



SHETRON LIMITED

BOARD OF DIRECTORS	:	Shri Diwakar S. Shetty Shri Kartik Nayak Shri B.S. Patil Dr. M. Mahadeviah	Executive Chairman Managing Director Independent Director Independent Director
COMPANY SECRETARY	:	Shri B.K. Shetty	
SHARES OF THE COMPANY ARE LISTED AT	:	Bombay Stock Exchange Ltd Phiroze Jeejeebhoy Towers, Dalal Street, Mumbai - 400 001	
AUDITORS	:	PAL & SHANBHOGUE Chartered Accountants 24, 4th Main, Malleswaram, Bangalore-560 003.	
BANKERS	:	COSMOS CO-OPERATIVE BANK LTD STATE BANK OF INDIA BANK OF INDIA CITI BANK N.A YES BANK LTD INDUSIND BANK LTD HSBC LTD	
REGISTRAR AND TRANSFER AGENT	:	Alpha Systems Private Ltd. No. 30, Ramana Residency, 4th Cross, Sampige Road, Malleswaram Bangalore - 560 003	
REGISTERED OFFICE	:	Plot No.1, Bommasandra Industrial Area Hosur Road, BANGALORE - 560 099	
FACTORIES	:	i) Plot No.1, Bommasandra Industrial Area Hosur Road, BANGALORE - 560 099 ii) Mumbai-Nasik Highway, Post Vasind, Taluk Shahapur, Dist. Thane, MAHARASTRA - 421604	



SHETRON LIMITED

CONTENTS

Sl.No.	Particulars	Page No's
1.	Notice to Shareholders	01
2.	Directors' Report to Members	03
3.	Auditors' Report to Members	21
4.	Balance Sheet	24
5.	Profit and Loss Account	25
6.	Schedules	26
7.	Notes on Accounts and Accounting policies	32
8.	Company's Business Profile	37
9.	Cash Flow	38

**NOTICE**

Notice is hereby given that the 30th Annual General Meeting of the members of Shetron Limited will be held at Koramangala Club CA-17, 6th Cross, 6th Block, Bangalore – 560 095 on Saturday, the 25th September 2010 at 11.00 A.M to transact the following business.

ORDINARY BUSINESS :

1. To consider and adopt the Balance Sheet as at 31st March, 2010, the Profit and Loss account for the year ended on that date and the report of the Board of Directors and Auditors thereon.
2. To appoint Mr B.S Patil , Director who retires by rotation and is eligible for the appointment.
3. To appoint M/s Pal & Shanbhogue as Auditors of the Company to hold office from the conclusion of this meeting until conclusion of the next Annual General Meeting of the Company and fix their remuneration .

For SHETRON LIMITED

DIWAKAR S SHETTY
Chairman

NOTES:

1. For appointment of Directors, disclosure as required under Clause 49 of the listing agreement is annexed hereto.
2. A member entitled to attend and vote at the meeting is entitled to appoint one or more proxies to attend and vote on a poll instead of himself and such proxy need not be a member of the company.
3. Proxies in order to be effective must be filed with the company not later than 48 hours before the meeting.
4. The Register of Members and share transfer books will be closed from 18th September 2010 to 25th September 2010 (both the days inclusive).
5. Member desiring information as regards accounts is requested to write to the company at an early date so as to enable the management to keep the information ready.
6. Members holding shares in physical form are requested to notify promptly any change in their address to the registrar and share transfer agents of the company M/s. Alpha Systems Private Limited, Bangalore quoting their membership numbers besides changes, if any, and those holding shares in electronic form may communicate the above information to their respective depository participants.
7. Proxy form and Attendance Slip are attached to this Annual Report.
8. So far, about 96% of the total number of shares in the equity capital of the company has been dematerialized. In view of the advantages of the depository system and for easy trading of the shares, members are requested to opt for dematerialization of the shares of the company through any of the depository participant of their choice.
9. Members holding shares in demat form are requested to incorporate the DPID number and client ID number in the attendance slip/proxy form for easy identification of attendance at the meeting.
10. Corporate Members are requested to send to the Company a duly certified copy of the Board Resolution pursuant to Section 187 of the Companies Act, 1956 authorising their representative to attend and vote at the Annual General Meeting.

By the order of the Board of Directors
SHETRON LIMITED

DIWAKAR S. SHETTY
Chairman

Place: Bangalore
Date : 14th May, 2010



ANNEXURE – A TO DIRECTORS' REPORT

APPOINTMENT OF DIRECTORS

Details of Directors seeking appointment/ re-appointment/retiring by rotation (In pursuance of Clause 49 of the listing agreement):

1.	Name	Mr. B.S. Patil
2.	Date of Birth and Age	20.01.1944 (66 Years)
3.	Date of Appointment	27.09.2002
4.	Expertise in specific functional areas	Has wide range of administrative experience. Retired as Chief Secretary to Government of Karnataka in January 2004. He was the Principal Secretary to Chief Minister of Karnataka and was heading State Financial Institutions for Industrial Growth in the State.
5.	Qualification	B.A ., I.A.S (Retd)
6.	Number of Shares held in the equity capital of the company	Nil
7.	Directorship held in other public companies	<ol style="list-style-type: none"> 1. Grover Vineyard Ltd. 2. Suprajit Engg. Ltd. 3. Mangalore Chemicals and Fertiliers Ltd. 4. UB International Trading Ltd. 5. United Breweries (Holdings) Ltd. 6. AMR Construction Co Ltd. 7. Surana Industries Ltd. 8. Scotts Garments Ltd.
8.	Committee/Executive positions held in other companies	<ol style="list-style-type: none"> 1. Sadhashiv Sugars Ltd. as Chairman 2. Anushka Business Consulting as Managing Partner.



DIRECTORS' REPORT

Your Directors present the Thirtieth Annual Report on the business and operations of your Company and the financial accounts for the year ended 31st March 2010 approved by the Board :

FINANCIAL HIGHLIGHTS

Particulars	2009-10 Rs. in lacs	2008-09 Rs. in lacs
Net Sales and Other Income	11023	12233
Profit before Interest and Depreciation	1869	1795
Less : Interest	(1094)	(990)
Less : Depreciation	(624)	(604)
Profit/Loss before Tax	151	201
Less : Provision for Tax	(19)	(72)
Less : Deferred Tax Liability	(28)	(4)
Profit/Loss after tax	104	125
Transfer from Debenture Redemption Reserve	665	(95)
Preliminary Exp written off	(213)	
Transfer to General Reserve	-	13
Balance Profit for the year after appropriations	557	17
Add; Balance Brought Forward from previous year	984	967
BALANCE Carried Over	1541	984

YEAR IN RETROSPECT

The Company achieved a Net Turnover of Rs.10680 lacs as against the previous year turnover of Rs 11910 lacs showing a decrease of about 10% in sales over previous year. The drop in sales is due to product mix and decline in the sale of printed metal sheets during the year. Further the economic slow down and liquidity constraints faced by the company have also affected drop in sales.

The profit before tax was Rs 151 lacs compared to Rs.201 lacs in the previous year. Increase in prices of raw materials, especially Tinplate, Higher Interest and Financing charges due to capitalization of fixed assets and higher borrowings were major factors that contributed to lower profitability for the year, as compared to the previous year.

However, the above adverse factors were partially moderated by increasing the prices of end products and reduction in rate of excise duty.

The net profit after tax was Rs 104 lacs as compared from Rs 125 lacs achieved during the previous year. During the year the Company has transferred the sum of Rs 665 lacs Debenture Redemption Reserve and credited the same to Profit and loss appropriation account, due to redemption of debentures.

DIVIDEND

In view of inadequate profits, the Board has not recommended dividend for the year.

BUSINESS PROSPECTS

The economy currently is emerging from the clutches of a global slowdown prevailed for the past two years is recovering albeit slowly, aided by the stimuli provided by the Government to stimulate industrial growth . The outlook for metal packaging industry continues to be positive in the long term. With the consistent and vigorous efforts being made by the Company for cost reduction measures coupled with efficient monitoring of working capital, Company expects improved performance for the current year.

The highlights of the industry trend, the outlook and the opportunities ahead for the company are discussed in detail in the Management Discussion and Analysis Report attached as Annexure – D to this report.

**EXPORTS**

During the year, the export turnover has increased to Rs 1875 lacs i.e., an increase of 34 % over the previous year sales of Rs 1395 lacs. Exports to both Asian and African countries have picked up during the year.

JOINT VENTURE

The Company's 50:50 joint venture company viz., M/s Shetron Metropak Private Ltd has reported a Sales of Rs. 635.78 lacs for the last financial year.

The Directors are committed to provide continued operational support to the JV Company and are confident that it would make a turnaround in the current financial year in view of tremendous demand for the Saf Caps in the country.

AWARDS & LAURELS

Your company has bagged the "Award of Excellence" for the Seventh consecutive year in 2009 issued by IMDA, USA (International Metal Decorators Association) in recognition of the excellence in quality for printing . Each year the IMDA conducts a Quality Contest to recognize the skillful achievements of the metal decorating industry. Entries from around the globe are judged in eight categories with the best entry given the Grand Award.

DIRECTORS

In accordance with the provisions of the Companies Act 1956, and Articles of Association of the company, Mr .B.S Patil retires by rotation at the end of this Annual General Meeting and is eligible for re-appointment. Brief resume of the Mr B.S. Patil being re-appointed is attached to the Notice of the ensuing Annual General Meeting.

DIRECTORS' RESPONSIBILITY STATEMENT

As per the provisions of Section 217(2AA) of the Companies Act 1956, the Directors hereby submit that:

1. The Company has followed all the applicable Accounting standards and there is no material departure from this in the preparation of the annual accounts.
2. The Company had selected the normal accounting policies and applied them consistently and made judgment and estimates that are responsible and prudent so as to give a true and fair view of the affairs of the Company at the end of the financial year and the profit and loss account of the Company for that period.
3. Proper and sufficient care has been taken by the Company for maintenance of proper accounting records in accordance with the provisions of the Companies Act, 1956 for safeguarding the assets of the Company and for detecting frauds and irregularities.
4. The accounts of the Company are prepared on a 'going concern' concept basis.

ADDITIONAL DISCLOSURES

In line with the requirements of Listing Agreements and Accounting Standards, your company has made additional disclosures in respect of related party transactions and segment reporting in notes to accounts

DEPOSITS

In terms of the provision of Section 58A of the Companies Act, 1956 read with the Companies (Acceptance of Deposits Rules) 1975, the company has not accepted/renewed any fixed deposits from the public during the year under review.

PARTICULARS OF EMPLOYEES UNDER SECTION 217(2A) OF THE COMPANIES ACT 1956

The information as per Section 217(2A) of the Companies Act, 1956 read with the Companies (Particulars of Employee Rules) 1975 is appended as Annexure – A of the report and forms a part of this report



INFORMATION PURSUANT TO SECTION 217(1)(e) OF THE COMPANIES ACT 1956

The information as required under Section 217(1) (e) of the Companies Act, 1956 read with Companies (Disclosure of Particulars in the report of the Board of Directors) Rules 1988 is enclosed as Annexure E

AUDITORS AND AUDIT REPORT

M/s Pal and Shanbhogue, Chartered Accountants, auditors of the Company hold office as auditors until the conclusion of ensuing Annual General Meeting and have offered for re-appointment. The necessary letter of consent has been received from the Auditors in this regard.

REPORT ON CORPORATE GOVERNANCE

The Company is in compliance of all mandatory requirements of the Code of Corporate Governance. A report on compliance of the code is annexed herewith (Annexure C). Auditor's Certificate on the same is also annexed herewith.

MANAGEMENT DISCUSSION AND ANALYSIS REPORT

The management discussion and analysis report as required is annexed as Annexure D

ACKNOWLEDGEMENTS

The Board of Directors take this opportunity to express their appreciation to the employees at all levels in the Company for their dedicated service. Your Directors also thank the Bankers, Institutions, and the customers for their unstinted support to the Company.

