

# **Sacheta Metals Limited**

**23<sup>rd</sup>**  
**Annual Report**  
for the year ended 31<sup>st</sup> March 2013

# 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. 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  
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 Twenty Third Annual General Meeting of the Members of SACHETA METALS LIMITED will be held on Saturday, September 28, 2013 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, 2013 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 a Director in place of Mr. Pravinchandra Poonamchand Shah who retires by rotation, and, being eligible, offers himself for re-appointment..
4. Mr. Jayeshkumar Jasvantlal Vakharia retires by rotation and is not willing re-appointment due to other commitments.
5. Mr. Dharmesh Chandrakant Shah retires by rotation and is not willing re-appointment due to other commitments.
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

Managing Director

Place : Mahiyal

Date : 2<sup>nd</sup> September 2013

**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 26.9.2013 to 28.9.2013 (both days inclusive) for the purpose of 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.
5. The Ministry of Corporate Affairs (MCA), Government of India, has taken a Green Initiative in the Corporate Governance by allowing paperless compliance by the companies and has issued circulars stating that service of notice/ documents including annual report can be sent by email to its members. To support this green initiative of the Government in full measure, members who have not registered their email address, so far, are requested to register their email addresses, in respect of electronic holding with the Depository through their respective Depository Participants. Members who hold shares in physical form are requested to provide their email address to Registrar and Transfer Agent of the Company.

**PROFILE OF DIRECTOR BEING APPOINTED**

Name	Mr. Pravinchandra Poonamchand Shah
Age	63 Years
Qualification	S.S.C
Experience	He is director and associated with company since inception and is having experience in metal industry in general and in Aluminium industry in particular of last 26 years.
Other Directorship	He is not director in any other company.



## DIRECTORS' REPORT

To the Members,

Your Directors have great pleasures in presenting you the Twenty-Third Annual Report of the Company together with the Audited Accounts for the year ended on March 31, 2013.

## FINANCIAL RESULTS:

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

(Rs. in Lacs)

Particulars	Current Year ended 31.03.2013	Previous Year ended 31.03.2012
Sales / Turnover	6608.04	6225.32
Profit before Interest, Depreciation & Tax	319.43	340.90
Less Interest	63.71	78.46
Profit before Depreciation and Tax	255.72	262.44
Less Depreciation for the year	153.34	151.60
Profit before tax	102.38	110.84
Taxation including deferred tax	36.47	35.22
Exceptional items	0.58	0.75
Net profit for the year after tax	65.33	74.86
Balance brought forward from previous year	86.74	68.80
Profit available for appropriation	152.07	143.66
Transfer to General Reserve	1.64	1.89
Dividend Tax	7.68	7.68
Dividend on equity	47.35	47.35
Balance carried forward to Balance-Sheet	95.40	86.74

**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. 6608.04 lacs as compared to the last year figure of Rs. 6225.32 lacs i.e. increase of 6%. The cash profit (i.e. profit before depreciation), due to margin pressure, remained at Rs 255.72 lacs and the net profit was Rs 65.33 lacs as compared to Rs 74.86 lacs in previous year.

**MANAGEMENT DISCUSSION AND ANALYSIS REPORT :**

As mentioned in our previous year report the company has been able to complete its backward integration expansion by installing caster plant of manufacturing Aluminium Coils from Aluminium Scraps and Ingots. The consumption of Aluminium House Foils is on rise as packing materials in Pharmacy & Food Processing Industries. Your directors are pleased to inform that the company is going to start forward integration by installing Foil Mill for manufacturing Aluminium House Foil from Aluminium Coils. This year the company will achieve higher export turnover. The forward integration will help the company to increase its margin.

**DIRECTORS :**

Mr Praveenchandra Poonamchand Shah, Director, retires by rotation at the ensuing Annual General Meeting and, being eligible, offer himself for reappointment. Mr Jayeshkumar J Vakharia and Mr Dharmesh Chandrakant Shah also retire by rotation but not willing re-appointment and the Board do not intent to make any appointment in their place.



**CORPORATE GOVERNANCE :**

The detailed report on Corporate Governance for the financial year from 1.4.2012 to 31.3.2013 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, 2013 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 : 30<sup>th</sup> May, 2013

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"

No.	Particulars	2012-13	2011-12
<b>POWER AND FUEL CONSUMPTION :</b>			
<b>1. ELECTRICITY :</b>			
A)	<b>Purchase of GEB Units :</b>	2171244	2464002
	Total Amount ..... Rs	1482317	15581932
	Rate / Unit ..... Rs	6.84	6.32
B)	<b>Own Generation Unit</b>	0	0
	Total Amount ..... Rs	0	0
	Rate / Unit ..... Rs	0	0
<b>2. Coal (Grade C &amp; D) and Lignite :</b>			
	Coal ..... Kg	579250	583535
	Total Amount ..... Rs	5234418	2629138
	Rate / Unit ..... Rs	9.04	7.93
<b>3. Furnance Oil in Ltr :</b>			
	Total Amount ..... Rs	1076049	1768115
	Rate / Unit ..... Rs	44.01	26.61
<b>4. Fire Wood in Kg</b>			
	Total Amount ..... Rs	1318209	1299277
	Rate / Unit ..... Rs	3.87	3.54

## 5. Details of consumptions per unit of production :

	Energy	2012-13		2011-12	
		Consumption Total Units	Consumption per unit (Qt in MT) Production	Consumption Units	Consumption per unit (Qt in MT) Production
1.	Electricity-unit	2171244	684.01	2464002	658.58
2.	Coal & Lignite Kg	579250	182.48	583525	87.96
3.	FurnanceOil Ltr	24450	7.70	66455	41.51
4.	Fire Wood Kg	340432	107.25	367542	58.31

## FORM – “B”

## B. Technology Absorption :

The technology adopted is indigenus 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	28,77,22,016
2. Expenditure in Foreign Currency	20,92,11,569

For and on behalf of the Board

Date : 30<sup>th</sup> May, 2013

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 Directors and five Non-executive Directors. During the period from 01-04-2012 to 31-03-2013, the board meetings were held on 30th April, 31st July, 10th August, 4th September, 31st October, 9th January, 31st January and 29th March 2013.

