

Sacheta Metals Limited

**19th
Annual Report**
for the year ended 31st March 2009

SACHETA METALS LTD**BOARD OF DIRECTORS**

Shri Satish K. Shah	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

COMPLIANCE OFFICER

Shri D. K. Patel

COMMITTEES OF THE BOARD**AUDIT COMMITTEE**

Shri Jagdish Gandhi: Chairman
Shri Pravin P. Shah: Member
Shri Satish K. Shah: Member

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

NOTICE

Notice is hereby given that **19th Annual General Meeting** of the Members of SACHETA METALS LIMITED will be held on Wednesday, September 30, 2009 at 11.00 a.m. at the Registered office of the Company at Block No. 33, Sacheta Udyognagar, Village : Mahiyat 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 31st March, 2009 and Profit & Loss Account for the year ended as on that date together with the Reports of Directors' and Auditors' thereon.
2. To declare dividend for the year 2008-2009.
3. To appoint Director in place of Mr. Satish Shah who retires by rotation and is eligible for re-appointment as Director.
4. To appoint Director in place of Smt. Chetna S. Shah who retires by rotation and is eligible for re-appointment as Director.
5. To appoint Director in place of Mr. Ankit S. Shah who retires by rotation and is eligible for re-appointment as Director.
6. 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:

7. **To consider and, if thought fit, to pass, with or without modifications, the following resolution as Ordinary resolution:**

RESOLVED THAT Shri Dharmesh C. Shah who was appointed as an Additional Director by the Board of Directors at its meeting and who holds the office up to the date of this Annual General Meeting of the Company and in respect of whom the Company has received notice in writing from a member proposing his candidature for the office of Director, be and is hereby appointed as a Director of the Company liable to retire by rotation."

8. **To consider and, if thought fit, to pass, with or without modifications, the following resolution as Ordinary resolution:**

RESOLVED THAT Shri Kalyan C. Shah who was appointed as an Additional Director by the Board of Directors at its meeting and who holds the office up to the date of this Annual General Meeting of the Company and in respect of whom the Company has received notice in writing from a member proposing his candidature for the office of Director, be and is hereby appointed as a Director of the Company liable to retire by rotation."

9. **To consider and, if thought fit, to pass, with or without modifications, the following resolution as Ordinary resolution:**

"RESOLVED THAT in accordance with the provisions of sections 198, 309, 310 and other applicable provisions, if any, of the Companies Act, 1956, (including any statutory modifications or reenactments thereof, for the time being in force) and subject to the limits specified in Schedule XIII to the said Act, the consent of the Company be and is hereby accorded for reappointment of Shri Satish K. Shah as Managing Director of the Company for a further period of 3 years with effect from 01.04.2009 on the terms and conditions including remuneration as set out herein below with liberty to the Board of Directors to alter and vary the terms and conditions including the remuneration so as not to exceed the limits specified in Schedule XIII to the Companies Act, 1956, including any statutory modification(s) or re-enactment(s) thereof for the time being in force or any amendments or modifications that may hereafter be made thereto by the Central Government or as may be agreed to between the Board of Directors and Mr. Satish Shah.

- a. Salary Rs. 20000 per month
- b. Remuneration of medical expenses incurred for self and family subject to a ceiling of one month's salary in a year or 5 month's salary over a period of 5 years.
- c. Leave Travel Concession for self & family once in a year as per the rules of the Company.
- d. Club Fee subject to a maximum of two clubs. (This will not include admission and life membership fees)
- e. Provident Fund, Superannuation benefit and Gratuity as per the rules of the Company subject to the ceiling as per the guidelines for managerial remuneration in force from time to time.

- f. Provision of Company's Car.
- g. Provision of free telephone at residence.
- h. Encashment of leave at the end of the tenure as per the rules of the Company.
- i. Reimbursement of utilities like gas, electricity, etc.

"RESOLVED FURTHER THAT the Board of Directors of the Company be and is hereby authorized to take such steps as may be necessary to give effect to this resolution."

10. To consider and, if thought fit, to pass, with or without modifications, the following resolution as Ordinary resolution:

"RESOLVED THAT in accordance with the provisions of sections 198, 309, 310 and other applicable provisions, if any, of the Companies Act, 1956, (including any statutory modifications or reenactments thereof, for the time being in force) and subject to the limits specified in Schedule XIII to the said Act, the consent of the Company be and is hereby accorded for reappointment of Smt. Chetna S. Shah as Joint Managing Director of the Company for a further period of 3 years with effect from 01.04.2009 on the terms and conditions including remuneration as set out herein below with liberty to the Board of Directors to alter and vary the terms and conditions including the remuneration so as not to exceed the limits specified in Schedule XIII to the Companies Act, 1956, including any statutory modification(s) or re-enactment(s) thereof for the time being in force or any amendments or modifications that may hereafter be made thereto by the Central Government or as may be agreed to between the Board of Directors and Smt. Chetna S. Shah.

