

Sacheta Metals Limited

**21st
Annual Report**
for the year ended 31st March 2011

SACHETA METALS LIMITED

BOARD OF DIRECTORS :

Mr. Satish K. Shah	Managing Director
Mrs. Chetnaben S. Shah	Jt. Managing Director
Mr. Ankit S. Shah	Executive Director
Mr. Pravin P. Shah	Director
Mr. Jagdish K. Gandhi	Director
Mr. Jayesh J. Vakharia	Director
Mr. Dharmesh C. Shah	Director
Mr. Kalyan C. Shah	Director

COMPLIANCE OFFICER :

Mr. D. K. Patel

AUDIT COMMITTEE :

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

AUDITORS :

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

BANKERS :

State Bank of India
Maiad, 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 the Twentyfirst Annual General Meeting of the Members of SACHETA METALS LIMITED will be held on Friday, September 30, 2011 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, 2011 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.
3. To appoint Director in place of Mr. Ankit S Shah who retires by rotation and is eligible for re-appointment as Director.
4. To appoint Director in place of Mr. Dharmesh C Shah who retires by rotation and is eligible for re-appointment as Director.
5. To appoint Director in place of Mr. Kalyan C 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

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

Date : 03.09.2011

Place : Mahiyal

**Satish K Shah
Managing Director**

NOTE :

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. 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.
2. The register of members and share transfer book shall remain closed on 28.9.2011 to 30.9.2011 (both days inclusive) for the purpose of dividend and annual general meeting.
3. 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.
4. Members/Proxies are requested to bring their Attendance Slip duly filled up for attending the Meeting.

DIRECTORS' REPORT

To the Members,

Your Directors have great pleasures in presenting you the Twentyfirst Annual Reports of the Company together with the Audited Accounts for the year ended on March 31, 2011.

FINANCIAL RESULTS :

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

(Rs. in Lacs)

Particulars	Current Year ended 31.03.2011	Previous Year ended 31.03.2010
Sales / Turnover	5284.12	4473.23
Profit before Interest, Depreciation & Tax	412.76	243.68
Less Interest	149.09	55.02
Profit before Depreciation and Tax	263.67	188.66
Less Depreciation for the year	143.79	91.00
Profit before tax	119.88	97.66
Taxation including deferred tax	44.16	35.87
Net profit for the year after tax	75.72	61.79
Balance brought forward from previous year	38.71	23.49
Prior year adjustment	3.49	00.00
PROFIT available for appropriation	110.94	85.28
Transfer to General Reserve	0.00	23.49
Dividend Tax	6.00	3.35
Dividend on equity	36.14	19.73
Balance carried forward to Balance-Sheet	68.80	38.71

DIVIDEND :

Your Directors recommend dividend of Rs 0.25 per share (2.5%) of face value of Rs 10 each out of the current year's profit.

OPERATIONS :

During the year, the company has achieved sales of Rs. 5284.12 lacs as compared to the last year figure of Rs. 4473.23 lacs i.e. increase of 18%. The cash profit (i.e. profit before depreciation) increased to Rs 263.67 lacs from previous of Rs 188.66 lacs i.e. increase of 40% and the net profit increased to Rs 75.72 lacs from previous of Rs 61.79 lacs i.e. increase of 23%.

The company during the year made a remarkable success, both strategically and operationally. The better economic environment provided an added stimulus.

MANAGEMENT DISCUSSION AND ANALYSIS REPORT :

The use of aluminium is increasing day by day. Along with manufacturing aluminium utensils there is great scope in manufacturing aluminium sheets of different gauges. The consumption of aluminium foils & coils is on rise as packaging materials in Pharmacy & Food processing industries. Being a light metal its sheets is also used in making of aircrafts, steamers, buses and vehicles.

Your directors are happy to state that the company's second expansion plan of producing Alluminium foils has been completed and running successfully and production capacity has increased to 7200 M T per Annum.

Your directors are now planning further (Third) expansion in the form of backward integration to manufacturing of HRC from Aluminium ingots at an estimated cost of Rs 1000.00 lacs

ISSUE OF SHARES :

The Company has re-issued 1,07,500 equity shares forfeited earlier and also further issued 64,55,000 equity shares during the year 2010-11, on preferential basis, to finance its second expansion project.

DIRECTORS :

Mr Ankit S Shah, Mr Dharmesh C Shah and Mr Kalyan C Shah, Directors, retire by rotation at the ensuing Annual General Meeting and, being eligible, offer themselves for reappointment. The Board recommend their reappointment for your approval.

CORPORATE GOVERNANCE :

The detailed report on Corporate Governance for the financial year from 1.4.2010 to 31.3.2011 on the line of requirements of Listing Agreement and SEBI appears in the annexure I 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 ensuing 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) :

None of the employees is in receipt of the remuneration specified in Section 217(2A) of the Companies Act, 1956 read with the Companies (Particulars of Employees) Rules 1988, as amended.

