

**Sacheta**

**metals**

**limited**

**Mfg. & Exporters of :** *Alu. & St. Steel Sheet, Circles, Utensils, Castings, Non Stick Items & Others House Ware.*

**Corpo. Office :** Sakseria Industrial Estate, S. V. Road, Chincholi, Malad (W), MUMBAI - 400 064.

**Tel. :** 022-28725948, 32959081

**Fax. :** 0091-22-28737934

**Regd. Office :** Sacheta Udyog Nagar, Opp. College, Mahiyal, TALOD-383 215, (Gujarat)

**Tele. :** 02770-221739, 221239

**Fax :** 02770-220839

**CIN : L27100GJ1990PLC013784**

To,  
Department of Corporate Services-Listing,  
Bombay Stock Exchange Limited,  
1<sup>st</sup> Floor, Rotunga Building,  
Dalal Street,  
Mumbai-400001

Date:- 06.10.2017

Scrip Code:- 531869

**SUB:- SUBMISSION OF THE APPROVAL AND ADOPTED COPY OF THE ANNUAL REPORT IN THE 27<sup>TH</sup> ANNUAL GENERAL MEETING HELD ON 29<sup>TH</sup> SEPTEMBER, 2017 AT 11.00 AM AT REGISTERED OFFICE.**

Dear Sir/Madam,

In compliance with the requirement of Regulation 34 of the SEBI (LODR) Regulations, 2015 we hereby submit copy of the 27<sup>th</sup> Annual Report as approved and adopted by the members of the Company at their 27<sup>th</sup> Annual General Meeting held on 29<sup>th</sup> September, 2017 at 11.00 am at Registered Office.

You are requested to please take on records the above said documents for your reference and further needful.

Yours Faithfully

Thanking you

For, Sacheta Metals Ltd

  
Abbasali Sunasara

Company Secretary and Compliance Officer



# Sacheta Metals Limited

Government Recognized Export House (INDIA)

## House of Aluminium

Mfgr & Exporter of : Aluminium Utensils, Casting, Non-Stick Cookware, Pressure Cooker & other House ware, Aluminium Sheet, Coil, Foil Stock, Circle, Foil, Coil/Sheets for P.P. Caps, House Foil, Slugs, Chequered Sheet etc.

						
						
						
						
<b>Coil</b>	<b>Sheet</b>	<b>Circle</b>	<b>Slugs</b>	<b>Chequered Sheet</b>		
						

**Quality & Service is our Moto...**



27<sup>th</sup>  
**Annual Report**  
 for the year ended 31st March, 2017

## SACHETA METALS LIMITED

### BOARD OF DIRECTORS:

Mr. Satishkumar K. Shah	-Managing Director
Mrs. Chetaben S. Shah	-Jt. Managing Director
Mr. Ankitkumar S. Shah	-Executive Director
Mr. Pranav S. Shah	-Executive Director
Mr. Pravinchandra P. Shah	-Independent Director
Mr. Jagdish Gandhi	-Independent Director
Mr. Kalyan C. Shah	-Independent Director
Mr. Dilipkumar S. Sanghvi	-Independent Director

### AUDITOR:

R.R. Mandali &Co.  
Chartered Accountants  
Ahmedabad

### COMPANY SECRETARY & COMPLIANCE OFFICE:

Mr. Abbasali Sunasara

### AUDIT COMMITTEE:

Mr. Kalyan C. Shah	-Chairman
Mr. Pravinchandra P. Shah	-Member
Mr. Satishkumar K. Shah	-Member

### STAKEHOLDER RELATIONSHIP:

Mr. Jagdish Gandhi	-Chairman
Mr. Pravinchandra P. Shah	-Member
Mr. Ankitkumar S. Shah	-Member

### BANKERS:

State Bank of India  
Malad, Mumbai

### NOMINATION AND REMUNERATION COMMITTEE:

Mr. Jagdish Gandhi	-Chairman
Mr. Pravinchandra P. Shah	-Member
Mr. Kalyan C. Shah	-Member

### REGISTERED OFFICE:

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

### CORPORATE OFFICE:

Sakseria Industrial Estate,  
Chincholi, Behind Hanuman Temple  
S.V. Road, Malad(W)  
Mumbai-400064  
sacheta@sacheta.com

### REGISTRAR AND SHARE TRANSFER AGENT:

M/S PuraSharegistry India Pvt Ltd  
Gala No.9, Shiv Shakti, Industrial Estate,  
Sitaram Mill Compound, J.R. Boricha Marg,  
Lower Parel(E), Mumbai-400011

## **SACHETA METALS LIMITED**

CIN: L27100GJ1990PLC013784  
Regd. Office: Block No.33, Sacheta Udyognagar  
Village: Mahiyal, Ta: Talod, Dist. Sabarkantha. Gujarat

### **NOTICE**

Notice is hereby given that **Twenty Seventh Annual General Meeting** of the Members of **SACHETA METALS LIMITED** will be held on Friday, September 29, 2017 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) 383215 to transact the following business:

#### **ORDINARY BUSINESS:**

1. To receive, consider and adopt the Audited Balance Sheet for the year ended March 31, 2017 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 on equity shares.
3. To appoint a Director in place of Mr. Pranav S. Shah (DIN 06949685), who retires by rotation, and, being eligible, offers herself for re-appointment.
4. To ratify the re-appointment of M/S R R Mandali & Co. Chartered Accountants, (ICSI Registration No 114223W), as Statutory Auditors of the Company for the financial year ending on 31<sup>st</sup> March 2017 at such remuneration as may be agreed upon by the Board of Directors and the Statutory Auditors of the Company."

**By Order of the Board  
For Sacheta Metals Limited**

**Place : Mumbai  
Date:- 29<sup>th</sup> May 2017**

**Satish K Shah  
CHAIRMAN & MANAGING DIRECTOR**

---

#### **NOTES**

1. A member entitled to attend and vote is entitled to appoint a Proxy instead and the Proxy need not be a member of the Company. A person can act as a proxy on behalf of members not exceeding fifty and holding in the aggregate not more than ten percent of the total share capital of the company carrying voting rights. A member holding more than ten percent of the total share capital of the company carrying voting rights may appoint a single person as proxy and such person shall not act as a proxy or any other person or shareholder.
2. Proxies, in order to be effective, should be duly stamped, completed, signed and deposited at the Registered Office of the Company not less than 48 hours before the meeting. A Proxy form is sent herewith. Proxies submitted on behalf of the companies, societies etc., must be supported by an appropriate resolution/authority, as applicable.
3. Members are requested to bring their copies of the Annual Report to the meeting. The Members/Proxies should bring the Attendance Slip sent herewith duly filled in for attending the meeting.
4. Members intending to require information about Accounts to be explained in the Meeting are requested to inform the Company at least 7 days in advance of the Annual General Meeting.
5. The members, holding shares in physical form, are requested to intimate any change in their addresses or bank details to the Company or its Registrar and Transfer Agent (RTA) viz. Purna Sharegistry India Pvt. Ltd., Unit: Sacheta Metals Limited, Gala No. 9, Shiv Shakti Industrial Estate, Sitaram Mill Compound, J R Boricha Marg, Mumbai – 400011. Those holding shares in dematerialized form may intimate any change in their addresses or bank details / mandates to their Depository Participants (DP) immediately. Members holding shares in dematerialized form may note that bank details registered against their respective depository accounts will be used by the Company for payment of dividend. The Company or its RTA cannot act on any request directly received from any member holding shares in dematerialized form for any change in such details. Such changes are to be advised only to the DP of the members.
6. The Register of Members and Share Transfer Books of the Company will remain closed from Saturday, the 23<sup>rd</sup> September, 2017 to Friday, the 29<sup>th</sup> September, 2017 (both days inclusive) in connection with the Annual General Meeting and for the purpose of payment of Dividend, if declared at the Meeting.
7. Documents referred to in the Notice and the Explanatory Statement attached hereto are available for inspection by the shareholders at the Registered Office of the Company during business hours on any working day up to and including the date of the Annual General Meeting of the Company.
8. The Notice of the Annual General Meeting and Annual Report of the Company for the year ended 31st March, 2017 is uploaded on the Company's website [www.sacheta.com](http://www.sacheta.com) and may be accessed by the members.
9. Details in respect of the Directors seeking appointment/reappointment at the Annual General Meeting, forms integral part of the notice. The Directors have furnished the requisite declarations for their appointment/re-appointment.
10. Electronic copy of the Annual Report for 2016-17 is being sent to all the members whose email IDs are registered with the Company/ Depository Participants(s) for communication purposes unless any member has

requested for a hard copy of the same. For members who have not registered their email address, physical copies of the Annual Report for 2016-17 is being sent in the permitted mode.

11. Electronic copy of the Notice of the Annual General Meeting of the Company inter alia indicating the process and manner of e-voting along with Attendance Slip and Proxy Form is being sent to all the members whose email IDs are registered with the Company/ Depository Participants(s) for communication purposes unless any member has requested for a hard copy of the same. For members who have not registered their email address, physical copies of the Notice of the Annual General Meeting of the Company inter alia indicating the process and manner of e-voting along with Attendance Slip and Proxy Form is being sent in the permitted mode.
12. **Members are requested to follow the below instructions to cast their vote through e-voting:**
  1. Use User ID and Password for e-voting sent separately to the shareholders.
  2. Open the internet browser and type the URL : <https://www.evoting.nsdl.com>.
  3. Click on **Shareholder-Login**.
  4. If you are already registered with NSDL for e-voting, then you can use your existing User ID and Password for Login.
  5. If you are logging for the first time, please enter the user ID and Password sent to you.
  6. If you are logging in for the first time, **Password Change Menu appears**. Change the Password of your choice with minimum 8 digits / characters or a combination thereof. Please note the new Password for all the future e-voting cycles offered on NSDL e-voting Platform. It is strongly recommended not to share your Password with any other person and take utmost care to keep your Password confidential.
  7. Home page of "e-voting" opens. Click on **e-voting > Active Voting Cycles**.
  8. Select **EVEN (E-Voting Event Number)** of Sacheta Metals Limited. Once you enter the number, the "Cast Vote" Page will open. Now you are ready for e-voting.
  9. Cast your vote by selecting appropriate option and click "**Submit**" and also click "**Confirm**" when prompted. Kindly note that vote once cast cannot be modified,
  10. Institutional members (i.e. members other than individuals, HUF, NRIs, etc.) are required to send scanned copy (PDF/JPG format) of the relevant board resolution / authority letter, etc. together with the attested specimen signature(s) of the duly authorized signatory(ies) who are authorized to vote, to the Scrutinizer through email at [csnavnitpadia@yahoo.com](mailto:csnavnitpadia@yahoo.com) or [sacheta@sacheta.com](mailto:sacheta@sacheta.com) with a copy marked to [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in).
  11. Once the vote on a resolution is cast by the shareholder he/she shall not be allowed to change it subsequently.
  12. In case of any queries you may refer the Frequently Asked Questions (FAQs) for members and e-voting user manual for members available at the "Downloads" section of <https://www.evoting.nsdl.com> or contact NSDL by email at [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in).

#### **General Instructions**

- a. The e-voting period commences on **26<sup>th</sup> September, 2017 (09:00 a.m. IST) and ends on 28<sup>th</sup> September, 2017 (5:00 p.m. IST)**. During these period shareholders of the Company holding shares either in physical form or in dematerialized form, as on the cut-off date of 22<sup>nd</sup> September, 2017, may cast their vote electronically. The e-voting module shall also be disabled by NSDL for voting thereafter. Once the vote on a resolution is cast by the shareholder, the shareholder shall not be allowed to change it subsequently.
- b. Since the Company is required to provide members the facility to cast their vote by electronic means, shareholders of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date (record date), and not casting their vote electronically, may only cast their vote at the Annual General Meeting.
- c. Mr. Navnit Padia, Practicing Company Secretary – (Membership No. F1778) has been appointed as the Scrutinizer to scrutinize the e-voting process in a fair and transparent manner.
- d. The Scrutinizer shall, within a period not exceeding three (3) working days from the conclusion of the voting period, unlock the votes in the presence of at least two(2) witnesses, not in the employment of the Company and make a Scrutinizer's Report of the votes cast in favor of or against, if any; forthwith to the Chairman of the Company.
- e. The Results shall be declared on or after the AGM of the Company. The Results declared along with the Scrutinizer's Report shall be placed on the Company's website [www.sacheta.com](http://www.sacheta.com) and on the website of NSDL within two(2) days of passing of the resolutions at the AGM of the Company and communicated to the Bombay Stock Exchange Limited.

