:

All the properties of the Company have been adequately insured.

PARTICULARS OF EMPLOYEES UNDER SECTION 217(2A):

The provisions of Section 217(2A) of the Companies Act, 1956 read with the Companies (Particulars of Employees) Rules 1988, as amended are not applicable to the Company, as there are no employees whose remuneration is in excess of the limits prescribed.

DIRECTORS' RESPONSIBILITY STATEMENT:

As required under Section 217 (2AA) of the Companies Act, 1956 your Directors' confirm that:

- i. In the preparation of the annual accounts, the applicable accounting standards have been followed.
- i. The Directors had 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 as on March 31, 2008 and of the profit of the Company for that period.
- i. The Directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities.
- i. The Directors have prepared the annual accounts on a going concern basis.

ACKNOWLEDGEMENT:

Your Directors take this opportunity to express their deep sense of gratitude for the valuable assistance and co-operation extended by Government Authorities, our Bankers, Employees, vendors, customers, advisors for their valued contribution and regular support.

Your Directors also sincerely acknowledge the confidence and faith reposed by the shareholders of the Company.

FOR SACHETA METALS LIMITED

Date: 04.09.2008

Place : Mahiyal

SATISH K SHAH
Managing Director

ANNEXURE 'A'

STATEMENT SHOWING PARTICULARS PURSUANT TO THE COMPANIES (DISCLOSURE OF PARTICULARS IN THE REPORT OF BOARD OF DIRECTORS) RULES 1988 AND FORMING PART OF DIRECTORS REPORT

A. CONSERVATION OF ENERGY

(a) Energy conservation measures taken:

The employees engaged in process, production, general maintenance undertake activities which are aimed at improvements in following areas.

- Energy conservation
- Capacity utilization
- Improvement in safety
- Maintenance and reliability in plant.

(b) Additional investments and proposal, if any, being implemented for reduction in consumption of energy.

NIL

(c) Impact of above measures for reduction of energy consumption and consequent impact on cost of production of goods

The company was able to prevent any possible waste of energy consumption.

(d) Total energy consumption and energy consumption per unit of production in prescribed form 'A' as mentioned hereinbelow:

FORM "A"

POWER AND FUEL CONSUMPTION

1. Electricity :

(a) Purchased (GEB):

Units	8,39,270 Unit
Total Amount.....	Rs. 47,03,215.59
Rate/Unit (Rs.)	Rs. 5.60

(b) Own Generation

Units.....	-
Total amount....	-
Rate / Unit (Rs.)....	-

2. Coal (Grade C & D) and Lignite :
coal

Quantity Kg....	1,01,756 Kg
Total Cost.....	Rs. 4,02,411.72
Average Rate...	Rs. 3.95per kg

3. Furnace Oil

Quantity Ltr....	38,880 Ltrs
Total Cost.....	Rs. 8,64,539
Average Rate...	Rs. 22.24 per Ltr

4. Fire Wood

Quantity Kg....	_____ Kgd
Total Cost.....	Rs. 1,50,662
Average Rate...	Rs. 1.50 per kg

5. Others / Internal Generation

-

CONSUMPTION PER UNIT OF (M.T.) PRODUCTION :

Energy	Total Consumption if any (Unit)	Standards	Current Year	Previous Year	Reason for variation
1. Electricity (Unit)	839270	Nil	471.00	541.00	-
2. Coal & Lignite	101756		57.13	-	-
2. Furnace Oil (Ltr)	38880	Nil	21.83	52.49	-
3. Fire Wood	-	Nil	-	134.47	

FORM 'B'

B. Technology Absorption:

The technology adopted is indigenous and hence there is no question of absorption of Technology.

C. Foreign Exchange Earning/Outgo:

Activities relating to exports, initiatives taken to increase export, development of new export market for products and service and export plans.

Particulars	Amount (in Rs.)
1. Earning in Foreign Currency on account of Sales on receipt basis	17,70,26,838.70
2. Expenditure in Foreign Currency	36,60,674.00

Date: 04.09.2008

Place : Mahiyal

FOR AND ON BEHALF OF THE BOARD

SATISH K SHAH
Managing Director

ANNEXURE I TO THE DIRECTORS' REPORT

CORPORATE GOVERNANCE REPORT

COMPANY'S PHILOSOPHY ON CODE OF CORPORATE GOVERNANCE

We believe that the good Corporate Governance practices, is a key driver of sustainable corporate growth and long-term value creation for the shareholders/stakeholders.

Corporate governance to the Company is not just a compliance issue but central guiding principle for everything it does. It's a way of thinking, way of conducting business and a way to steer the organization to take on challenges for now and for the future.

The Company recognizes its responsibility towards its shareholders and therefore constantly endeavors to create and enhance shareholder's wealth and value by implementing its business plan at appropriate times and thus taking maximum advantage of available opportunities to benefit the company, its shareholders and the society at large. The Company believes in monitoring its performance regularly and with utmost transparency to ensure ethical governance at all levels within the organization.

BOARD OF DIRECTORS

Composition:

The Board of Directors of the Company has an ideal combination of the executive and non-executive Directors

The present Board of Directors consists of the six members, headed by the executive Chairman and comprises of three Executive Director and three Non-executive Directors.

During the period from 01-04-2007 to 31-03-2008, the board meetings were held on 30th April, 12th June, 31st July, 4th Sept, 31st Oct, 31st December, 31st January, 3rd March.

The composition of the Board, number of public companies on the Board or Committee of which a Director is a Member or a Chairman is given below: -

Sr. No.	Name	Position/Category	Relation with other director	No. of Board Meeting Attended	Attendance at last AGM	Total no. of directorships in other public companies (*)
1.	Mr. Satish K Shah	Managing Director	Non-Independent, Executive Director	8	Yes	NIL
2.	Mrs. Chetna S. Shah	Jt. Managing Director	Non-Independent, Executive Director	8	Yes	NIL
3.	Mr. Ankit S. Shah	Executive Director	Non-Independent, Executive Director	8	Yes	NIL
4.	Mr. Jagdish Gandhi	Non-Executive Director	Independent	8	Yes	NIL
5.	Mr. Pravin P. Shah	Non-Executive Director	Independent	8	Yes	NIL
6.	Mr. Jayesh Jasvantbhai Vakharia	Non-Executive Director	Independent	8	—	NIL

AUDIT COMMITTEE

The Audit Committee consists of two non-executive members and one executive member.