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, 2011 and of the profit of the Company for that period.

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.

- iii. 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 the Government Authorities, Bankers, vendors, customers, advisors, the general public and for the valued contribution, efforts and dedication shown by the Company employees, officers, and the executives at all levels. Your Directors also sincerely acknowledge the confidence and faith reposed by the shareholders of the Company.

For and on behalf of the Board

Date : 03.09.2011

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 herein below :

FORM – "A"

POWER AND FUEL CONSUMPTION :

1. ELECTRICITY :

A) Purchased (GEB)

Units	2340668 Unit.
Total Amount	Rs. 13624466
Rate / Unit (Rs.)	Rs: 5.82

B) Own Generation :

Unit	—
Total Amount	—
Rate / Unit (Rs.)	—

2. COAL (GRADE C & D) AND LIGNITE :

Coal	
Quantity Kgs.	312633 Kgs.
Total Cost	Rs. 1697251
Average Rate	Rs. 5.43

3. FURNACE OIL :

Quantity Ltr.	147536 Ltr.
Total Cost	Rs. 3354189
Average Rate	Rs. 22.73

4. FIRE WOOD :

Quantity Kgs.	207240 Kgs.
Cost per KG	Rs. 3.07
Total Cost	Rs. 636226

5. OTHER / INTERNAL GENERATION :

Energy	Total Consumption (Unit)	Standards, if any	Total Production (Qt in MT) Current Year	Total Production (Qty in MT) Previous Year
1. Electricity (Unit)	2340668	Nil	658.58	563.92
2. Coal & Lignite(Kg)	312633	Nil	87.96	103.12
3. Furnace Oil (Ltr)	147536	Nil	41.51	49.48
4. Fire Wood (Kg)	207240	Nil	58.31	77.23

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	157193339.00
2. Expenditure in Foreign Currency	2903655.00

For and on behalf of the Board

Date : 03.09.2011

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 practice 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

The present Board of Directors consists of the eight members, headed by the Executive Chairman and comprises of two Executive Director and five Non-executive Directors. During the period from 01-04-2010 to 31-03-2011, the board meetings were held on 30th April, 2010, 31st July, 2010, 26th August, 2010, 30th Oct 2010, 8th January, 2011, 15th January 2011 and 31st January 2011.

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 :-

Name	Position/Category	No. of Board Meetings Attended	Attendance at last AGM	Total no. of directorships in other public companies (*)
Mr. Satish K Shah	Promoter and Chairman & Managing Director	7	YES	None
Mrs. Chetna S. Shah	Promoter and Joint Managing Director	7	YES	None
Mr. Ankit S. Shah	Executive Director (promoter group)	7	YES	None
Shri Dharmesh C Shah	Non-Executive Director	5	YES	None
Mr. Jagdish Gandhi	Independent Non-Executive Director	7	YES	None
Mr. Pravin P. Shah	Independent Non-Executive Director	7	YES	None
Mr. Jayesh Jasvantbhai Vakharia	Independent Non-Executive Director	6	YES	None
Mr Kalyan C Shah	Independent Non-Executive Director	6	YES	None

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 :**Mr 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 query/complaint from Shareholders/Investor 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. Satish K 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
2007-2008	Tuesday, September 04, 2008 at 11.00 a.m.	Block No. 33, Sacheta Udyognagar, Village : Mahiyal, Tal: Talod, Dist. Sabarkantha (Gujarat)
2008-2009	Wednesday, September 30, 2009 at 11.00 a.m.	Block No. 33, Sacheta Udyognagar, Village : Mahiyal, Tal: Talod, Dist. Sabarkantha (Gujarat)
2009-2010	Thursday, September 30, 2010 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.

CEO & CFO Certification :

The company has obtained necessary certificate from the CEO & CFO as required under clause 49 of the listing agreement.

Risk Management :

Senior Management and the Audit Committee are presented the result of risk assessment and residual risk by the Board who takes responsibility for total process of risk management in the organisation. The Management is accountable for the integration of risk management practice into the day to day activities.

SHAREHOLDERS INFORMATION :

Day, Date and Time of AGM	:	Friday, 30 th September, 2011 at 11.00 a.m.
Venue	:	Block No. 33, Sacheta Udyognagar, Village : Mahiyal, Tal: Talod, Dist. Sabarkantha (Gujarat)
Financial Year	:	April 1, 2010 to March 31, 2011
Book Closure Dates	:	28 th September, 2011 to 30 th September, 2011 (Both days inclusive)
Registered office	:	Block No. 33, Sacheta Udyognagar, Village : Mahiyal, Tal: Talod, Dist. Sabarkantha (Gujarat)
Compliance officer	:	Mr D. K. Patel, Compliance Officer
E-mail Address	:	sacheta@sacheta.com,
Website address	:	www.sacheta.com

SHARE HOLDING PATTERN AS ON 31.3.2011 :

Categories of Shareholders	Shareholding %
Indian Promoters	53.81%
Private Corporate Bodies	06.61%
Indian Public	39.58%
NRIs/ OCBs	NIL
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' (Gujarati) and 'The News line' (English).