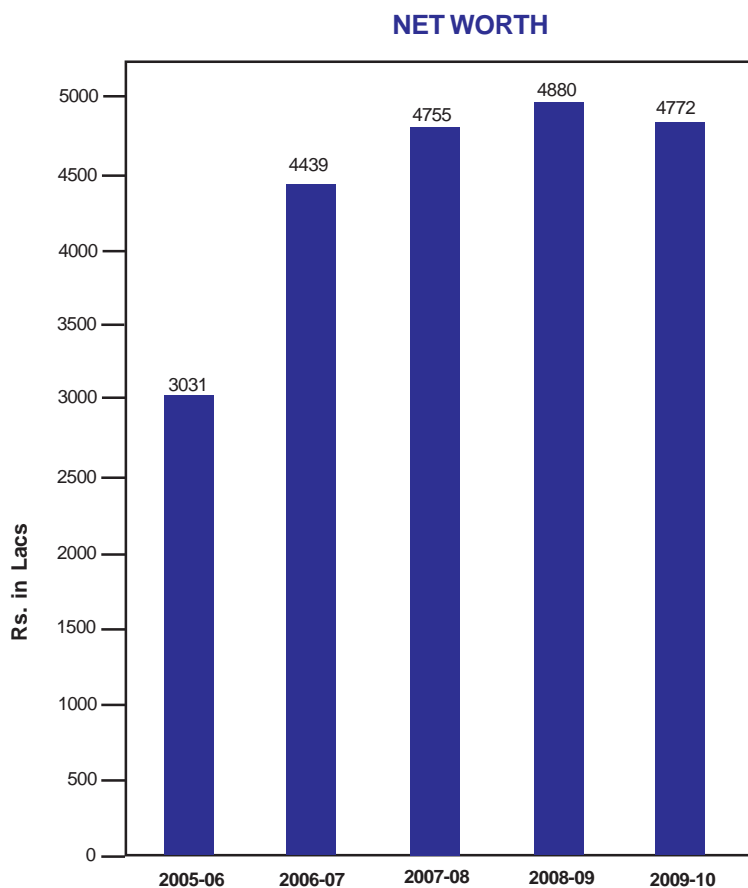
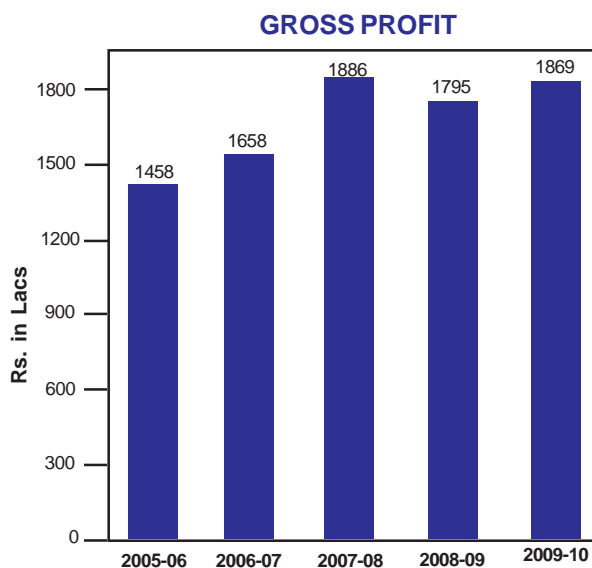
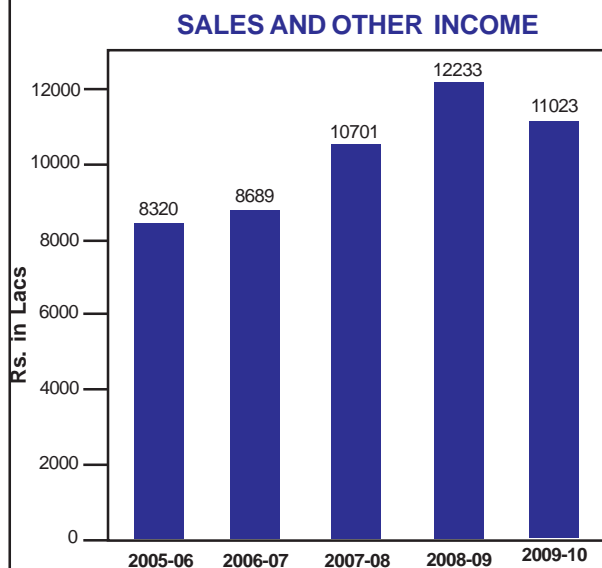
For and on behalf of the Board
SHETRON LIMITED

DIWAKAR S. SHETTY
Chairman

Date: 14th May, 2010
Place : Bangalore



SHETRON LIMITED





ANNEXURE – A TO DIRECTORS' REPORT

STATEMENT REQUIRED TO BE FURNISHED UNDER SECTION 217(2A) OF THE COMPAINES ACT, 1956, AS AMENDED BY THE COMPAINES (AMEDMENT ACT 1988 AND READ WITH COMPAINES (PARTICULARS OF EMPLOYEES) RULES 1975 AND FORMED PART OF THE DIRECTORS' REPORT FOR THE YEAR ENDED 31 ST MARCH 2010.

1. Employees of the company who were employed throughout the financial year and in receipt of remuneration for the which in the aggregate was not less than Rs. 24,00,000.

1	Name of the Employee	Mr. Diwakar S. Shetty	Mr. Kartik Nayak
2	Designation & nature of duties	Executive Chairman	Managing Director
3	Remuneration Received	Rs. 38,52,000	Rs. 32,16,000
4	Qualification	B.Com	B.E, M.S (USA)
5	Experience of Employee (yrs)	41 Years	18 Years
6	Date of commencement of employment	01.09.1983	03.12.1996
7	Last employment held/designation /organization	Fibre Foils Limited Managing Director	Ann Arbor Machine Company USA Engineer
8	Age (yrs)	66	43

NOTES:

- Mr. Diwakar S. Shetty and Mr. Kartik Nayak are related to each other.
 - Remuneration includes salary, allowances and contribution to Provident Fund .
 - The employment of Mr. Diwakar S. Shetty and Mr. Kartik Nayak are contractual .
 - The appointments of Mr. Diwakar S. Shetty as Executive Chairman and Mr. Kartik Nayak as Managing Director were approved at the AGM held on 15th September 2008.
2. Employees of the company who were employed part of the financial year and in receipt of remuneration for the part of year which in the aggregate was not less than Rs. 24,00,000 : Nil.

ANNEXURE – B TO DIRECTORS' REPORT

INFORMATION PURSUANT TO SECTION 217(1)(e) OF THE COMPAINES ACT, 1956

CONSERVATION OF ENERGY , TECHONOLOGY ABSORPTION , FOREIGN EXCHANGE EARNINGS AND OUTGO

CONSERVATION OF ENERGY

The Company has installed fuel efficient and energy saving devices with the help of professional consultants to reduce energy consumption.

RESEARCH AND DEVELOPMENT

A team has been formed internally comprising of Engineers with experience in various functions. Few projects have been identified which will yield results in terms of new product development , technological up gradation to improve manufacturing process and to try out different materials / consumables to reduce product coats etc.

The Company is gradually developing techniques to reduce the thickness of the metal in the cans, which in turn ensures ease of use and simplifies processing. The company is also working to impart classic shapes of the cans and also sorting out ways to reduce the weight of the cans which in turn will help to reduce wastage and also the aesthetic look of cans.

TECHONOLOGY ABSORPTION

The Company has no technical collaboration. State-of-art machines are installed for high quality products.

FOREIGN EXCHANGE EARNINGS AND OUTGO

- Foreign Exchange earned : Rs.1807 Lacs
- Foreign Exchange utilized : Rs.2355 Lacs

Place: Bangalore
Date: 14th May, 2010

For and on behalf of the Board
For SHETRON LIMITED

DIWAKAR S. SHETTY
Chairman



ANNEXURE - C TO DIRECTORS' REPORT

CORPORATE GOVERNANCE REPORT

This Report on Corporate Governance forms part of the Directors' Report . This section , besides being in compliance of the mandatory Listing Agreement requirement , gives an insight into the process of functioning of the company .

1. COMPANY'S PHILOSOPHY ON CODE OF GOVERNANCE:

- ✦ To adopt internal and external measure to increase the level of transparency and accountability
- ✦ To demonstrate to stakeholders that the Company is following right governance practices.
- ✦ To respect the laws of the land and rights of stakeholders and to get respect from all concerned .
- ✦ To lead the company towards high growth path of higher profits and revenues.

2. BOARD OF DIRECTORS

a) Composition

The Board of the Company consists of eminent persons with considerable professional experience and expertise in the field of manufacture of packaging materials and related industries .

The Board presently consists of 2 Executive Directors and 2 Non-Executive Directors. The Chairman of the Board is an Executive Director. As per the Corporate Governance requirements, at least, half of the board should comprise of Independent Directors and the same has been complied with

The details on the composition of Board , their attendance in Board Meetings and AGM and other details , as required , are given below.

Sl. No.	Name of the Directors	Composition &Category	Attendance at the Meeting		Directorship of Other Companies	Membership of Board Sub Committees
			Board	Last AGM		
1.	Mr. Diwakar S.Shetty	Promoter Director Executive	6	1	8	1
2.	Mr. Kartik Nayak	Promoter Director Executive	6	1	2	1
3.	Mr. B S Patil	Independent Director	6	-	8	2
4	Dr M. Mahadeviah	Independent Director	5	1	-	1

b) Board Meetings

During the year under review meetings of the Board were held on the following dates

SI No.	Quarter	Date
1	April 09 - June 09	10th April 2009 27th June 2009
2	July 09- September 09	30th July 2009
3	October 09 – December 09	19th October 2009 25th November 2009
4	January 10 – March 10	19th January 2010

The Company Secretary, in consultation with the Whole time Directors, drafts the agenda of the meeting. Agenda papers, along with relevant details, are circulated to all directors well in advance of the date of the Board meeting.

Normally every Director is required to attend the meeting. Board Members have complete and unfettered access to any information within the Company. Heads of Departments are normally invited at the Audit committee Meetings to provide necessary insights in the working of the Company and of corporate strategies.



3. BOARD COMMITTEES:

a) Audit Committee

The composition powers and functions of the Audit Committee meets the requirements of Listing Agreement. The Committee met 4 times during the year under consideration

The Audit Committee consists of the following Directors :

Mr. B.S.Patil	Chairman
Dr M. Mahadeviah	Member
Mr. Karitk Nayak	Member

Except Mr Kartik Nayak, other members of the Committee are Non- Executive and Independent Directors.

Statutory Auditors (By invitation), Internal Auditors and Departmental Head of Finance are permanent Invitees to the Committee. Company Secretary of the Company is the Secretary to the Committee.

Main Terms of reference of the Committee are ;

- Internal Control System
- Scope of Audit
- Observation of the Auditors
- Reviewing, Quarterly, Half yearly and Annual Financial Statements before submitting to Board.
- Ensure Comp of internal control system
- Investigate any activity within its terms of reference
- Seek information from any employee
- Obtain outside legal or other professional advise
- Laying systems for Accounting and Audit
- Advising Internal Auditors on the scope of their Audit and review of their report
- Reviewing any significant Audit issues that may arise during the course of internal and Statutory Audit of the Company.

b) Share Transfer and Investor Grievance Committee

Main function of the Share Transfer and Investor Grievance Committee is to supervise and ensure efficient transfer of shares and proper and timely redressal of investors' complaints .