Term of Reference:

The term of reference of the Audit Committee as laid down by the Board are in accordance with those specified in Clause 49 of the Listing Agreement with the Stock Exchange and Section 292A of the Companies Act, 1956.

Composition:

The following is the constitution of the Committee:

Name of Member	Designation	Category
Mr. Jagdish Gandhi	Chairman	Independent, Non-executive Director
Mr. Pravin P. Shah	Member	Independent, Non-executive Director
Mr. Satish K Shah	Member	Non-Independent, Executive Director

SHAREHOLDERS/INVESTORS' GRIEVANCE AND SHARE TRANSFER COMMITTEE

The Committee consists of three Directors; two being non-executive Directors and one executive director, with the Chairman of the Committee is an Independent Director.

The Shareholders / Investors' Grievance Committee of the Board will look into the redressal of investors' complaints like non-receipt of Annual Reports, dividend payments etc. and matters related to Share transfers, issue of duplicate share certificates, dematerialisation / rematerialisation of shares, transfer / transmission of Shares, other allied transactions and also delegates powers to the executives of the Company to process transfers etc.

Composition:

The following is the constitution of the Committee

Name of Member	Designation	Category
Mr. Jagdish Gandhi	Chairman	Independent, Non-executive Director
Mr. Pravin P. Shah	Member	Independent, Non-executive Director
Mr. Satish K Shah	Member	Non-Independent, Executive Director

Compliance Officer:

D. K. Patel

Block No. 33, Sacheta Udyognagar,

Village : Mahiyal, Tal: Talod,

Dist. Sabarkantha (Gujarat)

Details of the Queries/Complaints received and resolved by the Company during the Year:

The Committee has not received any Queries/Complaints from Shareholders/Investor during the year and therefore no query that needs to be resolved during the year.

REMUNERATION COMMITTEE:

The Remuneration Committee consists of two non-executive directors and one executive director, with the Chairman being an independent director.

The Committee has been formed to decide and approve the terms and conditions for appointment of executive directors of the company and remuneration payable to other directors and executives of the company and other matters related thereto.

Composition:

The following is the constitution of the Committee:

Name of Member	Designation	Category
Mr. Jagdish Gandhi	Chairman	Independent, Non-executive Director
Mr. Pravin P. Shah	Member	Independent, Non-executive Director
Mr. Ankit S Shah	Member	Non-Independent, Executive Director

GENERAL BODY MEETINGS:

The previous three **Annual General Meetings** of the Company held on the dates, at the time and venue given below:

Financial Year	Date & Time	Venue
2003-2004	Thursday, September 30, 2004 at 11.00 a.m.	Block No. 33, Sacheta Udyognagar, Village : Mahiyal, Tal: Talod, Dist. Sabarkantha (Gujarat)
2004-2005	Friday, September 30, 2005 at 11.00 a.m.	Block No. 33, Sacheta Udyognagar, Village : Mahiyal, Tal: Talod, Dist. Sabarkantha (Gujarat)
2005-2006	Saturday, September 30, 2006 at 11.00 a.m.	Block No. 33, Sacheta Udyognagar, Village : Mahiyal, Tal: Talod, Dist. Sabarkantha (Gujarat)
2006-2007	Saturday, September 29, 2007 at 11.00 a.m.	Block No. 33, Sacheta Udyognagar, Village : Mahiyal, Tal: Talod, Dist. Sabarkantha (Gujarat)

DISCLOSURES**Materially significant related party transactions**

All the Related Party Transactions are forming part of the notes to the Balance Sheet. Other than those there was no materially significant related party transaction with its promoters, directors or the management, their subsidiaries or relatives etc. that had a potential conflict with the interest of the Company at large

Details of non compliance by the Company, penalties, strictures imposed on the Company by the Stock Exchange or Securities and Exchange Board of India (SEBI) or any Authority on any matter related to capital markets during last three years:

The Company has complied with various rules and regulations prescribed by the Stock Exchanges, SEBI and all other regulatory and statutory authorities relating to the capital markets during the year under report.

SHAREHOLDERS INFORMATION:

Day, Date and Time of AGM	: Tuesday, 30th September, 2008 at 11.00 a.m.
Venue	: Block No. 33, Sacheta Udyognagar, Village : Mahiyal, Tal: Talod, Dist. Sabarkantha (Gujarat)
Financial Year	: April 1, 2007 to March 31, 2008
Book Closure Dates	: 27th September, 2008 to 30th September, 2008 (Both days inclusive)
Registered office	: Block No. 33, Sacheta Udyognagar, Village : Mahiyal, Tal: Talod, Dist. Sabarkantha (Gujarat)
Compliance officer	: D. K. Patel, Compliance Officer
E-mail Address	: sacheta@hathway.com ,
Website address	: www.sacheta.com

SHARE HOLDING PATTERN AS ON 31.3.2008

Categories of Shareholders	Shareholding %
Indian Promoters	55.00%
Private Corporate Bodies	03.75%
Indian Public	41.23%
NRIs/ OCBs	00.02%
Dematerialisation of Shares	The company's Equity shares are also in Dematerialization form with both NSDL and CDSL have ISIN Security Code No. INE433G01012

MEANS OF COMMUNICATIONS

Your Company complies with the Clause 41 of the Listing Agreement. The Quarterly Results and other statutory publications are being normally published in Chanakya Ni-Pothi (English) and The Newsline (Gujarati).

Auditor's Certificate of compliance with the conditions of Corporate Governance under Clause 49 of the Listing Agreement.

To,

The Members of Sacheta Metals Ltd.

1. We have examined the compliance of conditions of Corporate Governance by Sacheta Metals Limited (the company) for the year ended March 31, 2008 as stipulated in Clause 49 of the Listing agreement of the said company with the Stock Exchange in India.
2. The compliance of conditions of Corporate Governance is the responsibility of the Management. Our examination was limited in procedures and implementation thereof adopted by the company for ensuring the compliance of the conditions of Corporate Governance. It is neither an audit nor expressions of opinion on the financial statements of the company.
3. In our opinion and to the best of our information and explanations given to us, we certify that the company has complied with the conditions of Corporate Governance as stipulated in the above mentioned Listing Agreement.
4. As required by the Guidance Note on certification of Corporate Governance issued by the Institute of Chartered Accountants of India, we state that no investor grievances are pending against the company for more than one month as per the records maintained by the Company and presented to the Shareholder's/Investor's Grievance Committee.
5. We further state that compliance is neither an assurance as to the future viability of the company nor efficiency or effectiveness with which the management has conducted the affairs of the Company.

