




Shetron Limited
THE NAME BEHIND THE NAMES

FORM A

Format of covering letter of the annual audit report to be filed with the Stock Exchange

1.	Name of the Company	M/s Shetron Limited
2.	Annual financial statements for the year ended	31 st March, 2013
3.	Type of Audit Observation	Un-qualified/ Matter of Emphasis
	Frequency of observation	Whether appeared first time/ repetitive/ since how long period: Not Applicable
5.	To be signed by – <ul style="list-style-type: none"> • CEO/Managing Director ✓ • CFO → NA • Auditor of the company • Audit Committee Chairman 	<p>For Shetron Ltd.</p> <p><i>Kartik Nayak</i> KARTIK NAYAK Managing Director</p> <p><i>Mr. B S Patil</i> Mr. B S Patil</p> 





SHETRON

THE NAME BEHIND THE NAMES

SHETRON LIMITED
33rd Annual Report 2012-13



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	:	Ms. Vanita G.M	
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	
REGISTRAR AND TRANSFER AGENT	:	INTEGRATED ENTERPRISES (INDIA) LTD, No.30,Ramana Residency, 4th Cross, Sampige Road, Malleswaram, Bangalore-560003 Tel: +91-80-23460815-818 Fax: +91-80-23460819 E-mail: irg@integratedindia.in	
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

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SHETRON LIMITED

Dear Member,

Sub: Green Initiative in Corporate governance – Electronic Mode of Service of Documents

The Ministry of Corporate Affairs (“MCA”), has taken a “Green Initiative in Corporate Governance” by allowing paperless compliances by companies through electronic mode and has issued a circular nos. 17/2011 and 18/2011 dated April 21, 2011 and April 29, 2011 respectively pursuant to which companies can now send various notices/documents (including annual report) through electronic mode to the registered email address to its members.

This welcome move will reduce paper consumption to a great extent and allow public at large to contribute towards greener environment. It will also, ensure prompt receipt of communication and avoid loss in postal transit. Considering all these factors, your Company has taken a step forward to participate in this initiative and therefore delivering this Notice of AGM and Annual Report 2012-13 electronically in compliance with the said circulars.

In order to access the Notice and Annual Report kindly click on the link below:

<http://www.shetrongroup.com/app>

Upon receipt of a requisition from you, we will supply a printed copy of the Annual Report by post.

We thank you for your participation in the “Green Initiative” of the Government. Please inform any changes in your e-mail address to us / our Registrar & Transfer Agent M/s. Integrated Enterprises (India) Limited (for shares held in physical mode) or to your Depository Participant (for shares held in Demat mode)

Thanking You,
Yours Faithfully

For Shetron Limited

Kartik Nayak
Managing Director



NOTICE

Notice is hereby given that the **33rd Annual General Meeting** of the members of M/s Shetron Limited will be held on **Monday, 30th September, 2013 at 10.00 A.M.** at Koramangala Club, 6th Cross, CA 17, 6th Block, Bangalore – 560 095 to transact the following business:

ORDINARY BUSINESS :

- 1) To consider and adopt the Balance Sheet as at 31st March 2013, 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 Dr. M Mahadeviah, 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.

SPECIAL BUSINESS :

- 4) To consider and if thought fit, to pass with or without modification(s) the following as a Special resolution:

“RESOLVED THAT pursuant to the provisions of Sections 269, 198, 309, 310, 311, Schedule XIII and all other applicable provisions of the Companies Act, 1956 (including any statutory modification or re-enactment thereof for the time being in force) and such other approvals, permissions and sanctions, as may be required, and subject to such conditions and modifications, as may be prescribed or imposed by any of the Authorities in granting such approvals, permissions and sanctions, the approval of the shareholders be and is hereby accorded to the re-appointment of Mr. Diwakar Shetty as Whole Time Director designated as Executive Chairman for the period of 3 years with effect from 1st September, 2013 on the terms and conditions set out below:

I. Remuneration

Salary: ₹ 3,00,000 p.m. (including all allowances) with annual increments as may be decided by the Board from time to time.

Incentives/ Commission:

Equivalent to 1% of net profits of the Company, subject to a ceiling of 50% of annual Salary

Perquisites:

Reimbursement of medical expenses (including insurance premium for medical and hospitalization policy, if any) incurred for self and family, subject to a ceiling of one month's salary in a year.

Leave Travel Concession:

Leave Travel Concession for self and family, once a year incurred in accordance with the Rules of the Company. For the above purposes "Family" includes spouse, dependent children.

Personal Accident Insurance:

Personal Accident Insurance as per rules of the Company.

Contribution to Provident Fund and Superannuation Fund:

Contribution to Provident Fund and Superannuation Fund, as per Rules of the Company, to the extent these, either singly or put together, are not taxable under the Income Tax Act, 1961.

Leave and Encashment of leave:

As per Rules of the Company.

Gratuity and/or Contribution to Gratuity Fund:

As per Rules of the Company.

**Use of Car and Telephone:**

Company maintained car with Driver for use on Company's business, telephone at residence and cellular phone provided by the Company will not be considered as perquisites. However, personal long distance and use of car for private purposes shall be borne by the Director.

Club membership:

Membership in two clubs will be made available to meet business associates.

Reimbursement of expenses:

Reimbursement of entertainment, traveling, conveyance and all other expenses incurred in connection with the business of the Company.

II. Minimum Remuneration:

Where in any financial year, the Company has no profits or its profits are inadequate, the foregoing amount of remuneration and benefits shall be paid, subject to incentive/commission being restricted to 50% of annual salary and applicable provisions of Schedule XIII of the Companies Act, 1956.

Notes:

- a) Net Profits for this purpose shall be as per computation of Net profits under Section 349 and 350 of the Companies Act, 1956.
- b) The remuneration package is well within the overall limit prescribed under Schedule XIII to the Companies Act, 1956 which permits the Company to pay an overall remuneration, not exceeding 10% of the Net profits in any year, to all its Directors

"RESOLVED THAT Mr. Kartik Nayak, Managing Director of the Company be and is hereby authorized to do all acts, deeds, matters and things as they may in their absolute discretion deem necessary, proper or desirable and to settle any question, difficulty or doubt that may arise in this regard and to sign and execute all necessary documents, applications, returns and writings as may be necessary, proper, desirable or expedient.

- 5) To consider and if thought fit, to pass with or without modification(s) the following as a Special resolution:

"RESOLVED that pursuant to the provisions of Sections 269, 198, 309, 310, 311, Schedule XIII and all other applicable provisions of the Companies Act, 1956 (including any statutory modification or re-enactment thereof for the time being in force) and such other approvals, permissions and sanctions, as may be required, and subject to such conditions and modifications, as may be prescribed or imposed by any of the Authorities in granting such approvals, permissions and sanctions, and the approval of the shareholders be and is hereby accorded to the re-appointment of Mr. Kartik Nayak, as a Managing Director for the period of 3 years with effect from 1st September 2013 on the terms and conditions set out below:

I. Remuneration

Salary: ₹ 2,50,000 p.m. (including all allowances) with annual increments as may be decided by the Board from time to time.

Incentives/ Commission:

Equivalent to 1% of net profits of the Company, subject to a ceiling of 50% of annual Salary

Perquisites:

Reimbursement of medical expenses (including insurance premium for medical and hospitalization policy, if any) incurred for self and family, subject to a ceiling of one month's salary in a year.

Leave Travel Concession:

Leave Travel Concession for self and family, once a year incurred in accordance with the Rules of the Company. For the above purposes "Family" includes spouse, dependent children.



Personal Accident Insurance:

Personal Accident Insurance as per rules of the Company.

Contribution to Provident Fund and Superannuation Fund:

Contribution to Provident Fund and Superannuation Fund, as per Rules of the Company, to the extent these, either singly or put together, are not taxable under the Income Tax Act, 1961.

Leave and Encashment of leave:

As per Rules of the Company.

Gratuity and/or Contribution to Gratuity Fund:

As per Rules of the Company.

Use of Car and Telephone:

Company maintained car with Driver for use on Company's business, telephone at residence and cellular phone provided by the Company will not be considered as perquisites. However, personal long distance and use of car for private purposes shall be borne by the Director.

Club membership:

Membership in two clubs will be made available to meet business associates.

Reimbursement of expenses:

Reimbursement of entertainment, traveling, conveyance and all other expenses incurred in connection with the business of the Company.

II. Minimum Remuneration:

Where in any financial year, the Company has no profits or its profits are inadequate, the foregoing amount of remuneration and benefits shall be paid, subject to incentive/commission being restricted to 50% of annual salary and applicable provisions of Schedule XIII of the Companies Act, 1956.

Notes:

Net Profits for this purpose shall be as per computation of Net profits under Section 349 and 350 of the Companies Act, 1956.

The remuneration package is well within the overall limit prescribed under Schedule XIII to the Companies Act, 1956 which permits the Company to pay an overall remuneration, not exceeding 10% of the Net profits in any year, to all its Directors

"RESOLVED THAT Mr. Diwakar Shetty, Whole Time Director or any other director of the Company be and is hereby authorized to do all acts, deeds, matters and things as they may in their absolute discretion deem necessary, proper or desirable and to settle any question, difficulty or doubt that may arise in this regard and to sign and execute all necessary documents, applications, returns and writings as may be necessary, proper, desirable or expedient.

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 23rd September, 2013 to 30th September, 2013 (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 INTEGRATED ENTERPRISES (INDIA) LTD, Bangalore quoting their membership numbers besides changes if any in the dividend mandates given by them 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 authorizing 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 : 10th May, 2013

**Explanatory Statement
Pursuant to Section 173 (2) of the Companies Act 1956**

Item No. 4

Members may kindly note that the present term of Mr. Diwakar S Shetty as Chairman and Whole time Director Company entrusted with substantial powers of management to be exercised subject to the superintendence, control and direction of the Board of Directors, shall expire on 31st August, 2013.

Mr. Diwakar S Shetty has been at the helm of affairs of the company for the last three decades, built a strong foundation and made the Company a global supplier of metal Packaging Products. His vast experience and in depth knowledge in packaging industry is largely responsible for the growth of the company. The Board of Directors is of the view that, it is essential for the Company to have his continued services for its future growth.

The Board of Directors of the Company at the meeting held on 10th May, 2013 subject to the approval of the members, has unanimously approved the re-appointment of Mr. Diwakar Shetty, as Whole Time Director designated as Executive Chairman of the Company w.e.f. 1st September, 2013 for a further period of 3 years, including payment of remuneration. The remuneration package for Mr. Diwakar S Shetty as determined by the Board at its meeting held on 10th May, 2013 is forming part of the resolution under item No. 4 of the agenda for this meeting.



The remuneration package is well within the overall limit prescribed under Schedule XIII of the Companies Act, which permits our company to pay a salary not exceeding 10 % of the Net Profits in any year to all its Directors.

Members' approval is required for the re-appointment of Mr. Diwakar S Shetty as Whole Time Director designated as Executive Chairman of the Company w.e.f. 1st September, 2013 and payment of remuneration as set out in the accompanying resolution.

The Board recommends the resolution set out at item no. 4 of the notice for your approval.

None of the Directors, except Mr. Diwakar S Shetty and Mr. Kartik Nayak, concerned or interested in the resolution.