BY ORDER OF THE BOARD

SATISH K SHAH  
CHAIRMAN & MANAGING DIRECTOR

Date: 29<sup>th</sup> May 2017

---

**Details of Directors seeking appointment / re-appointment at the forthcoming Annual General Meeting 2017**

---

<b>Name</b>	Mr. Pranav S. Shah
<b>Age</b>	26 YEARS
<b>Qualification</b>	Mr. Pranav Shah hold a S.Y.J.C
<b>Date of First Appointment</b>	30.09.2014
<b>Experience</b>	Mr. Pranav Shah handling manufacturing activity, he has related expertise in that field since Join to the Company.
<b>List of Companies in which Directorships held as on March 31, 2017 (excluding foreign and Section 8 Companies)</b>	NIL
<b>Chairmanship/Membership of Specified Committees** of the Boards of above Companies as on March 31, 2017</b>	NIL

**DIRECTORS' REPORT**

Dear Members,

Your Directors have great pleasures in presenting you the Twenty-seventh Annual Report of the Company together with the Audited Financial Result for the year ended on March 31, 2017.

**FINANCIAL RESULTS:**

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

(Rs. in Lacs)

Particulars	Current Year ended 31.03.2017	Previous Year ended 31.03.2016
Sales / Turnover	6114.91	5041.57
Profit before Interest, Depreciation & Tax	328.96	331.74
Less Interest	56.97	54.12
Profit before Depreciation and Tax	272	277.62
Less Depreciation for the year	178.41	210.70
Profit before tax	93.59	66.92
Taxation including deferred tax	33.95	25.34
Exceptional items	0.00	0.00
Net profit for the year after tax	59.64	41.58
Balance brought forward from previous year	113.92	106.53
PROFIT available for appropriation	173.56	148.11
Adjustment for Depreciation	0.00	0.00
Transfer to General Reserve	0.00	0.00
Dividend Tax	9.64	5.78
Dividend on equity	47.35	28.41
Balance carried forward to Balance-Sheet	116.57	113.92

**DIVIDEND:**

The Board, in its meeting declared dividend of Rs 0.25 per share (2.5%) of face value of Rs 10 each aggregating to Rs. 47.35 Lacs (Previous year Rs. 28.41 Lacs) out of the current year's profit for the financial year ended March 31, 2017. The proposal is subject to the approval of shareholders at the ensuing Annual General Meeting (AGM) schedule to be held on 29<sup>th</sup> September, 2017.

The Register of Members and Share Transfer Books will remain closed from **23.09. 2017 to 29.09.2017** for the purpose of payment of dividend for the financial year ended on March 31, 2017

**FINANCIAL PERFORMANCE**

Your Company reported a growth of 21.29 % over the Previous Year. The revenue from the operation stood at Rs. 6114.91 Lacs compared with Rs. 5041.57 Lacs in the Previous Year. The Net Profit for the year stood at Rs.59.64Lacs against Rs. 41.58 Lacs reported in the Previous Year.

The company continues to harvesting and reinforce its market leadership in its field.

**STATUTORY DISCLOSURES:**

The Statutory disclosures in accordance with Section 134 read with Rule 8 of Companies (Accounts) Rules, 2014, Section 178, Section 197 read with Rule 5 of Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 have been made herein after paragraphs.

**MANAGEMENT DISCUSSION AND ANALYSIS REPORT****Overview of the Company**

We, SACHETA METALS LIMITED, a Public Limited Company established in the year 1990. The Registered Office and Manufacturing Unit of our Company is situated at Sacheta Udyog Nagar, Opp.College, Mahiyal, TALOD-383215 Gujarat. Our Corporate Office is situated at the Business Capital Centre of India Mumbai @ Sakseria Industrial Estate, S.V.Road, Malad (West), Mumbai 400064 (INDIA).

We, SACHETA METALS LIMITED, are one of the major manufacturers & exporters of Aluminium, Stainless and mild steel Houseware kitchenware Utensils - Casting- Sheet – Coils - Circles, Non Stick Cookware - Pressure Cooker, Foil Chaquered sheet, PP Caps / Slug & other Houseware & also Stainless Steel Kitchenware in India.

**New Activities:-**

1. a) Looking into the current market the Company is planning to expand its production capacity in the Aluminium House Foils due to increase in demand & Government has imposed anti- dumping duty on aluminum which result in to the increase in domestic demand which will be benefited to the company.

b) Company has established dealership in many area for aluminum foils and will also increase more and more distributors in future. The Company has willingness to invite new distributorship for its products which are most welcomed.

2. Stainless steel is a key to enable a sustainable, modern society. Looking into that the company has also started its production in stainless steel utensils. The demand of S.S utensils is increasing day by day.

3. The company has also started Research and Development Unit at its factory site. New methods of production has been tested & modern system is used for production.

**Industry Overview:-**

Aluminum is the second most abundant metallic element in the earth's crust after silicon and has been produced in commercial quantities since 1886. Aluminum can be used as an alloy with other metals, to extend the already impressive list of its properties. Its surface retains colour well and is therefore remarkably suited for printing.

Aluminum also has the advantage of a practically infinite capacity for recycling making it a choice solution in terms of environmental protection. The use of secondary aluminum, employing rejects or



aluminum products at the end of their life cycle, requires only 5% of the power required to produce the primary metal. Today, aluminum is used in the building industry as well as in manufacturing household articles, from lamps, to kettles and lemon squeezers, often with avant-garde designs. Stylists in many different fields take advantage of the revolutionary alloys developed by the aeronautic or aerospace industries, transforming them into furniture, haute couture clothing, jewellery and accessories. Without aluminum, protective wear for butchers and firemen would not exist. The aerospace adventure owes it a great deal as well.

Aluminum, with its affordable production cost, is undeniably an exceptional and very versatile metal. Its future holds the promise of still unsuspected qualities that will attract even more attention to this “grey” gold.

### **Aluminium consumption in India**

Aluminium consumption in India is poised to grow from 3.3 million tonne (mt) in 2015-16 to 5.3 mt in 2020-21 riding on a host of government initiatives like, Make in India, Smart Cities, Housing for all, rural electrification, and freight corridors.

This was stated in a report titled “Indian Aluminium Industry: Geared for growth,” by Crisil, a global ratings, research, risk and policy advisory service and Mflexx, a first-of-its-kind online marketplace catering to the non-ferrous metals industry. The report was launched at the World Non-Ferrous Conference 2016.

Secondary demand for aluminium consumption will ride on the growth in the automotive sector. Stringent vehicular emission norms leading to manufacturers reducing vehicle curb weight have come as a boon to aluminium industry, which is now finding ever greater applications in the sector. As consumer sentiment improves, and expectations of faster economic growth hold sway, automobile demand has a very favorable growth outlook for the next five years.

According to Ministry of Mines, India has the 7th-largest bauxite reserves which was around 593 million tonnes in FY15. Aluminum production is estimated to be 4.7 million tonnes per annum during 2012-17 while the aluminum production is expected to increase by 6 per cent in FY2016-17 from FY2015-16

**Size of the Industry:-** The global requirement is estimated at around 7.4 million tonnes, against that consumption in India as only around 110,000 tonnes.

**Percentage in World Market:-** Currently Aluminium is also the second most used metal in the world after steel. Due to the fact that consistent growth of Indian economy at a rate of 8%, the demand for metals, used for various sectors, is also on the higher side.

Indian Aluminium Industry is a highly concentrated industry with the growing demand of Aluminium, the industry is also growing at an enviable pace. In fact, Aluminum production in India is currently outpacing the demand. Although India's per capita consumption of Aluminium stands too low (under 1 kg) as compared to the per capita consumptions of other countries like US & Europe (range from 25 to 30 kgs), Japan (15 kgs), Taiwan (10 kgs) and China (3 kgs), the demand is growing gradually. In India, the industries that require Aluminium Reserves most include power (44%), consumer durables, transportation (10-12%), construction (17%) and packaging, etc.

- In 1990's, following a slower than anticipated growth in domestic demand, India is now experiencing growth rates for Aluminium products of 3-6% with forecasts that the rate will further increase to 2020. Consequently, numerous alumina expansion projects are under way, the newest proposed for the State of Odisha where 71% of India's known bauxite reserves are located.
- India has bauxite reserve base of 1.44 Bt and reserves of 0.77 Bt. In the year 2006 with production of 13, India accounted for around 7.3% of global bauxite production. India's production of Aluminium aggregated to 1.11 mt in 2006, accounting for 3.3% of global production.
- In India there are more than 200 bauxite mines in operations. Most of these are small open cast and manually operated. Fifteen major deposits account for 75% of the country's production. These are mostly the captive bauxite mines of the major alumina producers in the country and the mines of Gujarat Mineral Development Corporation (GMDC).

### **GDP and consumption growth:-**

The major sectors contributing to Indian aluminium consumption growth are Electrical (Power), Building and Construction, Packaging and Transportation. These sectors are expected to grow in double digits in the next decade, to reach a per capita consumption of approx 10 kg. To be in line with China's per capita consumption in 2020, consumption in India has to reach 10 million tonnes.

The year under review was under demand constraint which has effected sales. There was, however, increase in margin which has helped to maintain the bottomline.

### **Financial Review**

Turnover achieved for the year ended 31st March, 2017 was Rs.61.15 Crores as against Rs. 49.47 Crores.

Employee cost was Rs. 1.97 Crores as against Rs. 2.07 Crores in the previous year.

The finance cost of the Company was Rs. 0.57 Crores as against Rs. 0.54 Crores in the previous year.

Depreciation (including amortization) was Rs. 1.78 Crores as against Rs. 2.11 Crores in the previous year.

Net Profit after tax for the current year was Rs. 0.60 Crores as against Rs.0.40 Crores in the previous year.

Earnings per share (EPS) for the year was Rs. 0.32 as against Rs. 0.22 in the previous year.

### **Balance sheet**

Reserve and surplus was Rs. 8.74 Crores as against Rs. 8.71 Crores in the previous year.

Fixed Tangible Assets was Rs. 10.11 Crores as against Rs. 11.56 Crores in the previous year.

Trade payable was Rs. 8.21 Crores as against Rs. 11.49 Crores in the previous year.

Trade receivable was Rs. 27.19 Crores as against Rs. 18.70 Crores in the previous year.

Cash and bank balance was Rs. 5.90 Crores as against Rs.4.02 Crores in the previous year.

(Sources:-<http://economictimes.indiatimes.com/topic/aluminium-industry>,  
<http://www.indianmirror.com/indian-industries/aluminium.html>, <http://www.aluminium-india.org/Aluminiummetal.php>)

### **Cautionary Statement**

Statements in this Management Discussion and Analysis describing the Company's objectives, projections, estimates and expectations may be forward looking statements' within the meaning of applicable laws and regulations. Actual results may differ substantially or materially from those expressed or implied. Important developments that could affect the Company's operations include a downward trend in the particular industry, rise in input costs, exchange rate fluctuations, and significant changes in political and economic environment in India, environment standards, tax laws, litigation and labour relations.

Shareholders are cautioned that certain data and information external to the Company is included in this section. Though these data and information are based on sources believed to be reliable, no representation is made on their accuracy or comprehensiveness. Further, though utmost care has been taken to ensure that the opinions expressed by the management herein contain their perceptions on most of the important trends having a material impact on the Company's operations, no representation is made that the following presents an exhaustive coverage on and of all issues related to the same. The opinions expressed by the management may contain certain forward-looking statements in the current scenario, which is extremely dynamic and increasingly fraught with risks and uncertainties.

### **STATEMENT ON DECLARATION GIVEN BY INDEPENDENT DIRECTORS**

The Independent Directors of the Company have submitted their Declaration of Independence, as required under the provisions of Section 149(7) of the Companies Act, 2013 stating that they meet the criteria of Independence as provided in Section 149(6) of the Act and Regulation 25 of the SEBI(Listing Obligations and Disclosure Requirements) Regulations, 2015.

### **SHARE CAPITAL**

The paid up Equity Share Capital as at March 31, 2017 stood at Rs 18.94 crore. During the year under review, the company has not issued shares with differential voting rights nor has granted any stock options or sweat equity. As on March 31, 2017, none of the Directors of the company hold instruments convertible into equity shares of the Company.

### **BUSINESS RESPONSIBILITY REPORT**

The Business Responsibility Report as required by Regulation 34(2) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, is not applicable to the Company.

### **PARTICULARS OF LOANS, GUARANTEES AND INVESTMENTS**

The Company has not given loans or guarantee nor made investments u/s 186 of the Companies Act, 2013.

### **SIGNIFICANT AND MATERIAL ORDERS**

There are no significant and material orders passed by the regulators or courts or tribunals impacting the going concern status and company's operations in future.

### **CORPORATE GOVERNANCE**

The detailed report on Corporate Governance for the financial year from 01.04.2016 to 31.3.2017 on the line of requirements of Listing Regulations appears in the **Annexure I** to the Directors Report and forms a part of this Annual Report.

### **NUMBER OF MEETINGS OF THE BOARD**

The details of the number of meetings of the Board held during the Financial Year 2016-17 forms part of the Corporate Governance Report.

### **EXTRACT OF ANNUAL RETURN:**

An extract of the Annual Return as prescribed under sub-Section (3) of Section 92 of the Companies Act, 2013 in Format MGT-9 is annexed to the Report-**Annexure II**.