The Committee comprises of 3 Directors viz. Mr. Kartik Nayak and Mr..Diwakar Shetty and Mr. B.S.Patil (Independent Director) . The Company Secretary and Head – Finance are the permanent invitees to the committee. The Committee, generally review the working and approve the Transfer / Demat and give Authorizations to issue duplicate shares, etc if any. During the year under review committee met 12 times .

Details regarding number of complaints received and resolved are as under :

Sl no:	Nature of Correspondence	Received	Replied / Resolved	Pending
1	No. of Requests for Change of Address & bank Mandate	10	10	Nil
2	Letters received from SEBI/NSDL/Stock Exchanges	1	1	Nil
3	Requests for stop transfer	NIL	Nil	Nil
4	Non Receipt of Share Certificate / Credit for Demat of Shares/ Dividend	6	6	Nil
5	Requests for issues of Duplicate Share Certificate and Dividend warrants	14	14	Nil
6	Legal Cases/ Cases before consumer forum	Nil	Nil	Nil
7	Investors Request for Information	Nil	Nil	Nil
	Total	31	31	Nil



4. REMUNERATION POLICY AND DETAILS OF REMUNERATION PAID :

The remuneration of the Directors is decided by the Board of Directors as per the remuneration policy of the company within the ceiling approved by Shareholders.

Executive Directors :

Name	Position	Salary & Allowances Rs.	Employer Contribution to Provident Fund - Rs.
Mr. Diwakar S. Shetty	Executive Chairman	36,00,000	2,52,000
Mr. Kartik Nayak	Managing Director	30,00,000	2,16,000

Non-Executive Directors :

The Resident Non – Executive Directors of the Company have received only sitting fee for attending the Board and Committee meetings.

The details of sitting fees paid to Non- Executive Directors during the year for attending Board Meeting and audit committee meeting are given below :

SI no.	Name of the director	Sitting fees paid - Rs.
1	Mr. B.S Patil	1,00,000
2	Dr M.Mahadeviah	90,000

5. CODE OF CONDUCT:

The Board has adopted and approved the Code of Conduct.

The Board members and Senior Managers shall observe the highest standards of ethical conduct and integrity and shall work to the best of their ability and judgment.

The said code had been communicated to all the Board members and senior managers and the compliance of the same has been affirmed by them. The Company has posted the code of conduct on its website.

A declaration signed by the Managing Director affirming the compliance of the code of conduct by the Board members and senior managers is given below:

I hereby confirm that:

The Company has obtained from all the members of the Board and Senior Managers affirmation that they have complied with the code of conduct for Directors and Senior Managers in respect of financial year 2009-10

Sd/-
Diwakar S. Shetty
 Chairman



6. GENERAL BODY MEETINGS

The 30th Annual General Meeting of the Company, for the Year 2010, would be held on Saturday, the 25th September 2010 at 11.00 a.m at Koramangala Club, Bangalore .

Meeting	Day, Date and Time of the Meeting	Venue
29th AGM	24th September 2009 at 10.00 AM	Koramangala Club, Bangalore
28th AGM	15th September 2008 at 10.00 AM	Koramangala Club, Bangalore
27th AGM EGM	28th September 2007 at 10.00 AM 26th November 2007 at 10.00 AM	Koramangala Club, Bangalore Koramangala Club, Bangalore

During these meetings all Resolutions including Special Resolutions were passed, unanimously.

7. DISCLOSURES :

There were no material significant transactions with the Directors or the management, their subsidiaries or Relatives that have any potential conflict with interest of the Company .

There were no cases of non- compliance by the Company.

8. MEANS OF COMMUNICATION:

The Company has always promptly reported all material information including quarterly financial results, press Releases issued by the Company, etc. to all Stock Exchanges where the securities of the company is listed. The Quarterly results and other information were communicated to the shareholders by way of advertisement in a National daily and in vernacular language newspaper.

9. GENERAL SHAREHOLDER INFORMATION :

The required information is provided in 'Shareholders' Information' Section .

10. SHAREHOLDER' INFORMATION

SI No:	Particulars	Details
1	Date, Time and Venue of the 30th Annual General Meeting	25th Sep 2010 at 11 AM at Koramangala Club, Bangalore.
2	Date of Book Closure	18th Sep 2010 to 25th Sep 2010 (both days inclusive)
3	Listing on Stock Exchange	The Bombay Stock Exchange (BSE)
4	Listing Fees	Paid as per the Listing agreement.
5	ISIN No:	INE 278C01010EQ
6	Registered Office	Plot No.1, Bommasandra Industrial Area, Bommasandra, Bangalore – 560099
7	Share Transfer Agent	(For Electronic and Physical Transfers) M/s. Alpha Systems Private Ltd. No: 30 Ramana Residency, 4th Cross, Sampige Road, Malleswaram, Bangalore 560003
8	Compliance Officer	Mr. B.K. Shetty, Company Secretary, Plot No.1, Bommasandra Industrial Area, Bommasandra, Bangalore –560099
9	For Financial Queries	Mr. B.K. Shetty , Company Secretary, Plot No.1, Bommasandra Industrial Area, Bommasandra, Bangalore –560099
10	For Shareholder's Queries	M/s. Alpha Systems Private Ltd. No: 30, Ramana Residency, 4th Cross, Sampige Road, Malleswaram, Bangalore 560003



11. CHANGE OF ADDRESS:

Members holding equity share in physical form are requested to notify the change of address / dividend mandate if any, to the company's Share Transfer Agent, at the address mentioned above. Members holding equity share in Dematerialized form are requested to notify the change of address / dividend mandate, if any, to their respective Depository Participants.

12. SHARE TRANSFER SYSTEM

Share sent for physical transfer or dematerialization requests are generally registered and returned within a Period of 15 days from the date of receipt of completed and validly executed documents. The share transfer Committee generally meets every month, to approve the transfers and dematerialization requests. During the year ended 31st March 2010 the Share Transfer Committee met 12 times.

13. DEMATERIALIZATION OF EQUITY SHARES

Trading in equity shares of the Company became mandatory in dematerialized form with effect from 29th January 2001 to facilitate trading in demat form, in India, there are two depositories i.e. National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL). The Company has entered into agreement with both these depositories. Shareholders can open account with any of the Depository participant registered with any of these depositories.

As of date (approx.) 8,603,686 shares of the 9,003,300 equity shares of the Company are in the dematerialized form.

14. SHAREHOLDERS' CORRESPONDENCE.

The Company has attended to all the investors' grievances /queries /information requests except for the cases where we are constrained because of some pending legal proceeding or court / statutory orders.

We endeavor to reply all letters received from the shareholders within the week.

All correspondence may please be addressed to the Share Transfer Agents at the address given above. In case any shareholder is not satisfied with response or do not get any response within reasonable period, they shall approach the Investor Relation Officer or the Compliance Officer at the address given above.

15. MARKET PRICE DATA : HIGH, LOW, DURING EACH MONTH OF LAST YEAR

SL NO.	Month	High (Rs.)	Low (Rs.)	Volume of shares traded
1	31.03.2010	34.25	25.65	3,33,992
2	28.02.2010	31.00	27.60	7,856
3	31.01.2010	35.30	28.95	23,043
4	31.12.2009	35.40	25.10	3,38,093
5	30.11.2009	30.20	24.85	9,652
6	31.10.2009	39.95	26.30	51,293
7	30.09.2009	37.70	24.20	9,98,629
8	31.08.2009	26.45	22.50	18,459
9	31.07.2009	26.00	21.30	8,786
10	30.06.2009	33.95	23.65	18,330
11	31.05.2009	28.20	17.75	18,342
12	30.04.2009	20.90	16.50	7,886



16. DISTRIBUTION OF SHAREHOLDING AS ON 31ST MARCH 2010

Category	No. of share holders	Percentage	No. of shares	Percentage
Up to 5000	3976	98.46	9,29,766	10.33
5001 – 10000	21	0.52	1,40,211	1.56
10001 –20000	10	0.25	1,38,760	1.54
20001 – 30000	4	0.10	1,06,300	1.18
30001 – 40000	2	0.05	77,227	0.86
40001 – 50000	3	0.07	1,29,909	1.44
50001 – 100000	6	0.15	4,76,020	5.29
100001 and above	16	0.40	70,05,107	77.81
Total	4038	100.00	90,03,300	100.00

17. SHAREHOLDING PATTERN AS ON 31ST MARCH 2010

Category	No of Shares held	Percentage of Shareholding
A Promoter's holding		
1 Promoters		
- Indian Promoters	53,01,894	58.89
- Foreign Promoters	81,633	0.91
2 Persons acting in Concert	-	-
Sub - Total	53,83,527	59.80
B Non-Promoters Holding		
3 Institutional Investors		
a Mutual Funds and UTI	100	0.00
b Banks, Financial Institutions, Insurance Companies (Central/State Govt. Institutions/Non-government Institutions)	-	-
c FIIs	9,00,050	10.00
Sub - Total	9,00,150	10.00
4 Others		
a Private Corporate Bodies	11,66,773	12.96
b Indian Public	11,41,606	12.68
c NRIs/OCBs/Foreign Company	4,11,244	4.56
Sub - Total	27,19,623	30.20
GRAND TOTAL	90,03,300	100.00

For and on behalf of the Board
For SHETRON LIMITED

DIWAKAR S. SHETTY
Chairman

Place: Bangalore
Date: 14th May, 2010



MANAGEMENT DISCUSSION AND ANALYSIS REPORT

OVERVIEW:

The financial statements have been prepared in compliance with the requirements under Companies Act 1956 and Generally Accepted Accounting Principles (GAAP) in India; there are no material departures from prescribed accounting standards in the adoption of the accounting standards. The management of SHETRON Limited accepts responsibility for the integrity and objectivity of these financial statements, as well as for various estimates and judgments used therein. These estimates and judgments relating to the financial statements have been made on a prudent and reasonable basis, in order that the financial statements reflect in a true and fair manner, the form and substance of transactions and the state of affairs and profits for the year.

ECONOMY, INDUSTRY STRUCTURE AND DEVELOPMENTS IN METAL PACKING INDUSTRY :

Global Financial market remained insipid, beset with sporadic incidences of strains in some geographical corners. The year started with weak financial trends but gradually looked up with continued policy support. Extended and strong financial stimulations, followed in many countries across the world, successfully eased downward pressure, thereby revived the economic forces. Interest rates were administered to reflect strong bias for a softer regime, so that the mismatch between the real and financial sector realigned to its balance, through centripetal spiral. Improved risk taking ability of financial and corporate world firmed up consumption level to considerable extent. Regained strength in capital market augurs well for the business environment.

The beneficial impact of fiscal intervention enforced stabilization and enabled the recovery mechanisms to become stronger but sustained growth momentum is yet to be ascertained.

Domestic business environment, though displayed a gradual build up of dynamism during the year, reflected less than anticipated level of growth momentum. Delayed recovery and disturbed demand behaviour, restricted production level and therefore, discouraged fresh capacity creation. Inflation went out of psychological threshold level triggered by supply side constraint emerging out of monsoon failure and demand hooked measures like fiscal and monetary incentives.

Performance of Indian Economy exhibited strong resilience to global downturn. Despite many deterrent factors including errant monsoon and weak trade activities, the economy as per the revised estimate of Central Statistical Organisation (CSO), exhibited a growth of 7.4% during FY 2009-10 as compared to 6.7% in the previous year. Sectoral composition of GDP reflects reduced share of agriculture and gaining space for Industry and service sector. Monsoon failure and declined agricultural activities led to falling share of primary sector.

While the overall outlook for growth seems to be positive, the unabated inflationary trend in consumer price index is a matter of concern. Given the increase in oil prices, this trend can have some adverse impact on disposable income.

Your Company's performance for the period 2009-10 has to be seen in the context of above economic background.

FOOD PROCESSING SECTOR:

India is one of the most important producers of food in the world, with the second largest arable land area. It comes first globally in the production of milk, pulses, sugarcane and tea and is the second largest producer of wheat, rice, fruits and vegetables.