The copy of the Terms of appointment and remuneration is available for inspection by the Members at the Registered Office of the Company during the business hours on any working day prior to the date of the meeting.

The statements made above may be regarded as an abstract for the terms and condition governing the appointment and remuneration and memorandum of interest under section 302 of the Companies Act, 1956.

Item No. 5:

Members may kindly note that the present term of Mr. Kartik Nayak as Managing Director of the Company entrusted with substantial powers of management to be exercised subject to the superintendence, control and direction of the Board of Directors, shall expire on 31st August, 2013.

Mr. Kartik Nayak has been working as the Executive Director of the Company since April 1999 and as Managing Director since last five years and built a strong technical base which has made the Company products comparable to global standards in all respects. His vast experience and in depth knowledge in the field of production, administration and marketing should further help the Company to produce more products, better the process and systems and introduce new technologies to stay ahead in the race. The Board of Directors are of the view that, it is essential for the Company to have his continued services for its future growth.

The Board of Directors of the Company at the meeting held on 10th May, 2013 subject to the approval of the members, has unanimously approved the re-appointment of Mr. Kartik Nayak, as Managing Director of the Company w.e.f. 1st September, 2013 for a further period of 3 years, including payment of remuneration. The remuneration package for Mr. Kartik Nayak as determined by the Board at its meeting held on 10th May, 2013 is forming part of the resolution under Item No. 5 of the agenda for this meeting.

The remuneration package is well within the overall limit prescribed under Schedule XIII of the Companies Act, which permits our company to pay a salary not exceeding 10 % of the Net Profits in any year to all its Directors.

Members' approval is required for the re-appointment of Mr. Kartik Nayak as Managing Director of the Company w.e.f. 1st September, 2013 and payment of remuneration as set out in the accompanying resolution.

The Board recommends the resolution set out at item no. 5 of the notice for your approval.

None of the Directors, except Mr. Kartik Nayak and Mr. Diwakar S Shetty, concerned or interested in the resolution.

The copy of the Terms of appointment and remuneration is available for inspection by the Members at the Registered Office of the Company during the business hours on any working day prior to the date of the meeting.

The statements made above may be regarded as an abstract for the terms and condition governing the appointment and remuneration and memorandum of interest under section 302 of the Companies Act, 1956.



**ANNEXURE TO NOTICE
APPOINTMENT OF DIRECTORS**

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

1. Name	Dr. M. Mahadeviah
2. Date of Birth and Age	15th May, 1939 and Age: 74 years
3. Date of Appointment	30.10.2006
4. Expertise in specific functional areas	Expertise in specific functional areas wide Experience in administration, Food processing, Packaging Technology and Corrosion of Metal Containers
5. Qualification	Ph.d. (Food Processing Technology)
6. Number of Shares held in the equity capital of the company	Nil
7. Directorship held in other public companies	Nil
8. Committee/Executive positions held in other companies	Nil



DIRECTORS' REPORT

Your Directors present the Thirty Third Annual Report on the business and operations of your Company and the financial accounts for the year ended 31st March, 2013 approved by the Board:

FINANCIAL HIGHLIGHTS :

Particulars	2012-13 ₹ in lacs	2011-12 ₹ in lacs
Gross Sales and Other Income	13,265	13,025
Profit before Interest and Depreciation	1,974	1,493
Finance Cost	1,688	1,441
Depreciation	790	766
Profit/(Loss) before Tax	(504)	(714)
(Less)Provision for Tax	-	-
(Less)/Add Deferred Tax	156	291
Profit/ (Loss) after tax	(348)	(423)
Balance Profit for the year (after appropriations)	(348)	(423)
Add: Balance Brought forward from Previous Year	1,147	1,570
Balance Carried Over	799	1,147

YEAR IN RETROSPECT :

Gross sales for the year were marginally higher than the previous financial year. Profit before Depreciation, Interest and Taxation (PBDIT) was higher by 32% at ₹ 1974 lacs as compared to ₹ 1493 lacs in the previous year. With depreciation of ₹ 790 lacs (previous year ₹ 766 lacs), higher interest / exchange fluctuation charges of ₹ 1688 lacs (previous year ₹ 1441 lacs), the company incurred loss of ₹ 504 lacs as compared to ₹ 714 lacs of the corresponding previous year. However, the improvement in operating margin has helped the company to reduce the loss to ₹ 348 lacs for the year against a corresponding loss of ₹ 423 lacs in the previous year.

The year was a challenging one for operations - in terms of market being sluggish and unprecedented depreciation of the rupee. The operating results are indicative of these adversities - albeit with a reasonable improvement over the previous year. The details are annexed in the Management Discussion and Analysis Report.

BUSINESS PROSPECTS :

The packaging industry has organized to medium to large players as well as unorganized local players. The growth indicator for the Indian packaging industry is the food & beverage and pharmaceutical packaging sectors. The coming 3-4 years will witness the growth of the food processing industry in double fold, which will consequently lead to a huge demand for packaging material.

Divulging from the traditional packaging demand, the changing life style and the societal pattern of life with the increasing number of working couples has hastened the growth for ready-to-cook and ready-to-eat foods. This has proved to be precursor for growth for the packaging industry.

Battery Industry has now settled down to a stable level which seem sustainable. The market is in a mood to accept adverse impacts of an inflationary economy. This hurdle being over, the outlook appears to be bright. For the long term, battery business is linked to fundamental demand driven by device population. As India gets economically more developed, device penetration into households will increase in line with the rest of the world, boosting battery growth.

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 – C to this report.

**EXPORTS :**

During the year, the export turnover was ₹ 3105 lacs as compare to the previous year turnover of ₹ 2931 lacs, which represent a growth of 6% over previous year. Major exports were made to Asian, Middle East, African and Australian countries.

SUBSIDIARY :

The statement pursuant to Section 212 of the Companies Act 1956 containing details of financial highlights of the subsidiary company forms part of the Annual Report.

CONSOLIDATED FINANCIALS :

Pursuant to Clause 41 of the Listing Agreement and in accordance with Accounting Standard AS-21 on consolidated financial statements, the audited consolidated financial statements incorporating the operations of the company and its subsidiary company viz., M/s Shetron Metropak Private Ltd are provided in this Annual Report.

In terms of General Circular No.3/2011 issued by the Ministry of Corporate Affairs issued on 21st April 2011 under Section 212(8) of the Companies Act 1956, the audited financial statements and other related reports of the company's subsidiary are not annexed as required under Section 212(8) of the Companies Act 1956. The audited financial statements of subsidiary shall also be kept for inspection during business hours by any shareholders at the registered office of the Company and of the subsidiary company. The Company will also make available the audited financial accounts and related information of the subsidiary companies, upon request by any shareholder of the company.

AWARDS & LAURELS :

As a testimonial of the company's strength, IMDA, USA has awarded the company again in the year 2013.

DIRECTORS :

In accordance with the provisions of the Companies Act 1956, and Articles of Association of the company, Dr. M Mahadeviah retires by rotation at the end of this Annual General Meeting and is eligible for re-appointment. Brief resume of the Dr. M Mahadeviah is attached to the Notice of the 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 are not given since the remuneration paid to the employees during the financial year were below the limits prescribed by the amended Companies (Particulars of Employees) Rules, 1975.

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 A

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.

COST AUDITORS :

The Company has appointed M/s Vishwanath Bhat & Co., cost auditors to conduct the cost audit of the Company for the financial year 2012-13

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 B). 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 C

ACKNOWLEDGEMENTS :

The Board of Directors takes 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.

Place :Bangalore
Date : 10th May, 2013

For and on behalf of the Board
SHETRON LIMITED

DIWAKAR S. SHETTY
Chairman



ANNEXURE – A TO DIRECTORS' REPORT

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

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

CONSERVATION OF ENERGY

Conservation of Energy received constant attention and measures were taken for effective control of electricity and fuel consumption. The Company has installed fuel efficient and energy saving devices with the help of professional consultants to reduce energy consumption. The Company conducted the seminars/awareness of conservation of LPG and Petroleum products. The Company is also planning to conduct energy audit in the next financial year for efficient running of factory.

RESEARCH AND DEVELOPMENT

The Company has carried out R & D activities in Quality Improvement, Productivity Improvement and Development of new technology and Product which resulted in better quality, reduced wastage, safer operations & improved competitiveness.

The Company has developed technology to reduce weight of cans with better strength which in turn is cost effective and also reduces logistic cost. The company is also studying the possibility of introducing the specialty cans to impart classic shapes for high end users like cookies, chocolates, tobaccos, sugar free, spices etc., and developing new markets in India.

TECHNOLOGY ABSORPTION

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

FOREIGN EXCHANGE EARNINGS AND OUTGO

- a) Foreign Exchange earned : ₹ 2,561 Lacs
 b) Foreign Exchange outgo : ₹ 2,739 lacs

Place: Bangalore
 Date: 10th May, 2013

For and on behalf of the Board
For SHETRON LIMITED

DIWAKAR S. SHETTY
 Chairman

ANNEXURE – B 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	5	1	12	1
2.	Mr. Kartik Nayak	Promoter /Director Executive	5	1	2	2
3.	Mr. B S Patil	Independent Director	5	1	15	2
4	Dr. M. Mahadeviah	Independent Director	5	1	-	1

Board Meetings

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

Sl No.	Quarter	Date
1	April 12 - June 12	29th May, 2012
2	July 12 - September 12	30th July, 2012
3	October 12 - December 12	12th October, 2012 31st October, 2012
4	January 13 - March 13	5th February, 2013

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 Board 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 meet the requirements of Listing Agreement. The committee met 4 times during the year under consideration

During the year the Audit Committee was reconstituted with the following as members:

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 Compliance of internal control system.
- + Investigate any activity within its terms of reference.
- + Seek information from any employee.
- + Obtain outside legal or other professional advice.
- + 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 4 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	4	4	Nil
2	Letters received from SEBI/NSDL/Stock Exchanges	Nil	Nil	Nil
3	Requests for Stop Transfer	Nil	Nil	Nil
4	Non Receipt of Share Certificate / Credit for Demat of Shares/ Dividend/ Annual Report	Nil	Nil	Nil
5	Requests for issues of Duplicate Share Certificate and Dividend warrants	8	8	Nil
6	Legal Cases/ Cases before consumer forum	Nil	Nil	Nil
7	Investors Request for Information	Nil	Nil	Nil
	Total	12	12	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 ₹	Employer Contribution to Provident Fund - (₹)
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:

Sl no.	Name of the director	Sitting fees paid - (₹)
1.	Mr. B.S Patil	1,00,000
2.	Dr M.Mahadeviah	1,00,000

5. 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 2012-13

Sd/-
Kartik Nayak
Managing Director



6. GENERAL BODY MEETINGS

The 33rd Annual General Meeting of the Company, for the Financial Year 2012-13, would be held on Monday, the 30th September, 2013 at Koramangala Club, 6th Cross, CA 17, 6th Block, Bangalore – 560 095

Meeting	Day, Date and Time of the Meeting	Venue
32nd AGM	28th September 2012 at 10.00 AM	Koramangala Club, Bangalore
31st AGM	26th September 2011 at 10.00 AM	Koramangala Club, Bangalore
30th AGM	25th September 2010 at 10.30 AM	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 are 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.