For, R.R.Mandali & Co.
CHARTERED ACCOUNTANTS

R. R. MANDALI
Proprietor
Place: Ahmedabad
Date: 4th September, 2008

AUDITORS' REPORT

To,
The Members of
SACHETA METALS LIMITED

We have audited the attached Balance Sheet of SACHETA METALS LIMITED as at 31st March 2008 Profit & Loss account for the year ended on that date. These financial statements are the responsibility of the Management. Our responsibility is to express an opinion on these financial statements based on our audit.

We have Conducted our audit in accordance with auditing standards generally accepted in India. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatements. An audit also includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by Management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

As required by the companies (Auditors' Report) Order, 2003 issued by the Central Government of India in terms of sub section (4A) of section 227 of the Companies Act, 1956, we enclose in the Annexure a statement on the matters specified in Para 4 and 5 of the said Order.

Further to our comments in the annexure referred to above, we report that:

- (a) In our opinion, the Balance Sheet and Profit & Loss A/c and dealt with by this report comply with the accounting standards referred to in sub section (3C) of section 211 of the Companies Act 1956.
- (b) We have obtained all the information and explanation which to the best of our knowledge and belief were necessary for the purpose of our audit.
- (c) 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 the books.
- (d) In our opinion the Balance Sheet and Profit & Loss Account dealt with this report are in agreement with the books of accounts.
- (e) On the basis of written representations received from the directors as on 31st March 2008 and taken on record by the Board of Directors of the Company, none of the Directors is disqualified as on March 31, 2008 from being appointed as a Director in terms of clause (g) of sub section (1) of section 274 of the Act.
- (f) In our opinion and to the best of our information and according to the explanations given to us, the said accounts give the information required by the Companies Act, 1956, in the manner so required and gives a true and fair view in conformity with the accounting principles generally accepted in India.
 - (i) In the case of Balance Sheet of the state of affairs of company as at 31st March, 2008 and
 - (ii) In the case of Profit & Loss Account of the Profit of the company for the year ended on that date and
 - (iii) In the case of cash flow statement of the cash flow for the year ended on that date.

For R.R.MANDALI & CO
CHARTERED ACCOUNTANTS

Place : Ahmedabad

Date : 4th September, 2008

R. R. MANDALI
Proprietor.
M.NO.33118

ANNEXURE REFERRED TO IN PARAGRAPH 3 OF OUR AUDITOR'S REPORT OF EVEN DATE ON THE ACCOUNTS FOR YEAR ENDED 31st MARCH, 2008 OF SACHETA METALS LIMITED

- I. (a) The Company has maintained proper records showing full particulars including quantitative details and situation of fixed assets.
- (b) All the Assets have not been physically verified by the management during the year but there is a regular programme of verification at reasonable intervals, which, in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. No material discrepancies were noticed on such verifications.
- (c) The Company has not disposed off any part of its fixed assets during the year under review, which will affect the going concern status of the Company.
- II. (a) The inventory has been physically verified during the year by the management. In our opinion, the frequency of verification is reasonable.
- (b) The procedure of physical verification of inventories followed by the management is reasonable and adequate in relation to the size of the company and the nature of its business.
- (c) The company is maintaining proper records of inventory. The discrepancies noticed on verification between physical stocks and book records were not material.
- III. (a) The Company had taken loan from three directors covered in the register maintained under section 301 of the Companies Act, 1956. The maximum amount involved during the year was Rs 66,67,790 and the year end balance of loans taken from Directors was Rs 5,82,769. There is one company and one firm covered in the register maintained under section 301 of the Companies Act, 1956 to which the company has granted loans. The maximum amount involved during the year was Rs 1,50,76,166 and the year end balance of loans granted to such company was Rs.74,85,980.
- (b) In our opinion, the rate of interest and other terms and conditions on which loans have been taken from/ granted to companies, firms or other parties listed in the register maintained under section 301 of the Companies Act, 1956 are not, prima facie, prejudicial to the interest of the Company.
- (c) The Company is regular in repaying principal amounts as stipulated. The parties have repaid the principal amount as stipulated. However no interest has been charged on such loans.
- (d) Loans taken or granted to companies, firms or other parties listed in the register maintained under section 301 of the Companies Act, 1956 were on demand basis. So the question of overdue amount does not arise.
- IV. 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.
- V. (a) According to the information and explanations given to us, we are of the opinion that the transactions that need to be entered in the register maintained u/s 301 of the Act have been so entered.
- (b) In our opinion and according to the information and explanation given to us, the transaction made in pursuance of contracts or arrangements entered in the register maintained u/s. 301 of the Companies Act 1956 and exceeding the value of Rupees five lakhs in respect of any party during the year have been made at prices which are reasonable having regard to prevailing market prices at the relevant time.
- VI. The Company has not accepted deposits from the public. So provisions of sections 58A and 58AA or any other provisions of the Companies Act, 1956 and the Companies (acceptance of deposits) Rules 1975 need not to be complied with.

- VII. In our opinion, the company has an Internal Audit system commensurate with the size and nature of its business.
- VIII. The Central Government has not prescribed maintenance of Cost Records under under Section 209(1)(d) of the Companies Act, 1956.
- IX.(a). The company is regular in depositing with appropriate authorities undisputed statutory dues including provident fund, investor education protection fund, employee's state insurance, income tax, sales tax, wealth tax, custom duty, excise duty, cess and other material statutory dues applicable to it.
- (b). According to the information and explanations given to us, there are no undisputed amount payable in respect of Income Tax, Sales Tax, Wealth Tax, Custom Duty, Excise Duty and Cess were in arrears, as at 31.03.08 for a period of more than six months from the date they became payable.
- X. The company neither has accumulated losses as at the financial year nor has incurred cash losses during the financial year and in the immediately preceding financial year.
- XI. 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 institutions or bank as at balance sheet date.
- XII. Based on our examination 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.
- XIII. The company is not a chit fund/nidhi/mutual benefit fund/society and clause (xiii) of the Order is not applicable.
- XIV. The company is not dealing or trading in shares, securities, debentures and other investments.
- XV. The company has not given guarantees for loans taken by others from banks or financial institutions.
- XVI. In our opinion, the term loans have been applied for the purpose for which they were raised.
- XVII. On the basis of our examination of the Balance Sheet of the Company and according to the explanation given to us, in our opinion, funds raised on short term basis have not been used for long term investment.
- XVIII. The Company has allotted equity shares on preferential basis to parties and companies in the register maintained u/s 301 of the Act. However the price at which shares have been issued is not prejudicial to the interest of the company.
- XIX. The Company has not issued any secured debentures.
- XX. The Company has raised money by issue of Equity shares on preferential basis. The end use of the same as disclosed by the management is verified by us.
- XXI. According to the information and explanation given to us, we have neither come across any instance of fraud on or by the company, noticed nor reported during the year nor have we been informed of such case by the management.