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, 2011 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
(FRN 114223W)**

**(R. R. Mandali)
Proprietor
M.NO.: 33118**

**Place : Ahmedabad
Date : 3rd September, 2011**

AUDITORS' REPORT

To,
The Members of
SACHETA METALS LIMITED

We have audited the attached Balance Sheet of SACHETA METALS LIMITED as at 31st March 2011 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 2011 and taken on record by the Board of Directors of the Company , none of the Directors is disqualified as on March 31, 2011 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 31stMarch, 2011,
 - (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
(FRN 114223W)

(R. R. Mandali)
Proprietor
M.NO.: 33118

Place : Ahmedabad
Date : 3rd September, 2011

ANNEXURE REFERRED TO IN PARAGRAPH 3 OF OUR AUDITOR'S REPORT OF EVEN DATE ON THE ACCOUNTS FOR YEAR ENDED 31st MARCH, 2011 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 has taken loan from director covered in the register maintained under section 301 of the Companies Act, 1956. The maximum amount involved during the year was Rs 34108000 and the year end balance of loan taken from such party was Rs 18553000. The company has not granted any loan to the parties covered in the register maintained under section 301 of the Companies Act, 1956.
- (b) In our opinion, the rate of interest and other terms and conditions on which loans have been taken from 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) There is no fixed stipulation for repayment of loan taken. However the same is repayable on demand. No interest has been charged on such loans.
- (d) Loans taken from 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 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 31.03.11 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 price at which shares have been issued are not prejudicial to interest of the company.
- XIX. The Company has not issued any secured debentures.
- XX. The Company has not raised money by public 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
(FRN 114223W)

(R. R. Mandali)
Proprietor
M.NO.: 33118

Place : Ahmedabad
Date : 3rd September, 2011

BALANCE SHEET AS ON 31ST MARCH, 2011

Particulars	Schedule	Amount as at 31-3-2011	Amount as at 31-3-2010
I. SOURCES OF FUNDS :			
1. SHAREHOLDERS FUNDS			
Share Capital	1	144,550,000	78,925,000
Reserves & Surplus	2	32,716,837	11,464,230
2. LOAN FUNDS			
Secured Loans	3	111,853,395	67,273,928
Unsecured Loans	4	18,553,000	207,303
DEFERRED TAX LIABILITIES		5,341,813	5,085,497
		<u>313,015,045</u>	<u>162,955,958</u>
II. APPLICATIONS OF FUNDS :			
1. A. FIXED ASSETS			
a) Gross Block	5	177,323,803	158,977,165
b) Less : Depreciation		<u>75,549,031</u>	<u>61,962,943</u>
c) Net Block		101,774,774	97,014,222
2. INVESTMENTS			
	6	5,900	5,900
3. CURRENT ASSETS, LOANS & ADVANCES			
Inventories	7	140,743,589	74,913,675
Debtors	8	41,558,178	33,381,503
Cash & Bank Balances	9	29,867,850	2,736,099
Loans & Advances	10	41,786,699	27,882,447
		<u>253,956,316</u>	<u>138,913,724</u>
Less : Current Liabilities & Provisions	11	43,316,629	73,367,256
Net Current Assets		<u>210,639,687</u>	<u>65,546,468</u>
MISC EXPENSES :			
(The Extent Not Written Off or Not Adjusted)			
Preliminary expenses		594,684	389,368
		<u>313,015,045</u>	<u>162,955,958</u>
NOTES FORMING PART OF ACCOUNTS	19		

AS PER OUR ATTACHED AUDIT REPORT OF EVEN DATE

For R. R. MANDALI & CO.
CHARTERED ACCOUNTANTS
(FRN 114223W)