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	8	YES	None
Mrs. Chetna S. Shah	Promoter and Joint Managing Director	8	YES	None
Mr. Ankit S. Shah	Executive Director (promoter group)	8	YES	None
Shri Dharmesh C Shah	Non-Executive Director	5	NO	None
Mr. Jagdish Gandhi	Independent Non-Executive Director	7	NO	None
Mr. Pravin P. Shah	Independent Non-Executive Director	7	NO	None
Mr. Jayesh Jasantbhai Vakharia	Independent Non-Executive Director	5	NO	None
Mr Kalyan C Shah	Independent Non-Executive Director	8	NO	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
2009-2010	Thursday, September 30, 2010 at 11.00 a.m.	Block No. 33, Sacheta Udyognagar, Village : Mahiyal, Tal: Talod, Dist. Sabarkantha (Gujarat)
2010-2011	Friday, September 30, 2011 at 11.00 a.m.	Block No. 33, Sacheta Udyognagar, Village : Mahiyal, Tal: Talod, Dist. Sabarkantha (Gujarat)
2011-2012	Saturday, September 29, 2012 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.

**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	:	Saturday, 28th September, 2013 at 11.00 a.m.
Venue	:	Block No. 33, Sacheta Udyognagar, Village : Mahiyal, Tal: Talod, Dist. Sabarkantha (Gujarat)
Financial Year	:	April 1, 2012 to March 31, 2013
Book Closure Dates	:	26th September, 2013 to 29th September, 2013 (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 31.3.2013 :**

Categories of Shareholders	Shareholding %
Indian Promoters	60.90%
Private Corporate Bodies	05.98%
Indian Public	33.12%
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).



## CEO AND CFO CERTIFICATION

We have reviewed the financial statements and cash flow statement for the year ended 31st March, 2013 and to the best of our knowledge and belief :

- a) That :
- i. these statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;
  - ii. these statements together present a true and fair view of the Company's affairs and are in compliance with existing Accounting Standards, applicable laws and regulations.
- b) That to the best of our knowledge and belief no transactions entered into by the Company during the year ended 31st March, 2013 are fraudulent, illegal or violative of the Company's code of conduct,
- c) We are responsible for establishing and maintaining internal controls for financial reporting and we have evaluated the effectiveness of internal control systems of the Company pertaining to financial reporting. Deficiencies in the design or operation of such internal controls, if any, of which we are aware have been disclosed to the auditors and the Audit Committee and steps have been taken to rectify these deficiencies.
- d) That :
- i. There has not been any significant change in internal control over financial reporting during the year under reference;
  - ii. There has not been any significant change in accounting policies during the year except as has been disclosed in the notes to the financial statements; and
  - iii. We are not aware of any instance during the year of significant fraud with involvement therein of the management or any employee having a significant role in the Company's internal control system over financial reporting.

Place : Mahiyal,  
Date : 30<sup>th</sup> May, 2013

Ankit S Shah  
Executive Director

  
D K Patel  
Chief Financial Officer

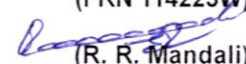
### AUDITOR'S CERTIFICATE OF COMPLIANCE WITH THE CONDITIONS OF CORPORATE GOVERNANCE UNDER CLAUSE 49 OF THE LISTING AGREEMENT.

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, 2013 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 is 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.

Place : Ahmedabad  
Date : 30<sup>th</sup> May, 2013



For, R.R. Mandali & Co.  
CHARTERED ACCOUNTANTS  
(FRN 114223W)  
  
(R. R. Mandali)  
Proprietor  
M.NO.: 33118



**INDEPENDENT AUDITOR'S REPORT**

To the Members of  
Sacheta Metals Limited

**Report on the Financial Statements :**

We have audited the accompanying financial statements of Sacheta Metals Limited ("the Company") which comprise the balance sheet as at 31st March 2013, the statement of profit and loss and the cash flow statement for the year then ended and a summary of significant accounting policies and other explanatory information.

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

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

**Auditor's Responsibility :**

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Company's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

**Opinion :**

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

- (i) in the case of the balance sheet, of the state of affairs of the Company as at 31st March 2013;
- (ii) in the case of the statement of profit and loss, of the profit for the year ended on that date; and
- (iii) in the case of the cash flow statement, of the cash flows for the year ended on that date.