- a. Salary Rs. 10000 per month
- b. Remuneration of medical expenses incurred for self and family subject to a ceiling of one month's salary in a year or 3 month's salary over a period of 3 years.
- c. Leave Travel Concession for self & family once in a year as per the rules of the Company.
- d. Club Fee subject to a maximum of two clubs. (This will not include admission and life membership fees)
- e. Provident Fund, Superannuation benefit and Gratuity as per the rules of the Company subject to the ceiling as per the guidelines for managerial remuneration in force from time to time.
- f. Provision of Company's Car.
- g. Provision of free telephone at residence.
- h. Encashment of leave at the end of the tenure as per the rules of the Company.

"RESOLVED FURTHER THAT the Board of Directors of the Company be and is hereby authorised to take such steps as may be necessary to give effect to this resolution."

11. To consider and, if thought fit, to pass, with or without modifications, the following resolution as Ordinary resolution:

"RESOLVED THAT in accordance with the provisions of sections 198, 309, 310 and other applicable provisions, if any, of the Companies Act, 1956, (including any statutory modifications or reenactments thereof, for the time being in force) and subject to the limits specified in Schedule XIII to the said Act, the consent of the Company be and is hereby accorded for reappointment of Shri Ankit S. Shah as Executive Director of the Company for a further period of 3 years with effect from 01.04.2009 on the terms and conditions including remuneration as set out herein below with liberty to the Board of Directors to alter and vary the terms and conditions including the remuneration so as not to exceed the limits specified in Schedule XIII to the Companies Act, 1956, including any statutory modification(s) or re-enactment(s) thereof for the time being in force or any amendments or modifications that may hereafter be made thereto by the Central Government or as may be agreed to between the Board of Directors and Mr. Ankit S. Shah.

- a. Salary Rs. 18000 per month
- b. Remuneration of medical expenses incurred for self and family subject to a ceiling of one month's salary in a year or 3 month's salary over a period of 3 years.
- c. Leave Travel Concession for self & family once in a year as per the rules of the Company.
- d. Club Fee subject to a maximum of two clubs. (This will not include admission and life membership fees)

- e. Provident Fund, Superannuation benefit and Gratuity as per the rules of the Company subject to the ceiling as per the guidelines for managerial remuneration in force from time to time.
- f. Provision of Company's Car.
- g. Provision of free telephone at residence.
- h. Encashment of leave at the end of the tenure as per the rules of the Company.

"RESOLVED FURTHER THAT the Board of Directors of the Company be and is hereby authorised to take such steps as may be necessary to give effect to this resolution."

Date: 04.09.2009

Place: Mahiyal

**By Order of the Board
FOR SACHETA METALS LIMITED**

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 26.9.2009 to 30.9.2009 (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.

Date: 04.09.2009

Place: Mahiyal

**By Order of the Board
FOR SACHETA METALS LIMITED**

SATISH K SHAH
Managing Director

Explanatory Statement pursuant to section 173(2) of the Companies Act, 1956.**Item No. 7 & 8**

In order to broad base the Board of Directors of the Company Shri Dharmesh C. Shah and Shri Kalyan C. Shah were inducted as an Additional Director by the Board Director at their meeting held on 29th April, 2009, in accordance with the provisions of Section 260 of the Companies Act, 1956. Under aforesaid appointment, Shri Dharmesh C. Shah and Shri Kalyan C. Shah shall hold the office (as Additional Director) until the Annual General Meeting of the Company. In this regard the Company has received a request along with fee of Rs. 500/- from a Member of the Company in accordance with Section 257 and all other applicable provisions of the Companies Act, 1956. Your directors commends passing of the resolution.

Mr. Dharmesh Shah and Mr. Kalyan Shah are interested in the Resolution. No other directors are interested in this item.

Item No. 9 & 10

Shri Satish K. Shah and Smt. Chetna S. Shah were reappointed as Managing Director and Joint Managing Director respectively and the terms of their reappointment and remuneration payable to them is now proposed to be revised as enumerated in the resolution.

In view of the relevant provisions of Schedule XIII of the above Act, requiring a Resolution for payment of minimum remuneration to a Managing Director/ Joint Managing Director in the event of loss or inadequacy of profits, this resolution is being proposed as a Ordinary Resolution. Considering the progress and profitability of the Company and looking to vash and rich experience of Shri Satish Shah and Smt. Chetna Shah in this industries it is in the interest / benefit of the Company to reappoint him. The relevant information including the information about the appointee are set out at one or other places of the other documents forming part of the Annual Accounts and the Balance Sheet which are being circulated to the members, so far as is applicable at the present stage of the matter. It may also be stated that the remuneration of the Managing Director / Joint Managing Director are approved at a meeting of the Board of the Company and the same is in line with the trend prevailing in the Corporate Sector in the Country.

The Board accordingly commends the Resolution for your acceptance.

Shri Satish K. Shah, Smt. Chetna S. Shah and Shri Ankit S. Shah, may be deemed to be concerned or interested in the ordinary resolution.

Item No. 11

The Board of Directors at its meeting held on 29.04.2009 have reappointed Mr. Ankit S. Shah as Executive Director. The Board of Directors commends passing of the resolution for reappointment of Mr. Ankit S Shah as Executive Director on the terms as set out in the resolution. The remuneration proposed is within the norms to schedule XIII of the Companies Act, 1956 as amended.

Shri Ankit Shah, Shri Satish K. Shah and Smt. Chetna S. Shah may be deemed to be interested in the resolution.