For R.R.MANDALI & CO
CHARTERED ACCOUNTANTS

Place : Ahmedabad

Date : 4th September, 2008

R. R. MANDALI
Proprietor.
M.NO.33118

BALANCE SHEET AS ON 31ST MARCH, 2008

Particulars	Schedule	Amount as at 31-3-2008	Amount as at 31-3-2007
I. SOURCES OF FUNDS			
1. SHAREHOLDERS FUNDS			
Share Capital	1.	78,925,000	52,308,000
Reserves & Surplus	2.	5,243,866	3,476,188
2. LOAN FUNDS			
Secured Loans	3.	69,468,886	45,645,942
Unsecured Loans	4.	783,574	7,301,485
DEFERRED TAX LIABILITIES		3,573,452	2,625,404
		157,994,778	111,357,019
II. APPLICATIONS OF FUNDS			
1. A. FIXED ASSETS	5.		
a). Gross Block		103,836,400	71,337,325
b). Less : Depreciation		45,401,017	40,798,152
c). Net Block		58,435,383	30,539,173
d). Capital-In-Progress		-	933,515
2. INVESTMENTS	6	5,900	5,900
3. CURRENT ASSETS, LOANS & ADVANCES			
Inventories	7.	98,851,359	42,229,712
Debtors	8.	24,400,830	13,221,030
Cash & Bank Balances	9.	18,557,630	16,402,463
Loans & Advances	10.	31,933,596	44,867,982
		173,743,415	116,721,187
Less: Current Liabilities & Provisions	11.	74,968,656	36,842,756
Net Current Assets		98,774,759	79,878,431
MISC EXPENSES (THE EXTENT NOT WRITTEN OFF OR ADJUSTED)			
Preliminary expenses		778,736	0
		157,994,778	111,357,019

NOTES FORMING PART OF ACCOUNTS

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AS PER OUR ATTACHED AUDIT REPORT
OF EVEN DATEFor R. R. MANDALI & CO.
CHARTERED ACCOUNTANTSFor SACHETA METALS LIMITED
SATISH K. SHAH
Managing DirectorR. R. MANDALI
ProprietorCHETNABEN S. SHAH
Jt. Managing DirectorPlace : Ahmedabad
Date : 4th September, 2008

PROFIT & LOSS ACCOUNT FOR THE YEAR ENDED ON 31ST MARCH, 2008

Particulars	Schedule	Amount for the year 2007-08	Amount for the year 2006-07
I. INCOME			
Export Sales		190,328,386	215,424,180
Local Sales		95,190,971	96,348,690
Export Incentives	12.	2,223,330	3,915,685
b). Other Income	13.	5,063,891	2,898,182
c). Increase in inventories	14.	0	4,190,715
		292,806,578	322,777,452
II. EXPENDITURES			
Raw material consumption & purchases of finished goods	15.	227,849,222	281,785,016
Manufacturing Expenses	16.	29,644,204	20,394,319
Selling Administrative & other Expenses	17.	15,641,553	10,995,145
Managerial Remuneration		509,703	504,653
Auditors Remuneration		55,100	55,100
Interest	18.	5,904,046	1,528,027
Decrease in Inventories		2,762,089	0
		282,365,917	315,262,260
III. Profit before depreciation & tax (I-II)		10,440,661	7,515,192
Depreciation		4,602,865	4,254,811
Profit for the year before tax and after depreciation		5,837,796	3,260,381
Less: Provision for Taxation and FBT		879,434	1,731,709
Less: Provision for Deferred Tax Liabilities		948,048	-
Profit after taxation		4,010,314	1,528,672
Prior Year Adjustment		35,337	386
Profit available for appropriation		4,045,651	1,528,286
Add: Transferred from Deferred Tax Assets		-	483,347
Add: Transferred from General Reserve		-	-
Profit available to equity shareholders		4,045,651	2,011,633
Less: Dividend Tax		304,848	222,243
Less: Dividend proposed		1,973,125	1,307,700
Balance Appropriation		1,767,678	481,690
Balance Brought Forward from previous year		481,690	-
Balance carried to Balance Sheet		2,249,368	481,690
Earning Per Equity Share (Rupees)			
(Face Value of Rs.10 per equity share) Basic		0.5126	0.2923

NOTES FORMING PART OF ACCOUNTS
AS PER OUR ATTACHED AUDIT REPORT
OF EVEN DATE

19

For **R. R. MANDALI & CO.**
CHARTERED ACCOUNTANTS

For **SACHETA METALS LIMITED**
SATISH K. SHAH
Managing Director

R. R. MANDALI
Proprietor

CHETNABEN S. SHAH
Jt. Managing Director

Place : Ahmedabad
Date : 4th September, 2008

SCHEDULES ANNEXED TO AND FORMING PART OF ACCOUNTS

Particulars	Amount as at 31-3-2008	Amount as at 31-3-2007
SCHEDULE - 1		
SHARE CAPITAL		
AUTHORISED SHARE CAPITAL		
15000000 (Previous Year 6000000) Equity shares of Rs.10/- each	150,000,000	60,000,000
	150,000,000	60,000,000
ISSUED AND SUBSCRIBED CAPITAL		
7892500 (Out of which 2661700 shares issued on Preferential basis)(5338300) Equity Shares of Rs.10/- each	78,925,000	53,383,000
	78,925,000	53,383,000
PAID UP CAPITAL		
7892500 (Out of which 2661700 shares issued on Preferential basis)(5338300) Equity Shares of Rs.10/- each	78,925,000	52,308,000
	78,925,000	52,308,000
SCHEDULE: 2		
RESERVES & SURPLUS		
Capital Reserves	498,667	498,667
General Reserve	1,795,308	1,795,308
Profit & Loss A/c.	2,249,368	481,690
Share Forfeiture A/c	700,523	700,523
	5,243,866	3,476,188
SCHEDULE: 3		
SECURED LOANS		
FROM STATE BANK OF INDIA MUMBAI		
Working Capital Advances in form of		
Cash Credit	4,444,328	650,494
Packing Credit	55,460,455	32,495,448
Overdraft	9,564,103	12,500,000
(Working Capital Advances from SBI Mumbai are secured by HYPOTHECATION/PLEDGE of Companies entire Goods, Movable & Other Assets Such as book Debts Outstanding Monies, Receivables, claims, Bills, Invoices, Documents, Contracts, Securities, Investments & Rights all present and future and further secured by : 1. Equitable Mortgage of Company's factory C & B at block No. 33, Village Mahiyal. Talod. 2. Hypothecation of Entire movable Machinery of the Company.) (Term Loan from SBI is secured by hypothecation of Koiler -Dkoiler machine)		
	69,468,886	45,645,942
SCHEDULE: 4		
UNSECURED LOANS		
From Directors	582,769	5,259,786
SBI Stand By Limit	142,106	1,800,000
ICICI Car Loan	58,699	241,699
	783,574	7,301,485