GENERAL SHAREHOLDER INFORMATION:

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

9. SHAREHOLDERS' INFORMATION

SI No:	Particulars	Details
1	Date, Time and Venue of the 33rd Annual General Meeting	30th September, 2013 at 10 A.M. at Koramangala Club Bangalore.
2	Date of Book Closure	23rd September, 2013 to 30th September, 2013.
3	Listing on Stock Exchange	The Bombay Stock Exchange (BSE)
4	Listing Fees	Paid for all the above Stock Exchanges as per the Listing agreement.
5	ISIN No:	INE 278C01010EQ
6	Registered Office	Plot No.1, Bommasandra Industrial Area, Hosur Road, Bangalore – 560099
7	Share Transfer Agent	(For Electronic and Physical Transfers) INTEGRATED ENTERPRISES (INDIA) LTD No.30, Ramana Residency, 4th Cross, Sampige Road Malleswaram, Bangalore-560003 Tel: +91-80-23460815-818 Fax: +91-80-23460819 E-mail: irg@integratedindia.in



SI No:	Particulars	Details
8	Compliance Officer	Ms. Vanita G M, Company Secretary, Plot No: 1. Bommasandra Industrial Area, Bangalore –560099
9	For Financial Queries	Ms. Vanita G M, Company Secretary, Plot No: 1. Bommasandra Industrial Area, Bangalore –560099
10	For Shareholder's Queries	INTEGRATED ENTERPRISES (INDIA) LTD, No.30,Ramana Residency, 4th Cross, Sampige Road, Malleswaram, Bangalore-560003 Tel: +91-80-23460815-818 Fax: +91-80-23460819 E-mail: irg@integratedindia.in

10. 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 DP.

11. 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 ending 31st March 2013 the share Transfer Committee met 4 times.

12. 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.) 86,48,067 shares of the 90,03,300 equity shares of the Company are in the dematerialized form.

13. 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.



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

SL NO.	Month	High (₹)	Low (₹)	Volume of shares traded
1	March 2013	8.17	6.56	189
2	February 2013	11.43	7.10	521
3	January 2013	13.40	10.30	251
4	December 2012	12.00	10.70	197
5	November 2012	12.45	10.55	110
6	October 2012	12.75	10.60	198
7	September 2012	12.10	9.90	299
8	August 2012	13.50	11.06	169
9	July 2012	15.35	12.20	164
10	June 2012	14.65	12.16	133
11	May 2012	14.98	12.36	143
12	April 2012	15.40	13.05	101

15. DISTRIBUTION OF SHAREHOLDING AS ON 31ST MARCH 2013

Category	No. of share holders	Percentage	No. of shares	Percentage
Up to 5000	4437	98.06	12,03,536	13.37
5001 – 10000	29	0.64	1,98,548	2.21
10001 – 20000	15	0.33	2,04,301	2.27
20001 – 30000	6	0.13	1,51,320	1.68
30001 – 40000	6	0.13	2,21,523	2.46
40001 – 50000	5	0.11	2,16,884	2.41
50001 – 100000	10	0.22	8,59,152	9.54
100001 and above	17	0.38	59,48,036	66.07
Total	4525	100.00	90,03,300	100.00



16. SHAREHOLDING PATTERN AS ON 31st MARCH 2013

Category	No of Shares held	Percentage of Shareholding
A Promoter's holding		
1 Promoters		
- Indian Promoters	57,06,187	63.38
- Foreign Promoters	81,633	0.91
2 Persons acting in Concert	-	-
Sub - Total	57,87,820	64.29
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	1,58,669	1.76
Sub - Total	1,58,669	1.76
4 Others		
a Private Corporate Bodies	5,44,389	6.05
b Indian Public	22,14,940	24.60
c NRIs/OCBs/Foreign Company	2,97,382	3.30
Sub - Total	30,56,711	33.95
GRAND TOTAL	90,03,300	100.00

For and on behalf of the Board
For SHETRON LIMITED

DIWAKAR S. SHETTY
Chairman

Place: Bangalore
Date: 10th May, 2013



**ANNEXURE TO THE DIRECTOR'S REPORT DISCLOSURES REGARDING SUSPENSE
ACCOUNT PURSUANT TO SEBI CIRCULAR NO. SEBI/CFD /DIL /LA/1/2009/24/04**

Sl. No.	Particulars	No. of Shareholders	No. of Shares
1.	Shareholders whose shares are lying in the suspense account at the beginning of the year	NIL	NIL
2.	Shareholders who approached issuer for transfer of Shares from suspense account during the year.	NIL	NIL
3.	Shareholders to whom shares were transferred from suspense account during the year.	NIL	NIL
4.	Aggregate number of shareholders whose Shares are lying in the suspense account at the end of the year.	NIL	NIL
5.	Outstanding Shares in the suspense account lying at the end of the year.	NIL	NIL

For and on behalf of the Board
For SHETRON LIMITED

Place: Bangalore
Date: 10th May, 2013

DIWAKAR S. SHETTY
Chairman



ANNEXURE - C
MANAGEMENT DISCUSSION AND ANALYSIS REPORT

OVERVIEW :

The financial statements have been prepared in compliance with the requirements of the Companies Act, 1956, guidelines issued by the Securities and Exchange Board of India (SEBI) and the Generally Accepted Accounting Principles (GAAP) in India. Our Management accepts responsibility for the integrity and objectivity of these financial statements, as well as for the various estimates and judgments used therein. The estimates and judgments relating to the financial statements have been made on a prudent and reasonable basis, so that the financial statements reflect in a true and fair manner the form and substance of transactions, and reasonably present our state of affairs, profits and cash flows for the year.

ECONOMY, INDUSTRY STRUCTURE AND DEVELOPMENTS IN FOOD CANS AND BATTERY SEGMENTS:**GLOBAL ECONOMIC OVERVIEW :**

In the year 2012-13, the global economy continued to be in the throes of challenges and uncertainties. There was a divergence in growth and prospects across geographies as both governments and central banks attempted to revive the fledging growth. The year also witnessed a noticeable slowdown in the emerging economies, a reflection of slack demand in the advanced economies, domestic policy tightening amidst inflationary conditions and end of investment boom in some of the major emerging economies. The Impact of continued weak global market had an adverse effect on Indian economy partially and moving forward, India will not be immune to the external environment and is likely to see some challenges in the coming year as well.

INDIA ECONOMIC OVERVIEW :

The demand for the products is naturally influenced by the health of the Indian economy.

According to reports, the country's economy was estimated to have grown at 4.8 percent during the year under review, which represents a decadal low growth in GDP. The country has seen economic expansion drop since the start of 2011 to levels even below the crisis years 2008-09. The year was also marked by high inflationary condition - led by a gradually weakening Rupee. This led to a squeeze on people's spending abilities.

The country faced the challenges of down turn like the rest of the world and recovery is yet to gather speed. A slowdown was witnessed in almost all the sectors of the economy in the year under review. While the moderation in growth in agriculture (1.9%) was largely on account of the rainfall deficiency the deceleration of industrial production growth to 1.2% in 2012-13 from 2.7% in 2011-12 was due to contraction in mining and slowing growth in manufacturing and infrastructure sectors. The investments throughout the fiscal continued to remain in gloomy territory.

METAL PACKAGING INDUSTRY- CHALLENGES AND OUTLOOK :

Tinplate, key raw material for Metal Packaging industry, a value added flat steel product is a versatile packaging substrate used in edible oils, paints, pesticides, processed foods, beverages and other industries. Its high suitability for packaging of processed foods has enabled it to withstand the cyclicity of the economic environment resulting in a steady demand. Cost pressures however, as in the past, will continue as both inflation and exchange rate are expected to remain high.

Growth of packaging industry is strongly co-related to the economic growth of a region. During the past year, there is a marginal growth in the global economy, due to continuing European crisis and sluggish growth of the US and Chinese economy. The demand for global packaging accordingly grew at a very nominal pace.

In India however, though packaging industry is growing at around double digit figures, the tinplate consumption in particular has remained steady across all end uses and has shown steady growth rates, more in line with GDP growth rates.



With threat of substitutes, increasing competition from new / potential domestic players and imports continue to pose challenges for faster growth in the metal packaging industry. Your Company has undertaken measures to meet these challenges.

Your Company's performance for the period 2012-13 has to be seen in the context of above economic background.

DRY CELL BATTERY :**Industry size and structure**

The Indian market for dry cell batteries is now estimated at 2.5 billion pieces by volume and over Rs 1250 crores by value. The battery market has only a few players. With the increase in the material cost, your company has to pass on price increase to offset material cost push in the recent past. This met with stiff consumer resistance and demand started slowing down. Unfortunately, the price increases had to be persisted with due to input costs continuing to prevail at high levels and also due to the depreciating Rupee.

The market has stabilized over the last 2 years - but with minimal growth. Latest trends indicate that the market will continue to be stable. Growth in volumes will be small as the sector is likely to be compelled to increase prices further. Consequently, the sector is likely to record higher growth in sales turnover.

The segment pattern within the market underwent change during the recent past as consumers shifted from the more expensive 'D' size batteries to 'AA' size.

The change is quite similar to the pattern seen globally. To that extent it may be said that the recent phenomenon has resulted in the Indian market in aligning itself to the global trend as far as segment share is concerned.

The split of technology within the dry batteries market remained constant with zinc carbon batteries virtually possessing the entire market with 97 per cent share. Consumption of batteries is driven by growth in the off-take of its applications. A growing need for portable power and the advent of a number of battery- operated gadgets catalyze consumption. Since these address everyday use, batteries have enjoyed a non-cyclical demand. The phenomenon of consumption reducing on account of price increases in the recent past is somewhat unique - perhaps determined by the significant extent involved. However, latest trends seem to indicate that the market is stable and consolidating.

SUPPLY SIDE OF TINPLATE :

Tinplate continues to enjoy the preferable 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.

The per capita consumption of tinplate in India is merely 300gm a year and there is immense scope of growth for the Industry in India. The total tinplate consumption in India is about 460,000 tonnes. The domestic market continue to be in the range of 45 to 50% of the total consumption of Tinplates for can manufacturing, while the remaining 50 to 55% is met through imports from Europe and the US. The Steel prices have increased sharply during the year due to spiralling high input costs and increase in crude oil prices and weak Indian rupee. On the back of the economic recovery and strong performance by consumer industries like infrastructure and automobiles, it is expected there will be rise in Tinplate prices also in the current fiscal year. The Company is constantly reviewing its raw material prices and takes measures to effect price revisions for its end products in line with other players in the industry.

SEGMENTWISE PERFORMANCE :

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

RISKS, OPPORTUNITIES, THREATS 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.



Weakening of the rupee continues to put pressure on raw material prices. Also, some of the raw material prices are showing signs of hardening. Apart from that, the overall inflationary trends have also been putting pressure on operating costs. These represent areas of concern. The market is now used to an inflationary environment, where all producers have to pass on adverse impacts faced by them. The metal packaging market is no exception. Thus, inflationary impacts will continue to be passed on.

It is reported that the anti-dumping duty on 'AA' batteries has now expired. While the domestic producers have applied for an extension - it is uncertain whether the same will be available. In the event, the duty does not get extended, the market may see some dumped cheap quality imports from China.

The fluctuations in the prices of tin plate in the international market, the shrinking margins and highly volatile foreign currency fluctuations posed a serious concern in the coming year also. However your Company continuously assessed the associated business risks and undertook all the measures to minimize their impact on its operations.