Food processing in India is one of the biggest industries -it ranks fifth in terms of production, consumption, export and expected growth. Though India is one of the major producers of food globally, it accounts for only 1.7 per cent of world trade in this sector.

Food processing as such is a large sector that covers various economic works like agriculture, horticulture, plantation, animal husbandry and fisheries. The food processing industry has several segments like Dairy, fruits and vegetable processing Grain processing. Meat & poultry processing. Fisheries.

The Indian food market, according to the India Food Report is estimated at over US\$ 182 billion, and accounts for about two thirds of the total Indian retail market. Further, the retail food sector in India is likely to grow from around US\$ 70 billion in 2008 to US\$ 150 billion by 2025, accounting for a large chunk of the world food industry, which would grow to US\$ 400 billion from US\$ 175 billion by 2025.



The growth of the food industry in India stems from the consistently increasing agricultural output. With the second largest arable area in the world, India is one of the key food producing countries in the world, second only to China. The food processing industry in India is presently growing at 14 per cent against 6-7 percent growth in 2003-04. According to Ministry of Food Processing Industries, the food-processing sector in India attracted the all-time high Foreign Direct Investment (FDI) of over Rs 9,000 Crore during April-November 2009. The investments have emerged from the companies engaged in dairy and meat processing, confectioneries, and a great deal from other areas of the concerned sector.

The food processing industry provides crucial connections between industry and agriculture. To aid the growth of the food processing industry, the government has implemented schemes including the setting up food parks, packaging centres, integrated cold chain facilities, value-added centres, and modern abattoirs.

According to a market research report it has been projected that backed by increased FDI and the contribution of supporting factors like urbanization, organized food retail, food habits and changing lifestyles, food processing and agri-business sector in India will grow at an estimated 9-12%, of which, the share of fruit and vegetable processing is anticipated to shoot up to 10% by 2010 and to 25% in the next 15 years (by 2025). It is noteworthy that in 2008, food and vegetable processing accounted for a mere 4% share.

According to Research Analysts regardless of the high potential and continued growth, there are a few challenges for the industry to deal with. Being relatively new and unorganized, the industry has various constraints like poor infrastructure in the context of warehousing, unsatisfactory quality control, cold storage and testing infrastructure. To attract more FDI, it's a must to overcome these constraints.

It is believed that the food processing industry can do to the rural economy what the information technology industry has done for urban India. The Indian food processing industry is forecasted to grow at 9% to 12% in the coming years. The industry has set a goal of increasing its share in the global processed food trade from 1.6% to 3% within the next 8 years. India having an advantage of a strong agricultural base should tap this potential favorably and become a preferred sourcing destination for food products globally.

Government Initiatives:

As per the announcements made by the Indian Finance Minister in the budget for FY 2010-11, the Indian food processing industry is set to spur. The budget has granted more schemes and allocation for the agriculture sector. The budget also commits continued support for establishing food parks in India, which, in turn, will increase the FDI inflow into the food-processing sector.

'Vision 2015' undertaken by the Ministry of Food Processing Industries entails:

- ✦ Three-fold growth in the size of the processed food sector.
- ✦ Increasing level of processing of perishables from 6 per cent to 20 per cent.
- ✦ Value addition to be raised from 20 per cent to 35 per cent.
- ✦ Share in global food trade to go up from 1.5 per cent to 3 per cent.

The Indian government has abolished licensing for almost all food and agro-processing industries. Automatic investment approval (including foreign technology agreements within specified norms), up to 51 per cent foreign equity or 100 per cent for NRI and Overseas Corporate Bodies (OCBs) investment, is allowed for most of the food processing sector. Wide-ranging fiscal, policy changes have been introduced progressively. Excise and Import duty rates have been reduced substantially. Many processed food items are totally exempt from excise duty.

The key addressable categories for metal cans are mango-pulp, mushrooms, cucumbers/gherkins, marine products and cashews. These segments are growing at a CAGR of 6.1% CAGR and comprise only 27% of the total agri-exports market.

India's coffee exports are continued to grow at 3% CAGR. Instant coffee's hygroscopic nature and long life requirement will necessitate its continued packaging in metal cans and hence coffee tins are expected to grow at the same rate. The major customers of instant coffee are Russia, CIS Countries, UK and Australia. The remarkable advantage of using tin packaging for instant coffee is with respect to the conservation of volatile aromatics, heat-sensitive ingredients, colour, taste, original shape, texture and the preservation of the nutritional value, as well as fast rehydration before use.

**Metal Packaging Sector:**

Of the Global packaging market of US\$ 580 bn , Food – 52% & Beverages – 18 % are the end user segments. The CAGR for 05-09 of food has been 4.7% and Beverage 4.2%. Geographically Asia with 25 % growth is the third largest market and its CAGR for 05 -09 has been 7.5%. Globally as packaging, metal packaging share is 17 % . For 05 -09 metal packaging CAGR has been 4 % . Global tinplate market is of 16 mn tons growing at 3-5% per annum. In 2006 Asian market was of 6.5 mn MT (37%) and it is expected to grow in 2010 to 9.6 mn MT (48%). Around two-thirds of tinplate production worldwide is used for packaging edibles and processed food items and therefore, industry size is linked to processed foods and beverages. India is third largest producer of agri commodities. (US\$ 105 bn). Though it is one of the largest producers and consumers of food products, the percentage of produce currently processed and packed is only 2%, as compared with 24%-50% in developed countries. The Ministry of Food Processing Industries, Government of India has envisioned a 3-fold growth of the processed foods industry by 2015 to INR 13500bn (US\$300 bn) growing at CAGR of 10.6%. Investment of about US\$ 20 bn is envisaged in coming 5 years in food processing. According to government estimates, the country processes only 2% of the total agriculture produce which is targeted to reach 10% by 2015. The Rs 3,000-crore tin packaging industry is likely to grow at 50% this year and over 30% next year on rising demand of steel and aluminum cans from the food processing industry. Metal packaging forms about 10% of the country's Rs 30,000-crore packaging industry.. The retailing boom in India along with encouraging government policies and incentives is expected to lead to robust growth of the food processing industry. Through many encouraging policies, Government of India is catalyzing the growth of the industry. Hence the company has immense potential for its future from the food processing industry.

Metal cans provide longest shelf life - a minimum of 2 years. No other packaging medium offers such a long shelf life for packed food - making it the most dependable packaging medium to keep the food in prime condition. Compared with other materials such as aluminum, tinplate offers significant cost benefits. Also tin cans are 100% degradable, Eco-friendly packs, which do not cause any environmental imbalance. Tinplate packaging is the best recyclable packaging material - perfectly suited in an age in which commercial success depends on sound environmental credentials.

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DRY CELL BATTERY :

The Indian market for dry cell batteries is now estimated at 2.2 billion pieces by volume and Rs. 14 billion by value. The battery market has only a few players.

During the year under review however, the market continued to suffer under the adverse impact of earlier years' pricing actions to neutralize unprecedented rise of the input material costs, particularly that of zinc. A significant part of the dry battery market is in the rural and poorer segments of the economy, which are resistant to stiff price increases. The consumers reacted adversely to these price increases and resorted to reducing or deferring consumption.

Volumes were also affected by a contraction in consumer demand on account of the economy's growth slowing down somewhat compared to the recent previous years. This resulted in a market de-growth of about 8 per cent in battery volumes during the year, which came serially after de-growth in the previous 2 years.

This phenomenon was most significant in the 'D' size battery segment, which had to bear the highest impact of the cost push. These batteries are predominantly used in the price-resistant rural sections of the society and saw the largest quantum of volume drop. Other battery categories had marginal growth or remained stagnant.

Latest trends however, indicate that the volumes are getting back to normal pattern and the market seems poised to stabilize.



Consumption of batteries is driven by growth in the offtake of its applications. A growing need for portable power and the advent of a number of battery-operated gadgets catalyse consumption. Since these address everyday use, batteries have enjoyed a non-cyclical demand and have been largely untouched during the past general downturns. The phenomenon of consumption reducing on account of large-scale price increases is unique to the immediate past. This phenomenon is expected to be only a temporary one. The volume in the battery market in India was estimated to have reduced by 8 percent. This has resulted in the reduction in sales of major battery players.

India has a low per capita consumption across a number of product groups, batteries included, indicating an inherent potential for growth. Since dry cell batteries represent the cheapest source of portable power, consumption is expected to increase over time. Besides, growing income levels, changing lifestyles and an increased need for convenience have resulted in proliferation of gadgets (remote controls, torches, toys, cameras, FM radio sets and portable music systems) run by batteries.

The 'D' segment batteries are driven primarily by a need for light (flashlights) and entertainment (radio) in rural India. The proven durability and quality assurance of the Company's brand will continue to capitalize on this longstanding opportunity. Growth in the 'AA' segment will continue to be fuelled by proliferation of clocks, remote control devices and growth of newer devices like the new generation flashlights across both rural and urban India.

Besides, the introduction of high drain equipment (digital cameras and CD players) is expected to enhance the demand for more powerful rechargeable batteries. Batteries do not face any serious threat because they are items of recurring use, providing portable energy at an affordable cost. Alkaline batteries, popular in the West, also do not pose a threat because of price-sensitive nature of the Indian consumer leading to a mere 0.5 percent share of the market despite being present for over 14 years. Given the overall positive scenario, a tangible threat to battery consumption lies in making the product unaffordable to poorer segments of the economy,

The Dry Cell Battery industry is witnessing intense competition among the players and industries are undertaking various measures like productivity improvements, introduction of new products in the market, cost reduction activities, intensifying promotional activities, and improving sales in the rural markets etc., According to the industry pundits despite the difficulties faced by the batteries and flashlights businesses in the recent past, it is firmly believed that there has not been any change in the basic fundamentals of the market. The demand drivers and the potential offered by the presently low-consuming Indian market will continue to offer major potential for growth. Also, after the consumer's initial difficulty in adjusting to the new high cost regime, the battery market seems to be gradually coming back to the consumption levels determined by fundamental demand.

Input costs of have eased out as a result of which margins have expanded. While input costs may firm up during the current financial year as the overall economy recovers, it is not expected that these will do so in a very significant manner. Thus, no major threat to the margins is seen in the immediate future on this count.

As the economy starts its move to gradual improvement and the input costs are under control it is expected that the industry should do well in the current financial year.

SUPPLY SIDE OF TINPLATE :

Total tinplate consumption in India has increased from 300,000 tonnes to 460,000 tonnes in five years, but in terms of per capita consumption it is still low compared with global standards. Overall, domestic market meet about 45% of the total consumption for can manufacturing, while the remaining 55% is met through imports from Europe, Japan and other Asian countries. The economic downturn has not impacted much on the tinplate prices and in fact the prices have increased in the year 2009-10 from the level prevailing corresponding previous year primarily due to increase in the input costs.

It is expected sharp rise in steel prices during the current fiscal on the back of the economic recovery and strong performance by consumer industries like infrastructure and automobiles. Consequently, it is expected there will be rise in Tinplate prices also in the current fiscal year.

Till recently, packaging received little attention beyond being a storage, protection and transport function. However, of late, brand marketers have started using packaging as a differentiator, as a marketing strategy tool and a primary mechanism for branding. The changing role of packaging demands the suppliers to interact with its customers to understand their changing needs and the focus has shifted on matters that go beyond discussing input raw material prices.

Globally, tinplate has maintained its competitiveness with other packaging media through 'light-weighting'. Reductions in packaging and supply-chain costs have driven packaging weight reduction globally.