**By Order of the Board
FOR SACHETA METALS LIMITED**

Date: 04.09.2009

Place: Mahiyal

**SATISH K SHAH
Managing Director**

DIRECTOR'S 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, 2009.

FINANCIAL RESULTS:

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

Particulars	(Rs. in Lacs)	
	Current Year Ended 31.03.2009	Current Year Ended 31.03.2008
Profit before Interest, Depreciation & Tax	231.98	163.45
Less Interest	77.96	59.04
Profit before Depreciation and Tax	154.02	104.41
Less Depreciation for the year	75.92	46.03
Profit before tax	78.10	58.38
Taxation including deferred tax	27.64	18.27
Net profit for the year after tax	50.46	40.10
Prior year adjustment	(4.46)	0.35
PROFIT available for appropriation	46.00	40.45
Less Dividend Proposed	19.73	19.72
Less Dividend Tax	3.04	3.05
Balance Appropriation	23.23	17.68
Balance brought forward from previous year	22.49	4.81
Less Transferred to General Reserve	22.49	-
Balance carried forward to Balance-Sheet	23.49	22.49

DIVIDEND:

Your Company recommends Dividend of 2.50% for the year 2008-09 to the Members.

OPERATIONS:

During the year, the company has achieved export sales of Rs. 2110.28 lacs as compared to the previous year figure of Rs. 1903.28 lacs. There was rise of 10.88% in Export sales during the year. The total income is Rs. 3783.88 Lacs as compared to the previous year of Rs. 2900.44 lacs. Moreover, the total expenditure incurred for the year 2008-09 is Rs. 3629.87 lacs as compared to the previous year of Rs. 2796.04 lacs. The Company has profit after taxation of Rs. 50.46 lacs for the year 2008-09 as compared to the previous year of Rs. 40.10 lacs. Thus Profit after tax increased 25.83% as compared to previous year 2007-08.

MANAGEMENT DISCUSSION AND ANALYSIS REPORT

We "Sacheta" are at present one of the major manufacturers & exporters of Aluminum 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, Ethiopia, Mozambique, Jeddah, Riyadh etc in last 16 years. We have the status of 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 confirmed orders of around 800 lacs and we expect to add more to it soon.

The use of aluminium is increasing day by day. Previous the year, the Company has 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. Due to increasing demand of aluminium sheets and coil, Your company is planning to go for further expansion of the same divisions. The necessary order for expansion is being placed.

We are purchasing Aluminium Sheet as raw material for conversion to Utensils as final product. The company has already integrated its manufacturing facilities by going backward into manufacturing of Aluminium Sheets, coils & foils. With this the present capacity is raised to 6000 M.T. The overall operating cycle will be reduced and margin will improve.

DIRECTORS:

During the year 2008-09, no appointment /other 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. Mr. Satish K. Shah, Smt. Chetna S. Shah and Mr. Ankit S. Shah, Directors are liable to retire by rotation in the ensuing annual general meeting and is eligible for reappointment as director. 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 1.4.2008 to 31.3.2009 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 19th 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.
- ii. 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, 2009 and of the profit of the Company for that period.
- iii. 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.
- iv. 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 and on behalf of the Board

Date : 04.09.2009
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	1292142 Unit
Total Amount.....	Rs. 8638111
Rate/Unit (Rs.)	Rs. 6.68

- (b) Own Generation

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

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

coal	
Quantity Kg....	229920 Kg
Total Cost.....	Rs. 1151961
Average Rate...	Rs. 5.01per kg

3. Furnace Oil

Quantity Ltr....	48650 Ltrs
Total Cost.....	Rs. 899788
Average Rate...	Rs. 19.20 per Ltr

4. Fire Wood

Quantity Kg....	_____ Kg
Total Cost.....	Rs. 26671
Average Rate...	_____ Kg

5. Others / Internal Generation

-

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

Energy	Total Consumption (Unit)	Standards if any	Current Year	Previous Year	Reason for variation
1. Electricity (Unit)	1292142	Nil	578.32	471.00	-
2. Coal & Lignite	229920		102.32	57.13	-
2. Furnace Oil (Ltr)	48650	Nil	21.77	21.83	-
3. Fire Wood	-	Nil	-	-	-

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	20,71,97,997.00
2. Expenditure in Foreign Currency	32,50,000.00

FOR AND ON BEHALF OF THE BOARD

Date: 04.09.2009.

Place : Mahiyal

SATISH K SHAH
Managing Director

ANNEXURE I TO THE DIRECTORS' REPORT**CORPORATE GOVERNANCE REPORT****COMPANY'S PHILOSOPHY ON CODE OF CORPORATE GOVERNANCE**

Sacheta Metals is committed to executing sustainable business practices and creating long-term value for all its stakeholders. To pursue this objective, the Company remains steadfast in its value systems that incorporate integrity, transparency and fairness across all its business activities.

The Company continues to focus on its commitments towards the development of the community where it operates. It has adopted best practices towards preserving the environment and adherence to the highest safety standards remains a focus area across all operations. Sacheta Metals value systems are based on the foundation of fair and ethical practices in all its dealings with stakeholders including customers, vendors, contractors, employees and all others who are part of the Company business value chain.