R. R. MANDALI
Proprietor

Place : Ahmedabad
Date : September 03, 2011

For SACHETA METALS LIMITED
SATISH K. SHAH
Managing Director

CHETNABEN S. SHAH
Jt. Managing Director

PROFIT & LOSS ACCOUNT FOR THE YEAR ENDED ON 31ST MARCH, 2011

Particulars	Schedule	Amount for the year 31-3-2011	Amount for the year 31-3-2010
I. INCOME :			
Export Sales		192,109,795	123,391,966
Local Sales		336,302,427	323,930,737
Export Incentives	12	5,124,893	-
b) Other Income	13	33,818,257	30,303,106
c) Increase in inventories (Decrease)	14	16,591,388	(1,093,376)
		<u>583,946,759</u>	<u>476,532,433</u>
II. EXPENDITURES :			
Raw material consumption & purchases of finished goods	15	464,406,204	384,402,382
Manufacturing Expenses	16	41,892,672	34,644,864
Selling Administrative & other Expenses	17	35,419,258	32,446,713
Managerial Remuneration		875,751	593,345
Auditors Remuneration		77,000	77,000
Interest	18	14,909,344	5,501,719
		<u>557,580,229</u>	<u>457,666,023</u>
III. Profit before depreciation & tax (I-II)			
		26,366,530	18,866,409
Depreciation		14,378,787	9,100,035
Profit for the year before tax and after depreciation		11,987,743	9,766,374
Less : Provision for Taxation		4,159,473	1,777,923
Less : Provision for Deferred Tax Liabilities(Assets)		256,316	1,809,098
Profit after taxation		7,571,954	6,179,353
Prior Year Adjustment		349,140	-
Profit available for appropriation		7,222,814	6,179,353
Less : Proposed Dividend		3,613,750	1,973,125
Less : Dividend Tax		600,208	335,333
Balance Appropriation		3,008,857	3,870,896
Balance Brought Forward from previous year		3,870,896	2,349,469
Less : Transfer To General Reserve		-	2,349,469
Balance carried to Balance Sheet		6,879,753	3,870,896
Earning Per Equity Share (Rupees)			
(Face Value of Rs. 10 per equity share) Basic		0.78	0.78

NOTES FORMING PART OF ACCOUNTS

19

AS PER OUR ATTACHED AUDIT REPORT OF EVEN DATE

For R. R. MANDALI & CO.
CHARTERED ACCOUNTANTS
(FRN 114223W)

R. R. MANDALI
Proprietor

Place : Ahmedabad
Date : September 03, 2011

For SACHETA METALS LIMITED
SATISH K. SHAH
Managing Director

CHETNABEN S. SHAH
Jt. Managing Director

SCHEDULES ANNEXED TO AND FORMING PART OF ACCOUNTS

Particulars	Amount as at 31-3-2011	Amount as at 31-3-2010
SCHEDULE - 1 : SHARE CAPITAL :		
AUTHORISED SHARE CAPITAL		
25000000 (Previous Year 15000000) Equity shares of Rs. 10/- each	250,000,000	150,000,000
	250,000,000	150,000,000
ISSUED AND SUBSCRIBED CAPITAL		
14455000(Out of which 6562500 shares including 107500 forfeited shares issued on Preferencial basis during the year 2010-11) (Out of which 2661700 shares issued on Preferencial basis during the year 2007-08) Equity Shares of Rs. 10 each	144,550,000	78,925,000
	144,550,000	78,925,000
PAID UP CAPITAL		
14455000(Out of which 6562500 shares including 107500 forfeited shares issued on Preferencial basis during the year 2010-11) (Out of which 2661700 shares issued on Preferencial basis during the year 2007-08) Equity Shares of Rs. 10 each	144,550,000	78,925,000
	144,550,000	78,925,000
SCHEDULE - 2 : RESERVES & SURPLUS :		
Capital Reserves	1,199,190	498,667
Share Premium	18,243,750	-
General Reserve	6,394,144	6,394,144
Profit & Loss A/c.	6,879,753	3,870,896
Share Forfeiture A/c	-	700,523
	32,716,837	11,464,230
SCHEDULE - 3 SECURED LOANS :		
FROM STATE BANK OF INDIA MUMBAI		
Working Capital Advances in form of SBI Hongkong	31,796,781	--
Term Loan	2,189,699	4,361,307
SBI Excel	-	2,320,663
Cash Credit	2,362,397	-
Packing Credit	75,504,518	59,796,895
Overdraft State Bank of Saurashtra	-	795,063
(Working Capital Advances from SBI Mumbai are secured by HYPOTHECATION/PLEDE OF Companies entire Goods. Movable & other Assets Such as book Debts Outstanding Monies, Receivable, claims, Bills, Invoice, Documetns, Contracts, Securities, Investments, & Rights all presents and future 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 Coiler -Decoiler machine)		
	111,853,395	67,273,928
SCHEDULE - 4 : UNSECURED LOANS :		
From Directors	18,553,000	207,303
	18,553,000	207,303

SCHEDULES ANNEXED TO AND FORMING PART OF ACCOUNTS

SCHEDULE - 5 : FIXED ASSETS :