### **PARTICULARS REGARDING CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS AND OUTGO:**

Information in accordance with the provisions of Section 134(3)(m) of the Companies Act, 2013, read with Rule 8 of the Companies (Accounts) Rules, 2014 regarding conservation of energy, technology absorption and foreign exchange earnings and outgo, is given in the statement annexed hereto and forms a part of this Report as **Annexure-III**.

### **POLICY ON PREVENTION, PROHIBITION AND REDRESSAL OF SEXUAL HARASSMENT AT WORKPLACE.**

Your Company has adopted a Policy on Prevention, Prohibition and Redressal of Sexual Harassment at the Workplace, in line with the provisions of the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 and the Rules there under. The Policy aims to provide protection to employees at the workplace and prevent and redress complaints of sexual harassment and for matters connected or incidental thereto, with the objective of providing a safe working environment, where employees feel secure.

### **RELATED PARTY TRANSACTIONS**

All transactions entered with Related Parties for the year under review were on arm's length basis and in the ordinary course of business and that the provisions of Section 188 of the Companies Act, 2013 and the Rules made thereunder are not attracted. But for better Governance and disclosure form AOC-2 in terms of Section 134 of the Companies Act, 2013 is attached as **Annexure IV**.

Further, there are no material related party transactions during the year under review with the Promoters, Directors or Key Managerial Personnel. The Company has developed a system of framework for the purpose of identification and monitoring of such Related Party Transactions. Note containing in Financial Statement sets out the nature of transactions with Related Parties. Transactions with Related Parties are carried out in the ordinary course of business and at arm's length.

All Related Party Transactions are placed before the Audit Committee as also to the Board for approval, if any. Since all related party transactions entered into by the Company were in the ordinary

course of business and were on an arm's length basis, form AOC-2 is not applicable to the Company. Your Company has formulated a policy on related party transactions, which is also available on Company's website.

### **VIGIL MECHANISM / WHISTLE BLOWER POLICY**

Your Company has adopted a vigil mechanism. The details of the same are explained in the Corporate Governance Report and also posted on the website of the Company.

### **REMUNERATION OF DIRECTORS, KEY MANAGERIAL PERSONNEL AND EMPLOYEES:**

The information required under Section 197 read with Rule 5 of Companies (Appointment and Remuneration of Managerial personnel) Rules, 2014 in respect of employees of the Company and Directors is furnished in below:

- i. Non Executive Directors have waived meeting sitting fees or any other receipt.
- ii. Managing Director, Executive Directors, Other Key Managerial personnel and Senior Management will involve a balanced between fixed and incentive pay reflecting short and long term performance objectives appropriate to working of the company and its goals.

### **DIRECTORS:**

Mr. Pranav S. Shah (DIN 06949685), Director, retires by rotation at the ensuing Annual General Meeting and, being eligible, offer themselves for reappointment

### **AUDITORS AND AUDIT REPORT**

The Members of the Company had, at the 24<sup>th</sup> Annual General Meeting held on 30.09.2014 approved the appointment of R. R. Mandali & Co. Chartered Accountants, (ICSI Registration No 114223W) as the Statutory Auditors of the Company, to hold office from the conclusion of that AGM until the conclusion of the 27<sup>th</sup> appointment by the Members at every AGM held after the above said AGM).

M/s R. R. Mandali & Co. Chartered Accountants, (ICSI Registration No 114223W), the Auditors of the Company were appointed as Auditors of the Company from the conclusion of 24<sup>th</sup> Annual General Meeting held on 30.09.2014 until the conclusion of 27<sup>th</sup> Annual General Meeting to be held in Calander year 2017. The appointment is subject to ratification by the members at each Annual General Meeting. M/s R.R Mandali & Co. are eligible for re-appointment for financial year 2016-17.

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

### **CORPORATE SOCIAL RESPONSIBILITIES**

Pursuant to Section 135 of the Companies Act, 2013, every company having net worth of rupees five hundred crore or more, or turnover of rupees one thousand crore or more or a net profit of rupees five crore or more during any financial year shall constitute a Corporate Social Responsibility (CSR) Committee of the Board.

Your Company does not fall under the provisions of aforesaid Section; therefore, CSR Committee has not been constituted

**BOARD EVALUATION**

Pursuant to the provisions of the Companies Act, 2013 and the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, a structured questionnaire was prepared after taking into consideration the various aspects of the Board's functioning, composition of the Board and its Committees, culture, execution and performance of specific duties, obligations and governance.

The performance evaluation of the Independent Directors was completed. The performance evaluation of the Chairman and the Non- Independent Directors was carried out by the Independent Directors. The Board of Directors expressed their satisfaction with the evaluation process.

**DEPOSITS:**

The Company has not accepted any deposits coming under the provisions of the Companies Act, 2013 and Rules framed there under.

**INSURANCE:**

All the properties of the Company have been adequately insured.

**DIRECTORS' RESPONSIBILITY STATEMENT:**

As required under Section 134(3)(c) of the Companies Act, 2013 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, 2017 and of the profit of the Company for that period.
- iii. The Directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 2013 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities.
- iv. The Annual Accounts have been prepared on a going concern basis.
- v. Internal financial control have been laid down and followed by the company and that such controls are adequate and are operating effectively.
- vi. Proper system have been devised to ensure compliance with the provisions of all applicable laws and that such systems are adequate and operating effectively.

**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:-29.05.2017**

**Place:- Mumbai**

**Satishkumar K Shah**  
**Chairman & managing Director**

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

In terms of Regulation 34(3) read with Schedule V of the SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2015, the Company's Report on Corporate Governance for the year ended March 31, 2017.

Sacheta Metals Limited 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 Limited 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 three Executive Directors and four Non-executive Directors. During the period from 01-04-2016 to 31-03-2017, the board meetings were held on 28<sup>th</sup> May, 1<sup>st</sup> August, 5<sup>th</sup> November, 9<sup>th</sup> November, 4<sup>th</sup> February.

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 DIN:- 00237283	Promoter and Chairman & Managing Director	5 of 5	YES	None
Mrs. Chetna S. Shah DIN:- 00237410	Promoter and Joint Managing Director	5 of 5	YES	None
Mr. Ankit S.Shah DIN:- 00237217	Executive Director (promoter group)	4 of 5	YES	None
Shri Pranav S Shah DIN:- 06949685	Executive Director (promoter group)	5 of 5	YES	None
Mr. Jagdish Gandhi DIN:- 02384640	Independent Non-Executive Director	5 of 5	YES	None
Mr. Pravin P. Shah DIN:- 02416407	Independent Non-Executive Director	5 of 5	YES	None
Mr. Dilip S Sanghvi DIN:- 06954684	Independent Non-Executive Director	5 of 5	YES	None
Mr Kalyan C Shah DIN:- 02660920	Independent Non-Executive Director	5 of 5	YES	None

**COMMITTEE OF THE BOARD**

Board of Directors of the Company have constituted Board Committee to deal with specific areas and activities which concern the Company and required a closer review.

The Board currently has the following committee.

**(A) AUDIT COMMITTEE**

The Audit Committee of the Board of Directors is entrusted with the responsibilities to supervise the Company's internal control and financial Reporting process. The composition, quorum, power, role

and scope are in the accordance with Section 177 of the Companies Act, 2013 and as per the provision of Regulation 18 of the Listing Regulation.

**Term of Reference:**

The term of reference of the Audit Committee as laid down by the Board are in accordance with those specified in the Listing Regulations and Section 177 of the Companies Act, 2013.

**Composition:**

The Audit Committee met four times during the Financial Year 2016-17. The interval between the two meeting was as per the Section 173 of the Companies Act , 2013 read with Regulation 17 of the Listing Regulations. The following is the constitution the Committee:

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

There has been no change in the composition of the committee during the year. The Company Secretary acts as the secretary to the audit committee. The Board accepted all the recommendations made by committee during the year.

**(B) STAKEHOLDER RELATIONSHIP 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. Ankit S Shah	Member	Non-Independent, Executive Director

**Details of the Queries/Complaints received and resolved by the Company during the Year 2016-17:**

The Committee has not received any query/complaint from Shareholders/Investor during the year.

**Compliance Officer:**

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

**(C) NOMINATION AND REMUNERATION COMMITTEE:**

The Remuneration Committee constituted as per the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and also Section 178 of The Companies Act 2013, with comprises of three 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.



The purpose of the Committee is to oversee the Company's nomination process for the senior management and specifically to identify, screen and review individuals qualified to serve as EDs, NEDs and IDs consistent with criteria approved by the Board and to recommend, for approval by the Board, nominees for election at the AGM of the shareholders.

**Composition:**

The following is the constitution of the Committee:

Name of Member	Designation	Category
Mr. Jagdish Gandhi	Chairman	Independent, Non-executive Director
Mr. Pravinchandra Shah	Member	Independent, Non-executive Director
Mr. Kalyan Shah	Member	Independent, Non-executive Director

**REMUNERATION OF DIRECTORS:**

The Managing Director, Dy Managing Director and Executive Director are paid remuneration as under:

Sr.No.	Name of Director	Salary	Contribution to PF	Perquisites	Total
1	Mr Satish K Shah	3,90,000	-	-	3,90,000
2	Mrs Chetnaben S Shah	2,10,000	-	-	2,10,000
3	Mr Ankit S Shah	3,30,000	-	-	3,30,000
4	Mr Pranav S Shah	2,70,000	-	-	2,70,000

**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 the listing Regulations.

**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.

**MEETING OF INDEPENDENT DIRECTORS:**

During the year under review, the Independent Directors met on 28<sup>th</sup> May 2016, inter-alia, to discuss:

1. Review of the performance of Non-independent Directors and the Board as a whole for FY 2016-17; and
2. To assess the quality, quantity and timeliness of flow of information between the management and the Board.

All the Independent Directors were present at the Meeting.

The performance of the Chairman was evaluated for FY 2016-17 by the 'Nomination and Remuneration Committee' and the Board.

**Adoption of Various Polices:**

- Anti-Sexual Harassment Policy
- Related Party Policy
- Risk Management
- Policy On Material Event
- Term And Conditions Of Appointment Of Independent Directors
- Familiarisation For Independent Directors
- Fair Disclosure Code
- Criteria Of Making Payments To Ned
- Whistle Blower Policy / Vigil Mechanism

Detail contain of above mention policy available on Company's website [www.sacheta.com](http://www.sacheta.com) .

#### Prevention of Insider Trading

In line with the SEBI (Prohibition of Insider Trading) Regulations, 2015, the Company has adopted a Code of Conduct for Prevention of Insider Trading. All Directors, employees and other designated persons, who could have access to the unpublished price sensitive information of the Company are governed by this code.

The trading window in dealing with the equity shares of the Company is closed during declaration of financial results and occurrence of any material events as per the code. During the year under review there has been due compliance with the said code.

#### SHAREHOLDERS INFORMATION:

##### 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
2013-2014	Tuesday, September 30, 2014 at 11.00 a.m.	Register Office:- Block No. 33, Sacheta Udyognagar, Village : Mahiyal, Tal: Talod, Dist. Sabarkantha (Gujarat)
2014-2015	Wednesday, September 29, 2015 at 11.00 a.m.	Register Office:- Block No. 33, Sacheta Udyognagar, Village : Mahiyal, Tal: Talod, Dist. Sabarkantha (Gujarat)
2015-16	Wednesday September 28, 2016	Register Office:- Block No. 33, Sacheta Udyognagar, Village : Mahiyal, Tal: Talod, Dist. Sabarkantha (Gujarat)

The Company is registered in the State of Gujarat, India. The Corporate Identification Number (CIN) allotted to the Company by the Ministry of Corporate Affairs (MCA) is CIN: L27100GJ1990PLC013784

**Day, Date & Time of AGM** : Friday, 29<sup>th</sup> September, 2017 at 11.00 a.m.  
**AGM Venue** : Block No. 33, Sacheta Udyognagar, Village : Mahiyal,  
 Tal: Talod, Dist. Sabarkantha (Gujarat)

**Financial Year** : April 1, 2017 to March 31, 2018  
**Book Closure Dates** : 23<sup>rd</sup> September, 2017 to 29<sup>th</sup> September, 2017 (Both days inclusive)

<b>Registered office &amp; Plant</b>	:	Block No. 33, Sacheta Udyognagar, Village : Mahiyal, Tal: Talod, Dist. Sabarkantha (Gujarat)
<b>Compliance officer</b>	:	Mr. Abbasali Sunasara
<b>E-mail Address</b>	:	<a href="mailto:sacheta@sacheta.com">sacheta@sacheta.com</a> ,
<b>Website address</b>	:	<a href="http://www.sacheta.com">www.sacheta.com</a>

#### Tentative Calendar for the Financial Year ending March 31, 2018

Sr. No	Particular of the Quarter	Tentative date
1	First Quarter Results	Within 45 days from the end of June Quarter.
2	Second Quarter & Half Yearly Results	Within 45 days from the end of September Quarter.