The major challenges in metal packaging industry is to provide material at an affordable cost with good barrier properties for longer food preservation and shelf life; packaging machines that give higher outputs, less wastages and less giveaways during filling and packing and at the same time at low cost of ownership. Your Company is continuously working towards improvement in processes to deliver better, faster systems at affordable cost.

The tight monetary policy of RBI to curb inflation had an effect on Shetron in the form of higher interest rates throughout the year. This resulted in higher interest cost in comparison with the previous period. However your company has initiated necessary measures to reduce the effect of finance cost during the upcoming period.

Your Company is getting positive indicators in many segments of food sector especially in beverages and coffee segments which see an exciting opportunity during the upcoming financial year. As per internal survey conducted by Shetron, your company is regarded with high esteem by the customers especially due to delivery of quality products.

With food processed industry poised for growth, your company has focused its efforts on enhancing capacity utilization, value engineering and enhancement of capacities.

Though the food processing industry is getting a lot of impetus and thrust from the government, the packaging industry still remains largely ignored. Despite being an integral part of the food processing sector, the government remains non-committal to the requirements of packing business in terms of infrastructure development, special economic packages or subsidies. The threat from alternative and cheaper sources of packing material such as plastic, paper or glass looms large due to higher prices which in turn are dependent on international tin plate prices and foreign exchange. Even though tin packaging, offers advantages in terms of durability, stacking and printing options, the Industry has constantly witnessed heavy competition from the alternative sources only on account of higher prices. However due to better shelf life and safety getting its due attention worldwide, the Industry is expected to rebound in the days to come.

INTERNAL CONTROL SYSTEM AND ITS ADEQUACY:

The Company has a proper and adequate system of internal controls to ensure that all assets are safeguarded, and protected against loss from unauthorized use or disposition, and that transactions are authorised, recorded, and reported correctly. The Company has an extensive system of internal controls which ensures optimal utilization and protection of resources, accurate reporting of financial transactions and compliance with applicable laws and regulations as also internal policies and procedures.

The internal control system is supplemented by extensive internal audits, regular reviews by management, and well documented policies and guidelines to ensure reliability of financial and all other records to prepare financial statements and other data.

The Company has independent internal auditors to monitor the entire operations and services spanning all locations, businesses and functions on a regular basis. The top management and the Audit Committee of the Board review the findings and recommendations of the internal audit report.

**CORPORATE POLICIES:****HUMAN RESOURCES/ INDUSTRIAL RELATIONS:**

The Company provides necessary training / conducts development programmes to imbibe the necessary skills required to operate in the international environment. 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 contributing to the better performance of the operations and processes of the company. 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 endeavor is to offer fair and reasonable compensation to its employees based on the market benchmarks.

TPM/ISO/IMS :

The Company has completed the Seventh year of TPM (Total Productive Management) programme to sensitize employees in different dimensions of culture, managing change and is making constant progress in housekeeping for improving productivity, efficiency, effectiveness and team building.

The Company is certified under ISO 9001:2008. The Company is making constant efforts for improvement in the processes, Quality Management Systems (QMS) and Skill building. As per Integrated Management Systems (IMS) policy of the Company, the Company is committed to maintain highest standards of Occupational Health, Safety and Environment protection and comply with all applicable Laws & requirements. The Company conducts its business in a manner that is compatible with the environmental and economic needs of the societies in which it operates. In the projects operated by the Company, it complies with all applicable environmental laws and regulations.

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 2013 as stipulated in clause 49 of the Listing Agreement of the said Company with the Stock Exchange in India.
2. The Compliance of conditions of Corporate Governance is the responsibility of the Management. Our examination was 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.
4. 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
(Registration No. 2528 S)

K R SHANBHOGUE
Partner M.No.18578

Place : Bangalore
Date : 10th May, 2013

**AUDITORS' REPORT**

To
The Members of SHETRON LIMITED

Report on the Financial Statements

We have audited the accompanying financial statements of Shetron Ltd ("the Company") which comprise the Balance Sheet as at 31st March, 2013, the Statement of Profit and Loss and the Cash Flow Statement for the year then ended and a summary of the significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

The Company's Management is responsible for the preparation of these financial statements that gives a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with Accounting Standards referred in section 211(3C) of the Companies Act, 1956("the Act") and in accordance with the accounting principles generally accepted in India. This responsibility includes the design, implementation and maintenance of internal controls relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatements, whether due to fraud or error.

Auditor's Responsibility

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

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers the internal controls relevant to the company's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the company's internal control. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Management, as well as evaluating the overall presentation of the financial statements.

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

Opinion

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

- a.) in the case of Balance Sheet, of the state of affairs of the Company as at 31st March, 2013;
- b.) in the case of the Statement of Profit and Loss, of the loss of the Company for the year ended on that date and
- c.) in case of the Cash Flow Statement, of the cash flows of the Company for the year ended on that date.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2003("the order") issued by the Central Government in terms of Section 227(4A) of Act, we give in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the Order.



2. As required by Section 227(3) of the Act, we report that:
- a. we have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit;
 - b. in our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books;
 - c. the Balance Sheet, Statement of Profit and Loss, and the Cash Flow Statement dealt with by this Report are in agreement with the books of account;
 - d. in our opinion, the Balance Sheet, the Statement of Profit and Loss, and the Cash Flow Statement comply with the Accounting Standards referred to in Section 211 (3C) of the Act;
 - e. On the basis of the written representations received from the directors as on 31st March, 2013 and taken on record by the Board of Directors, none of the director is disqualified as on 31st March, 2013 from being appointed as a Director in terms of Section 274(1) (g) of the Act.

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

K R SHANBHOGUE
Partner M.No.18578

Place :Bangalore
Date : 10th May, 2013

**ANNEXURE TO THE AUDITOR'S REPORT****(Referred to in paragraph 1 under Report on Other Legal and Regulatory Requirements' Section of our Report of even date)**

On the basis of such checks as we considered appropriate and according to the information and explanations given to us during the course of our audit, we report that:

1.
 - a. the Company is maintaining proper records showing full particulars, including quantitative details and situation of the fixed assets.
 - b. the fixed assets are being physically verified under a phased Programme of verification which, in our opinion, is reasonable having regard to the nature and value of its assets. However, no material discrepancies have been noticed during the year on such verification.
 - c. The company has not disposed off substantial part of its fixed assets during the year
2.
 - a. inventories have been physically verified during the year by the management at reasonable intervals.
 - b. in our opinion, the procedures of physical verification of the inventory followed by the Management are reasonable and adequate in relation to the size of the Company and the nature of its business.
 - c. in our opinion, the Company is generally maintaining proper records of its inventories and no material discrepancies were noticed on physical verification.
3.
 - a. On the basis of our examination of the books of account, the Company has not granted any loans, secured or unsecured, to companies, firms or other parties covered in the register maintained under section 301 of the Act.
 - b. The Company has taken interest free unsecured loans of ₹720 lakhs (as on 31st March 2013) from companies, firms or other parties listed in the register maintained under Section 301 of the Companies Act 1956 and the rate of interest and terms and conditions are not prima facie prejudicial to the interest of the company. There are no stipulations as regards repayment.
4. in our opinion, there is generally an adequate internal control system commensurate with the size of the Company and the nature of its business, for the purchase of inventories and fixed assets and for the sale of goods and services. Further, on the basis of our examination of the books and records of the Company, we have neither come across nor have been informed of any continuing failure to correct major weaknesses in the aforesaid internal control system.
5.
 - a. based on the audit procedure applied by us, the particulars of contract or arrangements referred to Section 301 of the Companies Act, 1956 that needed to be entered into the register, maintained under the said section have been so entered.
 - b. where each of such transactions is in excess of ₹ 5 lakhs in respect of any party, the transactions have been made at prices which are prima facie reasonable having regard to prevailing market prices at the relevant time.
6. the company has not accepted any deposits from the public to which the directives issued by Reserve Bank of India and the provisions of Sections 58A or 58AA or any other relevant provisions of the Companies Act, 1956 and the Companies (Acceptance of Deposits) Rules, 1975 apply.
7. In our opinion, the company has an adequate internal audit system commensurate with the size and nature of its business.
8. We have broadly reviewed the cost records maintained by the company pursuant to the companies (Cost Accounting Records) Rules, 2011 prescribed by Central Government under section 209(1) (d) of the Companies Act, 1956 and are of the opinion that prima facie the prescribed accounts and cost records have been made and maintained. We have however, not made a detailed examination of cost records with a view to determine whether they are accurate or complete.



9. a. The Company is generally regular in depositing undisputed dues, including Provident Fund, Investor Education and Protection Fund, Employees' State Insurance, Income Tax, Sales Tax, Wealth Tax, Service Tax, Cess and other material statutory dues as applicable with the appropriate authorities.
- b. no undisputed amounts payable in respect of statutory dues were outstanding as at 31st March, 2013 for a period of more than six months from the date they became payable.
- c. There are no dues of income tax, wealth tax, and customs duty which have not been deposited on account of any dispute.
10. the Company does not have any accumulated losses as at March 31, 2013 and has not incurred any cash losses in the financial year ended on that date or in the immediately preceding financial year.
11. in our opinion, the company has not defaulted in repayment of dues to any financial institution, bank or debenture holders during the year.
12. the Company has not granted loans and advances on the basis of security by way of pledge of shares, debentures and other securities.
13. the company is not a chit fund or a Nidhi / mutual benefit fund / society. Accordingly. The provisions of clause 4(xiii) of CARO are not applicable to the company.
14. the Company is not dealing or trading in shares, securities, debentures and other investments. Accordingly, the provisions of clause 4(xiv) of the CARO are not applicable to the Company.
15. the terms and conditions of guarantees given by the company, for loans taken by others from banks or financial institutions, are not prima facie prejudicial to the interest of the company.
16. the term loans availed by the company were prima facie, applied for the purpose for which they were obtained.
17. on an overall examination of the financial statements of the Company, funds raised on short-term basis have, prime facie, not been used for long-term investment.
18. the company has not made any preferential allotment of shares during the year.
19. the company has not issued any debenture during the year .
20. the company has not raised any money by public issues during the year.
21. based on the audit procedures performed and considering the size and nature of the company's operations, no fraud of material significance on or by the company has been noticed or reported during the year

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

Place :Bangalore
Date : 10th May, 2013

K R SHANBHOGUE
Partner M.No.18578



BALANCE SHEET AS AT 31ST MARCH, 2013

Particulars	Note No.	As at 31.03.2013 ₹ in Lacs	As at 31.03.2012 ₹ in Lacs
A EQUITY AND LIABILITIES			
1. SHAREHOLDER'S FUNDS			
a. Share capital	1	900	900
b. Reserves and surplus	2	3,130	3,478
		4,030	4,378
2. NON-CURRENT LIABILITIES			
a. Long-term borrowings	3	7,443	6,610
b. Deferred tax liabilities (net)	4	554	710
		7,997	7,320
3. CURRENT LIABILITIES			
a. Short-term borrowings	5	2,731	2,876
b. Trade payables	6	1,931	2,218
c. Other current liabilities	7	261	1,038
d. Short-term provisions	8	118	94
		5,040	6,226
		17,067	17,923
B. ASSETS			
1. Non-current assets			
a. Fixed assets			
(i) Tangible assets	9	7,609	8,296
(ii) Capital work-in-progress		108	92
		7,718	8,388
b. Non-current investments	10	133	133
c. Long-term loans and advances	11	1,438	1,496
d. Other non-current assets	12	591	591
		9,879	10,607
2. Current assets			
a. Inventories	13	2,465	3,486
b. Trade receivables	14	2,717	2,192
c. Cash and cash equivalents	15	779	737
d. Short-term loans and advances	16	1,159	819
e. Other Current assets	17	68	82
		7,188	7,316
		17,067	17,923