SCHEDULES ANNEXED TO AND FORMING PART OF ACCOUNTS

SCHEDULE - 5

		GROSS BLOCK				DEPRECIATION					NET BLOCK	
		Bal. ason 1/4/07	Add. during the yr.	Ded. during the yr.	Bal. as 31-03-08	Bal. as on 1/4/07	Dep.on Open. Bal.	Dep.on Addition	Dep.on Ded- uction	Total Dep. Upto 31-03-08	As on 31-03-07	As on 31-03-08
1.	Land	5,454,269	0	0	5,454,269	0	0	0	0	0	5,454,269	5,454,269
2.	Building	11,807,081	4,732,854	0	16,539,935	5,182,397	604,669	135,714	-	5,922,780	6,624,684	10,617,155
3.	Plant & Machinery	39,622,057	26,938,922	0	66,560,979	25,147,880	2,007,698	775,099	-	27,930,677	14,474,177	38,630,302
4.	Dies & Tools	4,962,120	65,920	0	5,028,040	4,132,126	248,998	11,070	-	4,392,194	829,994	635,846
5.	Other Fixed Assets	2,144,322	170,013	0	2,314,335	1,472,748	105,789	5,478	-	1,584,015	671,574	730,320
6.	Furniture & Fittings	358,925	0	0	358,925	219,167	26,020	0	-	245,187	139,758	113,738
7.	Vehicles	6,344,297	517,761	0	6,862,058	4,147,017	568,876	38,929	-	4,754,822	2,197,280	2,107,236
8.	Computers	644,254	73,605	0	717,859	496,817	58,975	15,550	-	571,342	147,437	146,517
	TOTAL	71,337,325	32,499,075	-	103,836,400	40,798,152	3,621,025	981,840	-	45,401,017	30,539,173	58,435,383
	PREVIOUS YEAR	70,012,293	1,325,032	0	71,337,325	36,543,341	4,143,115	111,696	0	40,798,152	33,468,952	30,539,173

SCHEDULES ANNEXED TO AND FORMING PART OF ACCOUNTS

Particulars	Amount as at 31-3-2008	Amount as at 31-3-2007
SCHEDULE: 6		
INVESTMENTS		
LONG TERM INVESTMENT		
Shares of the Talod Nagarik Sahkari Bank Ltd. fully paid up (Unquoted, At cost)	5,900	5,900
	<u>5,900</u>	<u>5,900</u>
SCHEDULE: 7		
INVENTORIES		
(As taken, valued and certified by the management.)		
Stores & Spares	2,179,000	2,430,000
Raw Material	89,519,448	29,884,712
Semi-finished Goods	-	5,791,800
Finished Goods	6,887,911	3,858,200
Stock of Advertisement Item	265,000	265,000
	<u>98,851,359</u>	<u>42,229,712</u>
SCHEDULE: 8		
SUNDRY DEBTORS		
(Unsecured, considered good)		
Outstanding for period exceeding six months	36,174	33,941
Others	24,364,656	13,187,089
	<u>24,400,830</u>	<u>13,221,030</u>
SCHEDULE: 9		
CASH & BANK BALANCES		
Cash in hand(as Certified by the Managing Director)	1,374,679	641,607
Amount with scheduled Banks		
In Current Accounts	1,716,142	161,571
In Savings Account	0	-
In Fixed Deposits	15,465,118	15,000,000
Amount with Non-scheduled Bank	1,691	599,285
(Maximum balances in non scheduled Bank during the year)		
The Talod Nagarik Sahkari Bank Ltd.Rs.21,26,670		
(Previous Year Rs.15,02,679)	<u>18,557,630</u>	<u>16,402,463</u>
SCHEDULE - 10		
LOANS & ADVANCES		
(Unsecured, considered good)		
(Advances recoverable in cash or kind or for value to be received)		
Advances for expenses	6,639,512	10,259,085
Advances for Goods	6,765,993	21,751,103
IT Refund receivable	890	-
TDS receivable	14,721	-
Exice Receivable	6,369,912	-
Advance for Capital Goods	1,909,234	7,273,600
Advances for Others	5,973,921	4,356,782
DEPOSITS	4,259,413	1,227,412
	<u>31,933,596</u>	<u>44,867,982</u>

SCHEDULES ANNEXED TO AND FORMING PART OF ACCOUNTS

Particulars	Amount as at 31-3-2008	Amount as at 31-3-2007
SCHEDULE: 11		
CURRENT LIABILITIES & PROVISIONS		
(a) Current Liabilities		
Creditors for Others	8,061,915	2,786,970
Creditors for goods	56,463,667	18,162,220
Creditors for expenses	4,080,914	8,905,371
Advances recd. for goods	3,200,697	3,726,543
Unpaid Dividend	4,056	-
	71,811,249	33,581,104
(b) Provisions		
Provision for Fringe Benefit Tax	113,302	74,849
Provision for Taxation	766,132	1,656,860
Proposed Dividend	1,973,125	1,307,700
Tax on Proposed Dividend	304,848	222,243
	3,157,407	3,261,652
	74,968,656	36,842,756
SCHEDULE: 12		
EXPORT INCENTIVES		
Exice Benefit	1,243,216	-
DEPB Benefit	226,639	145,004
LIC Benefit	38,225	1,813,942
Drawback Benefit	270,522	1,956,739
Export Benefit	444,728	-
	2,223,330	3,915,685
SCHEDULE: 13		
OTHER INCOME		
Nagrik Bank Share Dividend	-	1,955
Interest Receivable on TDS	-	3,451
Interest on F.D.R.	1,938,367	115,519
Other Interest	-	89,260
Kasar Vataav	2,093,503	2,687,997
Foreign Exchange Difference	1,032,021	-
	5,063,891	2,898,182
SCHEDULE - 14		
INCREASE/(DECREASE) IN INVENTORY		
Closing Stock of		
Finished goods	6,887,911	3,858,200
Semi finished goods	-	5,791,800
	6,887,911	9,650,000
Less: Opening Stock of		
Finished & Semi Finished Goods	9,650,000	5,459,285
Increase/(Decrease) in stock	(2,762,089)	4,190,715
SCHEDULE: 15		
RAW MATERIAL CONSUMED & PURCHASES OF FINISHED GOODS		
A). Raw Material Consumption		
Opening stock	29,884,712	14,345,721
Add: Purchases	279,251,175	288,778,738
	309,135,887	303,124,459
Less: Closing stock	89,519,448	29,884,712
	219,616,439	273,239,747
B). Consumption of stores		
Opening Stock	2,430,000	2,459,862
Add: Purchases	7,981,783	8,515,407
	10,411,783	10,975,269
Less: Closing Stock	2,179,000	2,430,000
	8,232,783	8,545,269
Raw Material Consumption (A+B)	227,849,222	281,785,016