**Report on Other Legal and Regulatory Requirements :**

1. As required by the Companies (Auditor's Report) Order, 2003 ("the Order"), as amended, issued by the Central Government of India in terms of sub-section (4A) of section 227 of the Act, we give in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the Order.
2. As required by section 227(3) of the Act, we report that:
  - a. we have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit;
  - b. in our opinion proper books of account as required by law have been kept by the Company so far as appears from our examination of those books;
  - c. the Balance Sheet, Statement of Profit and Loss and Cash Flow Statement dealt with by this Report are in agreement with the books of account;
  - d. in our opinion, the Balance Sheet, Statement of Profit and Loss and Cash Flow Statement comply with the Accounting Standards referred to in subsection (3C) of section 211 of the Companies Act, 1956; and



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

Place : Ahmedabad  
Date : 30<sup>th</sup> May, 2013



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

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

**ANNEXURE REFERRED TO IN PARAGRAPH 3 OF OUR AUDITOR'S REPORT OF EVEN DATE ON THE ACCOUNTS FOR YEAR ENDED 31st MARCH, 2013 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 directors covered in the register maintained under section 301 of the Companies Act, 1956. The maximum amount involved during the year was Rs 49831757 and the year end balance of loan taken from such party was Rs NIL. 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. We have reviewed the cost records maintained by the Company pursuant to the companies (Cost Accounting Records) Rules, 2011 prescribed by the central government under section 209 (1) (d) of the Companies Act, 1956 and are of the opinion that prima facie, the prescribed cost records have been maintained. We have, however, not made a detailed examination of the cost records with a view to determine whether they are accurate or complete.
- 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 31.03.13 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 the parties Listed in the 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 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.

Place : Ahmedabad  
Date : 30<sup>th</sup> May, 2013



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

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

## BALANCE SHEET AS AT MARCH 31, 2013

Particulars	Note No.	As at March 31, 2013	As at March 31, 2012
<b>A. EQUITY AND LIABILITIES :</b>			
<b>(1) Shareholder's Funds</b>			
(a) Share Capital	2	189,400,000	189,400,000
(b) Reserves and Surplus	3	85,064,274	84,034,505
<b>(2) Share application money pending allotment</b>			
<b>(3) Non-Current Liabilities :</b>			
(a) Defereed Tax Liabilities	4	5,487,606	5,809,792
<b>(4) Current Liabilities :</b>			
(a) Short-term borrowings	5	190,209,595	77,623,690
(b) Trade payables	6	53,239,608	34,158,948
(c) Other current liabilities	7	9,259,389	552,935
(d) Short-term provisions	8	15,521,868	12,452,444
<b>Total</b>		<b>548,182,340</b>	<b>404,032,313</b>
<b>B. ASSETS :</b>			
<b>(1) Non-current assets :</b>			
(a) Fixed assets	9		
(i) Tangible assets		138,046,252	112,207,788
(b) Non-current investments	10	5,900	5,900
(c) Long term loans and advances	11	28,555,799	9,000,867
<b>(2) Current assets :</b>			
(a) Current investments		-	-
(b) Inventories	12	128,102,796	156,813,098
(c) Trade receivables	13	135,970,605	40,259,993
(d) Cash and cash equivalents	14	76,806,757	32,062,734
(e) Short-term loans and advances	15	33,725,320	50,900,803
(f) Other current assets	16	6,968,912	2,781,130
<b>Total</b>		<b>548,182,340</b>	<b>404,032,313</b>

Notes Forming Part of Financial Statements

1

The accompanying Notes are an integral part of Financial Statements

As per our report of even date attached

For R R MANDALI & CO.  
Chartered Accountants  
[Firm Reg. No. 114223W]  
R.R.MANDALI  
[Proprietor]  
M.No. 33118



For And on behalf of the Board

SATISH K. SHAH  
[Managing Director]

CHETNABEN S. SHAH  
[Jt. Managing Director]

For, SACHETA METALS LTD. For, SACHETA METALS LTD.

Place : Ahmedabad  
Dated : 30<sup>th</sup> May, 2013

Director

Director



## PROFIT AND LOSS STATEMENT FOR THE YEAR ENDED MARCH 31, 2013

Particulars	Note No.	Year ended March 31, 2013	Year ended March 31, 2012
1. Revenue from operations	17	660,804,315	622,532,436
2. Other Income	18	8,774,425	30,600,818
<b>3. Total Revenues (1+2)</b>		<b>669,578,740</b>	<b>653,133,254</b>
<b>4. Expenses :</b>			
a) Cost of materials consumed	19	539,636,270	545,454,785
b) Changes in inventories of finished goods, work-in-progress and Stock-in-Trade	20	(10,586,863)	(8,302,624)
c) Employee benefit expense	21	12,211,800	10,808,351
d) Financial costs	22	6,371,766	7,846,545
e) Depreciation and amortization expense		15,333,694	15,159,763
f) Other expenses	23	96,373,849	71,083,282
<b>Total Expenses</b>		<b>659,340,516</b>	<b>642,050,101</b>
<b>5. Profit / (Loss) Before Exceptional Items ( 3-4)</b>		<b>10,238,224</b>	<b>11,083,153</b>
6. Exceptional Items/ Extra ordinary Items		(58,321)	(75,640)
<b>8. Profit /(Loss) before tax (5+6)</b>		<b>10,179,903</b>	<b>11,007,513</b>
<b>9. Tax expense :</b>			
(a) Current tax		3,969,184	3,053,731
(b) Deferred tax		(322,186)	467,979
<b>Total Tax Expense</b>		<b>3,646,998</b>	<b>3,521,710</b>
<b>10. Profit /(Loss) for the year for Appropriation ( 8-9)</b>		<b>6,532,905</b>	<b>7,485,803</b>
<b>Net Profit/Loss For the Year</b>			
11. Earning per equity share : (Face Value Rs. 10)			
(1) Basic		0.34	0.50
(2) Diluted		0.34	0.50

Notes Forming Part of Financial Statements 1

The accompanying Notes are an integral part of Financial Statements

As per our report of even date attached

For R R MANDALI & CO.  
Chartered Accountants  
[Firm Reg. No. 114223W]  
R.R.MANDALI  
[Proprietor]  
M.No. 33118



For And on behalf of the Board

SATISH K. SHAH  
[Managing Director]

CHETNABEN S. SHAH  
[Jt. Managing Director]

For, SACHETA METALS LTD. For, SACHETA METALS LTD.

