

Sacheta Metals Limited

20th
Annual Report
for the year ended 31st March 2010

SACHETA METALS LIMITED

BOARD OF DIRECTORS :

Mr. Satish K. Shah	Managing Director
Mrs. Chetnaben R. 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
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 the Twentieth Annual General Meeting of the Members of SACHETA METALS LIMITED will be held on Thursday, September 30, 2010 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, 2010 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. Jayesh Jasvantbhai Vakharia who retires by rotation and is eligible for re-appointment as Director.
4. To appoint Director in place of Mr. Jagdish Kesavlal Gandhi who retires by rotation and is eligible for re-appointment as Director.
5. To appoint Director in place of Mr. Pravin Punambhai Shah who retires by rotation and is eligible for re-appointment as Director.
6. To appoint Statutory Auditors to hold the office from the conclusion of this Annual General Meeting until the conclusion of the next Annual General Meeting and to fix their remuneration

SPECIAL BUSINESS :

7. To consider and, if thought fit, to pass, with or without, the following resolution as special resolution:
"RESOLVED THAT the ipso facto consent / ratification to the Board is given for changes in the list of allottees enumerated in the explanatory statement for special resolution dated 7th May 2010 for issue of equity shares on preferential basis under section 81(1A) of the Companies Act, 1956, (Main resolution) in view of the modification in the list of the proposed allottees (annexed in the Explanatory Statement to that Main resolution) to 49 persons and consent is also given to the modification in some names and numbers of shares keeping, however, aggregate number of shares unchanged to 70,00,000 at the same price determined through that Main resolution and no change in any other conditions, including the 'Relevant date being 7th April 2010, specified in the Main resolution and that the Board is authorized to make changes, if any, required further by the authority while granting permission for the issue."

By Order of the Board
FOR SACHETA METALS LIMITED

Date : 31.08.2010

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 25.9.2010 to 30.9.2010 (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
5. Explanatory statement pursuant to section 173(2) of the Companies Act 1956 is annexed

Explanatory statement pursuant to section 173(2) of the Companies Act 1956

Item 7 :

In the EGM dated 7th May 2010, inter alia, a special resolution was passed under section 81(1A) of the Companies Act 1956, for issue of 70,00,000 equity share on preferential basis and the company's application for in-principle approval from the stock exchange is under process. However, few persons (proposed allottees), subsequently, withdraw their consent to subscribe the shares and the Board had to make changes in the list of the proposed allottees contained in the explanatory statement to that special resolution. The modified list does not effect basic structure of shares to be subscribed by promoters and the outsiders. Identity of the proposed allottees and the percentage of the post preferential issue capital that may be held by them are as under :

Sr. No.	Identity Of proposed allottee	Shares to be issued	Pre issue No. of Shares	% of Pre issue capital	Post allotment after the issue of equity shares	% of post allotment paid up capital
PROMOTERS / GROUP						
1	Chetnaben S Shah	1575000	1088200	13.78	2663200	17.88
2	Ankitkumar S Shah	1300000	295500	3.74	1595500	10.71
3	Pranav S Shah	975000			975000	6.55
NON-PROMOTER						
4	Chandrakant M Shah	100000	70000	0.89	170000	1.14
5	Jyotsna C Shah	100000	70000	0.89	170000	1.14
6	Chandrikaben I Shah	40000	1000	0.01	41000	0.28
7	Ashokkumar M Shah HUF	40000			40000	0.27
8	Pareesh J Shah HUF	40000			40000	0.27
9	Maya D Shah	50000	3559	0.04	53559	0.36
10	Priya K Shah	40000			40000	0.27
11	Kaushal D Shah	40000			40000	0.27
12	Kavita K Gandhi	75000			75000	0.50
13	Puja J Mehta	100000			100000	0.67
14	Nisha R Shah	40000			40000	0.27
15	Alpa M Shah	40000			40000	0.27
16	Narendra L Shah	40000			40000	0.27
17	Satish N Shah HUF	40000			40000	0.27
18	Sanjay C Shah	40000			40000	0.27
19	Jayesh C Shah	40000			40000	0.27
20	Dhaval R Shah	40000			40000	0.27
21	Darshak K Shah	40000			40000	0.27
22	Sunil I Gandhi HUF	70000			70000	0.47
23	Tejas I Gandhi HUF	50000			50000	0.34
24	Kamlesh I Gandhi HUF	50000			50000	0.34
25	Amita Y Shah	80000			80000	0.54
26	Darshana K Shah	80000			80000	0.54
27	Yogesh H Shah HUF	80000			80000	0.54
28	Ketan H Shah HUF	80000			80000	0.54

29	Ashit Y Shah	80000		80000	0.54
30	Shailesh K Gandhi	80000		80000	0.54
31	Pankaj K Gandhi	40000		40000	0.27
32	Sanjay K Gandhi HUF	80000		80000	0.54
33	Ketan J Shah	400000	42500	442500	2.97
34	Bhaves J Shah	100000		100000	0.67
35	Chintan V Shah HUF	80000		80000	0.54
36	Jitendra A Shah HUF	80000		80000	0.54
37	Arunaben S Shah	80000		80000	0.54
38	Nimit K Shah	80000		80000	0.54
39	Kalpesh V Shah	40000		40000	0.27
40	Jayeshbhai K Doshi	20000		20000	0.13
41	Dharmesh T Parikh	40000		40000	0.27
42	Bhartiben D Shah	25000		25000	0.17
43	Kapil Khanna & sons HUF	100000		100000	0.67
44	Sushilbhai Binaykia	25000		25000	0.17
45	Rajmati S Binaykia	25000		25000	0.17
46	Ranjanben J Shah	80000		80000	0.54
47	Rashmi S Vakharia	80000		80000	0.54
48	Sailesh K Gandhi HUF	80000		80000	0.54
49	Neepta R Malesara	100000		100000	0.67
	Total	7000000	1570759	8570759	57.55