The demand for tinplate from the food packaging industry was steady but was met mostly through de-stocking from high inventory levels. As a result, fresh demand for tinplate was low from these markets. However, most South East Asian buyers were active and followed quarterly buying cycles

Tinplate undoubtedly enjoys the pride of place as a packaging medium especially for food. It enjoys functional superiority over other alternatives in packaging of edibles because of its better shelf appeal, product preservation, barrier properties and biodegradability. Product integrity and sustainability are the cornerstones of this industry.

Tinplate industry in India is continue to face threat by cheaper import as around 35% of the country's total tinplate demand today was being met by importing tinplate seconds & waste which are far cheaper.

SEGMENTWISE PERFORMANCE:

The Company products constitute metal packaging and hence there is no separate disclosure on segment reporting.

The performance of the Company is marginally better as compared to previous year due to slight decline in the battery jackets business owing to the rising input costs of battery manufacturers both domestically and overseas. However the marginal growth is witnessed in can business and the growth would have been better but for the temporary decline faced in general by Indian coffee and dairy producers coupled with stagnancy in sales to gherkin producers due to low yield of crops.

RISKS, OPPORTUNITIES , THEREATS AND CONCERNS:

SHETRON had a humble beginning, but with clear focus, to become a true value partner of global metal packaging sector by addressing its industry requirements with unique quality standards.

With this commitment and a well managed blend of knowledge, human assets and continuous quality improvement initiatives the company is on its way to become a leading metal packaging company in India.

The Company sees an exciting opportunity in global refining on the back of continuing strong demand for food processing products, supported by robust economic growth outlook for the industry. In this changed global environment newer challenges have become a rule rather than an exception. Be it critical issues like compliance, market share, product stability, longer product shelf life for the products it produces.

The fluctuations in the prices of tin plate in the international market and the shrinking margins, foreign currency fluctuations pose a constant threat to metal packaging. The Company continuously monitors and re-visits the risks associated with its business to minimize and mitigate their impact on its operations.

Significant contribution made by Shetron to the metal packaging sector through innovative solutions has helped the company to overcome the challenges thrown up by a rather competitive environment. Leading brands in food processing sector in India have benefited from the packaging solutions provided by SHETRON.

With packaging industry is poised for growth based on the food processed industry growth, the company is currently focused its efforts on to increase its existing capacity utilization, enhance capacities with main thrust in food can business both organically and in-organically and the strategies to expand its operations are under way.

Though the food processing industry is getting a lot of impetus and thrust from the government, the packaging industry is largely ignored. Despite being an integral part of the food processing sector, the government does not take packing into consideration, whether in terms of infrastructure development, special economic packages or subsidies. This industry is largely dependent upon steel prices and sees huge fluctuations on a day to day basis, facing a tough challenge when it comes to keeping the prices low.

When it comes to the end consumer, they will always have the option of moving to plastic, paper or glass, whereas, tin packaging, though offering advantages in terms of durability, stacking and printing options, gets affected by the price of raw material. For, however attractive and easy to stack a packaged food item may be, it is the price, which is the determinant when it comes to deciding on the package to be picked up. Using thinner gauge may not always be the best answer as there are factors of food safety and stability to be adhered to. It is volumes then that help keep the company keep ahead of its competitors.

**INTERNAL CONTROL SYSTEM AND ITS ADEQUACY:**

The Management Reporting System adopted by the Company, at different levels for different activities is considered adequate and enables to take corrective action by the management through regular review meetings. The Company's systems and processes are regularly reviewed by the Internal Auditors. The summary of the Internal Audit observations is submitted to the Audit Committee of the Board of Directors. The Committee regularly reviews the internal audit reports and corrective actions are initiated to further strengthen the control.

FINANCIAL AND OPERATIONAL PERFORMANCE:

Improving the efficiency, increasing the productivity, aggressive cost reduction measures together with efficient monitoring of working capital have been the key areas to improve the operational performance. The economic crisis which continued till second quarter of the financial year and the resultant credit crisis have put a severe liquidity strain which has affected the operational performance across the industries and the company. The financial performance has been dealt with in the Directors' Report.

HUMAN RESOURCES/INDUSTRIAL RELATIONS:

The Company maintains a constructive relationship with its employees by creating a positive work environment, with focus on improving productivity and efficiency. The Company has team of qualified and dedicated personnel who have contributed to the consolidation of the operations of the company. Constant training and development continue to be the focus for continually developing and honing the skill sets and competency levels of employees in the organization in line with the business standards. The Company firmly believes that well trained people and teams at every level provide the true competitive edge in its business and hence to invest resources in training. The Company has completed the Fifth year of TPM (Total Productive Management) programme to sensitize employees in different dimensions of culture, managing change and in house keeping. The Company endeavours to offer fair and reasonable compensation to its employees based on the market benchmarks.

CAUTIONARY STATEMENT:

Statements in this report describing the company's objectives, expectations or predictions may be forward looking within the meaning of applicable laws and regulations. The actual results may differ materially from those expressed in this statement. Important factors that could make a difference to the company's operations include economic conditions affecting demand/supply and price conditions in the domestic and international markets, changes in the Government regulations, tax laws and other statutes and other incidental factors. The Company assumes no responsibility to publicly amend, modify and revise any forward looking statements, on the basis of any subsequent development, information or events or otherwise.

**AUDITOR'S CERTIFICATE ON CORPORATE GOVERNANCE****To the Members of
SHETRON LIMITED**

1. We have examined the Compliance of Corporate Governance Report for the period ended 31st March 2010 as stipulated in clause 49 of the Listing Agreement of the said Company with the Stock Exchanges in India
2. The Compliance of conditions of Corporate Governance is the responsibility of the Management. Our examination was carried out in accordance with the Guidance Note on Certification of Corporate Governance (as stipulated in Clause 49 of the Listing Agreement), issued by the Institute of Chartered Accountants of India and was limited to procedures and implementation thereof adopted by the company for ensuring the compliance of the conditions of the Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the company.
3. In our opinion, to the best of our information and according to the explanation given to us, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in the above Listing Agreement.
5. We state that such Compliance is neither an assurance as to the future visibility of the Company nor the efficiency or effectiveness with which the Management has conducted the affairs of the Company.

For PAL & SHANBHOGUE
Chartered Accountants

Date : Bangalore
Place : 14th May, 2010

KR SHANBHOGUE
Partner
Membership No: 018578

**AUDITORS' REPORT****To****The Members of SHETRON LIMITED**

1. We have audited the attached Balance Sheet of M/s Shetron Limited, as at March 31, 2010, and also the Profit and Loss Account and the Cash Flow Statement of the Company for the year ended on that date, annexed thereto, signed by us under reference to this report. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audit.
2. We conducted our audit in accordance with auditing standards generally accepted in India. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by the management, as well as evaluating the over all financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.
3. As required by the Companies (Auditor's Report) Order, 2003 (as amended) (hereinafter referred to as "the Order") issued by the Central Government of India in terms of sub section (4A) of section 227 of the Companies Act, 1956, (hereinafter referred to as "the Act") we enclose in the Annexure a statement on the matters specified in paragraphs 4 & 5 of the said order.
4. Further to our comments in the Annexure referred to above, we report that:
 - a) we have obtained all the information and explanations, which, to the best of our knowledge and belief, were necessary for the purpose of our audit.
 - b) in our opinion, proper books of account, as required by law, have been kept by the Company so far as it appears from our examination of those books.
 - c) The Balance Sheet, Profit and Loss Account and Cash flow Statement dealt with by this report are in agreement with the books of account.
 - d) in our opinion, the Balance Sheet, Profit and Loss Account and Cash flow Statement dealt with by this report comply with the accounting standards referred to in sub-section (3C) of section 211 of the Act.
 - e) on the basis of written representations received from the directors, as at 31 March, 2010, and taken on record by the Board of Directors, we report that none of the directors is disqualified as on March 31, 2010 from being appointed as a director in terms of section 274 (1) (g) of the Act.
 - f) in our opinion and to the best of our information and according to the explanations given to us, the said accounts give the information required by the Act, in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India.
 - i. in the case of the Balance Sheet, of the state of the affairs of the company as at March 31, 2010;
 - ii. in the case of the Profit and Loss Account, of the profit for the year ended on that date;and
 - iii. in the case of the Cash Flow Statement, of the cash flows for the year ended on that date.

For PAL & SHANBHOGUE
Chartered Accountants
(Registration No. 2528 S)

Date : Bangalore
Place : 14th May, 2010

K R SHANBHOGUE
Partner
Membership No: 018578

**Annexure referred to in paragraph 3 of our report of even date**

1. (a) The Company has maintained proper records showing full particulars including quantitative details and situation of fixed assets.
(b) The Company has a programme for phased physical verification of all fixed assets which in our opinion, is reasonable having regard to the size of the company and the nature of its fixed assets. As informed, no material discrepancies were noticed on such verification.
(c) In our opinion, the Company has not disposed off substantial part of its fixed assets during the year and therefore going concern concept of the company is not affected.
2. (a) The management has conducted physical verification of inventory at reasonable intervals during the year and in our opinion the frequency of verification is reasonable.
(b) In our opinion, the procedures of physical verification of the inventories followed by the management are reasonable and adequate in relation to the size of the Company and the nature of its business.
(c) The company has maintained proper records of inventories. As explained to us, there were no material discrepancies noticed on the physical verification of inventories as compared to the book records.
3. (a) The company has not granted any loans, secured or unsecured, to the companies, firms or other parties listed in the register maintained under section 301 of the Act. Hence clauses (iii) (f) & (g) of the order are not applicable.
(b) The company has taken interest free unsecured loan of Rs.335 lacs from companies, firm or other parties covered in the register maintained under section 301 of the Act without any stipulation for repayment of the loan and interest.
4. In our opinion and according to the information given to us, there are adequate internal control procedures commensurate with the size of the Company and the nature of its business and for the purchases of inventory and fixed assets and for the sale of goods and services. During the course of our audit, we have not observed any continuing failure to correct major weaknesses in the internal control system.
5. In respect of the contracts or arrangements referred to in Section 301 of the companies Act, 1956,
(a) In our opinion and according to the information and explanation given to us, the transactions made in pursuance of contracts or arrangements, that need to be entered in the register maintained under Section 301 of the companies Act, 1956 have so been entered.
(b) In our opinion and according to the information and explanations given to us, the transactions made in pursuance of contracts/ arrangements entered in the register under Section 301 of the Companies Act, 1956 and exceeding the value of rupees five lakhs, in respect of any party during the year have been made at the prices which appear reasonable having regard to the prevailing market prices at relevant time.
6. The company has not accepted any deposits from the public, within the meaning of sections 58A and 58AA or any other relevant provisions of the Act, and the companies (Acceptance of Deposits) Rules, 1975.
7. In our opinion, the Company has an internal audit system commensurate with its size and nature of its business.
8. According to the information and explanations given to us, the Central Government has not prescribed maintenance of cost records under clause (d) of sub section (1) of section 209 of the Act, for the Company.
9. In respect of statutory dues:
(a) The company is generally regular in depositing with appropriate authorities undisputed statutory dues including provident fund, (investor education and protection fund) Employees' State insurance, Income Tax, Sales Tax, Wealth Tax, Service Tax, Custom Duty, cess and other material statutory dues applicable to it.
(b) According to the information and explanation given to us, no undisputed amounts payable in respect of income tax, wealth tax, service tax, sales tax, customs duty, excise duty, and cess were in arrears, as at 31 March, 2010 for a period of more than six months from the date they became payable.
(c) The disputed dues aggregating that have not been deposited on account of disputed matters pending before the appropriate authorities are as under:



Sl.No	Nature of The statute	Nature of the Dues	Amount (Rs. In lacs)	Period to which the amount relates	Forum where dispute is pending
1.	Income Tax Act, 1961	Demand by assessing Officer	140.00	A.Y. 2006-07	CIT Appeals

10. The Company has no accumulated losses at the end of the financial year and it has not incurred cash losses in the current and immediately preceding financial year.
11. According to the information and explanations provided to us, the company has not defaulted in repayment of dues to any financial institution or bank as at the balance sheet date. The company has not issued any debentures during the year.
12. In our opinion and according to the explanations given to us and based on the information available, no loans and advances have been granted by the company on the basis of security by way of pledge of shares, debentures and other securities.
13. In our opinion and according to the information and explanations given to us, the company is not a chit fund or a nidhi/mutual benefit fund/society. Accordingly, provisions of clause 4(xiii) of the order are not applicable to the company.
14. In our opinion and according to the information and explanations given to us the company is not dealing in shares, securities, debentures and other investments. Accordingly, the provisions of clause 4 (xiv) of the Order are not applicable to the Company.
15. The company has given guarantees for the loans taken by others from the Banks and financial institutions. In our opinion and according to the information and explanation given to us, the terms and conditions thereof are not prima facie prejudicial to the interest of the company.
16. The company has raised new term loans during the year. The term loans outstanding at the beginning of the year and those raised during the year have been applied for the purpose for which they are raised.
17. According to the information and explanations given to us and on an overall examination of the financial statements of the Company, we report that no funds raised on short term basis have been used for long term investments.
18. According to the information and explanations given to us the Company has not made preferential allotment of shares to parties and companies covered in the register maintained under section 301 of the Act.
19. According to the information and explanations given to us the Company has not issued any debentures during the period covered by our report. Accordingly, the provisions of clause (xix) of the order are not applicable to the company.
20. The Company has not raised any money by way of public issues during the year.
21. According to the informations and explanations given to us and the best of our knowledge and belief, no fraud on or by the Company has been noticed or reported during the course of our audit.