Place : Ahmedabad  
Dated : 30<sup>th</sup> May, 2013

*Atulya*

*Chetna S. Shah*

## NOTES FORMING PART OF FINANCIAL STATEMENTS

### NOTE - 1 : 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 <sup>th</sup> April, 1994	Revalued Amount
b)	Assets acquired after 16 <sup>th</sup> 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 installed a new plant called "Caster" for manufacturing caster mill ills. The commercial production of the same was not started during the financial year 2012-13. Hence no depreciation has been calculated and charged in accounts.

(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 recognised on accrual basis.

(8) **Deferred Tax Assets / (Liabilities) : (Rs. in Lacs)**

	Current Year	Previous Year	Net Effect
Depreciation Unabsorbed Dep	(54.88)	(58.10)	(3.22)

- (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.



## NOTES FORMING PART OF FINANCIAL STATEMENTS

Particulars	As at March 31, 2013	As at March 31, 2012
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## NOTE - 2 : SHARE CAPITAL :

## a. The Authorised, Issued, Subscribed and fully paid up share capital are as follows :

## Authorised Share Capital :

2,50,00,000 Equity Shares of Rs. 10/- Each (P.Y. 2,50,00,000)	250,000,000	250,000,000
	<b>250,000,000</b>	<b>250,000,000</b>

## Issued, Subscribed &amp; Paid up Share Capital :

1,89,40,000 Equity Shares of Rs. 10/- Each	189,400,000	189,400,000
4485000 Shares Issued During the Year 2011-12		
6562500 Shares Incl 107500 Forfeited Shares issued on Preferential Basis During 2010-2011		
2661700 Shares issued on Prefrential Basis during the year 2007-08		
<b>TOTAL</b>	<b>189,400,000</b>	<b>189,400,000</b>

## b. Reconciliation of the number of shares outstanding at the beginning and at the end of the reporting period :

Particulars	31st March, 2013		31st March, 2012	
	Number	Amount	Number	Amount
Shares outstanding at the beginning of the year	18,940,000	189,400,000	14,455,000	144,550,000
Add : Shares Issued during the year				
Re issue of Forfeited Shares	-	-	-	-
Issued and allotted on Prefrential Basis		-	4,485,000	44,850,000
Less : Shares bought back during the year	-	-	-	-
Shares outstanding at the end of the year	18,940,000	189,400,000	18,940,000	189,400,000

## c. Terms / Rights attached to equity shares :

The Company has Equity Shares having a par value of Rs. 10 per share. Each holder of Equity Share is entitled to one vote per share.

## d. Shares in the company held by each shareholder holding more than 5 percent shares specifying the number of shares held :

	As at 31 March, 2013		As at 31 March, 2012	
	No. of Shares held	% of Holding	No. of Shares held	% of Holding
Mr Satish K Shah	3766866	19.88	3312321	17.49
Mrs. Chetnaben S Shah	3326521	17.56	3212200	16.96
Mr. Ankit S Shah	2245500	11.85	2245500	11.86
Mr. Pranav S Shah	1950000	10.29	1950000	10.30

## NOTES FORMING PART OF FINANCIAL STATEMENTS

Particulars	As at March 31, 2013	As at March 31, 2012
<b>NOTE - 3 : RESERVES &amp; SURPLUS :</b>		
<b>a. Capital Reserves :</b>		
Opening Balance	1,199,190	1,199,190
(+) Current Year Transfer	-	-
(-) Written Back in Current Year	-	-
<b>Closing Balance</b>	<b>1,199,190</b>	<b>1,199,190</b>
<b>b. Securities Premium Account :</b>		
Opening Balance	67,578,750	18,243,750
Add : Securities premium credited on Share issue	--	49,335,000
Less : Premium Utilised	-	-
<b>Closing Balance</b>	<b>67,578,750</b>	<b>67,578,750</b>
<b>C. General Reserve :</b>		
Opening Balance	6,582,632	6,394,144
Add : Current Year	163,323	188,488
Less : Utilised	-	-
<b>Closing Balance</b>	<b>6,745,955</b>	<b>6,582,632</b>
<b>D. Deficit/ Surplus in the Statement of Profit and Loss :</b>		
Opening balance	8,673,932	6,879,753
(+/-) Net Profit/ Loss For the current year	866,447	1,794,179
<b>Closing Balance</b>	<b>9,540,379</b>	<b>8,673,932</b>
Profit after Tax for the year	6,532,905	7,485,803
Less :		
a) Proposed Dividend	4,735,000	4,735,000
b) Dividend Distribution Tax	768,135	768,135
c) General Reserve (Min 2.5% of Profit after Tax)	163,323	188,488
Profit & Loss Account (Surplus)	866,447	1,794,179
<b>TOTAL</b>	<b>85,064,274</b>	<b>84,034,505</b>