- (a) Pricing of the issue: The pricing of shares will be in accordance with ICDR.
- (b) Relevant Date: The 'Relevant date' for the purpose of determining the minimum price is 7th April 2010.
- (c) Lock in period: The shares to be issued to Promoters/ Promoter Group shall be in lock in for three years / one year and for others it would be for one year as per ICDR.
- (d) Auditors' Certificate: A certificate from the Statutory Auditors of the company certifying that the proposed issue of equity shares is in compliance with the ICDR

Pursuant to the provisions of Section 81 (1A) of the Companies Act, 1956 consent has already been obtained from members on 7th May 2010. This is only a ratification for the reason of abandon caution is proposed for members' approval. The Board recommends the resolution.

Directors of the Company are interested in the resolution to the extent of shares proposed to be issued to promoters / promoter group.

By Order of the Board
FOR SACHETA METALS LIMITED

Date : 31.08.2010
 Place : Mahiyal

Satish K Shah
 Managing Director

DIRECTORS' REPORT

To the Members,

Your Directors have great pleasures in presenting you the Twentieth Annual Reports of the Company together with the Audited Accounts for the year ended on March 31, 2010.

FINANCIAL RESULTS :

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

Particulars	Current Year ended 31.03.2010	Previous Year ended 31.03.2009
Sales / Turnover	4473.23	3365.30
Profit before Interest, Depreciation & Tax	243.68	231.98
Less Interest	55.02	77.96
Profit before Depreciation and Tax	188.66	154.02
Less Depreciation for the year	91	75.92
Profit before tax	97.66	78.10
Taxation including deferred tax	35.87	27.64
Net profit for the year after tax	61.79	50.46
Balance brought forward from previous year	23.49	22.76
Prior year adjustment	0	-4.46
PROFIT available for appropriation	85.28	68.76
Transfer to General Reserve	23.49	22.49
Dividend Tax	3.35	3.05
Dividend on equity	19.73	19.73
Balance carried forward to Balance-Sheet	38.71	23.49

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. 4473.23 lacs as compared to the last year figure of Rs. 3358.30 lacs i.e. increase of 25%. The cash profit (i.e. profit before depreciation) increased to Rs 188.66 lacs from previous year's of Rs. 154.02 lacs i.e. increase of 22% and the net profit increased to Rs 61.79 lacs from previous year's of Rs 50.46 lacs i.e. increase of 22%.

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.

Presently, we are purchasing Aluminum Sheets as raw material for conversion to Utensils as final product. The company is planning to further integrate its manufacturing facilities by going backward into manufacturing of Aluminum Sheets, coils & foils. With this the present capacity of 6000 M.T. will be raised to 7200 M.T. The overall operating cycle will be reduced and margin will improve.

The estimated cost of expansion project is of Rs. 900 lacs and it is to be funded by preferential allotment of equity shares to promoters and others. The construction of factory shed is completed and machineries are being installed. The production is expected to start by end of next month.

DIRECTORS :

Mr Jayesh J Vakharia, Mr Jagdish K Gandhi and Mr Pravin P 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 1.4.2009 to 31.3.2010 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:

- In the preparation of the annual accounts, the applicable accounting standards have been followed.
- i. The Directors had selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year as on March 31, 2010 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.
- ii. 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 : 26.08.2010

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	1744636 Unit
Total Amount.....	Rs. 106,06,591
Rate/Unit (Rs.)	Rs. 6.08

(b) Own Generation

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

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

coal

Quantity Kg....	319044 Kg
Total Cost.....	Rs. 7,10,070
Average Rate....	Rs. 2.23 per kg

3. Furnace Oil

Quantity Ltr....	153,084 Ltrs
Total Cost.....	Rs. 40,74,367
Average Rate....	Rs. 26.61 per Ltr

4. Fire Wood

Quantity Kg....	2,38,940 Kgs
Total Cost.....	Rs. 5,39,865
Average Rate...	Rs. 2.26 per kg

5. Others / Internal Generation

NIL

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

Energy	Total Consumption (Unit)	Standards, if any	Total Production (Qt in MT) Current Yr.	Total Production Previous Year (Qty in MT)
1. Electricity (Unit)	17,44,636	Nil	563.92	578.32
2. Coal & Lignite(Kg)	3,19,044	Nil	103.12	102.32
2. Furnace Oil (Ltr)	1,53,084	Nil	49.48	21.77
3. Fire Wood (Kg.)	2,38,940	Nil	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	12,33,91,966
Expenditure in Foreign Currency	13,82,701

For and on behalf of the Board

SATISH K SHAH
MANAGING DIRECTOR

Date : 26.08.2010

Place : Mahiyal

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

During the period from 01-04-2009 to 31-03-2010, the board meetings were held on 29th April, 20th June, 31st July, 4th Sept, 31st Oct, 31st, 31st Janry and 20th March '10.