Towards this end, all Directors and Senior Management are committed to the Company's Code of Conduct.

BOARD OF DIRECTORS**Composition:**

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

Shri Dharmesh Shah and Shri Kalyanbhai C Shah have been appointed as Additional Director w.e.f. 29.04.2009. The present Board of Directors consists of the eight members, headed by the executive Chairman and comprises of three Executive Director and five Non-executive Directors.

During the period from 01-04-2008 to 31-03-2009, the board meetings were held on 30th April, 20th May, 31st July, 4th Sept, 31st Oct, 31st January, and 31st 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	7	Yes	NIL
2.	Mrs. Chetna S. Shah	Jt. Managing Director	Non-Independent, Executive Director	7	Yes	NIL
3.	Mr. Ankit S. Shah	Executive Director	Non-Independent, Executive Director	7	Yes	NIL
4.	Mr. Jagdish Gandhi	Non-Executive Director	Independent	7	Yes	NIL
5.	Mr. Pravin P. Shah	Non-Executive Director	Independent	7	Yes	NIL
6.	Mr. Jayesh Jasvantbhai Vakharia	Non-Executive Director	Independent	7	Yes	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 Shareholder/investor during the year and therefore no any query the needs to resolve 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 director of the Company and remuneration payable to other director 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. Satish K Shah	Member	Non-Independent, Executive Director

Details of remuneration to Directors:

Sr. No.	Name of Director	Salary	Benefits	Commission	Meeting Fees	Total
1	Shri Satish Shah	1,44,000	191502	NIL	NIL	3,35,502.00
2	Smt. Chetna S. Shah	84,000	NIL	NIL	NIL	84,000.00
3	Shri Ankit S. Shah	1,20,000	NIL	NIL	NIL	1,20,000

GENERAL BODY MEETINGS:

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)
2007-2008	Tuesday, September 4, 2008 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 Newslines (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, 2009 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, 2009

AUDITORS' REPORT

To,
The Members of
SACHETA METALS LIMITED

We have audited the attached Balance Sheet of SACHETA METALS LIMITED as at 31st March 2009 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 2009 and taken on record by the Board of Directors of the Company, none of the Directors is disqualified as on March 31, 2009 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 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, 2009 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

(R.R.Mandali)

Date : 4th September, 2009

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, 2009 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 1055793 and the year end balance of loans taken from Directors was Rs 332000. There is one company and one firms 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 9166385 and the year end balance of loans granted to such company was Rs.9166385.
- (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 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 to 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 31.03.09 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 not allotted equity shares on preferential basis to parties and companies in the register maintained u/s 301 of the Act.
- XIX. The Company has not issued any secured debentures.
- XX. The Company has not raised money by issue of shares.
- 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, 2009

M.No.33118

BALANCE SHEET AS ON 31ST MARCH, 2009

Particulars	Schedule	Amount as at 31-3-2009	Amount as at 31-3-2008
I. SOURCES OF FUNDS			
1. SHAREHOLDERS FUNDS			
Share Capital	1.	78,925,000	78,925,000
Reserves & Surplus	2.	7,593,334	5,243,866
2. LOAN FUNDS			
Secured Loans	3.	77,312,186	69,468,886
Unsecured Loans	4.	594,689	783,574
DEFERRED TAX LIABILITIES		3,276,399	35,73,452
		167,701,608	157,994,778
II. APPLICATIONS OF FUNDS			
1. A. FIXED ASSETS	5.		
a). Gross Block		110,190,995	103,836,400
b). Less : Depreciation		52,862,908	45,401,017
c). Net Block		57,328,087	58,435,383
d). Capital-In-Progress		-	-
2. INVESTMENTS	6	5,900	5,900
3. CURRENT ASSETS, LOANS & ADVANCES			
Inventories	7.	58,693,068	98,851,359
Debtors	8.	26,317,594	24,400,830
Cash & Bank Balances	9.	20,709,858	18,557,630
Loans & Advances	10.	44,861,426	31,933,596
		150,581,946	173,743,415
Less: Current Liabilities & Provisions	11.	40,798,377	74,968,656
Net Current Assets		109,783,569	98,774,759
MISC EXPENSES (THE EXTENT NOT WRITTEN OFF OR ADJUSTED)			
Preliminary expenses		584,052	778,736
		167,701,608	157,994,778
NOTES FORMING PART OF ACCOUNTS	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, 2009