**NOTE - 4 : DEFERRED TAX LIABILITIES :**

Deferred Tax Calculation	2013-12	2011-12
WDV AS PER IT	120228689	93330454
WDV As com act	138046252	112207788
Deferred Tax Liability	-17817563	-18877555
Prior Period Exps (Net of Income)	58321	75640
<b>Net Deffered Tax Liability</b>	<b>-17759242</b>	<b>-18801915</b>
TAX RATE	0.3090	0.3090
<b>Deferred Tax Liability</b>	<b>-5487606</b>	<b>-5809792</b>
Balance As Per Account	5809792	5341813
Deferred Tax Liability	5487606	5809792
<b>Deferred Tax Income</b>	<b>322186</b>	<b>-467979</b>



## NOTES FORMING PART OF FINANCIAL STATEMENTS

Particulars	As at March 31, 2013	As at March 31, 2012
<b>NOTE - 5 : SHORT TERM BORROWINGS :</b>		
<b>(A) Secured :</b>		
SBI OD A/c (Against Fixed Deposit)	20,988,262	21,105,079
Buyers Credit (Against Fixed Deposit)	82,760,233	-
Cash Credit	19,572,798	530,437
Packing Credit	66,888,302	55,988,174
<b>TOTAL</b>	<b>190,209,595</b>	<b>77,623,690</b>
<b>NOTE :</b>		
(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 ). Mr. S.K.Shah & Mrs. C.S.Shah, directors of Company gave personal Guarantee.		
<b>NOTE - 6 : TRADE PAYABLES :</b>		
Sundry Creditors - Clients	21,170,898	17,305,965
Sundry Creditors - Expenses	6,112,289	1,313,270
Sundry Creditors - Capital Goods	14,081,134	8,974,248
Advance Recd for Goods	9,911,470	4,816,052
Sundry Creditors - Others	2,471,371	1,749,413
Custom Duty Payable/ (Receivable)	(507,554)	-
<b>TOTAL</b>	<b>53,239,608</b>	<b>34,158,948</b>
<b>NOTE - 7 : OTHER CURRENT LIABILITIES :</b>		
(a) Statutory Liabilities	62,308	50,276
(b) Current Maturity of Long Term Debt	--	502,659
** Term Loan from SBI repaid in the month of May - 12		
(c) Discounted Inland LC	9,197,082	-
<b>TOTAL</b>	<b>9,259,390</b>	<b>552,935</b>
<b>NOTE - 8 : SHORT TERM PROVISIONS :</b>		
<b>(a) Provision for employee benefits :</b>		
Salary & Reimbursements	-	-
<b>(b) Others :</b>		
Provision for Income Tax	3,969,184	53,731
Provision for Proposed Dividend	4,735,000	4,735,000
Provision for Dividend Distribution Tax	768,135	768,135
Provision for Other Expenses	6,049,549	6,895,578
<b>TOTAL</b>	<b>15,521,868</b>	<b>12,452,444</b>

## NOTES FORMING PART OF FINANCIAL STATEMENTS

## NOTE - 9 : FIXED ASSETS :

S. N.	Description	GROSS BLOCK			DEPRECIATION				NET BLOCK		
		Balance as on 01-04-12	Add. during the yr.	Deduction during the year	Total Balance as 31-03-13	Open. Balance of Depreciation	Depriciation during the year	Adjustment during the year	Total Depreciation for the	As on 31-03-13	As on 31-03-12
1.	Land	5,454,269	41,886	-	5,496,155	-	-	-	-	5,496,155	5,454,269
2.	Building	28,393,142	3,720,701	-	32,113,843	11,015,934	1,871,539	-	12,887,473	19,226,370	17,377,208
3.	Plant & Machinery	149,992,948	34,952,653	-	184,945,601	64,700,875	12,628,909	-	77,329,784	107,615,817	85,292,073
4.	Dies & Tools	5,242,163	372,460	-	5,614,623	4,980,592	133,413	-	5,114,005	500,618	261,571
5.	Other Fixed Assets	3,906,155	83,040	-	3,989,195	2,096,674	107,630	-	2,204,304	1,784,891	1,809,481
6.	Furniture & Fittings	1,060,138	53,250	-	1,113,388	549,254	96,661	-	645,915	467,473	510,884
7.	Vehicles	7,787,866	1,485,760	580,818	8,692,808	6,491,619	355,571	562,740	6,284,450	2,408,358	1,296,247
8.	Computers	1,107,322	480,265	-	1,587,587	901,046	139,971	-	1,041,017	546,570	206,276
	TOTAL	202,944,003	41,190,015	580,818	243,553,200	90,735,994	15,333,694	562,740	105,506,948	138,046,252	112,207,788
	PREVIOUS YEAR	177,323,803	25,663,718	43,518	202,944,003	75,549,031	15,186,963	-	90,735,994	112,207,788	101,774,772

Particulars	As at March 31, 2013	As at March 31, 2012
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## NOTE - 10 : NON-CURRENT INVESTMENTS :

## Unquoted Shares :

Shares of Talod Nagrik Sahkari Bank (236 No. of Shares of Rs. 25/- each)	5,900	5,900
<b>TOTAL</b>	<b>5,900</b>	<b>5,900</b>

## NOTE - 11 : LONG-TERM LOANS AND ADVANCES :

## Security Deposits :

Unsecured, considered good	28,555,799	9,000,867
<b>TOTAL</b>	<b>28,555,799</b>	<b>9,000,867</b>

## NOTE - 12 : INVENTORIES :

## Stock in Trade Account :

(As taken, valued and certified by the Management)

Stores & Spares	1,099,886	1,400,000
Raw Material	79,301,631	118,298,682
Finished Goods	47,701,279	37,114,416
<b>TOTAL</b>	<b>128,102,796</b>	<b>156,813,098</b>

Note : Inventories are valued at Cost or Market Value Whichever is lower.