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 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
Mr. Dharmesh C Shah	Independent 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
2006-2007	Saturday, September 29, 2007 at 11.00 a.m.	Block No. 33, Sacheta Udyognagar, Village : Mahiyal, Tal: Talod, Dist. Sabarkantha (Gujarat)
2007-2008	Tuesday, September 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)

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	:	Thursday, 30 th September, 2010 at 11.00 a.m.
Venue	:	Block No. 33, Sacheta Udyognagar, Village : Mahiyal, Tal: Talod, Dist. Sabarkantha (Gujarat)
Financial Year	:	April 1, 2009 to March 31, 2010
Book Closure Dates	:	25 th September, 2010 to 30 th September, 2010 (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 31.3.2010 :

Categories of Shareholders	Shareholding %
Indian Promoters	57.45%
Private Corporate Bodies	04.32%
Indian Public	38.23%
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 LIMITED

1. We have examined the compliance of conditions of Corporate Governance by Sacheta Metals Limited (the company) for the year ended March 31, 2010 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

Place : Ahmedabad
Date : 26th August, 2010

(**R. R. Mandali**)
Proprietor

AUDITORS' REPORT

To,
The Members of
SACHETA METALS LIMITED

We have audited the attached Balance Sheet of SACHETA METALS LIMITED as at 31st March 2010 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 2010 and taken on record by the Board of Directors of the Company , none of the Directors is disqualified as on March 31, 2010 from being appointed as a Director in terms of clause (g) of sub section (1) of section 274 of the Act.
- (f) In our opinion and to the best of our information and according to the best of our information and according to the explanations given to us, the said accounts give the information required by the Companies Act, 1956, in the manner so required and gives a true and fair view in conformity with the accounting principles generally accepted in India.
 - (i) In the case of Balance Sheet of the state of affairs of company as at 31st March, 2010 and
 - (ii) In the case of Profit & Loss Account of the Profit of the company for the year ended on that date and
 - (iii) In the case of cash flow statement of the cash flow for the year ended on that date.

For R.R.MANDALI & CO.
CHARTERED ACCOUNTANTS

Place : Ahmedabad
Date : 26th August, 2010

(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, 2009 OF SACHETA METALS LIMITED

- I. (a) The Company has maintained proper records showing full particulars Including quantitative details and situation of fixed assets.
- (b) All the Assets have not been physically verified by the management during the year but there is a regular programme of verification at reasonable intervals , which , in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. No material discrepancies were noticed on such verifications.
- (c) The Company has not disposed off any part of its fixed assets during the year under review, which will affect the going concern status of the Company.
- II. (a) The inventory has been physically verified during the year by the management .In our opinion , the frequency of verification is reasonable .
- (b) The procedure of physical verification of inventories followed by the management is reasonable and adequate in relation to the size of the company and the nature of its business
- (c) The company is maintaining proper records of inventory. The discrepancies noticed on verification between physical stocks and book records were not material.
- III. (a) The Company had taken loan from two directors covered in the register maintained under section 301 of the Companies Act , 1956. The amount involved during the year was Rs 875000 and the said loan was squared up during the year. There is one company and one firms covered in the register maintained under section 301 of the Companies Act, 1956 from which the company has taken loans. The amount involved during the year was Rs 2444000 and the said loan was also squared up during the year.
- (b) In our opinion , the rate of interest and other terms and conditions on which loans have been taken from/ granted to companies , firms or other parties listed in the register maintained under section 301 of the Companies Act, 1956 are not, prima facie, prejudicial to the interest of the Company.
- (c) The Company is regular in repaying principal amounts as stipulated. The parties have repaid the principal amount as stipulated. However no interest has been charged on such loans.
- (d) Loans taken or granted to companies , firms or other parties listed in the register maintained under section 301 the Companies Act, 1956 were on demand basis. So the question of overdue amount does not arise.
- IV. In our opinion and according to the information and explanations given to us, there are adequate internal control procedures commensurate with the size of the company and the nature of its business with regard to purchases of inventory , fixed assets and with regard to the sale of goods and services. During the course of our audit, we have not observed any continuing failure to correct major weaknesses in internal controls.
- V. (a) According to the information and explanations given to us, we are of the opinion that the transactions that need to be entered in to register maintained u/s 301 of the Act have been so entered.
- (b) In our opinion and according to the information and explanation given to us, the transaction made in pursuance of contracts or arrangements entered in the register maintained u/s. 301 of the Companies Act 1956 and exceeding the value of Rupees five lakhs in respect of any party during the year have been made at prices which are reasonable having regard to prevailing market prices at the relevant time.
- VI. The Company has not accepted deposits from the public. So provisions of sections 58A and 58AA or any other provisions of the Companies Act, 1956 and the Companies (acceptance of deposits) Rules 1975 need not to be complied with.
- VII. In our opinion, the company has an Internal Audit system commensurate with the size and nature of its business.
- VIII. The Central Government has not prescribed maintenance of Cost Records under under Section 209(1)(d) of the Companies Act, 1956.
- IX. (a) The company is regular in depositing with appropriate authorities undisputed statutory dues including provident fund, investor education protection fund, employee's state insurance, income tax, sales tax, wealth tax , custom duty, excise duty , cess and other material statutory dues applicable to it.