3	Third Quarter & Nine-months Results	Within 45 days from the end of December Quarter.
4	Fourth Quarter & Annual Results	Within 60 days from end of March Quarter.

#### SHARE HOLDING PATTERN AS ON 31.3.2017

Category	No. of Holders	No. of Shares	% of Holding
Promoter & Promoter Group	6	1,28,91,496	68.06
Public:-			
Individual	1477	4259233	22.49
Any other( Specify):-			
NRI-Repat	6	211592	1.12
NRI-Non-Repat	3	675	0.00
HUF	60	492227	2.60
Clearing Members	40	357549	1.89
Bodies Corporate	37	727228	3.84
<b>Total</b>	<b>1629</b>	<b>18940000</b>	<b>100</b>

#### DISTRIBUTION OF SHAREHOLDING:

Sr. No	Shareholding of Nominal Value	No. of Shareholders	No of Shares	% of Holding
1	Up to 5000	1149	215812	1.14
2	5001-10,000	190	161842	0.85
3	10,001-20,000	96	156072	0.82
4	20,001-30,000	35	94436	0.50
5	30,001-40,000	24	84502	0.45
6	40,001-50,000	15	71951	0.38
7	50,001-100,000	21	145292	0.77
8	1,00,001 and above	99	18010093	95.09
<b>Total</b>		<b>1629</b>	<b>1,89,40,000</b>	<b>100</b>

#### DIVIDEND

The Board of Directors at their Meeting held on May 29, 2017, recommended dividend payout, subject to approval of the shareholders at the ensuing Annual General Meeting of Rs. 0.25/- per share, on equity shares of the Company for the Financial Year 2016-17. The Dividend shall be paid to the members whose names appear on Company's Register of Members on 22.09.2017. The dividend if declared at the Annual General Meeting shall be paid on or after September 30, 2017.

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:

The Quarterly Results and other statutory publications are being normally published in 'Chanakya Ni-Pothi' (Gujarati) and 'The News line' (English).

Listing Details:

BSE, Phiroze Jeejeebhoy Towers, Dalal Street, Mumbai-400001

Stock Code:

531869

ISIN allotted to Equity Shares:

INE433G01012

Note: Listing fees for the year 2016-2017 has been paid to BSE Ltd.

Timely disclosure of consistent, comparable, relevant and reliable information on corporate financial performance is at the core of good governance. Towards this end:

**Quarterly/Half Yearly/ Nine Monthly/ Annual Results:** The Quarterly, Half Yearly, Nine Monthly and Annual Results of the Company are intimated to the Stock Exchanges immediately after they are approved by the Board.

**Publication of Quarterly/ Half Yearly/Nine Monthly/ Annual Results:** The Quarterly, Half Yearly, Nine Monthly and Annual Results of the Company are published in the prescribed proforma within 48 hours of the conclusion of the meeting of the Board in which they are considered, at least in one English newspaper circulating in the whole or substantially the whole of India and in one Vernacular newspaper of the State of Gujarat where the Registered Office of the Company is situated.

**Website:** The Company's website [www.sacheta.com](http://www.sacheta.com) contains a separate dedicated section "Investors" where information for shareholders is available. The quarterly/annual financial results, annual reports, stock exchange information, shareholding pattern, policies, investors' contact details, etc., are posted on the website in addition to the information stipulated under Regulation 46 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

Stock market price data for the year at BSE Ltd.

Month	Open	High	Low	Close	No. of Shares
Apr 16	26.2	41	21.8	38.4	227558
May 16	39.05	44	27.1	28.5	127603
Jun 16	29	34	26	33.7	62899
Jul 16	33.35	45.65	33	40.1	313722
Aug 16	39.55	50	36.25	48.25	293816
Sep 16	48.5	50.05	33.3	35.6	178864
Oct 16	35.6	40.4	34	36.55	106615
Nov 16	39	39.4	30	35	91367
Dec 16	34.1	46	34.1	43.05	333071
Jan 17	43.5	49.6	40.15	47.5	341201
Feb 17	46.65	54.5	45	52.55	457243
Mar 17	51.1	69.25	44	58.3	2284953

**Non-Compliance of any Requirement of Corporate Governance:**

There are no instances of non-compliance of any requirement of Corporate Governance Report as mentioned in sub-paras (2) to (10) of Para (C) of Schedule V. The Company has been regularly submitting the quarterly compliance report to the Stock Exchanges as required under Regulation 27 of the SEBI (LODR Regulations) 2015.

Details about the outstanding Global Depository receipts or American depository receipts or warrants or any convertible instruments, conversion date and likely impact on equity- The Company has not issued any ADR/GDR

<b>Registrar and Transfer Agent:</b>	Purva Sharegistry India Pvt. Ltd., Unit: Sacheta Metals Limited, Gala No. 9, Shiv Shakti Industrial Estate, Sitaram Mill Compound, J R Boricha Marg, Mumbai – 400011
<b>Share Transfer System</b>	Registrar and transfer Agent carry out share transfer activities and compliance with as per the prevailing Act.
<b>Investors Services:</b>	Complaints received during the year is mentioned in Corporate Governance report.
<b>Plant Location</b>	Block No. 33 Sacheta Udyog Nagar, Vill: Mahiyal, Tal: Talod, Dist: Sabarkantha, Gujarat 383215
<b>Address for correspondence</b>	1) Shareholders correspondence should be addressed to our Registrars and Share Transfer Agents at the address mentioned above. 2) Sacheta Metals Limited Block No. 33 Sacheta Udyog Nagar, Vill: Mahiyal, Tal: Talod, Dist: Sabarkantha, Gujarat 383215 3) Sakseria Industrial Estate, Chincholi B/h Hanuman Temple, S V Road, Malad(w), Mumbai-400064 Email ID for investors' correspondence and redressal of their grievances and complaints. Email: <a href="mailto:sachet@sacheta.com">sachet@sacheta.com</a> , <a href="mailto:Investors.grivences@sacheta.com">Investors.grivences@sacheta.com</a>

## OTHER INFORMATION:

### Corporate Benefits to Shareholders:

#### Dividend declared for the last 7 years:

FINANCIAL YEAR	DIVIDEND PER SHARE	DIVIDEND RATE
2015-16	0.15	1.5%
2014-15	0.15	1.5%
2013-14	0.25	2.5%
2012-13	0.25	2.5%
2011-12	0.25	2.5%
2010-11	0.25	2.5%
2009-10	0.25	2.5%

#### Unclaimed Dividends:

The Ministry of Corporate Affairs ('MCA') has notified the provisions of section 124 of the Companies Act, 2013 ('Act, 2013) and the Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2016 ("IEPF RULES") w.e.f 7th September, 2016.

Under Section 124 (5) of the Companies Act, 2013, dividends that are unclaimed/un-paid for a period of seven years, are to be transferred statutorily to the Investor Education and Protection Fund (IEPF) administered by the Central Government.

Pursuant to Section 124 (5) of the Companies Act, 2013, the unpaid dividends that are due for transfer to the Investor Education and Protection Fund are as follows:

Financial Year	Total unclaimed Dividend Amount	Date of Declaration of Dividend	Last date for claiming Unclaimed Dividend
2015-16	66,833	28.09.2016	27.09.2023
2014-15	32,196	30.09.2015	29.09.2022
2013-14	20,615	30.09.2014	29.09.2021
2012-13	54,615	28.09.2013	27.09.2020
2011-12	00	29.09.2012	28.09.2019
2010-11	45,519.25	30.09.2011	29.09.2018
2009-10	19,429.75	28.09.2010	29.09.2017

Members who have not en-cashed their dividend warrants pertaining to the aforesaid years may approach the Company or its Registrar, for obtaining payments thereof at appropriate time before they are due for transfer to the said fund.

**Annexure III to Directors Report**

**Report on Conservation of energy, Technology adsorption and Foreign Exchange Earnings & Outgo:**

**A. CONSERVATION OF ENERGY**

**(i) Steps taken or impact on conservation of energy:**

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.

**(ii) Steps taken by the company for utilizing alternate sources of energy:**

The company has installed Gas Pipe Line as alternate sources of energy. The company is planning to set up solar plant at factory as an alternate source of energy.

**(iii) Capital investment on energy conservation equipments:**

The company has made capital investment:- NIL

Total energy consumption and energy consumption per unit of production is mentioned herein below:

Sr No.	Particulars	2016-17		2015-16	
<b>POWER AND FUAL CONSUMPTION:</b>					
1	A-Purchase of GEB Units		2030235		2299729
	Total Amount ..... Rs		16626351		19066114
	Rate / Unit ..... Rs		8.19		8.29
	B- Own Generation Unit		0.00		0.00
2	Coal (Grade C & D) and Lignite:				
	Coal ..... Kg		44085		409523
	Total Amount ..... Rs		486347		3079205
	Rate / Unit ..... Rs		11.03		13.30
3	Furnance Oil in Ltr		211313		144360
	Total Amount ..... Rs		5115551		3046322
	Rate / Unit ..... Rs		24.21		21.10
4	Fire Wood in Kg		21085		48595
	Total Amount ..... Rs		87130		215260
	Rate / Unit ..... Rs		4.13		4.43
5	Gas in MMBTU		1298.15		1392.14
	Total Amount ..... Rs		1062089		1415898
	Rate / Unit ..... Rs		818.15		1017.07
6	Details of consumptions per unit of production				
		2016-17		2015-16	
	Energy	Consumption Total Units	Consumption per unit (Qt in MT) Production	Consumption Units	Consumption per unit (Qt in MT) Production
	1. Electricity-unit	2030235	581.13	2299729	680.89
	2. Coal & Lignite Kg	44085	12.62	409523	121.39
	3. Furnance Oil	211313	60.49	124750	36.94

	Ltr				
	4. Fire Wood Kg	21085	6.05	48595	14.39
	5. Gas in MMBTU	1298.15	0.37	1392.14	0.41

**B. Technology Absorption:**

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

(ii) Expenditure incurred on Research and Development: the company has incurred a revenue expenditure of Rs. 2,11,426 and capital expenditure of Rs. 1,32,719 on account of research & development.

**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.

<b>Particulars</b>	<b>RS. in Lacs</b>
1. Earning in Foreign Currency	3583.74
2 Expenditure in Foreign Currency	2684.46

**Annexure-IV to Directors' Report**  
**Form No. AOC-2**  
**(Pursuant to clause (h) of subsection (3) of section 134 of the Act and Rule 8(2) of the Companies (Accounts) Rules, 2014)**

Form for disclosure of particulars of contracts/arrangements entered into by the company with related parties referred to in subsection (1) of section 188 of the Companies Act, 2013 including certain arm's length transactions under third proviso thereto.

1. Details of contracts or arrangement or transactions not at arm's length basis: N.A.

2. Details of material contracts or arrangement or transactions at arm's length basis:

Name(s) of related party and nature of relationship	Nature of contracts/arrangement/transactions
PDR Casting Industries	Rent
Pranav Trading Co	Rent
Eskay Aluminium Pvt Ltd	Rent
Sacheta International	Rent
Suryoday Trading Co.	Rent/Commission

c) Duration of contract/arrangement/transactions: On-going

d) Salient terms of the contracts or arrangements or transactions including the value, if any: NIL

e) Date(s) of approval by the Board, if any:

f) Amount paid as advances, if any: N.A.

Not applicable, since the contract was entered into in the ordinary course of business and on arm's length basis.

f) Amount paid as advances, if any: N.A.



List of top ten employee in terms of remuneration drawn during the year 2016-17 and various details to them (Pursuant to Section 197(12) of the Companies Act 2013 and rules 5(2) and 5(3) of the Companies Act 2013 (Appointment and Remuneration of Managerial Personnel) Rules, 2014)

Sr. No.	Name	Designation	Gross Remuneration (Rs. In Lacs)	Date of joining	Age
1	Atulkumar Shah	Administration	193844	01/07/2009	50
2	Mayurbhai Shah	Supervisor	159596	01/01/2010	34
3	Ishwarbhai Prajapati	Administration	152063	01/01/2008	43
4	Girishbhai Patel	Supervisor	148638	01/04/2010	52
5	Mahendrakumar Prajapati	Supervisor	141788	01/10/2014	52
6	Arvindbhai Jani	Supervisor	141789	01/05/1996	54
7	Mahendrakumar Patel	Supervisor	123978	01/07/2009	54
8	Kiritkumar Nayi	Supervisor	119463	01/07/2013	35
9	Tejal Gandhi	Supervisor	118538	01/07/2015	35
10	Hiteshkumar Raval	Supervisor	117815	01/11/2011	32

Notes:-

1. None of the above employee is relatives of any Directors of the Company.
2. None of the Employee hold 2 % or more of the paid-up Equity Shares Capital of the Company as per Clause (iii) of Sub-Rule (2) of Rule 5 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules 2014.
3. All the above employees are permanent employee of the Company.