## NOTES FORMING PART OF FINANCIAL STATEMENTS

Particulars	As at March 31, 2013	As at March 31, 2012
<b>NOTE - 13 : TRADE RECEIVABLES :</b>		
<b>Unsecured, considered good unless stated otherwise :</b>		
Outstanding for a period exceeding six months from the date they are due for payment		
- considered good	9,193,292	1,233,414
- considered doubtful	-	-
<b>Sub-total</b>	<b>9,193,292</b>	<b>1,233,414</b>
Others		
- considered good	126,777,313	39,026,579
Provision for doubtful receivables		
<b>TOTAL</b>	<b>135,970,605</b>	<b>40,259,993</b>
<b>NOTE - 14 : CASH AND BANK BALANCES :</b>		
a. Cash on hand	605,360	367,236
b. Balances with Banks :		
In Current Account	349,477	2,955,938
Balances held as margin money deposits against guarantees	1,000,000	-
Balances held as margin money against borrowings	74,772,072	28,591,148
Amount with Non-scheduled Bank	79,848	148,412
	<u>76,201,397</u>	<u>31,695,498</u>
<b>TOTAL</b>	<b>76,806,757</b>	<b>32,062,734</b>
<b>NOTE - 15 : SHORT TERM LOANS AND ADVANCES :</b>		
<b>UNSECURED :</b>		
Discount Receivables	-	9,071,594
Advances for Expenses	63,033	553,303
Advances for Goods	2,052,675	-
Other Advances	5,391,000	14,680,562
Advances for capital goods	443,700	4,641,000
Advance with Authority	25,774,912	21,954,344
<b>TOTAL</b>	<b>33,725,320</b>	<b>50,900,803</b>
<b>Note :</b> Advance with Tax Authority is Inclusive of TDS Receivable for the Respective Years		
<b>NOTE - 16 : OTHER CURRENT INVESTMENTS :</b>		
Interest Accrued On Deposit	6,544,265	2,481,130.00
Prepaid Expenses	224,645	-
Misc Expenses not Written off	200,000	300,000
<b>TOTAL</b>	<b>6,968,910</b>	<b>2,781,130</b>

## NOTES FORMING PART OF FINANCIAL STATEMENTS

Particulars	As at March 31, 2013	As at March 31, 2012
<b>NOTE - 17 : REVENUE FROM OPERATIONS :</b>		
Income From Operation :		
Export Sales	342,007,614	255,775,192
Local Sales	305,737,095	363,093,528
Less : Excise Duty **	-	-
<b>A</b>	<b>647,744,709</b>	<b>618,868,720</b>
Export / License / DEPB Incentive	13,059,606	3,663,716
<b>B</b>	<b>13,059,606</b>	<b>3,663,716</b>
<b>Total Revenue From Operation (A+B)</b>	<b>660,804,315</b>	<b>622,532,436</b>
** Sales shown as net of Excise Duty, Credit/Utilisation of Excise Duty Pass/ Rotate Through Balance Sheet.		
<b>NOTE - 18 : OTHER INCOME :</b>		
Interest on F.D.R.	4,607,033	2,742,246
Discount Income	3,001,374	27,178,900
Other Income	1,166,018	679,672
<b>TOTAL OTHER INCOME</b>	<b>8,774,425</b>	<b>30,600,818</b>
<b>NOTE - 19 : COST OF MATERIAL CONSUMED :</b>		
<b>A) Raw Material Consumption :</b>		
Opening stock	118,298,682	108,331,798
Add : Purchases	480,508,049	532,791,189
	598,806,731	641,122,987
Less : Closing stock	79,301,631	118,298,682
<b>C</b>	<b>519,505,100</b>	<b>522,824,305</b>
<b>B) Consumption of stores :</b>		
Opening Stock	1,400,000	3,600,000
Add : Purchases	19,831,056	20,430,480
	21,231,056	24,030,480
Less : Closing Stock	1,099,886	1,400,000
<b>D</b>	<b>20,131,170</b>	<b>22,630,480</b>
<b>TOTAL RAW MATERIAL CONSUMPTION (C + D)</b>	<b>539,636,270</b>	<b>545,454,785</b>
<b>NOTE - 20 : CHANGES IN INVENTORIES :</b>		
Closing Stock of :		
Finished	47,701,279	37,114,416
Semi Finished	-	-
Less : Opening Stock of Finished & Semi Finished Goods	37,114,416	28,811,792
<b>Increase / Decrease in Inventories</b>	<b>10,586,863</b>	<b>8,302,624</b>