- (b) According to the information and explanations given to us, there are no undisputed amount payable in respect of Income Tax, Sales Tax, Wealth Tax, Custom Duty, Excise Duty and Cess were in arrears, as at 31.03.10 for a period of more than six months from the date they became payable.
- X The company neither has accumulated losses as at the financial year nor has incurred cash losses during the financial year and in the immediately preceding financial year.
- XI In our opinion, and according to the information and explanations given to us, the company has not defaulted in repayment of dues to a financial institutions or bank as at balance sheet date.
- XII Based on our examination and according to the information and explanations given to us, the Company has not granted any loans and advances on the basis of security by way of pledge of shares, debentures and other securities.
- XIII The company is not a chit fund/nidhi/mutual benefit fund/society and clause (xiii) of the Order is not applicable.
- XIV The company is not dealing or trading in shares, securities, debentures and other investments.
- XV The company has not given guarantees for loans taken by others from banks or financial institutions.
- XVI In our opinion, the term loans have been applied for the purpose for which they were raised.
- XVII On the basis of our examination of the Balance Sheet of the Company and according to the explanation given to us, in our opinion, funds raised on short term basis have not been used for long term investment.
- XVIII The Company has not allotted equity shares on preferential basis to parties and companies in the register maintained u/s 301 of the Act.
- XIX The Company has not issued any secured debentures.
- XX The Company has not raised money by issue of shares.
- XXI According to the information and explanation given to us, we have neither come across any instance of fraud on or by the company, noticed nor reported during the year nor have we been informed of such case by the

For R.R.MANDALI & CO.
CHARTERED ACCOUNTANTS

Place : Ahmedabad
Date : 26th August, 2010

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

BALANCE SHEET AS ON 31ST MARCH, 2010

Particulars	Schedule	Amount as at 31-3-2010	Amount as at 31-3-2009
I. SOURCES OF FUNDS			
1. SHAREHOLDERS FUNDS			
Share Capital	1.	78,925,000	78,925,000
Reserves & Surplus	2.	11,464,230	7,593,334
2. LOAN FUNDS			
Secured Loans	3.	67,273,928	77,312,186
Unsecured Loans	4.	207,303	594,689
DEFERRED TAX LIABILITIES		5,085,497	3,276,399
		162,955,958	167,701,608
II. APPLICATIONS OF FUNDS			
1. A. FIXED ASSETS	5.		
a). Gross Block		158,977,165	110,190,995
b). Less : Depreciation		61,962,943	52,862,908
c). Net Block		97,014,222	57,328,087
d). Capital-In-Progress		-	-
2. INVESTMENTS	6	5,900	5,900
3. CURRENT ASSETS, LOANS & ADVANCES			
Inventories	7.	74,913,675	58,693,068
Debtors	8.	33,381,503	26,317,594
Cash & Bank Balances	9.	2,736,099	20,709,858
Loans & Advances	10.	27,882,447	44,861,426
		138,913,724	150,581,946
Less: Current Liabilities & Provisions	11.	73,367,256	40,798,377
Net Current Assets		65,546,468	109,783,569
MISC EXPENSES (THE EXTENT NOT WRITTEN OFF OR ADJUSTED)			
Preliminary expenses		389,368	584,052
		162,955,958	167,701,608
NOTES FORMING PART OF ACCOUNTS	19		

AS PER OUR ATTACHED AUDIT REPORT OF EVEN DATE

For R. R. MANDALI & CO.
CHARTERED ACCOUNTANTS

For SACHETA METALS LIMITED
SATISH K. SHAH
Managing Director

R. R. MANDALI
Proprietor

CHETNABEN S. SHAH
Jt. Managing Director

Place : Ahmedabad
Date : 26th August, 2010

PROFIT & LOSS ACCOUNT FOR THE YEAR ENDED ON 31ST MARCH, 2010

Particulars	Schedule	Amount for the year 31-3-2010	Amount for the year 31-3-2009
I. INCOME			
Export Sales		123,391,966	211,028,356
Local Sales		323,930,737	147,501,466
Export Incentives	12.	-	9,831,284
b). Other Income	13.	30,303,106	8,345,027
c). Increase in inventories	14.	(1,093,376)	1,682,762
		476,532,433	378,388,895
II. EXPENDITURES			
Raw material consumption			
& purchases of finished goods	15.	384,402,382	296,472,803
Manufacturing Expenses	16.	34,644,864	28,701,787
Selling Administrative & other Expenses	17.	32,446,713	29,399,365
Managerial Remuneration		593,345	539,502
Auditors Remuneration		77,000	77,000
Interest	18.	5,501,719	7,796,300
		457,666,023	362,986,758
III. Profit before depreciation & tax (I-II)		18,866,409	15,402,137
Depreciation		9,100,035	7,591,793
Profit for the year before tax and after depreciation		9,766,374	7,810,344
Less: Provision for Taxation and FBT		-	171,150
Less: Provision for Taxation		1,777,923	2,890,000
Less: Provision for Deferred Tax Liabilities(Assets)		1,809,098	(297,052)
Profit after taxation		6,179,353	5,046,246
Prior Year Adjustment		-	(446,237)
Profit available for appropriation		6,179,353	4,600,009
Less: Proposed Dividend		1,973,125	1,973,125
Less: Dividend Tax		335,333	304,848
Balance Appropriation		3,870,896	2,349,469
Balance Brought Forward from previous year		2,349,469	2,249,368
Less : Transfer To General Reserve		2,349,469	2,249,368
Balance carried to Balance Sheet		3,870,896	2,349,469
Earning Per Equity Share (Rupees)			
(Face Value of Rs.10 per equity share) Basic		0.78	0.58