For PAL & SHANBHOGUE
Chartered Accountants
(Registration No. 2528 S)

Date : Bangalore
Place :14th May, 2010

K R SHANBHOGUE
Partner
Membership No: 018578



BALANCE SHEET AS AT 31ST MARCH 2010

Particulars	Schedules	As at 31.03.2010		As at 31.03.2009	
		Rs.	Rs.	Rs.	Rs.
I SOURCES OF FUNDS :					
1 SHAREHOLDER'S FUNDS	1				
a. Share Capital		89,998,000		89,998,000	
b. Reserves and Surplus		387,206,671		398,032,766	
			477,204,671		488,030,766
2 LOAN FUNDS	2				
a. Secured Loans		733,891,251		638,451,068	
b. Unsecured Loans		46,830,775		26,683,814	
			780,722,026		665,134,882
3 DEFFERED TAX LIABILITY			99,369,788		96,599,788
TOTAL			1,357,296,485		1,249,765,436
II APPLICATION OF FUNDS					
1 FIXED ASSETS	3				
a. Gross Block		1,209,887,542		1,132,075,291	
b. Less Depreciation		525,707,645		478,487,734	
c. Net Block		684,179,897		653,587,557	
d. Capital Work in progress		70,016,596		92,277,088	
			754,196,493		745,864,645
2 INVESTMENTS	4		10,550,000		9,950,000
3 CURRENT ASSETS, LOANS & ADVANCES	5				
a. Inventories		260,509,137		241,235,955	
b. Sundry Debtors		274,637,237		218,436,564	
c. Cash and Bank Balances		41,503,260		44,990,601	
d. Loans and Advances		159,220,257		123,099,256	
e. Taxes paid in advance		58,821,402		44,677,116	
			794,691,293		672,439,492
LESS : CURRENT LIABILITIES & PROVISIONS	6				
a. Current Liabilities		153,084,533		155,387,075	
b. Provisions		51,667,621		48,267,904	
			204,752,154		203,654,979
NET CURRENT ASSETS			589,939,139		468,784,513
4 Preliminary expenses to the extent not written off			2,610,853		25,166,278
TOTAL			1,357,296,485		1,249,765,436
NOTES ON ACCOUNTS AND ACCOUNTING POLICIES	11				

As per our report of even date
For **PAL & SHANBHOGUE**

Place : Bangalore
Date : 14th May, 2010

DIWAKAR S.SHETTY
Chairman

KARTIK NAYAK
Managing Director

B.K. SHETTY
Company Secretary

Chartered Accountants
K.R. SHANBHOGUE
Partner
Membership No : 018578


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

Particulars	Schedules	Year Ended 31.03.2010		Year Ended 31.03.2009	
		Rs.	Rs.	Rs.	Rs.
I INCOME					
Sales	7	1,117,380,646		1,272,877,471	
Less Excise Duty		49,380,511	1,068,000,135	81,806,490	1,191,070,981
Other Income	8		34,298,684		32,213,156
			1,102,298,819		1,223,284,137
II EXPENDITURE					
Manufacturing & Other Expenses	9		915,391,177		1,043,796,692
Profit before Interest, Depreciation & Tax			186,907,642		179,487,445
Less: Interest	10		109,402,068		98,964,919
Profit before Depreciation & Tax			77,505,574		80,522,526
Less: Depreciation			62,411,669		60,426,944
Profit before Tax			15,093,905		20,095,582
Less : Provision for Taxation					
- Current			1,900,000		6,500,000
- Deferred Tax Liability			2,770,000		446,509
- Fringe Benefit Tax			-		664,987
Profit after Tax for the year			10,423,905		12,484,086
Add - Transfer from / (to) Debenture Redemption Reserve			66,500,000		(9,500,000)
Less - Preliminary Expenses on issue of Debenturees written off			(21,250,000)		-
Less - Transfer to General Reserve			-		(1,300,000)
Balance Profit after appropriations			55,673,905		1,684,086
Balance brought forward from previous year			98,433,846		96,749,760
Balance Carried to Schedule I			154,107,751		98,433,846
Earnings per Share (EPS)					
No of Equity shares (face value of Rs.10 each)			8,999,800		8,999,800
Basic/Diluted EPS			1.16		1.39
NOTES ON ACCOUNTS AND ACCOUNTING POLICIES	11				

As per our report of even date
For PAL & SHANBHOGUE

Place : Bangalore
Date : 14th May, 2010

DIWAKAR S.SHETTY
Chairman

KARTIK NAYAK
Managing Director

B.K. SHETTY
Company Secretary

Chartered Accountants
K.R. SHANBHOGUE
Partner
Membership No : 018578



SCHEDULES FORMING PART OF ACCOUNTS

Particulars	As at 31.03.2010		As at 31.03.2009	
	Rs.	Rs.	Rs.	Rs.
1. SHAREHOLDER'S FUNDS				
a) SHARE CAPITAL :				
Authorised 25,000,000 Equity Shares of Rs. 10/- each (PY 25,000,000 Equity Shares of Rs. 10 Each)		250,000,000		250,000,000
Issued: 9,003,300 Equity Shares of Rs. 10/- each		90,033,000		90,033,000
		90,033,000		90,033,000
Subscribed and Paid up: 9,003,300 Equity Shares of Rs. 10/- each fully paid up		89,988,000		89,988,000
Less : Calls in Arrears		(12,500)		(12,500)
Add : Forfeited Equity Shares 4,500		22,500		22,500
		89,998,000		89,998,000
b) RESERVES AND SURPLUS :				
Capital Subsidy Reserve		1,500,000		1,500,000
Share Premium		211,143,920		211,143,920
General Reserve		20,455,000		20,455,000
Debenture Redemption Reserve	66,500,000		66,500,000	
Less : Transferred to Profit and Loss appropriation Account	66,500,000	-	-	66,500,000
Profit & Loss Account		154,107,751		98,433,846
		387,206,671		398,032,766
2. LOAN FUNDS				
SECURED LOANS:				
a) Term Loans :				
9% Secured Redeemable Debentures		-		209,000,000
Term Loans from Banks		487,151,903		147,234,359
b) Hire Purchase Scheme		619,553		2,240,056
c) Working Capital Loans from Banks:		246,119,795		279,976,653
		733,891,251		638,451,068
UNSECURED LOANS:				
Sales Tax Deferral		13,330,775		13,183,814
Others		33,500,000		13,500,000
		46,830,775		26,683,814
4. INVESTMENTS				
(Unquoted and valued at cost)				
995,000 Equity Shares in Shetron Metropak Pvt Ltd of Rs. 10/- each		9,950,000		9,950,000
20,000 Equity Shares in Kalyan Janatha Sahakari Bank Ltd of Rs. 25/- each		500,000		-
1,000 Equity Shares in Cosmos Co-Operative Bank Ltd of Rs. 100/- each		100,000		-
		10,550,000		9,950,000



NOTES:

Secured Loans:

1. The Term Loans are secured by First Charge by way of Equitable Mortgage on the Company's immovable property situated at Bangalore and first charge on the Plant & Machinery of the Company.
2. The Working Capital Credit Facilities are under Multiple Banking Arrangement and are secured by First parri passu charge on the Hypothecation of Stocks, Book Debts and other Current Assets and Second Parri Passu Charge on the Fixed Assets (including extension of Equitable Mortgage on the immovable properties) of the Company.
3. During the year the company has fully redeemed the Debentures subscribed by Citicorp Finance India Ltd., paid the outstanding term loan dues to Bank of India, Yes Bank Ltd, The Hong Kong and Shanghai Banking Corporation Ltd and others by availing Term Loan from Cosmos Co-operative Bank Ltd.
4. Loans from the Hire Purchase Scheme are secured by hypothecation of Vehicles acquired under the Scheme.



SCHEDULES FORMING PART OF THE ACCOUNTS
3. FIXED ASSETS (AT COST)

Particulars	GROSS BLOCK AT COST			DEPRECIATION			NET BLOCK		
	As at 01.04.2009 Rs.	Additions Rs.	Deductions Rs.	As at 31.03.2010 Rs.	As at 01.04.2009 Rs.	for the Year Rs.	Deductions Rs.	As at 31.03.2010 Rs.	As at 31.03.2009 Rs.
Freehold Land & Development	8,091,172	-	-	8,091,172	-	-	-	8,091,172	8,091,172
Buildings	205,680,564	3,216,351	-	208,896,915	51,136,998	6,830,920	-	150,928,997	154,543,566
Plant & Machinery	892,563,684	89,313,980	15,191,849	966,685,815	414,927,124	53,436,517	15,191,758	513,513,932	477,636,560
Furniture, Fixture & Equipments	16,260,799	473,769	-	16,734,568	9,757,539	1,243,720	-	5,733,309	6,503,260
Vehicles*	9,479,072	-	-	9,479,072	2,666,073	900,512	-	5,912,487	6,812,999
TOTAL	1,132,075,291	93,004,100	15,191,849	1,209,887,542	478,487,734	62,411,669	15,191,758	684,179,897	653,587,557
								70,016,596	92,277,088
								754,196,493	745,864,645

Capital Work in Progress (Include Capital advances)

* Include vehicles purchased under H.P. scheme amounting to Rs. 5,284,885 (PY Rs. 6,394,318)