S. N.	Description	GROSS BLOCK				DEPRECIATION				NET BLOCK	
		Balance as on 01-04-10	Add. during the yr.	Deduction during the year	Total Balance as 31-03-11	Open. Balance of Depreciation	Deprici-ation during the year	Adjust-ment during the year	Total Depri-ciation for the	As on 31-03-11	As on 31-03-10
1.	Land	5,454,269	-	-	5,454,269	-	-	-	-	5,454,269	5,454,269
2.	Building	19,779,063	4,571,281	-	24,350,344	7,917,185	1,435,824	-	9,353,009	14,997,335	11,861,878
3.	Plant & Machinery	116,508,878	14,110,547	490,000	130,129,425	40,223,177	11,927,297	74,135	52,076,339	78,053,086	76,285,701
4.	Dies & Tools	5,058,040	184,123	-	5,242,163	4,722,195	146,295	-	4,868,490	373,673	335,845
5.	Other Fixed Assets	2,411,160	19,125	-	2,430,285	1,852,564	118,287	-	1,970,851	459,434	558,596
6.	Furniture & Fittings	747,350	275,591	62,532	960,409	320,778	121,387	10,698	431,467	528,942	426,572
7.	Vehicles	8,161,068	391,290	764,492	7,787,866	6,201,331	545,316	707,866	6,038,781	1,749,085	1,959,737
8.	Computers	857,337	111,705	-	969,042	725,713	84,381	-	810,094	158,948	131,624
	TOTAL	158,977,165	19,663,662	1,317,024	177,323,803	61,962,943	14,378,787	792,699	75,549,031	101,774,772	97,014,222
	PREVIOUS YEAR	110,190,995	48,786,170	-	158,977,165	52,862,908	9,100,035	-	61,962,943	97,014,222	57,328,087

SCHEDULES ANNEXED TO AND FORMING PART OF ACCOUNTS

Particulars	Amount as at 31-3-2011	Amount as at 31-3-2010
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	3,600,000	500,000
Raw Material	108,331,798	62,193,271
Semi-finished Goods	4,807,103	5,172,930
Finished Goods	24,004,688	7,047,474
	<u>140,743,589</u>	<u>74,913,675</u>
SCHEDULE - 8 : SUNDRY DEBTORS :		
(Unsecured, considered good)		
Outstanding for period exceeding six months	653,898	889,845
Others	40,904,280	32,491,658
	<u>41,558,178</u>	<u>33,381,503</u>
SCHEDULE - 9 : CASH & BANK BALANCES :		
Cash in hand(as Certified by the Managing Director)	218,048	309,991
Amount with scheduled Banks :		
- In Current Accounts	914,825	2,420,199
- In Fixed Deposits	28,591,148	--
Amount with Non-scheduled Bank :		
- The Talod Nagarik Sahkari Bank Ltd. (Maximum balances in non scheduled Bank during the year is Rs. 681927.00) (Previous Year Rs. 704675.50)	143,829	5,910
	<u>29,867,850</u>	<u>2,736,099</u>
SCHEDULE - 10 : LOANS & ADVANCES :		
(Unsecured, considered good)		
(Advances recoverable in cash or kind or for value to be received)		
Advances for expenses	18,058	23,089
Advances for Goods	--	2,935,554
Advances for Capital Goods	636,527	861,000
IT Refund receivable	--	966,337
TDS receivable	94,047	399,393
Exice Receivable	11,564,413	10,885,858
Discount Receivable	7,725,103	--
Vat Receivable	6,172,466	4,509,089
Prepaid Expense	--	--
Accrued Interest	109,951	--
DEPB Receivable	4,402,750	--
Advance Tax 09/10	--	700,000
Advance Tax 10/11	1,700,000	--
Service Tax Receivable	721,426	15,274
Advances for Others	3,683,321	1,270,325
Stamp Duty hmt	5,615	5,615
Depoits	4,953,022	5,310,913
	<u>41,786,699</u>	<u>27,882,447</u>

SCHEDULES ANNEXED TO AND FORMING PART OF ACCOUNTS

Particulars	Amount as at 31-3-2011	Amount as at 31-3-2010
SCHEDULE - 11 : CURRENT LIABILITIES & PROVISIONS :		
(a) Current Liabilities :		
Duties and Taxes	-	39,936
Creditors for Others	7,529,859	2,423,925
Creditors for goods	11,507,260	23,780,478
Creditors for expenses	4,685,963	8,009,181
Creditors for Capital goods	1,434,652	29,615,648
Advances recd. for goods	8,799,713	5,411,707
Advance Licence	874,780	-
	(A) 34,832,227	69,280,875
(b) Provisions :		
TDS Payable	73,515	-
Provision for Taxation	4,159,473	1,777,923
Proposed Dividend	3,613,750	1,973,125
Tax on Proposed Dividend	600,208	335,333
Provision for Expense	37,456	-
	(B) 8,484,402	4,086,381
	(A+B) 43,316,629	73,367,256
SCHEDULE - 12 : EXPORT INCENTIVES :		
DEPB Benefit	4,402,750	-
Export Incentives	58,960	-
Licence Benefit	663,183	-
	5,124,893	-
SCHEDULE - 13 : OTHER INCOME :		
MCX Hedging Benefit	465,883	-
Interest on F.D.R.	803,308	1,769,341
Other Interest	122,989	582,967
Discount Income	31,354,325	25,326,577
Foreign Exchange Difference	870,970	1,297,573
Profit on Sale of Fixed Assets	5,789	-
Key Man Insurance Policy	-	975,217
Rate/Weight Difference	1,114	258,641
Transportation Income	193,879	92,790
	33,818,257	30,303,106
SCHEDULE - 14 : INCREASE/(DECREASE) IN INVENTORY :		
Closing Stock of Finished goods	24,004,688	7,047,474
Semi finished goods	4,807,103	5,172,930
	28,811,792	12,220,404
Less : Opening Stock of Finished & Semi Finished Goods	12,220,404	13,313,780
Increase/(Decrease) in stock	16,591,388	(1,093,376)