NOTES FORMING PART OF ACCOUNTS

19

AS PER OUR ATTACHED AUDIT REPORT OF EVEN DATE

For R. R. MANDALI & CO.
CHARTERED ACCOUNTANTS

For SACHETA METALS LIMITED
SATISH K. SHAH
Managing Director

R. R. MANDALI
Proprietor

CHETNABEN S. SHAH
Jt. Managing Director

Place : Ahmedabad
Date : 26th August, 2010

SCHEDULES ANNEXED TO AND FORMING PART OF ACCOUNTS

Particulars	Amount as at 31-3-2010	Amount as at 31-3-2009
SCHEDULE - 1		
SHARE CAPITAL		
AUTHORISED SHARE CAPITAL		
15000000 (Previous Year 150000000) Equity shares of Rs.10/- each	150,000,000	150,000,000
	150,000,000	150,000,000
ISSUED AND SUBSCRIBED CAPITAL		
7892500 (Out of which 2661700 shares issued on Preferential basis during the year 2007-2008) (5338300) Equity Shares of Rs.10/- each	78,925,000	78,925,000
	78,925,000	78,925,000
PAID UP CAPITAL		
7892500 (Out of which 2661700 shares issued on Preferential basis during the year 2007-2008) (5338300) Equity Shares of Rs.10/- each	78,925,000	78,925,000
	78,925,000	78,925,000
SCHEDULE: 2		
RESERVES & SURPLUS		
Capital Reserves	498,667	498,667
General Reserve	6,394,144	4,044,676
Profit & Loss A/c.	3,870,896	2,349,469
Share Forfeiture A/c	700,523	700,523
	11,464,230	7,593,334
SCHEDULE: 3		
SECURED LOANS		
FROM STATE BANK OF INDIA MUMBAI		
Working Capital Advances in form of		
SBI Germany	-	9,924,111
Term Loan	4,361,307	7,320,105
SBI Excel	2,320,663	1,500,000
Cash Credit	-	361,755
Packing Credit	59,796,895	58,196,242
Overdraft	795,063	9,973
(Working Capital Advances from SBI Mumbai are secured by HYPOTHECATION/PLEDGE of Companies entire Goods, Movable & Other Assets Such as book Debts Outstanding Monies, Receivables, claims, Bills, Invoices, Documents, Contracts, Securities, Investments & Rights all present and future and further secured by :		
1. Equitable Mortgage of Company's factory C & B at block No. 33, Village Mahiyal, Talod.		
2. Hypothecation of Entire movable Machinery of the Company.) (Term Loan from SBI is secured by hypothecation of Koiler -Dkoiler machine)	67,273,928	77,312,186
SCHEDULE: 4		
UNSECURED LOANS		
From Directors	207,303	332,000
SBI Stand By Limit	-	262,689
	207,303	594,689

SCHEDULES ANNEXED TO AND FORMING PART OF ACCOUNTS

SCHEDULE - 5
FIXED ASSETS :

S. N.	Description	GROSS BLOCK			DEPRECIATION				NET BLOCK		
		Balance as on 01-04-09	Add. during the yr.	Deduction during the year	Total Balance as 31-03-10	Open. Balance of Depreciation	Depreciation during the year	Adjustment during the year	Total Depreciation for the	As on 31-03-10	As on 31-03-09
1.	Land	5,454,269	0	0	5,454,269	0	0	0	0	5,454,269	5,454,269
2.	Building	16,547,985	3,231,078	0	19,779,063	6,902,792	1,014,393	0	7,917,185	11,861,878	9,645,193
3.	Plant & Machinery	71,821,918	44,686,960	0	116,508,878	33,218,880	7,004,297	0	40,223,177	76,285,701	38,603,038
4.	Dies & Tools	5,028,040	30,000	0	5,058,040	4,582,947	139,248	0	4,722,195	335,845	445,093
5.	Other Fixed Assets	2,411,160	0	0	2,411,160	1,724,023	128,541	0	1,852,564	558,596	687,137
6.	Furniture & Fittings	374,568	372,782	0	747,350	270,290	50,488	0	320,778	426,572	104,278
7.	Vehicles	7,718,068	443,000	0	8,161,068	5,520,092	681,239	0	6,201,331	1,959,737	2,197,976
8.	Computers	834,987	22,350	0	857,337	643,884	81,829	0	725,713	131,624	191,103
	TOTAL	110,190,995	48,786,170	0	158,977,165	52,862,908	9,100,035	0	61,962,943	97,014,222	57,328,087
	PREVIOUS YEAR	103,836,400	6,937,595	583,000	110,190,995	45,401,017	7,591,793	129,902	52,862,908	57,328,087	58,435,383

SCHEDULES ANNEXED TO AND FORMING PART OF ACCOUNTS

Particulars	Amount as at 31-3-2010	Amount as at 31-3-2009
SCHEDULE: 6		
INVESTMENTS		
LONG TERM INVESTMENT		
Shares of the Talod Nagarik Sahkari Bank Ltd. fully paid up	5,900	5,900
(Unquoted, At cost)	<u>5,900</u>	<u>5,900</u>
SCHEDULE: 7		
INVENTORIES		
(As taken, valued and certified by the management)		
Stores & Spares	500,000	679,000
Raw Material	62,193,271	44,700,288
Semi-finished Goods	5,172,930	5,204,100
Finished Goods	7,047,474	8,044,680
Stock of Advertisement Item	-	65,000
	<u>74,913,675</u>	<u>58,693,068</u>
SCHEDULE: 8		
SUNDRY DEBTORS		
(Unsecured, considered good)		
Outstanding for period exceeding six months	889,845	-
Others	32,491,658	26,317,594
	<u>33,381,503</u>	<u>26,317,594</u>
SCHEDULE: 9		
CASH & BANK BALANCES		
Cash in hand(as Certified by the Managing Director)	309,991	394,351
Amount with scheduled Banks		
In Current Accounts	2,420,199	1,512,098
In Savings Account	-	-
In Fixed Deposits	-	18,562,808
Amount with Non-scheduled Bank	5,910	240,601
(Maximum balances in non scheduled Bank during the year)		
The Talod Nagarik Sahkari Bank Ltd.Rs. 704675.50		
(Previous Year Rs.810009)	<u>2,736,099</u>	<u>20,709,858</u>
SCHEDULE - 10		
LOANS & ADVANCES		
Advance for Expense	23,089	793,361
Advances for Goods	2,935,554	22,590,521
Advances for Capital Goods	861,000	410,000
IT Refund receivable	966,337	890
TDS receivable	399,393	429,448
Exice Receivable	10,885,858	9,373,637
Fbt receivable	-	17,748
Vat Receivable	4,509,089	2,221,242
Prepaid Expense	-	638,452
Advance Tax 07/08	-	1,700,000
Advance Tax 08/09	-	800,000
Advance Tax 09/10	700,000	-
Service Tax Receivable	15,274	41,324
Advances for Others	1,270,325	1,168,275
Stamp Duty hmt	5,615	5,615
Depoits	5,310,913	4,670,913
	<u>27,882,447</u>	<u>44,861,426</u>