SCHEDULES FORMING PART OF ACCOUNTS

Particulars	As at 31.03.2010		As at 31.03.2009	
	Rs.	Rs.	Rs.	Rs.
5. CURRENT ASSETS, LOANS AND ADVANCES				
a) Inventories as taken, valued and certified by Management				
Stores and Spares at Cost	12,829,044		11,057,256	
Raw-Materials at cost (Including Goods in Transit)	176,751,388		163,653,133	
Work-in-progress at cost	67,162,904		63,469,571	
Finished Goods at lower of Cost and net realisable value	3,765,801		3,055,995	
		260,509,137		241,235,955
b) Sundry Debtors				
Unsecured and considered good:				
Debts outstanding for a period exceeding six months	15,778,082		13,037,957	
Other debts	258,859,155		205,398,607	
		274,637,237		218,436,564
c) Cash & Bank Balance				
Cash on hand	87,355		199,470	
With scheduled banks;				
Current Accounts	10,273,049		4,297,252	
Term Deposits	31,142,856		40,493,879	
		41,503,260		44,990,601
d) Loans and Advances				
Unsecured and considered good:				
Advances recoverable in cash or in kind or for for Supply of Materials & Services	144,984,596		117,278,333	
Deposits	3,119,412		3,141,412	
Other Receivables	11,116,249		2,679,511	
		159,220,257		123,099,256
e) Taxes paid in advance				
Advance Payment Tax		58,821,402		44,677,116
		794,691,293		672,439,492
6 CURRENT LIABILITIES AND PROVISIONS				
a) Current Liabilities:				
Sundry Creditors	132,712,587		140,054,362	
Other Liabilities	15,282,098		15,332,713	
Interest Accrued and due	5,089,848		-	
		153,084,533		155,387,075
b) Provisions:				
For Taxation	43,425,000		41,525,000	
For Grutuity and other employee benefits	7,973,962		6,498,204	
For Excise duty /Custom duty	268,659		244,700	
		51,667,621		48,267,904
		204,752,154		203,654,979
PRELIMINARY EXPENSES :				
Preliminary Expenses on Issue of Debentures	-		21,250,000	
Preliminary Expenses on Project	2,610,853		3,916,278	
		2,610,853		25,166,278
		2,610,853		25,166,278



SCHEDULES FORMING PART OF ACCOUNTS

Particulars	As at 31.03.2010		As at 31.03.2009	
	Rs.	Rs.	Rs.	Rs.
7 SALES : Battery Cell Jackets / Battery Cell Components and Metal Cans including Food Cans		1,117,380,646		1,272,877,471
8 OTHER INCOME				
Job Work	1,916,820		-	
Scrap Sales	24,655,469		24,281,845	
Interest	1,793,841		2,500,562	
Miscellaneous Income	5,932,554		5,430,749	
		34,298,684		32,213,156
9 MANUFACTURING AND OTHER EXPENSES				
a) Consumption of Raw Materials (Schedule 9.1)		711,241,464		824,275,786
b) Consumption of Stores & Spares Parts		10,620,121		13,040,758
c) Expenditure on Employees:				
1) Salaries, Wages and Bonus including provision for leave encashment	62,873,951		59,976,923	
2) Contribution to Provident & Other funds	2,650,367		2,657,127	
3) Gratuity	1,342,613		737,339	
4) Welfare expenses	4,675,459		5,160,903	
		71,542,389		68,532,292
d) Sitting Fee to Directors		195,000		230,000
e) Operating and Other Expenses				
1) Power & Fuel	24,692,612		24,827,721	
2) Rent	2,784,011		2,950,670	
3) Repairs to Building	546,269		593,023	
4) Repairs to Machinery	3,150,163		5,160,330	
5) Repairs to Vehicles	348,643		395,803	
6) Repairs to Furniture & other equipments	780,583		530,417	
7) Insurance	789,231		941,416	
8) Rates and Taxes	2,382,955		2,337,247	
9) Other Expenses (Sch.9.2)	29,730,909		39,482,447	
10) Carriage inwards	16,635,623		8,622,445	
11) Packing & Forwarding	22,604,856		19,984,228	
12) Bank Charges	12,912,875		16,430,106	
13) Business Promotion Expenses	8,812,652		7,804,437	
		126,171,383		130,060,290
		919,770,357		1,036,139,125
(Increase)/Decrease in stock(Sch.9.3)		(4,379,180)		7,657,567
		915,391,177		1,043,796,692



SCHEDULES FORMING PART OF ACCOUNTS

Particulars	As at 31.03.2010		As at 31.03.2009	
	Rs.	Rs.	Rs.	Rs.
9.1 CONSUMPTION OF RAW-MATERIALS				
Opening Stock		163,653,133		263,569,297
Purchases		724,339,719		724,359,622
		887,992,852		987,928,919
Less Closing Stock		176,751,388		163,653,133
		711,241,464		824,275,786
9.2 OTHER EXPENSES INCLUDE				
Remuneration to Auditors				
Audit Fee	450,000		450,000	
Tax Audit Fee	50,000		50,000	
for Certification and other matters	100,000		140,000	
		600,000		640,000
9.3 INCREASE IN STOCKS				
Opening Stock				
Work-in-progress		63,469,571		69,135,473
Finished Goods	37 MT	2,811,295	71 MT	4,802,960
		66,280,866		73,938,433
Closing Stock				
Work-in-progress		67,162,904		63,469,571
Finished Goods	40 MT	3,497,142	37 MT	2,811,295
		70,660,046		66,280,866
(Increase)/Decrease		(4,379,180)		7,657,567
10 INTEREST				
On Fixed Loans:				
Debentures	14,186,914		24,617,342	
Other Term Loans	31,569,982		16,645,134	
	45,756,896		41,262,476	
On other accounts	63,645,172		57,702,443	
		109,402,068		98,964,919
		109,402,068		98,964,919



11. NOTES TO ACCOUNTS AND ACCOUNTING POLICIES FOR THE YEAR ENDED 31ST MARCH 2010

	As at 31.03.2010 Rs. In lacs	As at 31.03.2009 Rs. In lacs
1. Contingent Liabilities		
i. Letters of Credit established	2,381.00	2,324.98
ii. Inland Bills/LC's Discounting outstanding and guarantees given by bank on behalf of the Co..	30.05	0.05
iii. Guarantees given by the company in favour of Collector of Customs and other Company	950.00	550.00
iv. Future lease rentals payable	6.83	24.91
v. Income Tax department has raised demand for the assessment year 2006-07 The Company has preferred an appeal against the order. The matter is pending before the appellate authority.	250.00	250.00
2. Estimated amount of contracts remaining to be executed on capital account net of advance and not provided for.	2,949.00	2,996.72
3. The Company is availing export benefit under Advance License and DEPB Schemes.		
4 Disclosure as required under Accounting Standard (AS) 15 of the Companies (Accounting Standards) Rules 2006		
	As at 31.3.2010 Group Gratuity Scheme Rs.	As at 31.3.2009 Group Gratuity Scheme Rs.
i) Changes in present value of obligations		
Present value of obligations as at beginning of year	5,017,310	4,602,920
Interest cost	401,375	368,234
Current Service Cost	484,892	480,305
Benefits Paid	251,564	368,503
Actuarial gain on obligations	(115,536)	65,646
Present value of obligations as at end of year	5,767,549	5,017,310
Changes in the fair value of plan assets		
Fair value of plan assets at beginning of year	438,634	539,658
Expected return on plan assets	61,428	45,592
Contributions	799,991	221,887
Benefits paid	251,564	368,503
Actuarial Gain / (Loss) on Plan assets	NIL	NIL
Fair value of plan assets at the end of year	1,048,489	438,634
Fair value of plan assets		
Fair value of plan assets at beginning of year	438,634	539,658
Actual return on plan assets	61,428	45,592
Contributions	799,991	221,887
Benefits Paid	251,564	368,503
Fair value of plan assets at the end of year	1,048,489	438,634
Funded status	4,719,060	4,578,676
Excess of Actual over estimated return on plan assets	Nil	Nil
Actuarial Gain/Loss recognized		
Actuarial gain for the year -Obligation	(115,536)	65,646
Actuarial (gain)/Loss for the year - plan assets	Nil	NIL
Total gain for the year	(115,536)	65,646
Actuarial gain recognized in the year	(115,536)	65,646



<p>4 Disclosure as required under Accounting Standard (AS) 15 of the Companies (Accounting Standards) Rules 2006</p>	<p>As at 31.03.2010 Group Gratuity Scheme Rs.</p>	<p>As at 31.03.2009 Group Gratuity Scheme Rs.</p>		
<p>The amounts to be recognized in the balance sheet and statements of profit and loss:</p> <p>Present value of obligations as at the end of year Fair value of plan assets as at the end of the year Funded status Net asset recognized in balance sheet Expenses Recognised in statement of Profit & loss Current Service cost Interest Cost Expected return on plan assets Net Actuarial gain recognised in the year Expenses recognised in statement of Profit & loss</p> <p>Acturial Assumptions</p> <p>Discount Rate Salary Increase</p>			<p>5,767,549 1,048,489 4,719,060 4,719,060 484,892 401,375 61,428 (115,536) 940,375</p> <p>8% 7%</p>	<p>5,017,310 438,634 4,578,676 4,578,676 480,305 368,234 45,592 65,646 737,301</p> <p>8% 7%</p>
<p>5. Additional information pursuant to the provisions of paragraph 3 and 4 of Part II of Schedule VI of the Companies Act, 1956</p> <p>PRODUCTION / TURNOVER</p> <p>a. Class of Goods</p> <p>1. Metal Containers including Food Cans and Dry Cells - Current Year (Jackets and Components including printed / lacquered sheets)* - Previous year</p> <p>* as certified by the Management and not verified by Auditors being technical matter.</p>	<p>Installed Capacity</p>	<p>Production</p>	<p>Sales</p>	
<p>b. Consumption of Raw materials</p> <p>Tinplates Inks, Sizing Materials etc</p> <p style="text-align: right;">Total</p> <p>Value of Raw Materials, Spare parts and components consumed</p> <p>Imported Indigeneous</p> <p style="text-align: right;">Total</p>	<p>Qty(in M.T.)</p> <p>10,810</p>	<p>Year Ended 31.03.2010 Rs.</p> <p>625,868,925 85,372,539 711,241,464</p> <p>248,622,472 473,239,113 721,861,585</p>	<p>Qty (in M.T.)</p> <p>14,093</p>	<p>Year Ended 31.03.2009 Rs.</p> <p>749,271,829 75,003,957 824,275,786</p> <p>544,890,288 292,426,256 837,316,544</p>



	Year Ended 31.03.2010 Rs.	Year Ended 31.03.2009 Rs.		
c. Value of direct imports calculated on C.I.F. basis during the year				
Raw Materials	131,185,816	395,067,807		
Components, Spare parts & Stores	18,923,515	4,343,552		
Capital goods	85,356,300	13,339,056		
d. Expenditure in Foreign currency during the financial year on account of Travel / Claims/ Agency Commission	556,038	704,927		
e. i. The amount remitted during the year in foreign currencies on account of Dividend	Nil	Nil		
ii. No. of non resident shareholders	144	151		
iii. No. of shares held by them	74,536	175,269		
f. Earnings in Foreign Exchange				
F.O.B. Value of Exports	180,672,646	130,962,702		
Commission Received	540,298	-		
g. Remuneration to Managing Director & Whole Time Director (Minimum)				
Salaries and Allowances	6,600,000	5,875,000		
Contribution to Provident and other Funds	468,000	468,000		
Total Remuneration Paid	7,068,000	6,343,000		
6	The Company has imported certain Plant & Machinery earlier year under EPCG scheme. The licensing authority has fixed the export obligation of Rs.2667.93 lacs, to be completed over a period of 8 years.			
7	Sundry Debtors, Loans & Advances, Sundry Creditors and Deposits are subject to confirmation. The Capital work in progress includes Euro 450,000 paid as advance to an overseas supplier for import of machinery. The Management is taking necessary steps to expedite execution of the supply of the machinery.			
8	Sundry Creditors include a sum of Rs.88.97 lacs due to SMEs, to the extent such parties have been identified from available information. The amount outstanding for more than 30 days as on 31.03.2010 is Rs. 68.87 Lacs.			
9	Shetron Metropak Private Ltd, a JV Company, wherein the Company has invested 50% of equity has reported loss resulting in erosion of equity. However the management is of the view the promoters of the JV company are taking effective steps to recoup the losses and therefore no provision need to be made towards the diminution in the value of investment.			
10	Deferred Tax			
	Tax provision has been made in accordance with the requirements under the Accounting Standard 22 "Accounting for Taxes on Income" and accordingly, the Deferred Tax Liability and Deferred Tax Asset has been restated as at March 31, 2010			
11	(Rs. in Lacs)			
	Details of Deferred Tax Calculation for the year ending 31.03.2010			
	Deferred Tax (Asset)/Liability as on 01.04.2009	Current Year Charge/Credit	Deferred Tax (Asset)/Liability as on 31.03.2010	
a.	895.13	31.73	926.86	
b.	70.86	(4.03)	66.83	
TOTAL	965.99	27.70	993.69	
12	Fixed assets include the following assets acquired under hire Purchase (in the nature of finance lease).	WDV AS at 31st March, 2010	Minimum Lease payments (FMLP) as at 31st March 2010	Net Present Value of MLP
		Rs.	Rs.	Rs.
	Vehicles	4,356,501	682,594	2,136,417