SCHEDULES ANNEXED TO AND FORMING PART OF ACCOUNTS

Particulars	Amount as at 31-3-2011	Amount as at 31-3-2010
SCHEDULE - 15 : RAW MATERIAL CONSUMED & PURCHASES OF FINISHED GOODS :		
A) Raw Material Consumption :		
Opening stock	62,193,271	44,700,288
Add : Purchases	493,258,914	386,165,960
	555,452,185	430,866,248
Less : Closing stock	108,331,798	62,193,271
	(C) 447,120,387	368,672,977
B) Consumption of stores :		
Opening Stock	500,000	679,000
Add : Purchases	20,385,817	15,550,404
	20,885,817	16,229,404
Less : Closing Stock	3,600,000	500,000
	(D) 17,285,817	15,729,404
Raw Material Consumption (C+D)	464,406,204	384,402,382
SCHEDULE - 16 : MANUFACTURING EXP.:		
Salary & Wages (Factory)	5,393,294	4,811,910
Bonus to Worker	379,061	337,377
Leave Salary to Worker	233,769	225,395
Excise levy on Rolling Mill	-	154,565
Electricity Expenses	13,624,466	10,606,591
Inward Freight	1,291,133	6,393,470
Polution Expense	77,975	104,056
Security Expenses	481,200	280,662
Clearing Charges	715,843	393,558
Medical Expense	86,519	37,656
Packing Material	7,342,579	5,617,036
Labour Charges	11,840,353	5,336,719
Import Detention/other Exps.	426,480	345,869
	41,892,672	34,644,864
SCHEDULE - 17 : SELLING, ADMINISTRATIVE & OTHER EXPENSES :		
Advance Licence Benifit	2,677,756	8,060
Advertisement Expenses	578,692	216,870
Bombay Stock Exch. Listing Fees	70,150	43,861
Bank Commission and Charges	795,698	1,669,384
Building Repairs & Maintenance	113,201	1,569,322
Bad Debts Written off	330,000	-
Canteen Expenses	366,932	262,329
Computer Repairing Exps.	72,110	72,740

SCHEDULES ANNEXED TO AND FORMING PART OF ACCOUNTS

Particulars	Amount as at 31-3-2011	Amount as at 31-3-2010
SCHEDULE - 17 : SELLING, ADMINISTRATIVE & OTHER EXPENSES : (CONTD.....)		
Commission Expense	4,405,672	4,758,587
Donation	896,517	1,580,637
DEPB Exps.	-	117,414
DGFT Fees	3,920	-
Electricity Charges	814,946	1,379,217
Export Shipping Freight	11,714,641	9,685,828
Factory Expenses	376,084	288,211
Fesival Exps.	75,457	98,173
Franking Exps on loan Enhanced	62,090	-
Gratuity Expense	101,305	129,573
Income Tax Expense	108,164	-
Insurance Charges	315,818	788,170
Kasar VataV	450,063	725,159
Leave Salary	84,773	64,719
Legal & Professional Charges	741,972	479,647
Machinery Repairs & Maintenance	581,093	633,556
MenbeShip Subscription	100,406	501,774
Office Exps.	189,905	339,350
Outward Transportation	2,051,765	1,767,970
Plant Machinery Loss Due To Fire	216,991	-
Post & Telephone & Telegram	941,721	689,436
Printing & Stationery Exp.	315,991	423,480
Professional Tax	800	2,400
Rent, Rates and Taxes	517,522	657,502
Salary & Bonus	1,856,565	1,565,722
Service Tax	648,952	-
Staff welfare	221,099	139,758
Stamp Duty Written Off	294,684	194,684
Travelling Expenses		
(Including Directors' Travelling Rs. 476844 (Previous year Rs. 508937)	1,954,653	1,189,243
Vehicle Running and Maint. Exps.	371,150	403,939
	<u>35,419,258</u>	<u>32,446,713</u>
SCHEDULE - 18 : INTEREST :		
Bank Interest	5,222,437	5,384,795
Other Interest	9,686,907	116,924
	<u>14,909,344</u>	<u>5,501,719</u>

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 16 th April, 1994	Revalued Amount
b)	Assets acquired after 16 th April, 1994	Original Cost

- 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 cash basis.