PROFIT & LOSS ACCOUNT FOR THE YEAR ENDED ON 31ST MARCH, 2009

Particulars	Schedule	Amount for the year 2008-09	Amount for the year 2007-08
I. INCOME			
Export Sales		211,028,356	190,328,386
Local Sales		147,501,466	95,190,971
Export Incentives	12.	9,831,284	2,223,33
b). Other Income	13.	8,345,027	5,063,891
c). Increase in inventories	14.	1,682,762	(2,762,089)
		378,388,895	290,044,489
II. EXPENDITURES			
Raw material consumption & purchases of finished goods	15.	296,472,803	227,849,222
Manufacturing Expenses	16.	28,701,787	26,752,477
Selling Administrative & other Expenses	17.	29,399,365	18,533,280
Managerial Remuneration		539,502	509,703
Auditors Remuneration		77,000	55,100
Interest	18.	7,796,300	5,904,046
		362,986,758	279,603,828
III. Profit before depreciation & tax (I-II)		15,402,137	10,440,661
Depreciation		7,591,793	4,602,865
Profit for the year before tax and after depreciation		7,810,344	5,837,796
Less: Provision for Taxation and FBT		171,150	113,302
Less: Provision for Taxation		2,890,000	766,132
Less: Provision for Deferred Tax Liabilities(Assets)		(297,052)	948,048
Profit after taxation		5,046,246	4,010,314
Prior Year Adjustment		(446,237)	35,337
Profit available for appropriation		4,600,009	4,045,651
Less: Proposed Dividend		1,973,125	1,973,125
Less: Dividend Tax		304,848	304,848
Balance Appropriation		2,349,469	1,767,678
Balance Brought Forward from previous year		2,249,368	481,690
Less : Transfer To General Reserve		2,249,368	
Balance carried to Balance Sheet		2,349,469	2,249,368
Earning Per Equity Share (Rupees)			
(Face Value of Rs.10 per equity share) Basic		0.58	0.51

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

19

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, 2009

SCHEDULES ANNEXED TO AND FORMING PART OF ACCOUNTS

Particulars	Amount as at 31-3-2009	Amount as at 31-3-2008
SCHEDULE - 1		
SHARE CAPITAL		
AUTHORISED SHARE CAPITAL		
15000000 (Previous Year 150000000) Equity shares of Rs.10/- each	150,000,000	150,000,000
	150,000,000	60,000,000
ISSUED AND SUBSCRIBED CAPITAL		
7892500 (Out of which 2661700 shares issued on Preferential basis during the year 2007-2008) (5338300) Equity Shares of Rs.10/- each	78,925,000	78,925,000
	78,925,000	78,925,000
PAID UP CAPITAL		
7892500 (Out of which 2661700 shares issued on Preferential basis during the year 2007-2008) (5338300) Equity Shares of Rs.10/- each	78,925,000	78,925,000
	78,925,000	78,925,000
SCHEDULE: 2		
RESERVES & SURPLUS		
Capital Reserves	498,667	498,667
General Reserve	4,044,676	1,795,308
Profit & Loss A/c.	2,349,469	2,249,368
Share Forfeiture A/c	700,523	700,523
	75,93,334	5,243,866
SCHEDULE: 3		
SECURED LOANS		
FROM STATE BANK OF INDIA MUMBAI		
Working Capital Advances in form of		
SBI Germany	9,924,111	-
Term Loan	7,320,105	9,564,103
SBI Excel	1,500,000	-
Cash Credit	361,755	4,444,328
Packing Credit	58,196,242	55,460,455
Overdraft	9,973	-
(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)	77,312,186	69,468,886
SCHEDULE: 4		
UNSECURED LOANS		
From Directors	332,000	582,769
SBI Stand By Limit	262,689	142,106
ICICI Car Loan	-	58,699
	594,689	783,574

SCHEDULES ANNEXED TO AND FORMING PART OF ACCOUNTS

SCHEDULE - 5

FIXED ASSETS

Sr. No.	Description	GROSSBLOCK				DEPRECIATION				NETBLOCK	
		Bal. 1-4-08	Add. during the yr.	Ded. Bal. as the yr.	Total Bal. as 31-3-09	Bal. of Depreciation	Depreciation during the yr.	Adjustment during the yr.	Total Depreciation for the	As on 31-3-09	As on 31-3-08
1.	Land	5,454,269	0	0	5,454,269	0	0	0	0	5,454,269	5,454,269
2.	Building	16,539,935	8,050	0	16,547,985	5,922,780	1,017,673	37,661	6,902,792	9,645,193	10,617,155
3.	Plant & Machinery	66,560,979	5,843,939	583,000	71,821,918	27,930,677	5,380,444	92,241	33,218,880	38,603,038	38,630,302
4.	Dies & Tools	5,028,040	0	0	5,028,040	4,392,194	190,753	0	4,582,947	445,093	635,846
5.	Other Fixed Assets	2,314,335	96825	0	2,411,160	1,584,015	140,008	0	1,724,023	687,137	730,320
6.	Furniture & Fittings	358,925	15643	0	374,568	245,187	25,103	0	270,290	104,278	113,738
7.	Vehicles	6,862,058	856,010	0	7,718,068	4,754,822	765,270	0	5,520,092	2,197,976	2,107,236
8.	Computers	717,859	117,128	0	834,987	571,342	72,542	0	643,884	191,103	146,517
	TOTAL	103,836,400	6,937,595	583,000	110,190,995	45,401,017	7,591,793	129,902	52,862,908	57,328,087	58,435,383
	PREVIOUS YEAR	71,337,325	32,499,075	-	103,836,400	40,798,152	4,602,865	0	45,401,017	58,435,383	30,539,173