In terms of our report attached.
For and on behalf of the Board of Directors

As per our report of even date
For **PAL & SHANBHOGUE**
Chartered Accountants
(Registration No. 2528 S)

Place : Bangalore
Date : 10th May, 2013

DIWAKAR S. SHETTY
Chairman

KARTIK NAYAK
Managing Director

K.R. SHANBHOGUE
Partner M.No.18578



STATEMENT OF PROFIT AND LOSS FOR THE PERIOD ENDED 31ST MARCH, 2013

Particulars	Note No.	For the Period ended 31.03.2013 ₹ in Lacs	For the Period ended 31.03.2012 ₹ in Lacs
A CONTINUING OPERATIONS			
1 Sales (Gross)		13,093	12,821
Less: Excise duty		878	723
Sales (Net)		12,215	12,098
2 Other income	18	172	204
3 Total revenue (1+2)		12,387	12,302
4 Expenses			
a. Cost of materials consumed	19	8,315	8,954
b. Changes in inventories of finished goods and work-in-progress		243	(126)
c. Employee benefits expense	20	914	944
d. Finance costs	21	1,688	1,441
e. Depreciation and amortisation expense		790	766
f. Other expenses	22	941	1,037
Total expenses		12,891	13,016
5 Profit / (Loss) before exceptional and extraordinary items and tax (3 - 4)		(504)	(714)
6 Profit / (Loss) before extraordinary items and tax		(504)	(714)
7. Extraordinary items		-	-
8. Profit / (Loss) before tax (6 ± 7)		(504)	(714)
9. Tax expense:			
a. Current tax expense for current year		-	-
b. Deferred tax		(156)	(291)
10. Profit / (Loss) from continuing operations (8 ± 9)		(348)	(423)
11. Earnings per share			
No of Equity Share with face value of ₹10 each		8,999,800	8,999,800
Basic and Diluted Earnings per share ₹		(3.86)	(4.70)
See accompanying notes forming part of the financial statements			

In terms of our report attached.
For and on behalf of the Board of Directors

As per our report of even date
For PAL & SHANBHOGUE
Chartered Accountants
(Registration No. 2528 S)

Place : Bangalore
Date : 10th May, 2013

DIWAKAR S.SHETTY
Chairman

KARTIK NAYAK
Managing Director

K.R. SHANBHOGUE
Partner M.No.18578



NOTES FOR ACCOUNTS FOR THE YEAR ENDED 31ST MARCH, 2013

1. Share Capital:

₹ in Lacs

Particulars	31.03.2013	31.03.2012
Authorised Share Capital 250,00000 equity shares of ₹10/- each	2500	2500
<u>Issued, Subscribed and paid up Share Capital</u>	900	900
90,03,300 equity shares of ₹ 10/- each fully paid		
Less: Forfeited Shares	-	-
	900	900

There is no other class of Shares other than the equity shares. There is no change in the outstanding shares at the beginning or at the end of the period. The company is a holding company of Shetron Metro Pak Pvt Ltd. The other disclosure requirements of schedule VI regarding share capital are not applicable to the Company. The following shareholders hold more than 5% of value of shares.

Name of the Share holders	No of shares 31.03.2013		No of shares 31.03.2012	
	No's	%	No's	%
Shetron Enterprises Pvt Ltd.	17,96,717	19.96	17,96,717	19.96
Konjal Machine Pvt. Ltd	8,58,055	9.53	8,58,055	9.53
Bunts Properties Pvt. Ltd.	8,00,000	8.89	8,00,000	8.89

2. Reserves And Surplus:

There is no change in any of the reserves as the amount outstanding at the beginning of the year except in profit and loss account and contingency reserve.

₹ in Lacs

Particulars	31.03.2013	31.03.2012
Capital Subsidiary Reserve	15	15
Share Premium	2,111	2,111
General Reserves	205	205
Profit and Loss Accounts:		
Opening Balance	846	1,570
Add: Profit / Loss for the year	(348)	(423)
Total	498	1,146
Less: Transfer to contingency reserve	300	300
Closing Balance	198	846
Contingency Reserve Opening Balance	300	Nil
Transfer from Profit and Loss accounts	300	300
Closing Balance.	600	300
Total	3,130	3,478



3. Long Term Borrowings

₹ in Lacs

Particulars	31.03.2013	31.03.2012
Deferred Sales Tax	124	124
Loan From Related Parties	720	720
Term Loan from Cosmos Co Op Bank Ltd. Pune	5,726	5,669
Suppliers' Credit	1,037	1,037
Car Loan	7	9
Sub-Total	7,614	7,559
Less: Maturities within one year	171	949
Total	7,443	6,610

- a. Term Loans from Banks are guaranteed by two promoter directors and one of their relatives.
- b. Deferred Sales tax is payable over period of 15 years. Loan from related parties are not subjected to any repayment terms. Term Loans are repayable over a period of 7 years from the date of disbursement. Suppliers credit are payable over a period of 3 years. Car Loan is payable over a period of five years from the date of disbursement.
- c. Term Loans from Cosmos Co-Operative Bank Ltd 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. During the year The Bank has rephased the term loan repayment obligations of the company.
- d. Loans under the Hire Purchase Scheme are secured by hypothecation of vehicles acquired under the scheme

4. Details of deferred tax calculation for the year ending 31st March 2013.

₹ in Lacs

Particulars	Deferred Tax(Asset) / Liability		
	As on 01.04.2012	for the Year	As on 31.03.2013
Difference between Book and Tax Depreciation	1,015	(64)	951
Brought forward Unabsorbed Depreciation	(303)	(94)	(397)
Preliminary Expenses	(2)	2	0
Total	710	(156)	554

5. Short Term Borrowings:

₹ in Lacs

Particulars	31.03.2013	31.03.2012
Bills Discounted	-	80
Demand Loan From Banks	2,731	2,796
Total	2,731	2,876



The Short term borrowings are under Consortium Banking arrangement with Bank of India, State Bank of India and The Cosmos Co- Operative Bank Limited are secured by First Pari-passu charge on the Hypothecation of stocks, Books Debts and other Current Assets of the Company, exclusive First charge on the Company's immovable property situated at Asangaon, Maharashtra and Second pari-passu charge on the Fixed Assets of the Company (including second charge by way of extension of Equitable Mortgage as on the immovable properties in Bangalore) of the Company. Short term borrowings are guaranteed by two promoter directors and one of their relatives.

6. Trade Payables

Trade Payables include sum of ₹ 50.20 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 31.03.2013 is ₹ 13.60 lacs. Trade payables are subject to confirmation from parties.

7. Other Current Liabilities :

₹ in Lacs

Particulars	31.03.2013	31.03.2012
Deposits Payable	5	5
ESI Payable	2	3
Interest Accrued but not Due	62	61
LIP Payable	2	1
PF Payable	6	6
TDS Payable	6	7
Term Loan Maturities within one Year	171	950
Unclaimed Dividend	5	5
Others	1	-
Total	260	1,038

8. Short Term Provisions :

₹ in Lacs

Particulars	31.03.2013	31.03.2012
Short Term Provision		
Provision for Employee Benefits	115	93
Provision for Taxation	Nil	Nil
Provision for Excise duty on FG	3	1
Total	118	94



₹ in Lacs

9. FIXED ASSETS (AT COST)

Particulars	GROSS BLOCK AT COST			DEPRECIATION			NET BLOCK		
	01.04.2012	Additions	Adjustments	31.03.2013	01.04.2012	Period	Adjustments	31.03.2013	31.03.2012
Leasehold Land & Development	81	-	-	81	-	-	-	81	81
Buildings	2,196	11	-	2,207	721	73	-	1,412	1,474
Plant & Machinery	12,320	83	-	12,403	5,694	694	-	6,388	6,626
Furniture, Fixture & Equipments	202	9	-	211	137	14	-	60	65
Vehicles	100	-	-	100	50	9	-	41	50
TOTAL	14,899	103	-	15,002	6,602	790	-	7,609	8,296



10. Non-Current Investments:

₹ in Lacs

Particulars	31.03.2013	31.03.2012
* Shares in Subsidiary Company (Unquoted)	127	127
** Other Shares (Unquoted)	6	6
TOTAL	133	133

* 19,70,100 equity shares of Shetron Metropak Pvt Ltd of ₹ 10/- each.

** 20,000 equity shares of Kalyan Janatha Sahakari Bank of ₹ 25/- each (₹ 5,00,000) and 1000 equity shares of Cosmos Co-Operative Bank Ltd of ₹ 100/- each (₹ 1,00,000).

11. Long Term Loans And Advances

₹ in Lacs

Particulars	31.03.2013	31.03.2012
Advances for value to be received	1,438	1,496

Advances are unsecured. Advances includes, advances to related parties ₹ 300 lakhs (PY ₹ 314 Lakhs) and others which in the opinion of the management will realize values stated in the Balance sheet in the long term. However the Company, as a prudent measure, has created a contingency reserve to the extent of ₹ 300 lacs for any possible erosion in the value of said advances and other non-current assets in addition to contingency reserve already created. Advances are subject to confirmation from parties.

12. Other Non-Current Assets

₹ in Lacs

Particulars	31.03.2013	31.03.2012
Trade Receivables	591	591
Preliminary Expenses to the extent not w/off	Nil	Nil
Total	591	591

Trade receivables are unsecured but considered good. Trade receivables are subject to confirmation from parties. In the opinion of the management the company will realize values stated in the Balance sheet in the long term. However the Company, as a prudent measure, has created a contingency reserve to the extent of ₹ 300 lacs for any possible erosion in the value of said other non-current assets and long term advances in addition to contingency reserve already created.

13. Inventories: (As taken , certified and valued by management)

₹ in Lacs

Particulars	31.03.2013	31.03.2012
Finished Goods	54	9
Raw Material	1,723	2,516
Stores & Spares	157	141
Work In Process	531	820
Total	2,465	3,486

Inventories are valued as follows:

- Stores and Spares at cost on FIFO method of valuation
- Raw Materials at cost on FIFO method of valuation
- Work in progress at cost*
- 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.



14. Trade Receivable

₹ in Lacs

Particulars	31.03.2013	31.03.2012
Outstanding for period of exceeding 6 months	508	252
Other Debts	2,209	1,940
Total	2,717	2,192

Trade receivables are unsecured and considered good and subject to confirmation from parties.