(7) Revenue Recognition :

Revenue Income is accounted on cash basis.

(8) Deferred Tax Assets / (Liabilities) :

	Current Year	Previous Year	Net Effect
Depreciation Unabsorbed Dep	(5341813)	(5085497)	(256316)

- (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) 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.

(5) Payment to Auditors includes :

	2010-11	2009-10
Audit Fees	70000	70000
Tax Audit Fees	4000	4000
For Taxation Matters	3000	3000
	77000	77000

- (6) Managerial Remuneration of Rs.875751/- including perquisites of Rs. 299751/- (Previous year Rs.593345) has been paid during the year.

- (7) The company has issued 26,61,700 Equity Shares on preferential basis during the year 2007-08. It had 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. Moreover the company has issued 65,62,500 Equity shares including 107500 forfeited shares on preferential basis during the year 2010-11. It had incurred an amount of Rs.5,00,000 towards preliminary expenses on account of issue of shares. Amount of Rs.1,00,000 being 1/5th is written off during the year.

(8) Prior Year Adjustments represents:

	2010-11	2009-10
a) Sundries	(349140)	
	-	

- (9) 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 Aluminium 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) Pranav Trading Co.
Proprietorship concern of a Director, Satishbhai
- 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 For the year	Value of Transactions
Advances for supplies	1588811
Commission	184740
Rent	466800
Purchase	3212770
Sale	36143924

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

Particulars	Value of Transactions For the year
Managerial remuneration including perquisites	875751
Amount Paid	26758415
Amount Received	41108000

10. 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 :

	31 st March, 2011	31 st March, 2010
Profit available for Equity Share holders	7222814	6179353
Weighted average number of shares	9313438	7892500
Earning per Share Basic and Diluted	0.7755	0.7792
Face Value per Share	10	10

11. 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. Internationals
2. Domestic

Gross result of geographical segments.

Particulars	International Amt. Rs.	Domestic Amt. Rs.	Total Amt. Rs.
Sales	192109795	336302427	528412222
Export Incentives	—	5124893	5124893
Other receipts	—	33818257	33818257
Raw Materials Consumption	168839737	295566467	464406204
Mfg.Exp.	15230519	26662153	41892672
Gross Results of Geographical Segment	8039538	53016958	61056496

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).

	2010-11		2009-10	
	Qty. in MT	Rs.	Qty. in MT	Rs.
a. Licenced Capacity :	N.A.		N.A.	
b. Installed Capacity :	7200 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	3554.09		3093.73	
II. M.S.Utensils	-		-	
d. Purchase				
Alluminium Utesils	8.30	13,747,46		
e. Stock of Finished :				
Goods at close				
Alluminium Utensils	139.50	2,36,876,88	47.94	7,047,474
f. Stock of Finished :				
Goods at beginning				
Alluminium Utensils and Alluminium Coil/Sheet/Foil	47.94	7047474	67.04	8044680
g. Sales :				
I. Alluminium Utensils	3470.83	528412222	3112.83	428174242
II. M.S.Utensils				
h. Raw Materials Consumed :				
I. Alluminium	3821.7	464406204	3209.53	384402382
II. M.S.Utensils	-	-	-	-
i. Trading Activity :				
Alluminium Ingots :				
Opening Stock	-	-	91.76	7708008
Add : Purchases	-	-	101.5	7115150
Less : Transfer for production	-	-	-	-
Less : Sales	-	-	193.26	19148461
Closing Stock	-	-	-	-
S.S. Milk Pot :				
Opening Stock	-	-	-	-
Add : Purchases	3.06	317000	-	-
Less : Transfer for production	-	-	-	-
Less : Sales	-	-	-	-
Closing Stock	3.06	317000	-	-
j. C.I.F.Value of Imports Expenditure & Earning in Foreign Exchange				
1) C.I.F. Value of Imported Raw Materials		35290472		7115150
2) Expenditure incurred in Foreign Currency		2903655		1382701
3) Earning in Foreign Currency F.O.B.		157193339		123391966
k. Break-up of Imported and indogeneous materials and Components Consumption				
	Value in Rs.	% of Total Consumption	Value in Rs.	% of Total Consumption
Imported	35290472	8%	7115150	2%
Indogeneous	429115732	92%	377287232	98%
	464406204	100%	384402382	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	31-03-2011

2. CAPITAL RAISED DURING THE YEAR ENDED ON 31ST MARCH, 2011

(Amt.In Rs. Thousands)

Public Issue	Right Issue
NIL	NIL
Bonus Issue	Private Placement
NIL	65625

3. POSITION OF MOBILISATION AND DEPLOYMENT OF FUNDS AS AT 31ST MARCH, 2011

(Rs. In Thousands).