SCHEDULES ANNEXED TO AND FORMING PART OF ACCOUNTS

Particulars	Amount as at 31-3-2008	Amount as at 31-3-2007
SCHEDULE: 16		
MANUFACTURING EXP.		
Salary & Wages (Factory)	3,207,031	3,444,059
Excise levy on Rolling Mill	37,080	345,870
Factory Expenses	59,785	37,075
Electricity Expenses	4,729,906	3,381,996
Inward Freight	6,841,060	665,069
Security Expenses	106,239	157,128
Canteen Expenses	40,796	21,964
Repairs & Maintenance	77,592	25,651
Staff welfare	65,833	57,830
Labour Charges	5,712,733	-
Import Detention/other Exps.	6,118,428	9,071,284
Export Shipping Freight	2,647,721	3,186,393
	29,644,204	20,394,319
SCHEDULE:17		
SELLING,ADMINISTRATIVE & OTHER EXPENSES		
Salary & Bonus	942,563	1,631,192
Printing & Stationery exp.	117,531	113,920
Insurance Charges (Includes Rs.284004 Keyman Insurance Premium of Managing Director)(Previous year Rs.549000)	890,553	879,680
Post & Telephone & Telegram	627,155	521,591
Travelling Expenses (Including Directors' Travelling Rs.178514 (Previous Year Rs.105197)	243,521	262,372
Advertisement Expenses	245,306	120,906
Bank Commission and Charges	868,507	1,935,018
Legal & Professional Charges	671,927	261,151
Ahmedabad & Bombay Stock Exch. Listing Fees	34,663	62,574
Professional Tax	1,000	1,000
Rent, Rates and Taxes	161,314	24,580
Sales Commission & Sales Promotion	4,004,402	4,152,171
Vehicle Running and maint.Exps.	366,928	361,247
Repairs & Maintenance	56,400	124,769
Office Exps.	32,749	37,328
Donation	151,111	312,211
Outward Transportation	391,915	85,713
Stamp Duty Written Off	194,684	-
Electricity Charges	173,980	107,722
Advance Licence Benifit	5,465,344	-
	15,641,553	10,995,145
SCHEDULE: 18		
INTEREST		
Bank Interest	5,743,456	1,528,027
Other Interest	160,590	-
	5,904,046	1,528,027

SCHEDULES ANNEXED TO AND FORMING PART OF ACCOUNTS**SCHEDULE - 19****NOTES ON ACCOUNTS****A STATEMENT ON SIGNIFICANT ACCOUNTING POLICIES :****(1) Basis of Preparation of Financial Statements.**

- (a) The financial statements have been prepared under the historical cost convention in accordance with the generally accepted accounting principles and the provisions of the companies Act, 1956 as adopted consistently by the Company except for certain fixed assets which are revalued.
- (b) The Company generally follows mercantile system of accounting and recognizes significant items of income and expenditure on accrual basis.

(2) Fixed Assets

- (a) All the fixed assets of the Company as on 16th April, 1994 had been revalued. The original cost of these assets is replaced by revalued amount.
- (b) Other fixed assets, acquired after 16-04-94 are stated at their original cost.

(3) Depreciation

- 1) The Company provides depreciation on all the fixed Assets acquired before 01-04-96 including revalued assets on straight line Method at the rates specified in the schedule XIV of the Companies Act, 1956, as amended vide Notification GSR No. 766 (756) (E) dated 16-12-93 of Government of India.

Depreciation as above on fixed Assets have been calculated as under :

Sr. No.	Type of Assets	Basis
a)	Revalued Assets as	on 16th April, 1994 Revalued Amount
b)	Assets acquired after Original Cost	16th April, 1994

- 2) The Company has calculated depreciation on assets acquired after 01-04-96 on W.D.V method at the rates specified in the schedule XIV of the Companies Act, 1956.
- 3) The Company has started new division for manufacturing aluminum sheets and coils. The commercial production of the same was started from 15/1/2008. The Depreciation on this plant is calculated W.D.V. method on pro-rata basis at the rates specified in the schedule XIV of the Companies Act, 1956.

(4) Investments

Investments are stated in the books at cost.

(5) Inventories

Inventories are valued at cost or market price whichever is lower.

(6) Treatment of retirement benefits

Retirement benefits are recorded on the crystallization of liability.

(7) Revenue Recognition

Revenue Income is accounted on cash basis.

(8) Deferred Tax Assets / (Liabilities)

	Current Year	Previous Year	Net Effect
Depreciation Unabsorbed Dep.	(35,73,452)	(26,25,404)	(9,48,048)

- (9) There was no impairment loss on fixed assets on the basis of review carried out by the Management in accordance with AS -28 issued by the Institute of Chartered Accountants of India.

B. OTHER NOTES:

- (1) Previous years figures have been rearranged / regrouped / recast wherever necessary.
- (2) Balances due to or due by the parties are subject to confirmation.

(3) Contingent Liabilities

(i) The Company had preferred an appeal with the stamp duty authority for the earlier demand which was reduced to Rs. 22050. No provision has been made for this demand in the books of account. The amount of Rs. 5615 paid for stamp duty is shown in the balance sheet under the head "LOANS & ADVANCES".

(4) Loans & Advances includes Rs.300000 being processing charges on loan application this is protested with the bank.

(5) In the opinion of the Board and to the best of their Knowledge and belief, the value of the realization of current assets, loans and advances in the ordinary course of business would not be less than the amount of which they are stated in the balance sheet.