15. Cash and Cash Equivalents

₹ in Lacs

Particulars	31.03.2013	31.03.2012
Bank Balances	49	80
Cash On Hand	2	-
Margin Money Deposit with Bank for L/Cs	698	627
Fixed Deposit with Bank (More than 12 months Maturity)	30	30
Total	779	737

16. Short Term Loans and Advances:

₹ in Lacs

Particulars	31.03.2013	31.03.2012
(Unsecured and Considered good)		
Advance Custom Duty	27	21
Advance for Goods	679	255
Advance Income Tax	52	50
Cenvat Recoverable	233	323
Advance to Employees	14	2
Export Incentive utilized DEPB	Nil	65
VAT Recoverable	154	103
Total	1,159	819

Advances for goods are subject to confirmation from parties

17. Other Current Assets:

₹ in Lacs

Particulars	31.03.2013	31.03.2012
Deposits	39	38
Interest Receivable	-	30
Prepaid Expenses	29	14
Total	68	82



18. Other Income:

₹ in Lacs

Particulars	31.03.2013	31.03.2012
Commission Received	1	2
Discount Received	7	1
Dividend	1	1
Export Incentive	53	118
Interest Received	46	69
Miscellaneous Income	17	6
Rent Received	47	7
Total	172	204

19. Cost of Material Consumed :

₹ in Lacs

Particulars	31.03.2013	31.03.2012
Exchange Fluctuation	73	126
Power and Fuel	461	444
Raw Materials	7,705	8,292
Carriage Inward	75	92
Total	8,315	8,954

Raw material consumed are classified under the broad head "Tin Plates, Inks and Sizing Materials"

20. Employees Benefit Expenses:

₹ in Lacs

Particulars	31.03.2013	31.03.2012
PF and Other Funds	60	65
Salaries and Wages	806	834
Staff Welfare Expenses	48	45
Total	914	944

21. Finance Cost:

₹ in Lacs

Particulars	31.03.2013	31.03.2012
Interest	1,319	1,167
Other Finance Cost	369	274
Total	1,688	1,441

**22. Other Expenses:**

₹ in Lacs

Particulars	31.03.2013	31.03.2012
Administrative Expenses	370	344
Business Promotion	16	28
Commission Paid	37	67
Discount/ Rebate	16	47
Insurance	7	7
Job Charges	50	45
Other Expenses	2	8
Packing Forwarding	325	358
Preliminary Expenses	-	13
Rates and Taxes	9	18
Rent	6	3
Repairs Buildings	21	12
Repairs Machinery	67	80
Repairs Others	15	7
Total	941	1,037

Administrative Expenses includes Audit Fees as statutory auditor of ₹ 9.25 lakhs (PY Statutory Audit Fees ₹ 8.15 lakhs)

23. Contingent Liabilities (not provided for in accounts):

₹ in Lacs

Particulars	31.03.2013	31.03.2012
Letters of credit and guarantee established and Bills discounted under LC and others	3,231	3,291
Factoring obligations	863	759
Guarantees for Customs Duty	450	450
Guarantees for Financial Institutions/Banks as security	500	500
Export Obligations	2,464	5,170
Disputed Income Tax	249	249

24. Value of Imports/Exports :

₹ in Lacs

Particulars	31.03.2013	31.03.2012
CIF Value of Imports		
Raw Materials	2,689	3,535
Components and Spare Parts	50	67
Capital Goods	-	1,837
FOB Value of Exports	2,561	2,724
Expenditure in Foreign Currency	6	9

Other disclosures relating to dividend in foreign currency are not applicable to the company.



25. Raw Material Consumption:

₹ in Lacs

Particulars	31.03.2013		31.03.2012	
	%	Value ₹ in Lacs	%	Value ₹ in Lacs
Imported	45%	3,102	44%	3,649
Indigenous	55%	4,603	56%	4,643

26. Related Party Disclosures:

I Controlling Companies : NIL

II List of Related Parties

Fibre Foils Ltd.	Associate
Sansha Systems Ltd	Associate
Shetron Enterprises Pvt. Ltd	Associate
Shetron Metropak Pvt Ltd	Subsidiary
Bunts Property Pvt Ltd	Associate
Mr. D.S. Shetty	Key Managerial personnel
Mr. Kartik. Nayak	Key Managerial personnel

III Transaction with related parties

₹ in Lacs

Nature of Transaction entered into during the year	31.03.2013	31.03.2012
Sales	762	923
Purchase	17	56
Rent paid	2	2
Shared Services Received	38	38
Payment to Key Managerial Personnel	71	71
Status of outstanding Balances		
Amount Receivable	1330	870
Amount Payable	330	570

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 Secondary segment information.



₹ in Lacs

Geographical Segment	31.03.2013	31.03.2012
India	10,051	9,909
Asia	894	1,136
Europe	-	30
America	83	162
Africa	1,594	1,396
Australia	471	189
Total	13,093	12,821

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

27. 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 up to the date of commencement of commercial production. Assets acquired under Hire Purchase Scheme are capitalized 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 recognized 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 there from are charged to the Profit & Loss account.

8. Deferred Revenue Expenditure

Debenture issue/Pre-operative expenses are amortised over a period of 5 years.

9. Income

- Sale of Goods: Sale of Finished goods are net of returns and price variation, if any.
- 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 of the Company.

AS-15(Revised 2005) for year ended 31/03/2013

SHETRON LIMITED EMPLOYEES GRATUITY FUND TRUST

1.	Assumption	As On	
		31/03/2012	31/03/2013
	Discount Rate	8%	8%
	Salary Escalation	7%	7%

2. Table Showing changes in present value of obligation as on 31/03/2013

Amount in ₹

Present value of obligations as at beginning of year	6,368,145
Interest cost	509,452
Current Service Cost	548,490
Benefits Paid	(701,653)
Actuarial (gain)/ loss on obligations	(86,161)
Present value of obligations as at end of year	6,638,273

3. Table showing changes in the fair value of plan assets As on 31/03/2013

Amount in ₹

Fair value of plan assets at beginning of year	510,099
Expected return on plan assets	20,404
Contributions	365,000
Benefits Paid	(701,653)
Actuarial gain/(loss) on Plan assets	NIL
Fair value of plan assets at the end of year	193,850


4. Table showing fair value of plan assets

Amount in ₹

Fair value of plan assets at beginning of year	510,099
Actual return on plan assets	20,404
Contributions	365,000
Benefits Paid	(701,653)
Fair value of plan assets at the end of year	193,850
Funded status	(6,444,423)
Excess of Actual over estimated return on plan assets	NIL
(Actual rate of return=Estimated rate of return as ARD falls on 31st March)	

5. Actuarial Gain/Loss recognized As on 31/03/2013

Amount in ₹

Actuarial (gain)/ loss on obligations	86,161
Actuarial (gain)/ loss for the year - plan assets	NIL
Total (gain)/ loss for the year	(86,161)
Actuarial (gain)/ loss recognized in the year	(86,161)

6. The amounts to be recognized in the Balance Sheet and Statements of Profit and Loss

Amount in ₹

Present value of obligations as at the end of year	6,638,273
Fair value of plan assets as at the end of the year	193,850
Funded status	(6,444,423)
Net asset/(liability) recognized in balance sheet	6,444,423

7. Expenses Recognised in Statement of Profit and Loss

Amount in ₹

Current Service cost	548490
Interest Cost	509,452
Expected return on plan assets	(20,404)
Net Actuarial (gain)/ loss recognized in the year	(86,161)
Expenses recognised in statement of Profit and loss	(951,377)

Note: The above report is not certification under AS-15 revised 2005 read with Actuaries Act, 2006. It is simply a report generated to help companies for proper accounting of employee's liabilities.

**1. Provisions and Contingencies**

A provision is recognised when the Company has a present legal or constructive obligation as a past event and it is probable that an out flow of resources will be required to settle the obligation in respect of which reliable estimate can be made. Provisions (excluding retirement benefits) are not discounted to its present value and are determined based on estimate required to settle the obligation. Contingent liabilities are not recognised but are disclosed in the notes to financial statements.

Signatures to notes of accounts

For PAL & SHANBHOGUE
Chartered Accountants
(Registration No. 2528 S)Place : Bangalore
Date : 10th May, 2013**DIWAKAR S. SHETTY**
Chairman**KARTIK NAYAK**
Managing Director**K.R. SHANBHOGUE**
Partner M.No.18578


CASH FLOW STATEMENT FOR PERIOD ENDED 31.03.2013

Particulars	31.03.2013		31.03.2012	
	₹ in Lacs		₹ in Lacs	
A. CASH FLOW FROM OPERATING ACTIVITIES:				
NET LOSS / PROFIT BEFORE TAX .	(504)		(714)	
Adjustments for:				
Depreciation	790		766	
Discount on issue of Debentures / Preliminary Exp W/off	-		-	
Interest	1,688		1,441	
(Profit)/Loss on sale of Fixed Assets	-		-	
Operating Profit before Working Capital changes	1,974		1,493	
Adjustments for:				
Trade and Other receivables	(525)		(135)	
Inventories	1,022		(411)	
Trade Payables	(1,186)		226	
Loans and Advances	(326)		558	
Cash Generated from Operations	959		1,731	
Interest Paid	(1,688)		(1,441)	
Direct Taxes Paid	-		-	
CASH FLOW BEFORE EXTRAORDINARY ITEMS	(729)		290	
NET CASH FROM OPERATING ACTIVITIES		(729)		290
B. CASH FLOW FROM INVESTING ACTIVITIES:				
Purchase of Fixed Assets (including Capital Advances)	(62)		(1,916)	
Sale of Fixed Assets	-		-	
Purchase of Investments	-		-	
		(62)		(1,916)
C. CASH FLOW FROM FINANCING ACTIVITIES:				
Change in Long Term Borrowings	833		1,580	
NET CASH USED IN FINANCING ACTIVITIES		833		1,580
NET INCREASE IN CASH AND CASH EQUIVALENTS		42		(46)
CASH AND CASH EQUIVALENTS AS AT (CLOSING BALANCE)	779		737	
CASH AND CASH EQUIVALENTS AS AT (OPENING BALANCE)	737		783	

In terms of our report attached.
For and on behalf of the Board of Directors

As per our report of even date
For PAL & SHANBHOGUE

Chartered Accountants
(Registration No. 2528 S)

Place : Bangalore
Date : 10th May, 2013

DIWAKAR S.SHETTY
Chairman

KARTIK NAYAK
Managing Director

K.R. SHANBHOGUE
Partner M.No.18578

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

We have examined the attached Cash Flow Statement of Shetron Limited for the year ended 31st March 2013. The statement has been prepared by the Company in accordance with the requirements of Clause 32 of the listing agreement with Bombay Stock Exchange Limited, Mumbai

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

Place : Bangalore
Date : 10th May, 2013

K.R.SHANBHOGUE
Partner M.No.18578

**CONSOLIDATED FINANCIAL STATEMENTS 2013****AUDITORS' REPORT****To****The Members of Shetron Limited**

1. We have audited the accompanying consolidated Financial Statements of Shetron Limited ('the Company') and its Subsidiary M/s Shetron Metropak Pvt Ltd, which comprise the Consolidated Balance Sheet as at March 31, 2013, the consolidated Statement of Profit and Loss and the consolidated Cash Flow Statement for the year then ended, and a summary of the significant accounting policies and other explanatory information.

Management Responsibility for the Consolidated Financial Statements

2. The Company's Management is responsible for the preparation of these consolidated financial statements that give a true and fair view of the consolidated financial position, consolidated financial performance and consolidated cash flows of the group in accordance with the accounting principles generally accepted in India. This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the consolidated financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

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

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Company's preparation and presentation of the consolidated financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the company's internal control. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Managements, as well as evaluating the overall presentation of the consolidated financial statements.