## NOTES FORMING PART OF FINANCIAL STATEMENTS

Particulars	As at March 31, 2013	As at March 31, 2012
<b>NOTE - 21 : EMPLOYEE BENEFIT EXPENSE :</b>		
Salaries & Wages ( Factory)	7,110,743	5,858,797
Salaries & Wages ( Back Office)	2,174,718	2,538,504
Bonus To Workers	461,038	-
Leave Salary	359,375	355,064
Medical Expenses	70,975	84,395
Staff Welfare	746,862	853,536
Gratuity Expenses	197,477	122,807
Festival Expenses	140,310	108,490
Directors' Remuneration	950,302	886,758
<b>TOTAL EMPLOYEE BENEFIT EXPENSES</b>	<b>12,211,800</b>	<b>10,808,351</b>
<b>NOTE - 22 : FINANCIAL EXPENSES :</b>		
Bank Interest	6,365,458	7,780,188
Other Internet Exps	6,308	66,357
<b>TOTAL</b>	<b>6,371,766</b>	<b>7,846,545</b>
<b>NOTE - 23 : OTHER EXPENSES :</b>		
Charity & Donations	1,010,014	252,845
	<b>1,010,014</b>	<b>252,845</b>
<b>Manufacturing Expenses :</b>		
Electricity Expenses	15,557,383	15,792,557
Inward Freight	4,323,338	1,860,920
Polution Expense	100,898	101,628
Security Expenses	640,311	644,574
Clearing Charges	877,447	562,510
Other Manufacturing Expenses	19,876,740	8,509,373
<b>Total manufacturing Expenses</b>	<b>41,376,117</b>	<b>27,471,562</b>
<b>Administrative, selling and Distribution :</b>		
<b>Administration expenses</b>		
Auditors' Remuneration	77,000	77,000
Bank Commission and Charges	2,275,062	1,678,563
Buffer Charges	-	19,116
Computer Repairing Exps	123,665	113,973
Commission Expense	7,850,610	5,525,117
Electricity Charges	1,402,195	1,727,582
Export Shipping Freight	13,991,014	8,070,182
Factory Expenses	563,794	613,069
Insurance Charges	1,506,872	1,388,074
Legal & Professional Charges	555,569	722,093
Machinery Repairs & Maintenance	829,407	521,594
Office Exps.	177,605	147,708
Rent, Rates and Taxes	670,300	588,300
Travelling Expense	1,497,408	2,243,098
Other Administration Exps	22,262,765	19,690,729
Advertisement Exp	190,652	213,436
Business Promotion Expenses	13,800	19,241
	<b>53,987,718</b>	<b>43,358,875</b>
<b>TOAL OTHER EXPENSES</b>	<b>96,373,849</b>	<b>71,083,282</b>

## NOTES FORMING PART OF FINANCIAL STATEMENTS

## NOTE - 24 :

Particulars	2012-13		2011-12	
	Rs.in Lacs		Rs.in Lacs	
j. C.I.F.Value of Imports Expenditure & Earning in Foreign Exchange				
1) C.I.F. Value of Imported Raw Materials	1985.26		32.05	
2) Expenditure incurred in Foreign Currency	106.85		36.74	
3) Earning in Foreign Currency F.O.B.	2877.22		2460.71	
k. Break-up of Imported and indigeneous materials and Components Consumption				
	2012-2013		2011-2012	
	Amount Rs. In Lacs	% of Total Consumption	Amount Rs. In Lacs	% of Total Consumption
Imported	1985.26	36.79%	32.05	0.59%
Indigeneous	3111.10	63.21%	5422.50	99.41%
	<b>5396.36</b>	<b>100%</b>	<b>5454.55</b>	<b>100%</b>

## NOTE - 25 : OTHER NOTES RELATED TO FINANCIAL STATEMENTS :

- (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 has preferred an appeal against order of VAT Department for Financial Year 2008-09 for demand of Rs. 9061429. Against this demand the company has deposited VAT /CST of Rs. 416143 and submitted bank guarantee of Rs. 750000.
- (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 :

	2012-13	2011-12
Audit Fees	70000	70000
Tax Audit Fees	4000	4000
For Taxation Matters	3000	3000
	<b>77000</b>	<b>77000</b>

- (6) 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.
- (7) Prior Year Adjustments represents:

Particulars	2012-13	2011-12
a) Sundries	58321	75640
	-	



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

1. **Relationship :**

- i) Eskay Alluminium Pvt. Ltd.  
Company Under the same Management
  - ii) P.D.R. Casting Industries  
Proprietorship concern of a Director, Chetnaben.
  - iii) Sacheta International  
Proprietorship concern of a Director, Satishbhai
  - iv) Suryoday Trading Co.  
Proprietorship concern of a Director, Shālini Shah
  - v) Pranav Trading Co.  
Proprietorship concern of a Director, Satishbhai
  - vi) 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),(iv) and (v) :

Particulars	Current Year	Previous Year
Commission	132324	183424
Rent	460300	466800
Purchase	-	6670476
Sale	46783997	42259569
Services Received	-	328075

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

Name of Related Party	Nature of transaction	Rs. In Lacs 2012-2013	Rs. In Lacs 2011-2012
P D R Casting Ltd	Rent	0.96	0.48
Pranav Trading Co.	Rent	3.04	4.19
Eskay Alluminium Pvt Ltd	Rent	0.60	-
	Sales	-	0.99
	Purchase	-	15.42
	Labour	-	3.28
Sacheta International	Sale	-	421.60
	Purchase	-	51.28
	Commission	-	1.83
Suryoday Trading Co.	Sale	46.78	-
	Commission	1.32	-