The total future minimum lease rentals payable (FMPL) and their net present values (NPV) for these assets as at March 31, 2010 are given below

Sl.No	Vehicles	FMPL in Rs.	NPV in Rs.
1.	Not later than one year	352,234	1,536,716
2.	Later than one year but less than five years	330,360	599,701
3.	Later than five years	Nil	Nil

13. Related Party Disclosure

I Controlling Companies Nil

II List of Related Parties

Sl.No.	Name of the Party	Relationship
1	Fibre Foils Ltd.	Associate
2	Sansha Systems Ltd.	Associate
3	Shetron Enterprises Pvt. Ltd	Associate
4	Fibre Shells Ltd.	Associate
5	Shetron Metropak Pvt Ltd	Associate
6	Bunts Property Pvt Ltd	Associate

III Transaction with related parties

Nature of Transaction entered into during the year	(Rs. in lacs) Amount
Sales	597.90
Commission Received	1.58
Purchase	25.42
Rent paid	30.00
Unsecured Loan	200.00
Shared Services Received	41.03
Status of outstanding Balances	
Amount Due from As on 31.03.2010	523.20
Amount Due to As on 31.03.2010	139.99

No amount pertaining to the related party has been written off or written back during the year

14 Segment Disclosure

The primary Segment based on the business segment. The secondary segment is based on the geographical location of the customers.

a. Primary Segment Information

The company's line of business is "Metal Packaging" which constitutes a segment in itself. Hence no separate disclosure is reported

b. Secondary segment information

Geographical Segment	(Rs. in Lacs) Revenues
India	9,649.89
Asia	628.31
Europe	34.89
America	183.02
Africa	1,020.68
Total	11,516.79



15. Figures for the previous year have been regrouped wherever necessary to confirm to the classification for the current year.

16. Significant Accounting Policies

1. Basis for preparation of financial statements

The financial statements are prepared in accordance with the accounting principles generally accepted in India and comply with the Accounting Standards specified by the Institute of Chartered Accountants of India under Section 211(3C) of the Companies Act

2. Method of Accounting

The company is following accrual basis of accounting.

3. Fixed Assets & Depreciation

Fixed Assets are stated at cost inclusive of finance charges on borrowed funds attributable to acquisition of Fixed Assets for the period upto the date of commencement of commercial production. Assets acquired under Hire Purchase Scheme are capitalised with the value of assets and finance charges are accounted as and when paid. Depreciation on fixed assets are charged on Straight line method at rates specified in Schedule XIV of the Companies Act 1956.

4. Borrowing Cost

Borrowing cost incurred for the acquisition of qualifying assets are recognised as part of cost of such assets when it is probable that they will result in future economic benefits to the company, while other borrowing cost are expensed.

5. Investments

Investments are stated at cost and are long term in nature. Diminution in the value of investments are provided for, if, such diminution is permanent.

6. Inventories

Inventories are valued as follows:

- a. Stores and Spares at cost on FIFO method of valuation
- b. Raw Materials at cost on FIFO method of valuation
- c. Work in progress at cost*
- d. Finished Goods at cost*/ net realisable value whichever is less

*Cost includes material, direct labour and other applicable overheads and excise duty in respect of finished goods.

7. Transactions in Foreign Currency

Transactions in Foreign Currency are stated at rates prevailing on the transaction date. Monetary items like receivables/ payables in foreign currencies are stated at exchange rates prevailing as at the Balance Sheet date and the gain/loss arising therefrom are charged to the Profit & Loss Account.

8. Deferred Revenue Expenditure

Debenture issue/Pre-operative expenses are amortised over a period of 5 years. However during the year, the balance unamortised amount of Debenture issue expenses was transferred to Profit and Loss appropriation account due to full redemption of Debentures.

9. Income

- a. Sale of Goods : Sale of Finished goods are net of returns and price variation, if any.
- b. Sale of Scrap : The scrap is accounted in the books on the basis of actual sales. The unsold scrap is not valued.

10. Retirement Benefits

Liability towards Gratuity to employees is funded through a scheme administered by Life Insurance Corporation of India and the contributions made to the fund are absorbed in the accounts. The contributions to the Provident fund and other defined contributions schemes are absorbed in the accounts. Liability towards Leave Salary Benefits is determined on the basis of actual cost to the company.

Signatures to Schedule 1 to 11

Place : Bangalore
Date : 14th May, 2010

DIWAKAR S.SHETTY
Chairman

KARTIK NAYAK
Managing Director

B.K. SHETTY
Company Secretary

For PAL & SHANBHOGUE

Chartered Accountants
K.R. SHANBHOGUE
Partner
Membership No : 018578



BALANCE SHEET ABSTRACT AND COMPANY'S GENERAL BUSINESS PROFILE

I. REGISTRATION DETAILS

Registration No. L21014KA1980PLC003842

State Code: 8

II. CAPITAL RAISED DURING THE YEAR 31st March 2010**(Rs. in Lacs)**

Public Issue	Nil
Bonus Issue	Nil
Rights Issue	Nil
Private Placement	Nil

III. POSITION OF MOBILISATION AND DEPLOYMENT OF FUNDS**SOURCES OF FUNDS :**

Paid-up Capital	899.98
Reserves & Surplus	3,872.06
Secured Loans	7,338.91
Unsecured Loans	468.31
Deferred Tax Liability	993.70

TOTAL**13,572.96****APPLICATION OF FUNDS :**

Net Fixed Assets	7,541.96
Net Current Assets	5,899.39
Investments	105.50
Preliminary expenses	26.11

TOTAL**13,572.96****IV. PERFORMANCE OF COMPANY**

Total Income	11,022.99
Total Expenditure	10,872.05
(Loss) / Profit before tax	150.94
(Loss) / Profit after tax	104.24
Earning per Share in Rs.	1.16
Dividend rate %	-

V. GENERIC NAMES OF THREE PRINCIPAL PRODUCT / SERVICES OF COMPANY (As per monetary terms)

Item Code No. (ITC Code)	7,212.30
Product Description	Printed/Lacquered Tin Coated Sheet
Item Code No. (ITC Code)	8,506.00
Product Description	Dry Battery Cell Jackets & Components
Item Code No. (ITC Code)	7,310.00
Product Description	Metal Containers

Place : Bangalore
Date : 14th May, 2010**DIWAKAR S.SHETTY**
Chairman**KARTIK NAYAK**
Managing Director**B.K. SHETTY**
Company Secretary



CASH FLOW STATEMENT FOR THE YEAR ENDED 31.03.2010

Particulars	31.03.2010		31.03.2009	
	Rs. in Lacs		Rs. in Lacs	
A. CASH FLOW FROM OPERATING ACTIVITIES:				
NET PROFIT BEFORE TAX	151		201	
Adjustments for:				
Depreciation	624		604	
Discount on issue of Debentures / Preliminary Exp W/off	13		126	
Interest	1,094		990	
(Profit)/Loss on sale of Fixed Assets	(6)		(1)	
Operating Profit before Working Capital changes	1,876		1,919	
Adjustments for:				
Trade and Other receivables	(562)		(624)	
Inventories	(193)		1,126	
Trade Payables	(8)		(469)	
Loans and Advances	(361)		(72)	
Cash Generated from Operations	752		1,879	
Interest Paid	(1,094)		(990)	
Direct Taxes Paid	(141)		(195)	
Dividend Paid	-		(211)	
CASH FLOW BEFORE EXTRAORDINARY ITEMS	(483)		484	
NET CASH FROM OPERATING ACTIVITIES		(483)		484
B. CASH FLOW FROM INVESTING ACTIVITIES:				
Purchase of Fixed Assets (including Capital Advances)	(708)		(972)	
Sale of Fixed Assets	6		37	
Purchase of Investments	(6)		-	
		(708)		(935)
C. CASH FLOW FROM FINANCING ACTIVITIES:				
Change in Long Term Borrowings	1,156		472	
NET CASH USED IN FINANCING ACTIVITIES		1,156		472
NET INCREASE IN CASH AND CASH EQUIVALENTS		(35)		21
CASH AND CASH EQUIVALENTS AS AT (CLOSING BALANCE)	415		450	
CASH AND CASH EQUIVALENTS AS AT (OPENING BALANCE)	450	(35)	429	21

As per our report of even date
For **PAL & SHANBHOGUE**

Place : Bangalore
Date : 14th May, 2010

DIWAKAR S.SHETTY
Chairman

KARTIK NAYAK
Managing Director

B.K. SHETTY
Company Secretary

Chartered Accountants
K.R. SHANBHOGUE
Partner
Membership No : 018578

To
The Board of Directors
Shetron Limited,
Bangalore-560 099

AUDITORS CERTIFICATE

We have examined the attached Cash Flow Statement of Shetron Limited for the year ended 31st March 2010. The statement has been prepared by the Company in accordance with the requirements of Clause 32 of the listing agreement with the Mumbai Stock Exchange and is based on and in agreement with the corresponding Profit and Loss Account and Balance Sheet of the Company covered by our report of even date attached to the members of the Company.

For **PAL & SHANBHOGUE**
Chartered Accountant
K.R. SHANBHOGUE
Partner
Membership No : 018578

Place : Bangalore
Date : 14th May, 2010

SHETRON LIMITED

Plot No.1, Bommasandra Industrial Area, Hosur Road, Bangalore - 560 099

PROXY

I / We _____
of _____
being a Member/Members of Shetron Limited, hereby appoint _____
Sri/Smt _____
or failing him/her _____
of _____
as my/our proxy to vote for me/us on my/our behalf at the **THIRTIETH ANNUAL GENERAL MEETING** of the Company to be held
on Saturday, the 25th September 2010, at Mallige Hall, Koramangala Club, 6th Cross, CA 17, 6th Block, Bangalore – 560 095
at 11 A.M

As Witness my/our hand/hands this _____ day of _____ 2010
Signed by the said _____ in the presence of _____

For office use only:	
Proxy No.	
Folio No.	
No. of Shares	

Affix
Revenue
Stamp

NOTE: The Proxy and the Power of Attorney (if any) under which it is signed or a notarially certified copy of that power must be deposited at the Registered Office of the Company at Plot No.1, Bommasandra Industrial Area, Hosur road, Bangalore - 560 099. not less than 48 hours before the meeting.

----- Please tear here -----

SHETRON LIMITED

Plot No.1, Bommasandra Industrial Area, Hosur Road, Bangalore - 560 099

ATTENDANCE SLIP

This Attendance Slip Duly filled in is to be handed over at the entrance of the Meeting Hall

Name of the Attending Member _____
(In Block Letters)
Members Folio Number _____
Number of Shares held _____
Name of Proxy _____
(In Block Letters to be filled in if the Proxy attends instead of the member)

I hereby record my presence at the **THIRTIETH ANNUAL GENERAL MEETING** of the Company to be held on **Saturday, the 25th September 2010**, at Mallige Hall, Koramangala Club, 6th Cross, CA 17, 6th Block, Bangalore – 560 095 at 11A.M

Member's / Proxy's name in Block letters

Signature of the Member / Proxy

Note : To be signed at the time of handing over this slip.