For and behalf of the Board  
 Satishkumar Shah  
 Managing Director

**FORM NO. MR-3**

**SECRETARIAL AUDIT REPORT**

FOR THE FINANCIAL YEAR ENDED 31<sup>ST</sup> MARCH, 2017

*[Pursuant to section 204(1) of the Companies Act, 2013 and rule No.9 of the Companies (Appointment and Remuneration Personnel) Rules, 2014]*

To,  
The Members,  
Sacheta Metals Limited  
Sacheta Udyognagar,  
Mahiyal, Talod,  
Gujarat

I have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by Sacheta Metals Limited (hereinafter called the company). Secretarial Audit was conducted in a manner that provided me a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing my opinion thereon.

Based on my verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, I hereby report that in my opinion, the company has, during the audit period covering the financial year ended on 31<sup>st</sup> March 2017, complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

I have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on 31<sup>st</sup> March 2017 according to the provisions of:

- (i) The Companies Act, 2013 (the Act) and the rules made there under;
- (ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made there under;
- (iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed there under;
- (iv) Foreign Exchange Management Act, 1999 and the rules and regulations made there under to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings;
- (v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):-
  - (a) The Securities and Exchange Board of India (Substantial Acquisition Of Shares and Takeovers) Regulations, 2011;
  - (b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992;
  - (c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009;
  - (d) The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999;
  - (e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008;
  - (f) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;
  - (g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009; and

- (h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998;

OTHER APPLICABLE LAWS:

- (I) The Environment (Protection) Act, 1986.
- (II) The Water (Prevention and Control of Pollution) Act, 1974.
- (III) The Air (Prevention and Control of Pollution) Act, 1981.
- (IV) Hazardous Wastes (Management & Handling) Rules, 2008.

I have also examined compliance with the applicable clauses of the following:

- (i) Secretarial Standards issued by The Institute of Company Secretaries of India.
- (ii) The SEBI (Listing obligations and Disclosure Requirements) Regulations, 2015.

During the period under review the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, etc. mentioned above.

**I further report that**

The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act.

Adequate notice is given to all directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent at least seven days in advance, and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.

Majority decision is carried through while the dissenting members' views are captured and recorded as part of the minutes.

**I further report that** there are adequate systems and processes in the company commensurate with the size and operations of the company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

**Navnit Padia**

Company Secretary

FCS No. 1778

CP No. 14641

29<sup>th</sup> May 2017

## CEO AND CFO CERTIFICATION

We have reviewed the financial statements and cash flow statement for the year ended 31st March, 2017 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, 2017 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 :29.05.2017

Satish K Shah  
Managing Director

D K Patel  
Chief Financial Officer

To,  
The Members  
**Sacheta Metals Limited**

We have examined the compliance of conditions of Corporate Governance by Sacheta Metals Limited ('the Company'), for the year ended March 31, 2017, as per Regulations 17-27, clauses (b) to (i) of Regulation 46(2) and paragraphs C, D and E of Schedule V of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('Listing Regulations').

#### **Management's Responsibility**

The compliance of conditions of Corporate Governance is the responsibility of the management. Our examination was limited to a review of the procedures and implementation thereof, adopted by the Company for ensuring the compliance with the conditions of Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.

#### **Practitioner's Responsibility**

1. We conducted our examination in accordance with the Guidance Note on Reports or Certificates for Special Purposes (Revised 2016) issued by the Institute of Chartered Accountants of India. The Guidance Note requires that we comply with the ethical requirements of the Code of Ethics issued by the Institute of Chartered Accountants of India.

2. We have complied with the relevant applicable requirements of the Standard on Quality Control (SQC) 1, Quality Control for Firms that Perform Audits and Reviews of Historical Financial Information, and Other Assurance and Related Services Engagements.

#### **Opinion**

In our opinion and to the best of our information and according to the explanations given to us, we certify that the Company has complied with the conditions of Corporate Governance as specified in Regulations 17 to 27, clauses (b) to (i) of Regulation 46(2) and paragraphs C, D and E of Schedule V of the Listing Regulations, as applicable.

#### **Restrictions on use**

This certificate has been issued on the request of the Company pursuant to regulations as stipulated in the Listing Regulations and is not intended to be used for any other purpose.

Accordingly, we state that such compliance is neither an assurance as to the future viability of the Company nor the efficiency or effectiveness with which the Management has conducted the affairs of the Company.

**For R.R.Mandali & Co.**  
Chartered Accountants  
FRN 114223W  
R. R. Mandali  
Proprietor  
M.No.033118

## **INDEPENDENT AUDITORS' REPORT**

**To,  
The Members,  
Sacheta Metals Limited,**

### **Report on the Financial Statements**

We have audited the accompanying financial statements **Sacheta Metals Limited** which comprise the Balance Sheet as at 31 March 2017, the Statement of Profit and Loss, 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**

The Company's Board of Directors is responsible for the matters in section 134(5) of the Companies Act, 2013 ("the Act") with respect to 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 principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014. This responsibility also includes the maintenance of adequate accounting records in accordance with the provision of the Act for safeguarding of the assets of the Company and for preventing and detecting the frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of internal financial control, that were operating effectively for ensuring the accuracy and completeness of the accounting records, 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 have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made there under. We conducted our audit in accordance with the Standards on Auditing specified under section 143(10) of the Act. 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 financial control relevant to the Company's preparation of the financial statements that give true and fair view 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 Company's Directors, 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 on the financial statements.

### **Opinion**

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid 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;

- a) in the case of the Balance Sheet, of the state of affairs of the Company as at March 31, 2017;
- b) in the case of the Statement of Profit and Loss, of the profit for the year ended on that date; and
- c) 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, 2016, issued by the Central Government of India in terms of section 143 of the Act, we give in the Annexure A a statement on the matters specified in paragraphs 3 and 4 of the Order.
- (2) As required by section 143(3) of the Act, we report that:
  - a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes 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, the 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 aforesaid financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
  - e) On the basis of written representations received from the directors as on March 31, 2017, taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2017, from being appointed as a director in terms of Section 164(2) of the Act.

- f) With respect to the adequacy of the internal financial control over financial reporting of the Company and the operating effectiveness of such controls refer to our separate report in Annexure B', and
- g) With respect to the other matters included in the Auditor's Report and to our best of our information and according to the explanations given to us :
- i. The Company has preferred an appeal against order of VAT Department for Financial Year 2008-09 for demand of Rs. 43,55,009. Against this demand the company has deposited VAT /CST of Rs. 690124 and submitted bank guarantee of Rs. 1025000. The Company has preferred an appeal against Assessment order of Income Tax Department for A.Y. 2014-15 (F.Y. 2013-14) for demand of Rs. 93,76,520. Against this demand the company has deposited income tax of Rs. 14,06,480. However no provision for said liabilities are made in books of account. Except these there have not been any pending litigation.
  - ii. The Company did not have any long-term contracts including derivatives contracts for which there were any material foreseeable losses
  - iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company.
  - iv. The Company has provided requisite disclosures in the financial statements as to holding as well as dealings in Specified Bank Notes during the period from 8<sup>th</sup> November, 2016 to 30<sup>th</sup> December, 2016, on the basis of information available with the Company. Based on audit procedures, and relying on management's representation, we report that disclosures are in accordance with the books of accounts maintained by the Company and as produced to us by the Management. – Refer Note 25.11

**For R.R.Mandali & Co.**  
Chartered Accountants  
(FRN 114223W)

Place: Ahmedabad  
Date: May 29, 2017

(R. R. Mandali)  
Proprietor  
M.No.033118



**The Annexure A' referred to in paragraph 1 of the Our Report of even date to the members of Sacheta Metals Limited, on the accounts of the company for the year ended 31<sup>st</sup> March, 2017.**

On the basis of such checks as we considered appropriate and in terms of information and explanations given to us, we state that:

- I.
  - a. The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
  - b. We have been informed that, the fixed assets have been physically verified by the Management at reasonable intervals. In our opinion, the frequency of verification is reasonable with regard to the size of the company and nature of assets. According to information and explanations given to us by the management, no material discrepancy was noticed on such verification.
  - c. According to the information and explanations given to us and on the basis of our examination of the records of the Company, the title deed of immovable properties are held in name of 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. The company has not granted any loans, secured or unsecured to companies, firms or other parties covered in the register maintained under section 189 of the Companies Act.
- IV. According to the information and explanation given to us, in our opinion the company has complied with provisions of Section 185 and 186 of the Companies Act with respect to loan and investment made
- V. According to the information and explanation given to us, the company has not accepted the any deposits from the public hence clause 3(v) of companies (auditor's Report) order 2016 is not applicable.
- VI. According to the information and explanation given to us the central government has not prescribed maintenance of cost records under sub-section (1) of section 148 of the Companies Act, 2013 in respect of the product dealt with by the company.

- VII. (a) According to the information and explanation given to us and record examined by us, the undisputed statutory dues such as income tax and other dues have been regularly deposited with the appropriate authorities. There are no arrears of statutory dues for a period of more than six months.
- (b) According to the information and explanation given to us there are no disputed dues pending before the authorities in respect of income tax and other statutory dues except against Gujarat VAT Department and Income Tax Department. - The Company has preferred an appeal against order of VAT Department for Financial Year 2008-09 for demand of Rs. 43,55,009. Against this demand the company has deposited VAT /CST of Rs. 690124 and submitted bank guarantee of Rs. 1025000. The Company has preferred an appeal against Assessment order of Income Tax Department for A.Y. 2014-15 (F.Y. 2013-14) for demand of Rs. 93,76,520. Against this demand the company has deposited income tax of Rs. 14,06,480/-
- VIII. According to the records made available to us and information and explanation given to us by the management, in our opinion the company has not defaulted in repayment of dues to a bank or financial institution.
- IX. The company did not raise any money by way of initial public offer or further public offer (including debt instruments) and term loans during the year hence clause 3(ix) of companies (auditor's Report) order 2016 is not applicable.
- X. According to the information and explanation given to us, no fraud by the company or on the company by its officers or employees has been noticed or reported during course of our audit.
- XI. According to the information and explanation given to us and based on our examination of the records of the company, the company has paid managerial remuneration in accordance with the requisite approvals mandated by the provisions of section 197 read with Schedule V to the Companies Act.
- XII. According to the information and explanation given to us the company is not a nidhi company hence clause 3(xii) of companies (auditor's Report) order 2016 is not applicable.
- XIII. According to the information and explanation given to us and based on our examination of the records of the company, all transactions with the related parties are in compliance with sections 177 and 188 of Companies Act, 2013 where applicable and the details have been disclosed in the Financial Statements, as required by the applicable accounting standards.
- XIV. According to the information and explanation given to us and based on our examination of the records of the company, the company has not made any

preferential allotment or private placement of shares or fully or partly convertible debentures during the year hence clause 3(xiv) of companies (auditor's Report) order 2016 is not applicable.

- XV. According to the information and explanation given to us and based on our examination of the records of the company, the company has not entered into non cash transactions with directors or persons connected with him hence clause 3(xv) of companies (auditor's Report) order 2016 is not applicable.
- XVI. The company is not required to be registered under section 45-IA of Reserve Bank of India Act 1934.

**For R.R.Mandali & Co.**  
Chartered Accountants  
(FRN 114223W)

Place: Ahmedabad  
Date: May 29, 2017

(R. R. Mandali)  
Proprietor  
M.No.033118

## **Annexure – B to the Auditors’ Report**

### **Report on the Internal Financial Controls under Clause (i) of Sub - section 3 of Section 143 of the Companies Act, 2013 (“the Act”)**

We have audited the internal financial controls over financial reporting of Sacheta Metals Limited (“the Company”) as of 31 March 2017 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

#### **Management’s Responsibility for Internal Financial Controls**

The Company’s management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India (ICAI). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company’s policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

#### **Auditors’ Responsibility**

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls over Financial Reporting (the “Guidance Note”) and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and, both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. 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.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company’s internal financial controls system over financial reporting.