SCHEDULES ANNEXED TO AND FORMING PART OF ACCOUNTS

Particulars	Amount as at 31-3-2010	Amount as at 31-3-2009
SCHEDULE : 11		
CURRENT LIABILITIES & PROVISIONS		
(a) Current Liabilities		
Duties and Taxes	39,936	99,130
Creditors for Others	2,423,925	893,162
Creditors for goods	23,780,478	24,825,173
Creditors for expenses	8,009,181	3,406,172
Creditors for Capital goods	29,615,648	-
Advances recd. for goods	5,411,707	5,460,485
Income tax Provision 07-08	-	766,132
(A)	69,280,875	35,450,254
(b) Provisions		
Provision for Fringe Benefit Tax	-	171,150
Provision for Taxation	1,777,923	2,890,000
Proposed Dividend	1,973,125	1,973,125
Tax on Proposed Dividend	335,333	304,848
Provision for Expense	-	9,000
(B)	4,086,381	5,348,123
(A+B)	73,367,256	40,798,377
SCHEDULE : 12		
EXPORT INCENTIVES		
DEPB Benefit	-	2,944,734
Licence Benefit	-	6,886,550
	-	9,831,284
SCHEDULE : 13		
OTHER INCOME		
Labour Job Income	-	342,590
Interest on F.D.R.	1,769,341	2,080,521
Other Interest	582,967	128,888
Discount Income	25,326,577	-
Foreign Exchange Difference	1,297,573	5,729,724
Key Man Insurance Policy	975,217	-
Rate Difference	258,641	40,432
Transportation Income	92,790	22,872
	30,303,106	8,345,027
SCHEDULE : 14		
INCREASE/(DECREASE) IN INVENTORY		
Closing Stock of		
Finished goods	7,047,474	8,044,680
Semi finished goods	5,172,930	5,204,100
	12,220,404	13,248,780
Less: Opening Stock of		
Finished & Semi Finished Goods	13,313,780	11,566,018
Increase/(Decrease) in stock	(1,093,376)	1,682,762

SCHEDULES ANNEXED TO AND FORMING PART OF ACCOUNTS

Particulars	Amount as at 31-3-2010	Amount as at 31-3-2009
SCHEDULE : 15		
RAW MATERIAL CONSUMED & PURCHASES OF FINISHED GOODS		
A) Raw Material Consumption		
Opening stock	44,700,288	84,841,341
Add : Purchases	386,165,960	246,523,126
	430,866,248	331,364,467
Less: Closing stock	62,193,271	44,700,288
	(C) <u>368,672,977</u>	<u>286,664,179</u>
B) Consumption of stores		
Opening Stock	679,000	2,179,000
Add: Purchases	15,550,404	8,308,624
	16,229,404	10,487,624
Less : Closing Stock	500,000	679,000
	(D) <u>15,729,404</u>	<u>9,808,624</u>
Raw Material Consumption (C+D)	<u>384,402,382</u>	<u>296,472,803</u>

SCHEDULE : 16**MANUFACTURING EXP.**

Salary & Wages (Factory)	4,811,910	3,317,363
Bonus to Worker	337,377	232,546
Leave Salary to Worker	225,395	162,761
Exice leavy on Rolling Mill	154,565	963,195
Electricity Expenses	10,606,591	8,638,111
Inward Freight	6,393,470	3,615,958
Polution Expense	104,056	50,600
Security Expenses	280,662	85,768
Clearing Charges	393,558	311,114
Medical Expense	37,656	5,803
Packing Material	5,617,036	6,842,749
Labour Charges	5,336,719	4,475,820
Import Detention/other Exps.	345,869	
	<u>34,644,864</u>	<u>28,701,787</u>

SCHEDULE : 17**SELLING,ADMINISTRATIVE & OTHER EXPENSES**

Advance Licence Benifit	8,060	
Advertisement Expenses	216,870	594,659
Ahmedabad & Bombay Stock Exch. Listing Fees	43,861	38,318
Bank Commission and Charges	1,669,384	3,511,665
Building Repairs & Maintenance	1,569,322	647,786
Canteen Expenses	262,329	109,517