SCHEDULES ANNEXED TO AND FORMING PART OF ACCOUNTS

Particulars	Amount as at 31-3-2009	Amount as at 31-3-2008
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	679,000	2,179,000
Raw Material	44,700,288	84,841,341
Semi-finished Goods	5,204,100	4,678,107
Finished Goods	8,044,680	6,887,911
Stock of Advertisement Item	65,000	265,000
	<u>58,693,068</u>	<u>98,851,359</u>
SCHEDULE: 8		
SUNDRY DEBTORS		
(Unsecured, considered good)		
Outstanding for period exceeding six months	-	36,174
Others	26,317,594	24,364,656
	<u>26,317,594</u>	<u>24,400,830</u>
SCHEDULE: 9		
CASH & BANK BALANCES		
Cash in hand(as Certified by the Managing Director)	394,351	1,374,679
Amount with scheduled Banks	1,512,098	-
In Current Accounts		
In Savings Account		-
In Fixed Deposits	18,562,808	17,181,260
Amount with Non-scheduled Bank	-	1,691
(Maximum balances in non scheduled Bank during the year)	240,601	-
The Talod Nagarik Sahkari Bank Ltd.Rs.810009 (Previous Year Rs.2126670)	<u>20,709,858</u>	<u>18,557,630</u>
SCHEDULE - 10		
LOANS & ADVANCES		
Advance for Expense	7,93,361	66,39,512
Advances for Goods	2,25,90,521	67,65,993
Advances for Capital Goods	410,000	1,909,234
IT Refund receivable	890	890
TDS receivable	429,448	14,721
Exice Receivable	9,373,637	6,369,912
Fbt receivable	17,748	-
Vat Receivable	2,221,242	-
Prepaid Expense	638,452	-
Advance Tax 07/08	1,700,000	-
Advance Tax 08/09	800,000	-
Service Tax Receivable	41,324	-
Advances for Others	1,168,275	5,973,921
Stamp Duty hmt	5,615	-
Depoits	4,670,913	4,259,413
	<u>44,861,426</u>	<u>31,933,596</u>

SCHEDULES ANNEXED TO AND FORMING PART OF ACCOUNTS

Particulars	Amount as at 31-3-2009	Amount as at 31-3-2008
SCHEDULE: 11		
CURRENT LIABILITIES & PROVISIONS		
(a) Current Liabilities		
Duties and Taxes	99,130	4,727,189
Creditors for Others	893,162	8,061,915
Creditors for goods	24,825,173	51,736,478
Creditors for expenses	3,406,172	4,080,914
Creditors for Capital goods	-	-
Advances recd. for goods	5,460,485	3,200,697
Income tax Provision 07-08	766,132	-
(a)	35,450,254	71,811,249
(b) Provisions		
Provision for Fringe Benefit Tax	171,150	113,302
Provision for Taxation	2,890,000	766,132
Proposed Dividend	1,973,125	304,848
Tax on Proposed Dividend	304,848	1,973,125
Provision for Expense	9,000	-
(b)	5,348,123	3,157,407
(a+b)	40,798,377	74,968,656
SCHEDULE: 12 EXPORT INCENTIVES		
Exice Benefit	-	1,243,216
DEPB Benefit	2,944,734	226,639
Licence Benefit	6,886,550	38,225
Drawback Benefit	-	270,522
Export Benefit	-	444,728
	9,831,284	2,223,330
SCHEDULE: 13 OTHER INCOME		
Nagrik Bank Share Dividend	-	-
Labour Job Income	342,590	-
Interest on F.D.R.	2,080,521	1,938,367
Other Interest	128,888	-
Kasar Vatav	-	2,093,503
Foreign Exchange Difference	5,729,724	1,032,021
Rate Difference	40,432	-
Transportation Income	22,872	-
	8,345,027	5,063,891
SCHEDULE: 14 INCREASE/(DECREASE) IN INVENTORY		
Closing Stock of		
Finished goods	8,044,680	6,887,911
	-	-
Semi finished goods	5,204,100	-
	13,248,780	6,887,911
Less: Opening Stock of		
Finished & Semi Finished Goods	11,566,018	9,650,000
Increase/(Decrease) in stock	1,682,762	(2,762,089)
SCHEDULE: 15 RAW MATERIAL CONSUMED & PURCHASES OF FINISHED GOODS		
A). Raw Material Consumption		
Opening stock	84,841,341	29,884,712
Add: Purchases	246,523,126	279,251,175
	331,364,467	309,135,887
Less: Closing stock	44,700,288	89,519,448
(a)	286,664,179	219,616,439
B). Consumption of stores		
Opening Stock	2,179,000	2,430,000
Add: Purchases	8,308,624	7,981,783
	10,487,624	10,411,783
Less: Closing Stock	679,000	2,179,000
(b)	9,808,624	8,232,783
(a+b)	296,472,803	227,849,222