## **Meaning of Internal Financial Controls over Financial Reporting**

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

## **Inherent Limitations of Internal Financial Controls Over Financial Reporting**

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

## **Opinion**

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31 March 2017, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India

**For R.R.Mandali & Co.**  
Chartered Accountants  
(FRN 114223W)

Place: Ahmedabad  
Date: May 29, 2017

(R. R. Mandali)  
Proprietor  
M.No.033118

**SACHETA METALS LTD****BALANCE SHEET AS AT MARCH 31, 2017**

Particulars	Note No.	As at March 31, 2017	As at March 31, 2016
<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	87,359,499	87,094,646
<b>(2) Share application money pending allotment</b>			
<b>(3) Non-Current Liabilities</b>			
(a) Deferred Tax Liabilities	4	2,162,275	3,128,148
<b>(4) Current Liabilities</b>			
(a) Short-term borrowings	5	189,423,319	161,393,859
(b) Trade payables	6	82,119,289	114,893,633
(c) Other current liabilities	7	73,040	8,037,235
(d) Short-term provisions	8	10,728,385	7,228,254
<b>Total</b>		<b>561,265,808</b>	<b>571,175,775</b>
<b>B.ASSETS :</b>			
<b>(1) Non-current assets</b>			
<b>(a) Fixed assets:</b>			
(i) Tangible assets	9	101,101,689	115,620,793
(b) Non-current investments	10	5,900	5,900
(c) Long term loans and advances	11	27,529,961	25,606,539
<b>(2) Current assets</b>			
(a) Current investments			
(b) Inventories	12	77,323,339	139,073,473
(c) Trade receivables	13	271,930,734	187,048,874
(d) Cash and cash equivalents	14	58,995,152	40,232,348
(e) Short-term loans and advances	15	23,435,669	60,947,513
(f) Other current assets	16	943,363	2,640,336
<b>Total</b>		<b>561,265,808</b>	<b>571,175,775</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.**

For And on behalf of the Board

Chartered Accountants

[ Firm Reg. No. 114223W ]

**R.R.MANDALI****SATISH K. SHAH****CHETNABEN S. SHAH**

[ Proprietor ]

[ Managing Director ]

[Jt. Managing Director]

M.No. 33118

DIN : 00237283

DIN : 00237410

Place : Ahmedabad

Dated : May 29,2017

**SACHETA METALS LTD****PROFIT AND LOSS STATEMENT FOR THE YEAR ENDED MARCH 31, 2017**

Particulars	Note No.	As at March 31, 2017	As at March 31, 2016
1. Revenue from operations	17	611,491,264	504,156,759
2. Other Income	18	3,514,704	1,375,366
<b>3. Total Revenues (1+2)</b>		<b>615,005,968</b>	<b>505,532,125</b>
<b>4. Expenses:</b>			
a) Cost of materials consumed	19	437,099,078	361,914,869
b) Changes in inventories of finished goods, work-in-progress and Stock-in-Trade	20	26,944,890	(33,243,317)
c) Employee benefit expense	21	19,730,647	20,718,319
d) Financial costs	22	5,696,878	5,451,780
e) Depreciation and amortization expense		17,840,991	21,070,308
f) Other expenses	23	98,334,747	122,927,953
<b>Total Expenses</b>		<b>605,647,231</b>	<b>498,839,913</b>
<b>5. Profit / (Loss) Before Exceptional Items ( 3-4)</b>		<b>9,358,738</b>	<b>6,692,212</b>
<b>6. Exceptional Items/ Extra ordinary Items</b>			
<b>8. Profit /(Loss) before tax (5+6)</b>		<b>9,358,738</b>	<b>6,692,212</b>
<b>9. Tax expense:</b>			
(a) Current tax		4,360,822	3,776,505
(b) Deferred tax		-965,873	-1,242,662
<b>Total Tax Expense</b>		<b>3,394,949</b>	<b>2,533,843</b>
<b>10. Profit /(Loss) for the year for Appropriation ( 8-9)</b>		<b>5,963,789</b>	<b>4,158,369</b>
<b>Net Profit/Loss For the Year</b>			
11. Earning per equity share: ( Face Value Rs. 10)			
(1) Basic		0.32	0.22
(2) Diluted		0.32	0.22

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 ]

For And on behalf of the Board

**R.R.MANDALI**

[ Proprietor ]

M.No. 33118

Place : Ahmedabad

Dated : May 29,2017

**SATISH K. SHAH**

[ Managing Director]

DIN : 00237283

**CHETNABEN S. SHAH**

[Jt. Managing Director]

DIN : 00237410

---

**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 comply with the Accounting Standards issued by the Institute of Chartered Accountants of India and referred to Section 129 & 133 of the companies Act, 2013.

(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 16<sup>th</sup> 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 :**

Depreciation has been provided based on life assigned to each asset in accordance with Schedule II of the Companies Act, 2013.

**(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 accrual basis.

**(8) Deferred Tax Assets / (Liabilities)**

	Current Year	Previous Year	Net Effect
Depreciation Unabsorbed Dep	(21.62)	(31.28)	9.66

**(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, 2017	As at March 31, 2016
-------------	-------------------------	-------------------------

**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 ` 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 & Paid up Share Capital**

1,89,40,000 Equity Shares of ` 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 Preferential 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, 2017		31st March, 2016	
	Number	AMOUNT	Number	AMOUNT
Shares outstanding at the beginning of the year	18,940,000	189,400,000	18,940,000	189,400,000
Add: Shares Issued during the year				
Re issue of Forfeited Shares				
Issued and allotted on Preferential Basis				
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

**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 2017		As at 31 March 2016	
	No. of Shares held	% of Holding	No. of Shares held	% of Holding
Mr Satish K Shah	4,918,006	25.97	4,918,006	25.96
Mrs. Chetnaben S Shah	3,617,315	19.10	3,700,470	19.53
Mr. Ankit S Shah	2,217,804	11.71	2,310,053	12.20
Mr. Pranav S Shah	1,893,671	10.00	2,019,437	10.66

**NOTES FORMING PART OF FINANCIAL STATEMENTS**

Particulars	As at March 31, 2017	As at March 31, 2016
<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	67,578,750
Add : Securities premium credited on Share issue		
<u>Less : Premium Utilised</u>		
<b>Closing Balance</b>	<b>67,578,750</b>	<b>67,578,750</b>
<b>C. General Reserve</b>		
Opening Balance	6,924,401	6,924,401
Add : Current Year		
<u>Less : Utilised</u>		
<b>Closing Balance</b>	<b>6,924,401</b>	<b>6,924,401</b>
<b>D. Deficit/ Surplus in the Statement of Profit and Loss</b>		
Opening balance	11,392,304	10,653,307
(+/-) Net Profit/ Loss For the current year	264,854	738,999
Less: Adjustment for Depreciation		
<b>Closing Balance</b>	<b>11,657,158</b>	<b>11,392,306</b>
Profit after Tax for the year	5,963,789	4,158,369
Less :		
a) Proposed Dividend	4,735,000	2,841,000
b) Dividend Distribution Tax	963,935	578,370
c) General Reserve ( Min 2.5% of Profit after Tax )		
Profit & Loss Account (Surplus)	264,854	738,999
<b>Total</b>	<b>87,359,499</b>	<b>87,094,647</b>

**Note - 4 : Deferred Tax Liabilities :**

Deferred Tax Calculation	2016-17	2015-16
WDV As Per IT	94,104,035	105,497,336
WDV As Per Companies Act	101,101,689	115,620,793
Deferred Tax Liability	<b>-6,997,654</b>	<b>-10,123,457</b>
Prior Period Exps (Net of Income)		
Net Deferred Tax Liability	<b>-6,997,654</b>	<b>-10,123,457</b>
<b>TAX RATE</b>	0.3090	0.3090
Deferred Tax Liability	<b>-2,162,275</b>	<b>-3,128,148</b>
Balance As Per Account	3,128,148	4,370,810
Deferred Tax Liability	2,162,275	3,128,148
<b>Deferred Tax Income</b>	<b>965,873</b>	<b>1,242,662</b>

**NOTES FORMING PART OF FINANCIAL STATEMENTS**

Particulars	As at March 31, 2017	As at March 31, 2016
<b>Note - 5 : Short Term Borrowings</b>		
<b>(A) Secured :</b>		
HDFC Bank OD (Against Fixed Deposit)	14,477,557	
HDFC Car Loan	197,792	490,932
Buyers Credit (Against Fixed Deposit)	70,894,536	65,250,067
STATE BANK OF INDIA OD (Against Fixed Deposit)	8,839,746	
STATE BANK OF INDIA EPC	72	
Cash Credit	686,280	
Packing Credit	94,327,336	95,652,860
<b>Total</b>	<b>189,423,319</b>	<b>161,393,859</b>
<p>Note : - (Working Capital Advances from SBI Mumbai are secured by HYPOTHECATION / PLEDE OF Companies entire Goods. Movable &amp; other Assets Such as book Debts Outstanding Monies, Receivable, claims. Bills. Invoice, Documetns, Contracts, Securities, Investments, &amp; Rights all presents and future secured by : 1.Equitable Mortgage of Company's factory, C &amp; B at block No. 33, Village Mahiyal. Talod (2) Hypothecation of Entire movable Machinery of the Company ). Mr. S.K.Shah &amp; Mrs. C.S.Shah, directors of Company gave personal Guarantee.</p>		
<b>Note - 6 : Trade Payables</b>		
Sundry Creditors - Clients	44,721,388	63,790,133
Sundry Creditors - Expenses	10,757,965	28,933,732
Sundry Creditors - Capital Goods	1,505,031	1,599,232
Advance Recd for Goods	23,534,403	20,570,536
Sundry Creditors - Others	1,600,502	
<b>Total</b>	<b>82,119,289</b>	<b>114,893,633</b>
<b>Note - 7 : Other Current Liabilities</b>		
(a) Statutory Liabilities	73,040	42,166
(b) Current Maturity of Long Term Debt		
** Term Loan from SBI repaid in the month of May - 12		
(c) Foreign LC		7,995,069
<b>Total</b>	<b>73,040</b>	<b>8,037,235</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	4,360,822	3,776,505
Provision for Proposed Dividend	4,735,000	2,841,000
Provision for Dividend Distribution Tax	963,935	578,370
Provision for Other Expenses	668,628	32,379
<b>Total</b>	<b>10,728,385</b>	<b>7,228,254</b>

**NOTES FORMING PART OF FINANCIAL STATEMENTS**

**Note - 9 : FIXED ASSETS**

S.N.	Descriptions	GROSSBLOCK				DEPRECIATION					NETBLOCK	
		Balance as on 01/04/2016	Addition during the year	Deduction during the year	Total Balance as 31-03-17	Open Balance of Depreciation	Depreciation during the year	Written Off to be transferred to P&L	Adjustment during the year	Total depreciation For the Year	As on 31/03/17	As on 31/03/16
1.	Land	5518455			5518455						5518455	5518455
2.	Building	38420831	888077		39308908	18449313	2311098			20760411	18548497	19971518
3.	Plant & Machinery	213517110	1502786		215019896	126963244	14271743	76067		141234987	73708842	86477799
4.	Dies & Tools	6436786	132719		6569505	5644149	169600			5813749	755756	792637
5.	Other Fixed Assets	2482540			2482540	1871181	210832	5867		2082013	394660	605492
6.	Furniture & Fittings	1370366	370320		1740686	990002	170618			1160620	580066	380364
7.	Vehicles	5844119	727321	555011	6016429	3862146	598045	239565	183585	4276606	1500258	1742408
8.	Computers	1922479	72090		1994569	1790359	109055			1899414	95155	132120
	<b>TOTAL</b>	<b>275512686</b>	<b>3693313</b>	<b>555011</b>	<b>278650988</b>	<b>159570394</b>	<b>17840991</b>	<b>321499</b>	<b>183585</b>	<b>177227800</b>	<b>101101689</b>	<b>115620793</b>
	<b>PREVIOUS YEAR</b>	<b>272232181</b>	<b>4885613</b>	<b>1605108</b>	<b>275512686</b>	<b>138538116</b>	<b>21070308</b>	<b>321499</b>	<b>38028</b>	<b>159570396</b>	<b>115620793</b>	<b>133372568</b>

**Particulars**

**As at  
March 31, 2017**

**As at  
March 31, 2016**

**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

**Total**

**5,900                      5,900**

**Note - 11 : Long-term Loans and advances**

**a. Security Deposits**

Unsecured, considered good

**25,329,961                      25,306,539**

**b. Balance with Tax Authorities**

Advance Income Tax

2,200,000                      300,000

**Total**

**27,529,961                      25,606,539**

**Note - 12 : Inventories**

**Stock in Trade Account**

(As taken, valued and certified by the Management)

Stores & Spares

2,702,422                      3,532,069

Raw Material

27,175,357                      61,150,953

Finished Goods

47,445,561                      74,390,451

**Total**

**77,323,339                      139,073,473**

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

**NOTES FORMING PART OF FINANCIAL STATEMENTS**

Particulars	As at March 31, 2017	As at March 31, 2016
<b>Note - 13 : Trade Receivables</b>		
Unsecured, considered good unless stated otherwise		
Outstanding for a period exceeding six months from the date they are due for		
-considered good	77,221,091	44,891,730
-considered doubtful		
<b>Sub-total</b>	<b>77,221,091</b>	<b>44,891,730</b>
Others		
-considered good	194,709,643	142,157,144
Provision for doubtful receivables		
<b>Total</b>	<b>271,930,734</b>	<b>187,048,874</b>
<b>Note - 14 : Cash and bank balances</b>		
a. Cash on hand	1,585,088	1,157,645
b. Balances with Banks		
In Current Account	1,577,636	5,924,378
Balances held as margin money deposits against guarantees	1,025,000	1,025,000
Balances held as margin money against borrowings	54,807,428	32,125,325
Amount with Non-scheduled Bank		
	<b>57,410,064</b>	<b>39,074,703</b>
<b>Total</b>	<b>58,995,152</b>	<b>40,232,348</b>
<b>Note - 15 : Short term loans and advances</b>		
Unsecured :		
Advances for Expenses	3,980,511	13,365,762
Advances for Goods	4,951,046	2,683,526
Other Advances	207,000	41,000
Advances for capital goods	120,000	148,987
Advance with Authority	14,177,112	44,708,238
<b>Total</b>	<b>23,435,669</b>	<b>60,947,513</b>
Note : Advance with Tax Authority is inclusive of TDS Receivable for the Respective Years		
<b>Note - 16 : Other Current Assets</b>		
Interest Accrued On Deposit	20,933	2,356,575
Prepaid Expenses	922,430	283,761
<b>Total</b>	<b>943,363</b>	<b>2,640,336</b>