SCHEDULES ANNEXED TO AND FORMING PART OF ACCOUNTS

Particulars	Amount as at 31-3-2010	Amount as at 31-3-2009
SCHEDULE : 17		
SELLING, ADMINISTRATIVE & OTHER EXPENSES (Contd.....)		
Computer Repairing Exps	72,740	
Commission Expense	4,758,587	3,834,871
Donation	1,580,637	689,333
DEPB Exps.	117,414	
Electricity Charges	1,379,217	540,284
Export Shipping Freight	9,685,828	10,223,591
Factory Expenses	288,211	217,243
Fesival Exps.	98,173	
Gratuity Expense	129,573	141,720
Income Tax Expense	-	36,970
Insurance Charges	788,170	665,999
Kasar Vatav	725,159	641,694
Leave Salary	64,719	37,688
Legal & Professional Charges	479,647	345,801
Machinery Repairs & Maintenance	633,556	277,650
MenbeShip Subscription	501,774	67,005
Office Exps.	339,350	179,520
Outward Transportation	1,767,970	1,591,343
Plant Machinery Loss Due To Fire	-	199,130
Post & Telephone & Telegram	689,436	683,526
Printing & Stationery exp.	423,480	582,038
Professional Tax	2,400	1,000
Rent,Rates and Taxes	657,502	548,114
Salary & Bonus	1,565,722	1,079,488
Staff welfare	139,758	103,376
Stamp Duty Written Off	194,684	194,684
Travelling Expenses (Including Directors' Travelling Rs. 508937 (Previous year Rs. 1009757)	1,189,243	1,123,608
Vehicle Running and maint.Exps.	403,939	491,745
	32,446,713	29,399,365
SCHEDULE : 18		
INTEREST		
Bank Interest	5,384,795	7,774,741
Other Interest	116,924	21,559
	5,501,719	7,796,300

SCHEDULES ANNEXED TO AND FORMING PART OF ACCOUNTS

SCHEDULE - 19

NOTES ON ACCOUNTS

A STATEMENT ON SIGNIFICANT ACCOUNTING POLICIES :

(1) Basis of Preparation of Financial Statements.

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

(2) Fixed Assets

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

(3) Depreciation

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

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

Sr. No.	Type of Assets	Basis
a)	Revalued Assets as on 16th April, 1994	Revalued Amount
b)	Assets acquired after 16th 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.	(5085497)	(3276399)	(1809098)

- (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 :

	2009-10	2008-09
Audit Fees	70000	70000
Tax Audit Fees	4000	4000
For Taxation matters	3000	3000
	77000	77000

- (6) Managerial Remuneration of Rs.605955/- including perquisites of Rs. 107955/- (Previous year Rs.551501) 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.

(9) Prior Year Adjustments represents:

	2009-10 Rs.	2008-09 Rs.
a) Sundries	-	446237
	-	446237

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

1. Relationship :

- i) Eskay 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) Ankit Trading Company.
Proprietorship concern of Director, Ankit Shah.
- v) Key Management personnel
 1. Shri Satish K. Shah – Chairman Cum Managing Director
 2. Smt. Chetana S. Shah – Jt. Managing Director
 3. Ankit S. Shah – Executive Director

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

Particulars	Value of Transactions For the year
Loan paid	3086095
Loan received	2440000
Commission	400467
Rent	628800
Purchase	652781
Sale	27239855

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

Particulars	Value of Transactions For the year
Managerial remuneration including perquisites	605955
Commission	230336
Amount Paid	1711291
Amount Received	875000

(11) Earning per Share :

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

	31st March. 2010	31st March. 2009
Profit available for Equity Share holders	6149616	4600009
Weighted average number of shares	78,92,500	7892500
Earning per Share Basic and Diluted	0.7792	0.5828
Face Value per Share	10	10

(12) Segment information :

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

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

1. International
2. Domestic

Gross result of geographical segments.

Particulars	International Amt. Rs.	Domestic Amt. Rs.	Total Amt. Rs.
Sales	123391966	323930737	447322703
Export Incentives	—	—	—
Other receipts	—	27795954	27795954
Raw Materials Consumption	106037397	278364985	384402382
Mfg.Exp.	9556630	25088233	34644864
Gross Results of Geographical Segment.	7797939	48273473	56071412

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).

	2009-10		2008-09	
	Qty. in MT	Rs.	Qty. in MT	Rs.
a. Licenced Capacity	N.A.		N.A.	
b. Installed Capacity	6000 MT		6000 MT	
(On Annual basis this being technical matter the same is certified by the mangement and not verified by us).				
c. Production				
I. Alluminium Utensils	3093.73		2234.3	
II. M.S.Utensils	0		0	
d. Stock of Finished Goods at close				
Alluminium Utensils	47.94	7047474	67.04	8044680
e. Stock of Finished Goods at beginning				
Alluminium Utensils	67.04	8044680	36.41	6887911
f. Sales				
I. Alluminium Utensils	3112.83	428174242	2203.67	350285429
II. M.S.Utensils				
g. Raw Materials Consumed				
I. Alluminium	3209.53	384402382	2258.29	286144513
II. M.S.Utensils	0	0	0	0
h. Trading Activity				
Alluminium Ingots				
Opening Stock	91.76	7708008	0	0
Add: Purchases	101.5	7115150	141.89	11960193
Less : Transfer for production	0	0	20.41	1650975
Less : Sales	193.26	19148461	29.72	2601210
Closing Stock	0		91.76	7708008
i. C.I.F.Value of Imports				
Expenditure & Earning in Foreign Exchange				
1) C.I.F. Value of Imported Raw Materials		7115150		11960193
2) Expenditure incurred in Foreign Currency		1382701		3250000
3) Earning in Foreign Currency F.O.B.		123391966		207197997
j. Break-up of Imported and indogeneous materials and Components Consumption				
	Value in Rs.	% of Total Consumption	Value in Rs.	% of Total Consumption
Imported	7115150	2%	11960193	5%
Indogeneous	379050810	98%	234562933	95%
	386165960	100%	246523126	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	31-03-2010