SCHEDULES ANNEXED TO AND FORMING PART OF ACCOUNTS

Particulars	Amount as at 31-3-2009	Amount as at 31-3-2008
SCHEDULE: 16 MANUFACTURING EXP.		
Salary & Wages (Factory)	3,317,363	3,207,031
Bonus to Worker	232,546	-
Leave Salary to Worker	162,761	-
Excise levy on Rolling Mill	963,195	37,080
Electricity Expenses	8,638,111	4,729,906
Inward Freight	3,615,958	6,841,060
Pollution Expense	50,600	-
Security Expenses	85,768	106,239
Clearing Charges	311,114	-
Medical Expense	5,803	-
Packing Material	6,842,749	-
Labour Charges	4,475,820	5,712,733
Import Detention/other Exps.	-	6,118,428
	28,701,787	26,752,477
SCHEDULE: 17 SELLING, ADMINISTRATIVE & OTHER EXPENSES		
Advance Licence Benefit	-	5,465,344
Advertisement Expenses	594,659	245,306
Ahmedabad & Bombay Stock Exch. Listing Fees	38,318	34,663
Bank Commission and Charges	3,511,665	868,507
Building Repairs & Maintenance	647,786	56,400
Canteen Expenses	109,517	40,796
Commission Expense	3,834,871	4,004,402
Donation	689,333	151,111
Electricity Charges	540,284	173,980
Export Shipping Freight	10,223,591	2,647,721
Factory Expenses	217,243	59,785
Gratuity Expense	141,720	-
Income Tax Expense	36,970	-
Insurance Charges (Includes Rs.284004 Keyman Insurance Premium of Managing Director) (Previous year Rs.549000)	665,999	890,553
Kasar Vata	641,694	-
Leave Salary	37,688	-
Legal & Professional Charges	345,801	671,927
Machinery Repairs & Maintenance	277,650	77,592
Membership Subscription	67,005	-
Office Exps.	179,520	32,749
Outward Transportation	1,591,343	391,915
Plant Machinery Loss Due To Fire	199,130	-
Post & Telephone & Telegram	683,526	627,155
Printing & Stationery exp.	582,038	117,531
Professional Tax	1,000	1,000
Rent, Rates and Taxes	548,114	161,314
Salary & Bonus	1,079,488	942,563
Sales Commission & Sales Promotion	-	-
Staff welfare	103,376	65,833
Stamp Duty Written Off	194,684	194,684
Travelling Expenses (Including Directors' Travelling Rs. 1009757 (Previous year Rs. 178514)	1,123,608	243,521
Vehicle Running and maint. Exps.	491,745	366,928
	29,399,365	18,533,280
SCHEDULE: 18 INTEREST		
Bank Interest	7,774,741	5,743,456
Other Interest	21,559	160,590
	7,796,300	5,904,046

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.	(3414286)	(3573452)	(159166)

- (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 :

	2008-09	2007-08
Audit Fees	70,000	50,000
Tax Audit Fees	4,000	3,000
For Taxation matters	3,000	2,100
	77,000	55,100

- (7) Managerial Remuneration of Rs.551501/- including perquisites of Rs. 191501/- (Previous year Rs.161703) 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:

	2008-09 Rs.	2007-08 Rs.
a) Sundries	446237	NIL
d) I. Tax Excess Prov. 2006-07	NIL	35337
	446237	35337

- 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 Alluminjum 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	2210000
Loan received	2000000
Commission	238417
Rent	526800
Net Closing Balance	228000

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

Particulars	Value of Transactions For the year
Managerial remuneration including perquisites	551501
Amount Paid	4361776
Amount Received	4111007

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. 2009	31st March. 2008
Profit available for Equity Share holders	4600009	4045651
Weighted average number of shares	7892500	7892500
Earning per Share Basic and Diluted	0.5828	0.5126
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	211028356	147501466	358529822
Export Incentives	9831284	—	9831284
Other receipts	—	8144469	8144469
Raw Materials Consumption	174501992	121970810	296472803
Mfg.Exp.	16893688	11808099	287011787
Gross Results of Geographical Segment.	29463960	21867025	51330985

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).

	2008-09		2007-08	
	Qty. in MT	Rs.	Qty. in MT	Rs.
a. Licenced Capacity	N.A.		N.A.	
b. Installed Capacity	6000 MT		6000 MT	
(On Annual basis this being technical matter the same is certified by the management and not verified by us).				
c. Production				
I. Alluminium Utensils	2234.3		1780.823	
II. M.S. Utensils	0		7.538	
III. S.S. Utensils	0		14.758	
d. Stock of Finished Goods				
at close Alluminium Utensils	67.04	6887911	36.41	6887911
S.S. Utensils				
e. Stock of Finished Goods at beginning				
Alluminium Utensils	36.41	6887911	20.2	3858200
S.S. Utensils	0	0	0	0
f. Sales				
I. Alluminium Utensils	2203.67	350285429	1764.612	261550065
II. M.S. Utensils	0	0	7.538	310752
III. S.S. Utensils	0	0	0	0
g. Raw Materials Consumed				
I. Alluminium	2258.29	286144513	1862.278	219245165
II. M.S. Utensils	0	0	7.538	371274
III. S.S. Utensils	0	0	0	0
h. Trading Activity				
Alluminium Ingots				
Opening Stock	0	0	42.41	6997650
Add: Purchases	141.89	11960193	85.609	15884375
Less : Transfer for Production	20.41	1650975	0	0
Less: Sales	29.72	2601276	131.019	23658540
Closing Stock	91.76	7708008	0	0
i. C.I.F. Value of Imports				
Expenditure & Earning in Foreign Exchange				
1). C.I.F. Value of Imported Raw Materials		11960193		193865280
2). Expenditure incurred in Foreign Currency		3250000		3660674
3). Earning in Foreign Currency F.O.B.		207197997		177026838
j. Break-up of Imported and indogeneous materials and Components Consumption				
	Value in Rs.	% of Total Consumption	Value in Rs.	% of Total Consumption
Imported	11960193	5%	193865280	88%
Indogeneous	234562933	95%	25751159	12%
	246523126	100%	219616439	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	31-03-2009

2. CAPITAL RAISED DURING THE YEAR ENDED ON 31ST MARCH, 2009.

(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, 2009
(Rs. In Thousands).