**9. 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 <sup>st</sup> March, 2013	31 <sup>st</sup> March, 2012
Profit available for Equity Share holders	6532905	7485803
Weighted average number of shares	18940000	14828750
Earning per Share Basic and Diluted	0.3449	0.5048
Face Value per Share	10	10

**10. 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. (Figures Rs. In Lacs)

Particulars	International Amt. Rs.	Domestic Amt. Rs.	Total Amt. Rs.
Sales	3420.08	3057.37	6477.45
Export Incentives	-----	130.60	130.60
Other receipts	-----	87.74	87.74
Raw Materials Consumption	2849.27	2547.09	5396.36
Mfg.Exp.	218.47	195.30	413.76
Gross Results of Geographical Segment	352.34	533.33	885.67





## CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2013

Particulars	31-3-2013	31-3-2012
<b>A. CASH FLOW FROM OPERATING ACTIVITIES :</b>		
Net Profit After Tax and before Extra Ordinary Items	6,591,225	7,561,442
Adjustments For :		
Depreciation	15,333,694	15,159,763
Provision for Taxation	3,969,184	3,053,731
Provision for Differed Tax Liabilities(Assets)	(322,186)	467,979
Loss/ (Profit) on Sale of Investments	(11,922)	-
Prior Year Adjustments	58,321	75,640
Interest/ Dividend Income	(5,600,166)	(3,263,689)
Interest Charged	6,371,766	7,785,324
Amortisation of Misc. Expenditure	100000	-
Operating Profit before Working Capital Changed	26,489,916	30,840,190
Adjustment for :		
Trade & Other Receivables	(95,214,708)	(20,628,607)
Inventories	28,710,302	(16,069,509)
Trade Payables & Other Liabilities	110,754,849	(666,155)
Cash Generated From Operations	70,740,359	(6,524,080)
Interest Paid - Gross	(6,482,248)	-
Taxes (Paid)/ Refund Received	(1,700,000)	(5,364,818)
	62,558,111	(11,888,898)
Cash Flow before Extraordinary Items Extraordinary Items		
<b>Net Cash from Operating activities (A)</b>	<b>62,558,111</b>	<b>(11,888,898)</b>
<b>B. CASH FROM INVESTING ACTIVITIES :</b>		
Purchase of Fixed Assets	(41,190,015)	(25,620,200)
Sale of Fixed Assets	30,000	-
Interest/Dividend Received	6,132,667	3,263,689
<b>Net Cash used in Investing Activities</b>	<b>(35,027,348)</b>	<b>(22,356,511)</b>
<b>C. CASH FLOW FROM FINANCING ACTIVITIES :</b>		
Proceeds from issue of Share Capital (Including Share Premium)	-	94,185,000
Proceeds from Long Term Borrowings	-	(33,727,046)
Acceptance of Unsecured Loan	29,323,013	-
Repayment of Unsecured Loan	-	(18,553,000)
Dividends paid	(4,735,000)	-
Interest Paid	(6,371,766)	(7,785,324)
Tax on Distributed profit(Dividend)	(768,135)	-
<b>Net Cash used in Financing Activities</b>	<b>17,448,112</b>	<b>34,119,630</b>
<b>Net (decrease) / Increase in Cash equivalents</b>	<b>44,978,875</b>	<b>(125,779)</b>
<b>Cash and Cash Equivalents as AT 1.04.2012</b>	<b>32,062,734</b>	<b>32,188,513</b>
<b>Cash and Cash Equivalents as AT 31.03.2013</b>	<b>76,806,757</b>	<b>32,062,734</b>

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 : 30<sup>th</sup> May, 2013



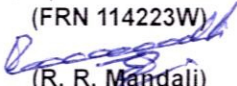
**AUDITORS' CERTIFICATE**

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, 2013. 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 30th May, 2013 to the Members of the Company.

Place : Ahmedabad  
Date : 30<sup>th</sup> May, 2013



For, R.R. Mandali & Co.  
CHARTERED ACCOUNTANTS  
(FRN 114223W)  
  
(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 23rd Annual General Meeting of the Company to be held Saturday, September 28, 2013 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 \_\_\_\_\_ 2013

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

23rd Annual General Meeting on Saturday 28th September, 2013 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 23rd Annual General Meeting at Regd. office on Saturday, September 28, 2013.

Signature of the shareholder of the proxy attending meeting.

If shareholder, Please sign, Here

If proxy, Please sign, Here

**NOTES :** Members who have not registered their email id so far are requested to register their email id in respect of electronic holding with respective depository participants. Members who holds shares in physical form are requested to provide their email id to register and transfer agent of the company.

Book Post

To



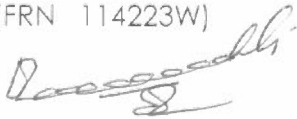

**SACHETA METALS LIMITED**

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



## FORM A

( Pursuant to Clause 31(a) of the Listing Agreement )

1	Name of the Company	<b>SACHETA METALS LIMITED</b>
2	Annual Financial Statement for the year ended :	31 <sup>ST</sup> MARCH 2013
3	Type of Audit Observation	No specific observation
4	Frequency of Observation	Not applicable
5	To be signed by:	
	CEO / Managing Director	 Satish K Shah
	CFO	 D K Patel
	Auditors of the Company	As per our report dt 30 <sup>th</sup> May 2013 <b>For R R Mandali &amp; Co.</b> Chartered Accountants (FRN 114223W)  R R Mandali (M No. 33118) <b>Proprietor</b>
	Audit Committee Chairman	 Jagdish K Gandhi