(6) Payment to Auditors includes :

	2007-08	2006-07
Audit Fees	50,000	50,000
Tax Audit Fees	3,000	3,000
For Taxation matters	2,100	2,100
	55,100	55,100

(7) Managerial Remuneration of Rs.509703/- including perquisites of Rs. 161703/- (Previous year Rs.156653) has been paid during the year.

(8) The company has issued 26,61,700 Equity Shares on preferential basis during the period under review. It has incurred an amount of Rs.9,73,420 towards preliminary expenses on account of issue of shares. Amount of Rs.1,94,684 being 1/5th is written off during the year.

(9) Prior Year Adjustments represents:

	2007-08 Rs.	2006-07 Rs.
a) Sundries	NIL	386
d) I. Tax Excess Prov. 2006-07	35337	NIL
	35337	386

10) In accordance with the Accounting Standard "Related Party Disclosures" (AS-18) issued by The Institute of Chartered Accountants of India which came into effect from 1st April, 2001, the names of related parties with relationship and transactions with them are disclosed as under :

1. Relationship :

- i). Eskay Alluminium Pvt. Ltd.
Company Under the same Management
- ii). P.D.R. Casting Industries
Proprietorship concern of a Director. Chetnaben.
- iii). Sacheta International
Proprietorship concern of a Director, Satishbhai.
- iv). Ankit Trading Company.
Proprietorship concern of Director, Ankit Shah.
- v). Key Management personnel
 1. Shri Satish K. Shah – Chairman Cum Managing Director
 2. Smt. Chetana S. Shah – Jt. Managing Director
 3. Ankit S. Shah – Executive Director

2. The following transactions were carried out with the related parties in the ordinary course of business. Details relating to parties referred in item 1(i),(ii),(iii), and (iv)

Particulars	Value of Transactions For the year
Loan paid	75,11,002
Loan received	38,84,510
Labour Job Charges	56,93,829
Net Closing Balance	1,82,85,407

Details relating to Persons referred to in item 1(v).

Particulars	Value of Transactions For the year
Managerial remuneration including perquisites	5,09,703
Amount Paid	97,20,814
Amount Received	55,20,825

11. Earning per Share :

Earning per share is calculated by dividing the profit attributable to the equity shareholders by the weighted average number of equity shares outstanding during the year the number used in calculating basic and earnings per equity share are as stated below:

	31st March. 2008	31st March. 2007
Profit available for Equity Share holders	40,45,651	15,28,286
Weighted average number of shares	78,92,500	52,30,800
Earning per Share Basic and Diluted	0.5126	0.2923
Face Value per Share	10	10

12. Segment information :

Based on the guiding principles given in AS-17 on Segments Reporting issued by the Institute of the Chartered Accountants of India. The Company's primary Business Segments is manufacturing of utensils. This being the single Segment, the company has not made Reporting as per business Segment.

As far as geographical Segments are concerned, the company has bifurcated the activities into two parts viz.

1. International
2. Domestic

Gross result of geographical segments.

Particulars	International Amt. Rs.	Domestic Amt. Rs.	Total Amt. Rs.
Sales	19,03,28,386	9,51,90,971	28,55,19,357
Export Incentives	22,23,330	—	22,23,330
Other receipts	—	50,63,891	50,63,891
Raw Materials Consumption	15,19,07,076	7,59,42,146	22,78,49,222
Mfg.Exp.	1,97,63,790	98,80,414	2,96,44,204
Gross Results of Geographical Segment.	2,08,80,850	1,44,32,302	3,53,13,152

SCHEDULE : 19

NOTES FORMING PART OF THE ACCOUNTS :

12. Information pursuant to the provisions of para 3,4C and 4D of Part II of schedule VI of the Companies Act, 1956 (to the extent applicable and as certified by the management).

	2007-08		2006-07	
	Qty. in MT	Rs.	Qty. in MT	Rs.
a. Licenced Capacity	N.A.		N.A.	
b. Installed Capacity	6000 MT		2160 MT	
(On Annual basis this being technical matter the same is certified by the management and not verified by us).				
c. Production				
I. Aluminium Utensils	1780.823		1174.702	
II. M.S. Utensils	7.538		16.374	
III. S.S. Utensils	0		14.758	
d. Stock of Finished Goods at close				
Aluminium Utensils	36.41	6887911	20.2	3858200
S.S. Utensils				
e. Stock of Finished Goods at beginning				
Aluminium Utensils	20.2	3858200	12.732	2279028
S.S. Utensils	0	0	0.777	104962
f. Sales				
I. Aluminium Utensils	1764.612	261550065	1167.234	232414723
II. M.S. Utensils	7.538	310752	16.374	811068
III. S.S. Utensils	0	0	15.535	2352709
g. Raw Materials Consumed				
I. Aluminium	1862.278	219245165	1897.939	270030969
II. M.S. Utensils	7.538	371274	16.375	629587
III. S.S. Utensils	0	0	15.535	2579191
h. Trading Activity				
Aluminium Ingots				
Opening Stock	42.41	6997650	NIL	NIL
Add: Purchases	88.609	15884375	450.768	73571804
Less: Sales	131.019	23658540	408.358	71807778
Closing Stock	0	0	42.41	6997650
i. C.I.F. Value of Imports				
Expenditure & Earning in Foreign Exchange				
1). C.I.F. Value of Imported Raw Materials		193865280		184764362
2). Expenditure incurred in Foreign Currency		3660674		4426152
3). Earning in Foreign Currency F.O.B.		177026838		203897626
j. Break-up of Imported and indigeneous materials and Components Consumption				
	Value in Rs.	% of Total Consumption	Value in Rs.	% of Total Consumption
Imported	193865280	88%	184764362	68%
Indigeneous	25751159	12%	88475385	32%
	219616439	100%	273239747	100%

SCHEDULE : 19

**NOTES FORMING PART OF THE ACCOUNTS :
BALANCESHEET ABSTRACT & COMPANY'S GENERAL BUSINESS PROFILE**

1. REGISTRATION DETAILS

Registration No.	04-13784
State Code	4
BalanceSheet Date	31-03-2008

2. CAPITAL RAISED DURING THE YEAR ENDED ON 31ST MARCH, 2008.

(Amt.In Rs. Thousands)	
Public Issue	Right Issue
26,617	NIL
Bonus Issue	Private Placement
NIL	NIL