2. CAPITAL RAISED DURING THE YEAR ENDED ON 31ST MARCH, 2010.
(Amt.In Rs. Thousands)

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

3. POSITION OF MOBILISATION AND DEPLOYMENT OF FUNDS AS AT 31ST MARCH, 2010
(Rs. In Thousands)

Total Liabilities	162,956
Total Assets	162,956

SOURCES OF FUNDS

Paid up Capital	Share Application Money
78925	Nil
Reserve & Surplus	Secured Loans
11464	67274
Unsecured Loans	Deffered Tax Liabilities
207	5085

APPLICATION OF FUNDS

Net Fixed Assets	Cap. Work Progress
97014	0
Investments	Net Current Assets
6	65546
Misc. Expenditure	Accumulated Losses
389	0

IV. PERFORMANCE OF THE COMPANY FOR THE YEAR ENDED 31-03-2010 (Rs.In Thousands)

Turnover (Sales & other Income)	Total Expenditure
476532	466766
Profit before Tax	Profit after Tax
9766	6179
Earning per share Rs.	Dividend Rate %
0.78	2.5%

V. GENERIC NAME OF PRINCIPAL PRODUCTS OF THE COMPANY

ITC NO.	
PRODUCT	Aluminium Utensils
ITC NO.	
PRODUCT	M.S.Utensils
ITC NO.	
PRODUCT	S.S.Utensils

Signature to Schedules 1 to 19

AS PER OUR ATTACHED AUDIT REPORT OF EVEN DATE
For R. R. MANDALI & CO.
 CHARTERED ACCOUNTANTS

R. R. MANDALI
 Proprietor

 Place : Ahmedabad
 Date : 26th August, 2010

For SACHETA METALS LIMITED
SATISH K. SHAH
 Managing Director

CHETNABEN S. SHAH
 Jt. Managing Director

CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2010

Particulars	Amount as at 31-3-2010	Amount as at 31-3-2009
A. CASH FLOW FROM OPERATING ACTIVITIES		
Net Profit After Tax and before Extra Ordinary Items	6,179,353	5,046,246
Adjustments For :		
Depreciation	9,100,035	7,591,793
Provision for Taxation & FBT	0	171,150
Provision for Taxation	1,777,923	2,890,000
Provision for Differed Tax Liabilities(Assets)	1,809,098	(297,052)
Prior Year Adjustments	0	(446,237)
Interest/ Dividend Income	(2,352,308)	(2,209,409)
Interest Charged	5,501,719	7,796,300
Amortisation of Misc. Expenditure	194,684	194,684.00
(Profit)/Loss on Sale of Fixed Assets	0	199,130
Operating Profit before Working Capital Changed	22,210,504	20,936,605
Adjustment for :		
Trade & Other Receivables	10,109,755	(14,649,910)
Inventories	(16,220,607)	40,158,291
Trade Payables & Other Liabilities	32,966,563	(34,534,232)
Cash Generated From Operations	49,066,214	11,910,754
Taxes (Paid)/ Refund Received	(2,370,291)	(800,000)
	46,695,923	11,110,754
Cash Flow before Extraordinary Items		
Net Cash from Operating activities (A)	46,695,923	11,110,754
B. CASH FROM INVESTING ACTIVITIES		
Purchase of Fixed Assets	(48,786,170)	(6,937,595)
Sale of Fixed Assets	291,629	
Interest Received	2,352,308	107,298
Net Cash used in Investing Activities	(46,433,862)	(6,538,668)
C. CASH FLOW FROM FINANCING ACTIVITIES		
Proceeds from issue of Share Capital	-	-
Proceeds from Long Term Borrowings	(10,038,258)	7,843,300
Repayment of Unsecured Loan	(387,386)	(188,885)
Dividends paid	(1,973,125)	(304,848)
Interest Paid	(5,501,719)	(7,796,300)
Tax on Distributed profit(Dividend)	(335,333)	(1,973,125)
Net Cash used in Financing Activities	(18,235,821)	(2,419,858)
Net (decrease) / Increase in Cash equivalents	(17,973,759)	2,152,228
Cash and Cash Equivalents as AT 1.04.2009	20,709,858	18,557,630
Cash and Cash Equivalents as AT 31.03.2010	2,736,099	20,709,858

Note : (i) Figures in Brackets represent outflows.

For SACHETA METALS LIMITED

Managing Director

Jt. Managing Director

Date : 26th August, 2010

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, 2010. 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 26th August, 2010 to the Members of the Company.

For R.R.MANDALI & CO.
CHARTERED ACCOUNTANTS

Place : Ahmedabad
Date : 26th August, 2010

(R.R.Mandali)
Proprietor

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 20th Annual General Meeting of the Company to be held Thursday, September 30, 2010 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 _____ 2010

(Signature of the Shareholder (s)) _____

Affix
Rs. 2/-
Revenue
Stampe

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

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SACHETA METALS LIMITED

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

20th Annual General Meeting on 30th day of September, 2010 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 20th Annual General Meeting at Regd. office on 30th September, 2009.

Signature of the shareholder of the proxy attending meeting.

If shareholder, Please sign, Here

If proxy, Please sign, Here

Book Post

To

SACHETA METALS LIMITED

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