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

Opinion

4. In our opinion and to the best of our information and according to the explanations given to us, the aforesaid consolidated financial statements give a true and fair view in conformity with the accounting principles generally accepted in India:
 - (a) In the case of the Consolidated Balance Sheet, of the state of affairs of the Group as at 31st March, 2013;
 - (b) In the case of the Consolidated Statement of Profit and Loss, of the loss of the Group for the year ended on that date; and
 - (c) In the case of the Consolidated Cash Flow Statement, of flows of the Group for the year ended on that date.

Other Matter

5. We did not audit the financial statements of a subsidiary M/s Shetron Metropak Pvt Ltd, whose financial statements reflects total assets of ₹ 1559.48 lakhs as at 31st March, 2013, total revenue of ₹ 809.81 lakhs and net cash outflow amounting to ₹(34) lakhs for the year ended on that date, as considered in the consolidated financial statements. These financial statements have been audited by other auditors whose report have been furnished to us by the Management and our opinion, in so far as it relates to the amounts and disclosures included in respect of these subsidiaries, is based solely on the reports of the auditors. Our opinion is not qualified in respect of this matter.

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

Date : Bangalore
Place : 10th May, 2013

K R SHANBHOGUE
Partner M.No.18578


CONSOLIDATED BALANCE SHEET AS AT 31ST MARCH, 2013

Particulars	Note No.	As at 31.03.2013 ₹ in Lacs	As at 31.03.2012 ₹ in Lacs
A EQUITY AND LIABILITIES			
1. SHAREHOLDER'S FUNDS			
a. Share capital	1	900	900
b. Reserves and surplus	2	3,122	3,488
c. Money received against share warrants			
		4,022	4,388
2. NON-CURRENT LIABILITIES			
a. Long-term borrowings	3	7,799	6,910
b. Deferred tax liabilities (net)	4	554	710
		8,353	7,620
3. CURRENT LIABILITIES			
a. Short-term borrowings	5	2,848	3,047
b. Trade payables	6	1,955	2,394
c. Other current liabilities	7	260	1,113
d. Short-term provisions	8	117	94
e. Minority Interest		79	95
		5,259	6,743
TOTAL		17,634	18,751
B. ASSETS			
1. Non-current assets			
a. Fixed assets			
(i) Tangible assets	9	8,324	8,756
(ii) Intangible assets (Goodwill on consolidation)		41	41
(iii) Capital work-in-progress		113	338
		8,478	9,135
b. Non-current investments	10	6	6
c. Long-term loans and advances	11	1,438	1,496
d. Other non-current assets	12	591	591
		10,513	11,228
2. Current assets			
a. Inventories	13	2,528	3,621
b. Trade receivables	14	2,157	1,921
c. Cash and cash equivalents	15	789	781
d. Short-term loans and advances	16	1,571	826
e. Other Current assets	17	76	374
		7,121	7,523
TOTAL		17,634	18,751

In terms of our report attached.
For and on behalf of the Board of Directors

As per our report of even date
For PAL & SHANBHOGUE
Chartered Accountants
(Registration No. 2528 S)

Place : Bangalore
Date : 10th May, 2013

DIWAKAR S. SHETTY
Chairman

KARTIK NAYAK
Managing Director

K.R. SHANBHOGUE
Partner M.No.18578


CONSOLIDATED PROFIT AND LOSS FOR THE PERIOD ENDED 31ST MARCH, 2013

Particulars	Note No.	For the Period ended 31 March, 2013 ₹ in Lacs	For the Period ended 31 March, 2012 ₹ in Lacs
A CONTINUING OPERATIONS			
1. Sales (Gross)		13,358	13,055
Less: Excise duty		891	726
Sales (Net)		12,467	12,329
2. Other income	18	165	201
3. Total revenue (1+2)		12,632	12,530
4. Expenses			
a. Cost of materials consumed	19	8,401	9,061
b. Changes in inventories of finished goods and work-in-progress		265	(158)
c. Employee benefits expense	20	926	955
d. Finance costs	21	1,741	1,498
e. Depreciation and amortisation expense		857	818
f. Other expenses	22	981	1,062
Total expenses		13,171	13,236
5. Profit / (Loss) before exceptional and extraordinary items and tax (3 - 4)		(539)	(706)
6. Profit / (Loss) before extraordinary items and tax		(539)	(706)
7. Extraordinary items		-	-
8. Profit / (Loss) before tax (6-7)		(539)	(706)
9. Tax expense:			
a. Current tax expense for current year		-	-
b. Deferred tax		(156)	(291)
10. Profit / (Loss) from continuing operations (8-9)		(383)	(415)
Share of Minority Interest		(17)	4
Profit / (Loss)		(366)	(419)
11. Earnings per share			
No of Equity Share with face value of ₹10 each		8,999,800	8,999,800
Basic and Diluted Earnings per share ₹		(4)	(5)
See accompanying notes forming part of the financial statements			

In terms of our report attached.

For and on behalf of the Board of Directors

As per our report of even date

For PAL & SHANBHOGUEChartered Accountants
(Registration No. 2528 S)Place : Bangalore
Date : 10th May, 2013**DIWAKAR S. SHETTY**
Chairman**KARTIK NAYAK**
Managing Director**K.R. SHANBHOGUE**
Partner M.No.18578


CONSOLIDATED NOTES FOR ACCOUNTS FOR THE YEAR ENDED 31ST MARCH, 2013
1. Share Capital:

₹ in Lacs

Particulars	31.03.2013	31.03.2012
Authorised Share Capital		
250,00000 equity shares of ₹10/- each	2500	2500
Issued, Subscribed and paid up Share Capital	900	900
90,03,300 equity shares of ₹ 10/- each fully paid		
Less: Forfeited Shares	0.35	0.35
	900	900

There is no other class of Shares other than the equity shares. There is no change in the outstanding shares at the beginning or at the end of the period. The company is a holding company of Shetron Metro Pak Pvt Ltd. The other disclosure requirements of schedule VI regarding share capital are not applicable to the Company. The following shareholders hold more than 5% of value of shares.

₹ in Lacs

Name of the Share holders	No of shares 31.03.2013		No of shares 31.03.2012	
	No's	%	No's	%
Shetron Enterprises Pvt Ltd.	17,96,717	19.96	17,96,717	19.96
Konjal Machine Pvt. Ltd	8,58,055	9.53	8,58,055	9.53
Bunts Properties Pvt. Ltd.	8,00,000	8.89	8,00,000	8.89

2. Reserves And Surplus:

There is no change in any of the reserves as the amount outstanding at the beginning of the year except in profit and loss account and contingency reserve.

₹ in Lacs

Particulars	31.03.2013	31.03.2012
Capital Subsidiary Reserve	15	15
Share Premium	2,111	2,111
General Reserves	205	205
Profit and Loss Accounts:		
Opening Balance	857	1,576
Add: Profit / Loss for the year	(366)	(419)
Total	491	1,157
Less: Transfer to contingency reserve	300	300
Closing Balance	191	857
Contingency Reserve	300	Nil
Transfer from Profit and Loss accounts during the year.	300	300
	600	300
Total	3,122	3,488



3. Long Term Borrowings

₹ in Lacs

Particulars	31.03.2013	31.03.2012
Deferred Sales Tax	124	124
Loan From Related Parties	722	857
Term Loan from Cosmos Co-Op Bank Ltd. Pune	5,726	5,669
Term Loan from financial Institutions	354	238
Suppliers' Credit	1,037	1,037
Car Loan	7	9
Total	7,970	7,934
Less: Maturities within one year	171	1,024
	7,799	6,910

- 3.1 Term Loans from Banks / Financial Institution are guaranteed by two promoter directors and one of their relatives.
- 3.2 Deferred Sales tax is payable over period of 15 years. Loan from related parties are not subjected to any repayment terms. Term Loans from Banks are repayable over a period of 7 years from the date of disbursement. Term Loan from financial Institutions by subsidiary Company is repayable over a period of 5 year. Suppliers credit are payable over a period of 3 years. Car Loan is payable over a period of five years from the date of disbursement.
- 3.3 Term Loans from The Cosmos Co-Operative Bank Ltd 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. During the year The Cosmos Co-Operative Bank Ltd has rephased the term loan repayment obligations of the company.
- 3.4 The Term Loan availed from financial Institution by the subsidiary company is secured by way of First Charge on the Fixed Assets of the subsidiary company and Corporate Guarantee of Shetron Ltd.
- 3.5 Loans under the Hire Purchase Scheme are secured by hypothecation of vehicles acquired under the scheme
4. Details of deferred tax calculation for the year ending 31st March 2013.

₹ in Lacs

Particulars	Deferred Tax (Asset) / Liability		
	As on 01.04.2012	As on 31.3.2013	For the year 2012-13
Difference between Book and Tax Depreciation	1,015	(64)	951
Brought forward Unabsorbed Depreciation	(303)	(94)	(397)
Preliminary Expenses	(2)	2	-
TOTAL	710	(156)	554



5. Short Term Borrowings:

₹ in Lacs

Particulars	31.03.2013	31.03.2012
Bills Discounted	117	231
Demand Loan From Banks	2,731	2,816
Total	2,848	3,047

The Short term borrowings are under Consortium Banking arrangement with Bank of India , State Bank of India and The Cosmos Co Operative Bank Ltd. and are secured by First Pari-passu charge on the Hypothecation of stocks, Books Debts and other Current Assets of the Company , exclusive First charge on the Company's immovable property situated at Asangaon, Maharashtra and Second pari-passu charge on the Fixed Assets of the Company (including second charge by way of extension of Equitable Mortgage as on the immovable properties in Bangalore) of the Company

Short term borrowings are guaranteed by two promoter directors and one of their relatives.

6. Trade Payables

Trade Payables include sum of ₹ 50.20 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 31.03.2013 is ₹ 13.60 lacs. Trade payables are subject to confirmation from parties

7. Other Current Liabilities :

₹ in Lacs

Particulars	31.03.2013	31.03.2012
Deposits Payable	5	5
ESI Payable	2	3
Interest Accrued but not Due	62	60
LIP/ Deductions Payable	3	1
PF Payable	6	6
TDS Payable	7	8
Term Loan Maturities within one Year	170	1,025
Unclaimed Dividend	5	5
Total	260	1,113

8. Short Term Provision

₹ in Lacs

Particulars	31.03.2013	31.03.2012
Provision for Employee Benefits	114	93
Provision for Taxation	Nil	Nil
Provision for Excise duty on FG	3	1
Total	117	94



₹ in Lacs

9. FIXED ASSETS (AT COST)

Particulars	GROSS BLOCK AT COST			DEPRECIATION			NET BLOCK		
	01.04.2012	Additions	Adjustments	31.03.2013	01.04.2012	Period	Adjustments	31.03.2013	31.03.2012
Leasehold Land & Development	81	-	-	81	-	-	-	81	81
Buildings	2,196	10	-	2,206	721	73	-	1,412	1,474
Plant & Machinery	13,020	405	-	13,424	5,934	761	-	6,695	7,086
Furniture, Fixture & Equipments	203	9	-	213	138	14	-	152	66
Vehicles	100	-	-	100	50	9	-	59	50
TOTAL	15,600	424	-	16,024	6,843	856	-	7,700	8,324
									8,756

**10. Non-Current Investments:**

₹ in Lacs

Particulars	31.03.2013	31.03.2012
Other Shares (Unquoted)	6	6
TOTAL	6	6

*20,000 equity shares of The Kalyan Janatha Sahakari Bank Ltd of ₹ 25 each (5,00,000) and 1000 equity shares of The Cosmos Co-operative Bank Limited of ₹100 each (1,00,000)

11. Long Term Loans And Advances

₹ in Lacs

Particulars	31.03.2013	31.03.2012
Advances for value to be received	1,438	1,496

Advances are unsecured. Advances includes, advances to related parties ₹ 300 Lakhs (PY ₹ 313.73 Lakhs) and others which in the opinion of the management will realize values stated in the Balance sheet in the long term. However the Company, as a prudent measure, has created a contingency reserve to the extent of ₹ 600 lacs for any possible erosion in the value of said advances and Long Term Trade Receivables. Advances are subject to confirmation from parties.