3. POSITION OF MOBILISATION AND DEPLOYMENT OF FUNDS AS AT 31ST MARCH, 2008

(Rs. In Thousands).	
Total Liabilities	157,995
Total Assets	157,995

SOURCES OF FUNDS

Paid up Capital	Share Application Money
78925	Nil
Reserve & Surplus	Secured Loans
5244	69469
Unsecured Loans	Deffered Tax Liabilities
784	3573

APPLICATION OF FUNDS

Net Fixed Assets	Cap. Work Progress
58435	0
Investments	Net Current Assets
6	98775
Misc. Expenditure	Accumulated Losses
779	0

IV. PERFORMANCE OF THE COMPANY FOR THE YEAR ENDED 31-03-2007 (Rs.In Thousands)

Turnover (Sales & other Income)	Total Expenditure
292807	286969
Profit before Tax	Profit after Tax
5838	4046
Earning per share Rs.	Dividend Rate %
0.51	2.5%

V GENERIC NAME OF PRINCIPAL PRODUCTS OF THE COMPANY

ITC NO.	:	_____
PRODUCT	:	Alluminium Utensils
ITC NO.	:	_____
PRODUCT	:	M.S.Utensils
ITC NO.	:	_____
PRODUCT	:	S.S.Utensils

Signature to Schedules 1 to 19
As per our attached audit report of even date.

For R. R. MANDALI & CO.
CHARTERED ACCOUNTANTS

R. R. MANDALI
Proprietor

For SACHETA METALS LIMITED
SATISH K. SHAH
Managing Director

CHETNABEN S. SHAH
Jt. Managing Director

Place : Ahmedabad
Date : 4th September, 2008

CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2008

Particulars	Amount as at 31-3-2008	Amount as at 31-3-2007
A. CASH FLOW FROM OPERATING ACTIVITIES		
Net Profit After Tax and before Extra		
Ordinary Items	4,010,314	1,528,672
Adjustments For :		
Depreciation	4,602,865	4,254,811
Provision for Taxation & FBT	879,434	1,731,709
Provision for Differed Tax Liabilities	948,048	0
Prior Year Adjustments	35,337	(386)
Interest/ Dividend Income	(64,819)	(26,259)
Interest Charged	5,904,046	1,528,027
Operating Profit before Working Capital		
Changed	16,315,225	9,016,574
Adjustment for :		
Trade & Other Receivables	975,850	(26,170,979)
Inventories	(56,621,647)	(19,699,844)
Trade Payables & Other Liabilities	38,125,900	20,697,557
Cash Generated From Operations	(1,204,672)	(16,156,692)
Taxes (Paid)/ Refund Received	(879,434)	(1,731,709)
Cash Flow before Extraordinary Items	(2,084,106)	(17,888,401)
Extraordinary Items		
Net Cash from Operating activities	(2,084,106)	(17,888,401)
B. CASH FROM INVESTING ACTIVITIES		
Purchase of Fixed Assets	(31,565,560)	(1,325,032)
Advance for Capital Goods	-	(933,515)
Interest Received	64,819	26,259
Net Cash used in Investing Activities	(31,500,741)	(2,232,288)
C. CASH FLOW FROM FINANCING ACTIVITIES		
Proceeds from issue of Share Capital	26,617,000	-
Proceeds from Long Term Borrowings	23,822,944	35,663,390
Repayment of Unsecured Loan	(6,517,911)	(4,613,153)
Dividends paid	(1,973,125)	(1,307,700)
Interest Paid	(5,904,046)	(1,528,027)
Tax on Distributed profit(Dividend)	(304,848)	(222,243)
Net Cash used in Financing Activities	35,740,014	27,992,267
Net (decrease) / Increase in Cash equivalents	2,155,167	7,871,578
Cash and Cash Equivalents as at 01.04.2007 (Opening Balance)	16,402,463	8,530,885
Cash and Cash Equivalents as at 31.03.2008	18,557,630	16,402,463
Note: (i) Figures in Brackets represent outflows.		

For SACHETA METALS LIMITED
Satish K. Shah
Managing Director

Chetnaben S. Shah
Jt. Managing Director

D.

September, 2008

AUDITORS' CERTIFICATE

To,
Board of Directors,
SACHETA METALS LIMITED,

We have examined the attached Cash Flow Statement of Sacheta Metals Limited for the year ended 31st March, 2008. The Statement has been prepared by the Company in accordance with the requirements of Listing Agreement Clause 32 with Stock Exchange and is based on and in agreement with the corresponding Profit and Loss Account and Balance Sheet of the Company covered by our report dated 4th September, 2008 to the Members of the Company.

For R.R.MANDALI & CO.
CHARTERED ACCOUNTANTS

Place : Ahmedabad

(R.R.Mandali)
Proprietor.

Date : 4th September, 2008

SACHETA METALS LIMITED

Block No. 33, Sacheta Udyognagar,
Village Mahiyal Tal: Talod, Dist. Sabarkantha (Gujarat)

PROXY FORM

Reg. Folio No. _____

I/We _____ being a Member/Members of
SACHETA METALS LIMITED, hereby appoint _____ of

_____ or failing him/her
_____ of _____ as my/our Proxy

to vote for me/us and on my/our behalf of the 18th Annual General Meeting of the Company to be held Tuesday,
September 30, 2008 at 11.00 a.m. at the Registered office of the Company at Block No. 33, Sacheta Udyognagar,
Village : Mahiyal Tal: Talod, Dist. Sabarkantha (Gujarat)

Signed this _____ Day of _____ 2008.

(Signature of the Shareholder (s)) _____

Affix
Rs. 2/-
Revenue
Stampe

Note : The proxy form completed and stamped must reach the Registered Office of the Company not less than
48 hours before the time for holding aforesaid meeting.

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SACHETA METALS LIMITED

Block No. 33, Sacheta Udyognagar,
Village Mahiyal Tal: Talod, Dist. Sabarkantha (Gujarat)

ATTENDANCE SLIP

18th Annual General Meeting on 30th day of September, 2008 at 11.00 a.m.

Please Complete this Attendance slip and hand it over at the entrance of the meeting hall. Joint shareholders
may obtain additional attendance Slips on request.

Name & Address of the Share holders

Reg. Folio No.

I hereby record my presence at the 18th Annual General Meeting at Regd. office on 30th September, 2008.

Signature of the shareholder of the proxy attending meeting.

If shareholder, Please sign, Here

If proxy, Please sign, Here

SACHETA METALS LIMITED

Regd. Off. : Block No. 33,
Sacheta Udyognagar,
Village Mahiyal Tal: Talod,
Dist. Sabarkantha (Gujarat)