Total Liabilities	313,015
Total Assets	313,015

SOURCES OF FUNDS

Paid up Capital	Share Application Money
144,550	--
Reserve & Surplus	Secured Loans
32,717	111,853
Unsecured Loans	Deffered Tax Liabilities
18553	5,342

APPLICATION OF FUNDS

Net Fixed Assets	Cap. Work Progress
101,775	--
Investments	Net Current Assets
6	210640
Misc. Expenditure	Accumulated Losses
595	--

IV. PERFORMANCE OF THE COMPANY FOR THE YEAR ENDED 31-03-2011 (Rs. In Thousands)

Turnover (Sales & other Income)	Total Expenditure
583947	571959
Profit before Tax	Profit after Tax
11988	7223
Earning per share Rs.	Dividend Rate %
0.78	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
ITC NO.	:	_____	PRODUCT	:	Alluminium Coil / Sheet Foil

Signature to Schedules 1 to 19

AS PER OUR ATTACHED AUDIT REPORT OF EVEN DATE

For R. R. MANDALI & CO.
CHARTERED ACCOUNTANTS
(FRN 114223W)

R. R. MANDALI
Proprietor

Place : Ahmedabad
Date : September 03, 2011

For SACHETA METALS LIMITED
SATISH K. SHAH
Managing Director

CHETNABEN S. SHAH
Jt. Managing Director

CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2011

Particulars	31-3-2011	31-3-2010
A. CASH FLOW FROM OPERATING ACTIVITIES :		
Net Profit After Tax and before Extra Ordinary Items	7,571,954	6,179,353
Adjustments For :		
Depreciation	14,378,787	9,100,035
Provision for Taxation	4,159,473	1,777,923
Provision for Differed Tax Liabilities(Assets)	256,316	1,809,098
Prior Year Adjustments	349,140	—
Interest/ Dividend Income	(926,297)	(2,352,308)
Interest Charged	14,909,344	5,501,719
Amortisation of Misc. Expenditure	294684	194,684.00
(Profit)/Loss on Sale of Fixed Assets	216991	—
Operating Profit before Working Capital Changed	41,210,392	22,210,504
Adjustment for :		
Trade & Other Receivables	(22,286,243)	10,109,755
Inventories	(65,829,914)	(16,220,607)
Trade Payables & Other Liabilities	(34,515,480)	32,966,563
Cash Generated From Operations	(81,421,244)	49,066,215
Taxes (Paid)/ Refund Received	(2,400,000)	(2,370,291)
	(83,821,244)	46,695,923
Cash Flow before Extraordinary Items		
Net Cash from Operating activities (A)	(83,821,244)	46,695,923
B. CASH FROM INVESTING ACTIVITIES :		
Purchase of Fixed Assets	(19,663,662)	(48,786,170)
Sale of Fixed Assets	114,249	
Interest Received	926,297	2,352,308
Net Cash used in Investing Activities	(18,623,116)	(46,433,862)
C. CASH FLOW FROM FINANCING ACTIVITIES :		
Proceeds from issue of Share Capital (Including Share Premium)	83,868,750	—
Proceeds from Long Term Borrowings	44,579,467	(10,038,258)
Repayment of Unsecured Loan	—	(387,386)
Dividends paid	(1,973,125)	(1,973,125)
Interest Paid	(14,909,344)	(5,501,719)
Tax on Distributed profit(Dividend)	(335,333)	(335,333)
Net Cash used in Financing Activities	129,576,112	(18,235,821)
Net (decrease) / Increase in Cash equivalents	27,131,751	(17,973,760)
Cash and Cash Equivalents as AT 1.04.2010	2,736,099	20,709,858
Cash and Cash Equivalents as AT 31.03.2011	29,867,850	2,736,099

Note : (i) Figures in Brackets represent outflows.

For SACHETA METALS LIMITED
SATISH K. SHAH
Managing Director

CHETNABEN S. SHAH
Jt. Managing Director

Place : Ahmedabad
Date : September 03, 2011

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, 2011. 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 3rd September, 2011 to the Members of the Company.

For, R.R. Mandali & Co.
CHARTERED ACCOUNTANTS
(FRN 114223W)

Place : Ahmedabad
Date : 3rd September, 2011

(R. R. Mandali)
Proprietor
M.NO.: 33118

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 21st Annual General Meeting of the Company to be held Friday, September 30, 2011 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 _____ 2011

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.

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SACHETA METALS LIMITED

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

ATTENDANCE SLIP

21st Annual General Meeting on 30th day of September, 2011 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 21st Annual General Meeting at Regd. office on 30th September, 2011.

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)