Total Liabilities	167,702
Total Assets	167,702

SOURCES OF FUNDS

Paid up Capital	Share Application Money
78925	Nil
Reserve & Surplus	Secured Loans
7593	77312
Unsecured Loans	Deffered Tax Liabilities
595	3276

APPLICATION OF FUNDS

Net Fixed Assets	Cap. Work Progress
57328	0
Investments	Net Current Assets
6	109784
Misc. Expenditure	Accumulated Losses
584	0

IV. PERFORMANCE OF THE COMPANY FOR THE YEAR ENDED 31-03-2009 (Rs.In Thousands)

Turnover (Sales & other Income)	Total Expenditure
378389	370579
Profit before Tax	Profit after Tax
7810	4600
Earning per share Rs.	Dividend Rate %
0.58	2.5%

V GENERIC NAME OF PRINCIPAL PRODUCTS OF THE COMPANY

ITC NO.	
PRODUCT	Aluminium 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

Place : Ahmedabad
Date : 4th September, 2009

For SACHETA METALS LIMITED
SATISH K. SHAH
Managing Director

CHETNABEN S. SHAH
Jt. Managing Director

CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2009

Particulars	Amount as at 31-3-2009	Amount as at 31-3-2008
A. CASH FLOW FROM OPERATING ACTIVITIES		
Net Profit After Tax and before Extra		
Ordinary Items	5,046,246	4,010,314
Adjustments For :		
Depreciation 7,591,793	75,91,793	4,602,865
Provision for Taxation & FBT	171,150	113,302
Provision for Taxation	2,890,000	
Provision for Differed Tax Liabilities(Assets)	(297,052)	948,048
Prior Year Adjustments	(446,237)	35,337
Interest/ Dividend Income	(2,209,409)	(64,819)
Interest Charged	7,796,300	5,904,046
Amortisation of Misc. Expenditure	194,684	0
(Profit)/Loss on Sale of Fixed Assets	199,130	0
Operating Profit before Working Capital Changed	20,936,605	15,549,093
Adjustment for :		
Trade & Other Receivables	(14,649,910)	975,850
Inventories	40,158,291	(56,621,647)
Trade Payables & Other Liabilities	(34,534,232)	38,125,900
Cash Generated From Operations	11,910,754	(1,970,804)
Taxes (Paid)/ Refund Received	(800,000)	(113,302)
	11,110,754	(2,084,106)
Cash Flow before Extraordinary Items		
Net Cash from Operating activities (A)	11,110,754	(2,084,106)
B. CASH FROM INVESTING ACTIVITIES		
Purchase of Fixed Assets	(6,937,595)	(31,565,560)
Sale of Fixed Assets	291,629	-
Interest Received	107,298	64,819
Net Cash used in Investing Activities	(6,538,668)	(31,500,741)
C. CASH FLOW FROM FINANCING ACTIVITIES		
Proceeds from issue of Share Capital	-	26,617,000
Proceeds from Long Term Borrowings	7,843,300	23,822,944
Repayment of Unsecured Loan	(188,885)	(6,517,911)
Dividends paid	(304,848)	(304,848)
Interest Paid	(7,796,300)	(5,904,046)
Tax on Distributed profit(Dividend)	(1,973,125)	(1,973,125)
Net Cash used in Financing Activities	(2,419,858)	35,740,014
Net (decrease) / Increase in Cash equivalents	2,152,228	2,155,167
Cash and Cash Equivalents as AT 1.04.2008	18,557,630	16,402,463
Cash and Cash Equivalents as AT 31.03.2009	20,709,858	18,557,630
Note: (i) Figures in Brackets represent outflows.		

For **SACHETA METALS LIMITED****Satish K. Shah**
Managing Director**Chetnaben S. Shah**
Jt. Managing Director

Date : 4th September, 2009

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, 2009. 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, 2009 to the Members of the Company.

For R.R.MANDALI & CO.
CHARTERED ACCOUNTANTS

Place : Ahmedabad

(R.R.Mandali)
Proprietor.

Date : 4th September, 2009

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 19th Annual General Meeting of the Company to be held Wednesday, September 30, 2009 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 _____ 2009.

Affix
Rs. 2/-
Revenue
Stampe

(Signature of the Shareholder (s)) _____

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.

TERE HERE

SACHETA METALS LIMITED

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

ATTENDANCE SLIP

19th Annual General Meeting on 30th day of September, 2009 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 19th Annual General Meeting at Regd. office on 30th September, 2009.

Signature of the shareholder of the proxy attending meeting.

If shareholder, Please sign, Here

If proxy, Please sign, Here

Book Post

To

SACHETA METALS LIMITED

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