**NOTES FORMING PART OF FINANCIAL STATEMENTS**

Particulars	Note No.	As at March 31, 2017	As at March 31, 2016
<b>Note - 17 : Revenue from Operations</b>			
<b>Income From Operation</b>			
Export Sales		365,363,692	384,936,331
Local Sales		238,641,518	109,800,842
Less : Excise Duty **			
<b>A</b>		<b>604,005,210</b>	<b>494,737,173</b>
Export / License / DEPB Incentive		875,340	6,786,129
Discount Income			
Interest on Incidental Fixed Deposit ***		6,610,714	2,633,457
<b>B</b>		<b>7,486,054</b>	<b>9,419,586</b>
<b>Total Revenue From Operation (A+B)</b>		<b>611,491,264</b>	<b>504,156,759</b>
** Sales shown as net of Excise Duty, Credit/Utilisation of Excise Duty Pass/ Rotate Through Balance Sheet.			
*** Fixed Deposits are kept as margin money so as to avail buyers credit facility			
<b>Note - 18 : Other Income</b>			
Other Income		3,514,704	1,375,366
<b>TOTAL OTHER INCOME</b>		<b>3,514,704</b>	<b>1,375,366</b>
<b>Note - 19 : Cost of Material Consumed</b>			
<b>A). Raw Material Consumption</b>			
Opening stock		61,150,953	76,573,800
Add: Purchases		382,229,925	323,585,926
		<b>443,380,878</b>	<b>400,159,726</b>
Less: Closing stock		27,175,357	61,150,953
<b>C</b>		<b>416,205,521</b>	<b>339,008,773</b>
<b>B). Consumption of stores</b>			
Opening stock		3,532,069	2,630,900
Add: Purchases		20,063,910	23,807,265
		<b>23,595,979</b>	<b>26,438,165</b>
Less: Closing stock		2,702,422	3,532,069
<b>D</b>		<b>20,893,557</b>	<b>22,906,096</b>
<b>Total Raw Material Consumption ( C + D )</b>		<b>437,099,078</b>	<b>361,914,869</b>
<b>Note - 20 : Changes In Inventories</b>			
Closing Stock of Finished		47,445,561	74,390,451
Semi Finished			
		<b>47,445,561</b>	<b>74,390,451</b>
Less: Opening Stock of Finished & Semi Finished Goods		74,390,451	41,147,134
<b>Increase / Decrease in Inventories</b>		<b>26,944,890</b>	<b>-33,243,317</b>

**NOTES FORMING PART OF FINANCIAL STATEMENTS**

Particulars	Note No.	As at March 31, 2017	As at March 31, 2016
<b>Note - 21 : Employee Benefit expense</b>			
Salaries & Wages ( Factory)		13,458,248	14,300,071
Salaries & Wages ( Back Office)		1,811,032	1,741,953
Bonus To Workers		1,096,623	1,113,077
Leave Salary		668,628	679,834
Medical Expenses		68,211	111,567
Staff Welfare		1,210,188	1,228,864
Gratuity Expenses		182,219	232,112
Festival Expenses		35,498	110,841
Directors' Remuneration		1,200,000	1,200,000
<b>Total Employee Benefit Expenses</b>		<b>19,730,647</b>	<b>20,718,319</b>
<b>Note - 22 : Financial Expenses</b>			
Bank Interest		5,278,831	5,451,780
Other Interest Exps		418,047	
<b>Total</b>		<b>5,696,878</b>	<b>5,451,780</b>
<b>Note - 23 : Other Expenses</b>			
Charity & Donations		286,711	487,500
<b>Total</b>		<b>286,711</b>	<b>487,500</b>
<b>Manufacturing Expenses</b>			
Electricity Expenses		16,626,361	19,066,114
Inward Freight		1,496,441	840,113
Polution Expense		24,001	7,240
Security Expenses		585,511	690,743
Clearing Charges		957,007	823,624
Other Manufacturing Expenses		8,450,768	6,189,331
<b>Total manufacturing Expenses</b>		<b>28,140,089</b>	<b>27,617,165</b>
<b>Administrative, Selling and Distribution</b>			
<b>Administration expenses</b>			
Auditors' Remuneration		77,000	77,000
Bank Commission and Charges		3,118,758	3,471,487
Building Repairs & Maintanance		201,166	92,310
Computer Repairing Exps		169,373	158,865
Commission Expense		19,159,958	18,643,067
Discount Expense		1,460,017	3,063,936
Electricity Charges		974,341	991,543
Export Shipping Freight		13,445,067	18,002,617
Factory Expenses		6,590	332,334
Insurance Charges		1,749,124	1,496,064
Import Expenses		3,746,379	2,686,551
Licence Benefit Exps		4,947,725	9,475,994
Legal & Professional Charges		722,440	1,009,768
Machinary Repairs & Maintenance		792,769	1,357,864
Loss on Hedging Transaction			16,128,390
Office Exps.		240,452	274,685
Rent,Rates and Taxes		310,000	414,000
Travelling Expense		1,295,511	3,622,397
Other Administration Exps		16,736,554	13,144,461
Advertisement Exp		384,280	363,422
Business Promotion Expenses		370,444	16,533
<b>Total Administrative, Selling and Distribution Expenses</b>		<b>69,907,947</b>	<b>94,823,288</b>
<b>Total Other Expenses</b>		<b>98,334,747</b>	<b>122,927,953</b>

**NOTES FORMING PART OF FINANCIAL STATEMENTS**

**NOTE NO.24 :**

Particulars	2016-17		2015-16		
	RS.in Lacs		RS.in Lacs		
C.I.F.Value of Imports Expenditure & Earning in Foreign Exchange					
1).C.I.F. Value of Imported Raw Materials	2,446.85		1,538.70		
2).Expenditure incurred in Foreign Currency	237.61		216.52		
3).Earning in Foreign Currency F.O.B.	3,583.74		3,643.63		
Break-up of Imported and indigeneous materials and Components Consumption	2016-17		2015-16		
	Amount Rs. In Lacs	% of Total Consumption	Amount Rs. In	% of Total Consumption	
	Imported	2,446.85	55.98%	1,538.70	42.52%
	Indigeneous	1,924.14	44.02%	2,080.45	57.48%
<b>Total</b>	<b>4,370.99</b>	<b>100.00%</b>	<b>3,619.15</b>	<b>100.00%</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:

The Company has preferred an appeal against order of VAT Department for Financial Year 2008-09 for demand of Rs. 43,55,009. Against this demand the company has deposited VAT /CST of Rs. 690124 and submitted bank guarantee of Rs. 1025000. The Company has preferred an appeal against Assessment order of Income Tax Department for A.Y. 2014-15 (F.Y. 2013-14) for demand of Rs. 93,76,520. Against this demand the company has deposited income tax of Rs. 14,06,480. However no provision for said liabilities are made in books of account.

(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 :

Particulars	As at March 31, 2017	As at 31, 2016	March
Audit Fees	70,000		70,000
Tax Audit Fees	4,000		4,000
For Taxation Matters	3,000		3,000
<b>TOTAL</b>	<b>77,000</b>		<b>77,000</b>

(6) 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 :

**I. Relationship :**

- i ). EskayAlluminium Pvt. Ltd.  
Company Under the same Management
- ii). P.D.R. Casting Industries  
Proprietorship concern of a Director,Chetnaben Shah
- iii). Sacheta International,  
Proprietorship concern of a Director, Satishbhai K.Shah
- iv). Suryoday Trading Co.  
Proprietorship concern of Wife of Director, Shalini 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



4 Pranav 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	818,075	243,589
RENT	246,000	414,000
LABOUR CHARGES	772,743	0
SALE	88,383,791	27,690,030

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

Name of Related Party	Nature of transaction	Rs. In Lacs 2016-17	Rs. In Lacs 2015-16
PDR Casting Industries	Rent	0.96	0.96
Pranav Trading Co	Rent	0	1.38
Eskay Aluminium Pvt Ltd	Rent	0.90	1.80
Sacheta International	Rent	0.60	0.00
Suryoday Trading Co.	Sale	883.84	276.90
Suryoday Trading Co.	Commission	8.18	2.44

**(8) 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:

	As at March 31, 2017	As at March 31, 2016
Profit available for Equity Share holders	5,963,789	4,158,369
Weighted average number of shares	18,940,000	18,940,000
Earning per Share Basic and Diluted	0.3149	0.2196
Face Value per Share	10	10

**(9). 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

Internationals

Domestic

Gross results of Geographical Segments. ( Figures Rs. In Lacs )

Particulars	International Amt. Rs.	Domestic Amt. Rs.	Total Amt. Rs.
Sales	3653.64	2386.42	6,040.06
Export Incentives	--	8.75	8.75
Other receipts	--	66.11	66.11
Change in stock of Finish Goods	--	-269.45	-269.45
Raw Materials Consumption	2644.02	1726.97	4,370.99
Mfg. Exps	271.36	177.24	448.60
Gross results of Geographical Segment	738.26	287.62	1,025.88

(10) The Company has started research & development unit wherein the company has incurred a revenue expenditure of Rs. 211426 and capital expenditure of Rs. 132719 on account of research & development.

(11) Disclosures in respect of specified bank notes

Particulars	Specified Bank Notes (SBNs) Rs.	Other Denomination Notes Rs.	Total Rs.
Closing Cash Balance as on 08.11.2016	3150000	788469	3938469
Add : Withdrawal From Bank Accounts	-	404000	404000
Add : Receipts for permitted trasactions	-	2624681	2624681
Add : Receipts for non permitted trasactions	-	-	-
Less: Paid for permitted transactions	-	3335664	3335664
Less: Paid for non permitted transactions	-	-	-
Less: Deposited in bank accounts	3150000	-	3150000
Closing Cash Balance as on 30.12.2016	-	481486	481486

**NOTES FORMING PART OF FINANCIAL STATEMENTS**

Particulars	Note No.	As at March 31, 2017	As at March 31, 2016
<b>A.CASH FLOW FROM OPERATING ACTIVITIES</b>			
Net Profit After Tax and before Extra Ordinary Items		5,963,789	4,158,369
Adjustments For :			
Depreciation		17,840,991	21,070,308
Provision for Taxation		4,360,822	3,776,505
Provision for Differed Tax Liabilities(Assets)		-965,873	-1,242,662
Loss/ (Profit) on Sale of Fixed Assets		-6,574	-38,028
Interest/ Dividend Income		-6,610,714	-3,842,810
Interest Charged		5,696,878	5,451,780
<b>Operating Profit before Working Capital Changed</b>		<b>26,279,319</b>	<b>29,333,462</b>
Adjustment for :			
Trade & Other Receivables		-47,073,122	5,657,070
Inventories		61,750,134	-18,721,638
Trade Payables & Other Liabilities		-29,243,339	19,361,187
<b>Cash Generated From Operations</b>		<b>11,712,991</b>	<b>35,630,081</b>
Taxes (Paid)/ Refund Received		-2,200,000	2,476,020
		<b>9,512,991</b>	<b>38,106,101</b>
Cash Flow before Extraordinary Items			
Extraordinary Items			
<b>Net Cash from Operating activities (A)</b>		<b>9,512,991</b>	<b>38,106,101</b>
<b>B.CASH FLOW FROM INVESTING ACTIVITIES</b>			
Purchase of Fixed Assets		-3,693,313	-4,885,613
Sale of Fixed Assets		555,011	1,605,108
Interest/Dividend Received		1,469,972	860,761
<b>Net Cash used in Investing Activities</b>		<b>-1,668,330</b>	<b>-2,419,744</b>
<b>C.CASH FLOW FROM FINANCING ACTIVITIES</b>			
Acceptance of Secured Loan		20,034,391	-9,919,003
Dividends paid		-2,841,000	-2,841,000
Interest Paid		-5,696,878	-5,451,780
Tax on Distributed profit(Dividend)		-578,370	-581,685
<b>Net Cash used in Financing Activities</b>		<b>10,918,143</b>	<b>-18,793,468</b>
Net (decrease) / Increase in Cash equivalents		18,762,804	16,892,889
Cash and Cash Equivalents as AT 1.04.2016		40,232,348	23,339,459
Cash and Cash Equivalents as AT 31.03.2017		<b>58,995,152</b>	<b>40,232,348</b>

Note: (i) Figures in Brackets represent outflows.

**For SACHETA METALS LIMITED**

Place: Ahmedabad  
Date : May 29, 2017

**SATISH K SHAH**  
Managing Director  
DIN:00237283

**CHETNABEN S SHAH**  
Jt. Managing Director  
DIN:00237410

# SACHETA METALS LIMITED

CIN: L27100GJ1990PLC013784

Registered Office: Block No 33 Sacheta Vidhyanagar Vill-Mahiyal Tal-Prantij Sabarkantha-383215.

Website [www.sacheta.com](http://www.sacheta.com) • Tel: 02770-221739 • Fax : 0091 2770 220839

Dear Shareholder(s),

## Sub: Service of Documents through Electronic Mode

Your Company is making an effort to build a greener world and we request your support.

You are requested to subscribe to a soft copy of the Company's various documents like Notices of Meetings, Annual Reports and other shareholder communication by registering your email id with your Depository Participant (DP)/Company, if you have not already done so. You are also requested to keep your DP/Company informed of any change in your email id.

With this one small action, you could leave a greener legacy for future generations.

We look forward to your support.

Thanking you,

# SACHETA METALS LIMITED

CIN: L27100GJ1990PLC013784

Registered Office: Block No 33 Sacheta Vidhyanagar Vill-Mahiyal Tal-Prantij Sabarkantha-383215.

Website [www.sacheta.com](http://www.sacheta.com) • Tel: 02770-221739 • Fax : 0091 2770 220839

## ATTENDANCE SLIP

PLEASE COMPLETE THIS ATTENDANCE SLIP AND HAND IT OVER AT THE ENTRANCE OF THE AUDITORIUM

Name and address of the registered member	:	
Folio No./DP ID No./ Client ID No.	:	
No. of Shares	:	

I hereby record my presence at the 27<sup>th</sup> Annual General Meeting of the Company to be held at Block No. 33, Sacheta Udyog Nagar, Village : Mahiyal Tal: Talod, Dist. Sabarkantha (Gujarat) 383215 on Friday, September 29, 2017 at 11.00 a.m.

Signature of the Member/Joint Member/Proxy attending the Meeting

Electronic Voting Event Number (EVEN)	User ID	Pass word

Note: Person attending the Meeting is requested to bring this Attendance Slip and Annual Report with him/her. Duplicate Attendance Slip and Annual Report will not be issued at the Annual General Meeting.

# SACHETA METALS LIMITED

CIN: L27100GJ1990PLC013784

Registered Office: Block No 33 Sacheta Vidhyanagar Vill-Mahiyal Tal-Prantij Sabarkantha-383215.

Website [www.sacheta.com](http://www.sacheta.com) • Tel: 02770-221739 • Fax : 0091 2770 220839

27<sup>th</sup> Annual General Meeting on Friday, September 29, 2017 at 11.00 a.m.

## PROXY FORM

[Pursuant to section 105(6) of the Companies Act, 2013 and Rule 19(3) of the Companies (Management and Administration) Rules, 2014]

CIN	L27100GJ1990PLC013784
Name of the Company	SACHETA METALS LIMITED
Registered Office	Block No. 33, Sacheta Udyog Nagar, Village : Mahiyal Tal: Talod, Dist. Sabarkantha (Gujarat) 383215
Name of Member(s)	
Registered Address	
Email ID	
Folio No./ DP ID – Client ID	

I/We, being the Member(s) of and hold/holds \_\_\_\_\_ shares of above named Company, hereby appoint:

- (1) Name: ..... Address: .....  
Email ID: ..... Signature: ..... Or failing him/her
- (2) Name: ..... Address: .....  
Email ID: ..... Signature: ..... Or failing him/her
- (3) Name: ..... Address: .....  
Email ID: ..... Signature: .....

as my/our proxy to attend and vote (on a poll) for me/us and on my/our behalf at the 27<sup>th</sup> Annual General Meeting of the Company to be held on Friday, the September 29, 2017 at 11.00 a.m at the Block No. 33, Sacheta Udyognagar, Village : Mahiyal Tal: Talod, Dist. Sabar kantha (Gujarat) 383215 and at any adjournment thereof in respect of such resolutions:

**ORDINARY BUSINESS:**

- a. To receive, consider and adopt the Audited Balance Sheet for the year ended March 31, 2017 and Profit & Loss Account for the year i. ended as on that date together with the Reports of Directors' and Auditors' thereon.
- b. To declare dividend on equity shares.
- c. To appoint a Director in place of Mr. Pranav S. Shah (DIN 06949685), who retires by rotation, and, being eligible, offers herself for re-appointment.
- d. To ratify the re-appointment of M/S R R Mandali & Co.Chartered Accountants, (ICSI Registration No 114223W), as Statutory Auditors of the Company for the financial year ending on 31st March 2017 at such remuneration as may be agreed upon by the Board of Directors and the Statutory Auditors of the Company."

Signed this..... day of ..... 2017

Signature of Member(s):.....

Signature of Proxy holder(s):.....

Affix Revenue Stamp of RS.1
--------------------------------------

**Notes:**

- 1. This form of proxy in order to be effective should be duly completed and deposited at the Registered Office of the Company, not less than 48 hours before the commencement of the Meeting.
- 2. For the Resolutions, Statement setting out material facts thereon and notes, please refer to the Notice of the 27<sup>th</sup> Annual General Meeting.
- 3. A person can act as proxy on behalf of Members not exceeding fifty (50) and holding in the aggregate not more than 10% of the total share capital of the Company carrying voting rights. In case a proxy is proposed to be appointed by a Member holding more than 10% of the total share capital of the Company carrying voting rights, then such proxy shall not act as a proxy for any other person or Member.

## SACHETA METALS LIMITED

CIN: L27100GJ1990PLC013784  
 Registered Office: Block No. 33, Sacheta Vidyanagar VII-Mahiyal Tal-Prant] Sabarkantha-383215.  
 Website [www.sacheta.com](http://www.sacheta.com) - Tel: 02770-221739 - Fax: 0091 2770 220839  
 27<sup>th</sup> Annual General Meeting on Friday, September 29, 2017 at 11.00 a.m.

### PROXY FORM

(Pursuant to section 105(f) of the Companies Act, 2013 and Rule 19(2) of the Companies (Management and Administration) Rules, 2014)

CIN	L27100GJ1990PLC013784
Name of the Company	SACHETA METALS LIMITED
Registered Office	Block No. 33, Sacheta Vidyanagar, Village - Mahiyal Tal- Talod, Dist. Sabarkantha (Gujarat) 383215
Name of Member(s)	
Registered Address	
Email ID	
Folio No./ DP ID - Client ID	

I/We, being the Member(s) of and hold/holds \_\_\_\_\_ shares of above named Company hereby appoint:

- (1) Name: \_\_\_\_\_ Address: \_\_\_\_\_  
 Email ID: \_\_\_\_\_ Signature: \_\_\_\_\_ Or Calling Number: \_\_\_\_\_
- (2) Name: \_\_\_\_\_ Address: \_\_\_\_\_  
 Email ID: \_\_\_\_\_ Signature: \_\_\_\_\_ Or Calling Number: \_\_\_\_\_
- (3) Name: \_\_\_\_\_ Address: \_\_\_\_\_  
 Email ID: \_\_\_\_\_ Signature: \_\_\_\_\_

as my/our proxy to attend and vote (on a poll) for me/us and on my/our behalf at the 27<sup>th</sup> Annual General Meeting of the Company to be held on Friday, the September 29, 2017 at 11.00 a.m. at the Block No. 33, Sacheta Vidyanagar, Village - Mahiyal Tal- Talod, Dist. Sabarkantha (Gujarat) 383215 and at any adjournment thereof in respect of such resolutions:

#### ORDINARY BUSINESS:

- a. To resolve, consider and adopt the Audited Balance Sheet for the year ended March 31, 2017 and Profit & Loss Account for the year ended as on that date together with the Reports of Directors' and Auditors' thereon.
- b. To declare dividend on equity shares.
- c. To appoint a Director in place of Mr. Pranav S. Shah (DIN: 06949585), who retires by rotation, and, being eligible, offers himself for re-appointment.
- d. To ratify the re-appointment of M/S R R Mandali & Co. Chartered Accountants, (ICSI Registration No 114223W), as Statutory Auditors of the Company for the financial year ending on 31st March 2018 at such remuneration as may be agreed upon by the Board of Directors and the Statutory Auditors of the Company."

Signed this \_\_\_\_\_ day of \_\_\_\_\_ 2017

Signature of Member(s): \_\_\_\_\_

Signature of Proxy holder(s): \_\_\_\_\_

Affix  
 Revenue  
 Stamp of  
 RS. 1

#### Notes:

1. This form of proxy in order to be effective should be duly completed and deposited at the Registered Office of the Company, not less than 48 hours before the commencement of the Meeting.
2. For the Resolutions, Statement setting out material facts thereon and notes, please refer to the Notice of the 27<sup>th</sup> Annual General Meeting.
3. A person can act as proxy on behalf of Members not exceeding fifty (50) and holding in the aggregate not more than 10% of the total share capital of the Company carrying voting rights. In case a proxy is proposed to be appointed by a Member holding more than 10% of the total share capital of the Company carrying voting rights, then such proxy shall not act as a proxy for any other person or Member.

## SACHETA METALS LIMITED

CIN: L27100GJ1990PLC013784  
 Registered Office: Block No. 33 Sacheta Vidyanagar VII-Mahiyal Tal-Prant] Sabarkantha-383215  
 Website [www.sacheta.com](http://www.sacheta.com) - Tel: 02770-221739 - Fax: 0091 2770 220839

### ATTENDANCE SLIP

PLEASE COMPLETE THIS ATTENDANCE SLIP AND HAND IT OVER AT THE ENTRANCE OF THE AUDITORIUM

Name and address of the registered member	:	
Folio No./DP ID No./ Client ID No.	:	
No. of Shares	:	

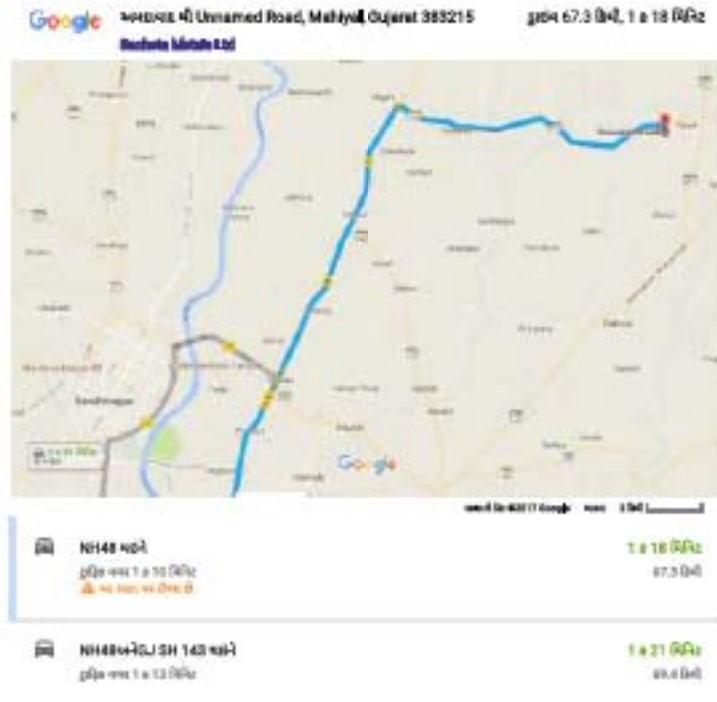
I hereby record my presence at the 27<sup>th</sup> Annual General Meeting of the Company to be held at Block No. 33, Sacheta Vidyanagar, Village - Mahiyal Tal- Talod, Dist. Sabarkantha (Gujarat) 383215 on Friday, September 29, 2017 at 11.00 a.m.

Signature of the Member/Joint Member/Proxy attending the Meeting \_\_\_\_\_

Electronic Voting Event Number (EVEN)	User ID	Password

Note: Person attending the Meeting is requested to bring this Attendance Slip and Annual Report with him/her. Duplicate Attendance Slip and Annual Report will not be issued at the Annual General Meeting.

## Book-Post



**Sacheta Metals Limited**

*Fresh food all time...* **Best Quality Aluminium Foil**

always use...

**sacheta** **WRAP-UP**

Made In India **ECO-Friendly Aluminium foil**

*If undelivered please return to :*  
**Regd. Office :-** Block No.33, Sacheta Udyognagar,  
Village Mahiyal Tal: Talod, Dist. Sabarkantha-383215 (Gujarat).