12. Other Non-Current Assets

₹ in Lacs

Particulars	31.03.2013	31.03.2012
Trade Receivables	591	591
Total	591	591

Trade receivable is unsecured but considered good. Trade receivable s are subject to confirmation from parties. In the opinion of the management Trade Receivables will realize values stated in the Balance sheet in the long term. However the Company, as a prudent measure, has created a contingency reserve to the extent of ₹ 600 lacs for any possible erosion in the value of said trade receivables and Long Term Loans and Advances..

13. Inventories: (As taken , certified and valued by management)

₹ in Lacs

Particulars	31.03.2013	31.03.2012
Finished Goods	53	9
Raw Material	1,740	2,586
Stores & Spares	161	141
Work In Process	574	885
Total	2,528	3,621

14. Trade Receivable

₹ in Lacs

Particulars	31.03.2013	31.03.2012
Outstanding for period of exceeding 6 months	852	252
Other Debts	1,305	1,669
Total	2,157	1,921

Trade receivables are unsecured and considered good. Trade receivables are subject to confirmation from parties.


15. Cash and Cash Equivalents

₹ in Lacs

Particulars	31.03.2013	31.03.2012
Bank Balances	55	89
Cash On Hand	2	1
Margin Money Deposit with Bank for L/Cs	699	661
Fixed Deposit with Bank (More than 12 months Maturity)	33	30
Total	789	781

16. Short Term Loans and Advances:

₹ in Lacs

Particulars	31.03.2013	31.03.2012
(Unsecured and Considered good)		
Advance Custom Duty	27	21
Advance for Goods	782	255
Advance Income Tax	54	51
Cenvat Recoverable	410	324
Advance to Employees	14	2
Export Incentive utilized DEPB	Nil	65
VAT Recoverable	284	103
Deposits	-	5
Total	1,571	826

17. Other Current Assets:

₹ in Lacs

Particulars	31.03.2013	31.03.2012
Deposits	44	38
Interest Receivable	-	38
Prepaid Expenses	32	18
Cenvat Receivable	-	182
Vat Receivable	-	98
Total	76	374

18. Other Income:

₹ in Lacs

Particulars	31.03.2013	31.03.2012
Commission Received	1	2
Discount Received	7	1
Dividend	1	1
Export Incentive	53	118
Interest Received	45	73
Miscellaneous Income	58	6
Total	165	201



19. Cost of Material Consumed :

₹ in Lacs

Particulars	31.03.2013	31.03.2012
Exchange Fluctuation	73	126
Power and Fuel	478	465
Raw Materials	7,772	8,334
Carriage Inward	77	92
Stores and Spares	-	44
Total	8,401	9,061

20. Employees Benefit Expenses:

₹ in Lacs

Particulars	31.03.2013	31.03.2012
PF and Other Funds	60	65
Salaries and Wages	818	845
Staff Welfare Expenses	48	45
Total	926	955

21. Finance Cost:

₹ in Lacs

Particulars	31.03.2013	31.03.2012
Interest	1,365	1,211
Other Finance Cost	376	287
Total	1,741	1,498

22. Other Expenses:

₹ in Lacs

Particulars	31.03.2013	31.03.2012
Administrative Expenses	372	348
Business Promotion	16	28
Commission Paid	36	67
Discount/ Rebate	16	47
Freight	-	15
Insurance	7	7
Job Charges	51	46
Other Expenses	2	8
Packing Forwarding	358	358
Preliminary Expenses	-	14
Rates and Taxes	10	20
Rent	6	3
Repairs Buildings	21	12
Repairs Machinery	69	82
Repairs Others	15	7
Total	981	1,062

Administrative Expenses includes Audit Fees as statutory auditor of ₹10.80 lakhs (PY Statutory Audit Fees ₹9.65 lakhs).

**23. Contingent Liabilities**

₹ in Lacs

Particulars	31.03.2013	31.03.2012
Letters of credit and guarantee established and Bills discounted under LC and others	3,231	3,459
Guarantees for Customs Duty	450	450
Factory Obligations	863	759
Guarantees for Financial Institutions/Banks as security	500	500
Export Obligations	2,464	5,170
Disputed Income Tax	249	249

24. Value of Imports/Exports :

₹ in Lacs

Particulars	31.03.2013	31.03.2012
CIF Value of Imports		
Raw Materials	2,689	3,535
Components and Spare Parts	50	67
Capital Goods	-	1,837
FOB Value of Exports	2,561	2,724
Expenditure in Foreign Currency	6	9

Other disclosures relating to dividend in foreign currency are not applicable to the company.

25. Raw Material Consumption:

₹ in Lacs

Particulars	31.03.2013		31.03.2012	
	%	Value ₹ in Lacs	%	Value ₹ in Lacs
Imported	37%	3,102	40%	3,649
Indigenous	63%	5,299	60%	5,412

26. Related Party Disclosures:

I Controlling Companies : NIL

II List of Related Parties

Fibre Foils Ltd.	Associate
Shetron Enterprises Pvt. Ltd	Associate
Fibre Shells Ltd.	Associate
Bunts Property Pvt Ltd	Associate
Mr. D.S. Shetty	Key Managerial personnel
Mr. Kartik. Nayak	Key Managerial personnel

**II Transaction with related parties**

₹ in Lacs

Nature of Transaction entered into during the year	31.03.2013	31.03.2012
Sales	217	171
Purchase	17	56
Rent paid	2	2
Payment to Key Managerial Personnel	71	71
Status of outstanding Balances		
Amount Receivable	425	301
Amount Payable	330	570

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 in Secondary segment information

₹ in Lacs

Geographical Segment	31.03.2013	31.03.2012
India	10,316	10,143
Asia	894	1,136
Europe	-	30
America	83	162
Africa	1,594	1,395
Australia	471	189
Total	13,358	13,055

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

27. 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 up to the date of commencement of commercial production. Assets acquired under Hire Purchase Scheme are capitalized 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 recognized 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 there from are charged to the Profit & Loss account.

8. Deferred Revenue Expenditure

Debenture issue/Pre-operative expenses are amortised over a period of 5 years.

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 of the Company.



AS-15(Revised 2005) for year ended 31/03/2013

SHETRON LIMITED EMPLOYEES GRATUITY FUND TRUST

i)	Assumption	As On	
		31/03/2012	31/03/2013
	Discount Rate	8%	8%
	Salary Escalation	7%	7%

ii) **Table Showing changes in present value of obligation as on 31/03/2013**

Amount in ₹

Present value of obligations as at beginning of year	6,368,145
Interest cost	509,452
Current Service Cost	548,490
Benefits Paid	(701,653)
Actuarial (gain)/ loss on obligations	(86,161)
Present value of obligations as at end of year	6,638,273

iii) **Table showing changes in the fair value of plan assets As on 31/03/2013**

Amount in ₹

Fair value of plan assets at beginning of year	510,099
Expected return on plan assets	20,404
Contributions	365,000
Benefits Paid	(701,653)
Actuarial gain/(loss) on Plan assets	NIL
Fair value of plan assets at the end of year	193,850

iv) **Table showing fair value of plan assets**

Amount in ₹

Fair value of plan assets at beginning of year	510,099
Actual return on plan assets	20,404
Contributions	365,000
Benefits Paid	(701,653)
Fair value of plan assets at the end of year	193,850
Funded status	(6,444,423)
Excess of Actual over estimated return on plan assets	NIL
(Actual rate of return=Estimated rate of return as ARD falls on 3st M1arch)	



v) Actuarial Gain/Loss recognized As on 31/03/2013

Amount in ₹

Actuarial (gain)/ loss on obligations	86,161
Actuarial (gain)/ loss for the year - plan assets	NIL
Total (gain)/ loss for the year	(86,161)
Actuarial (gain)/ loss recognized in the year	(86,161)

vi) The amounts to be recognized in the Balance Sheet and Statements of Profit and Loss

Amount in ₹

Present value of obligations as at the end of year	6,638,273
Fair value of plan assets as at the end of the year	193,850
Funded status	(6,444,423)
Net asset/(liability) recognized in balance sheet	6,444,423

vii) Expenses Recognised in Statement of Profit and Loss

Amount in ₹

Current Service cost	548,490
Interest Cost	509,452
Expected return on plan assets	(20,404)
Net Actuarial (gain)/ loss recognized in the year	(86,161)
Expenses recognised in statement of Profit and loss	(951,377)

Note: The above report is not certification under AS-15 revised 2005 read with Actuaries Act, 2006. It is simply a report generated to help companies for proper accounting of employee's liabilities.

11. Provisions and Contingencies

A provision is recognised when the Company has a present legal or constructive obligation as a past event and it is probable that an out flow of resources will be required to settle the obligation in respect of which reliable estimate can be made. Provisions (excluding retirement benefits) are not discounted to its present value and are determined based on estimate required to settle the obligation. Contingent liabilities are not recognised but are disclosed in the notes to financial statements.

Signatures to notes of accounts

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

Place : Bangalore
Date : 10th May, 2013

DIWAKAR S.SHETTY
Chairman

KARTIK NAYAK
Managing Director

K.R. SHANBHOUE
Partner M.No.18578


CONSOLIDATED CASH FLOW STATEMENT FOR THE PERIOD ENDED 31ST MARCH, 2013

Particulars	31.03.2013		31.03.2012	
	₹ in Lacs		₹ in Lacs	
A. CASH FLOW FROM OPERATING ACTIVITIES:				
NET LOSS / PROFIT BEFORE TAX .	(539)		(706)	
Adjustments for:				
Depreciation	857		818	
Discount on issue of Debentures / Preliminary Exp W/off	-		-	
Interest	1,741		1,498	
(Profit)/Loss on sale of Fixed Assets	-		-	
Operating Profit before Working Capital changes	2,059		1,610	
Adjustments for:				
Trade and Other receivable	(235)		46	
Inventories	1,093		(484)	
Trade Payables	(1,468)		566	
Loans and Advances	(389)		537	
Cash Generated from Operations	1,059		2,275	
Interest Paid	(1,741)		(1,498)	
Direct Taxes Paid	-		-	
CASH FLOW BEFORE EXTRAORDINARY ITEMS	(682)		777	
NET CASH FROM OPERATING ACTIVITIES		(682)		777
B. CASH FLOW FROM INVESTING ACTIVITIES:				
Purchase of Fixed Assets (including Capital Advances)	(199)		(2,130)	
Sale of Fixed Assets	-		-	
Purchase of Investments	-		-	
		(199)		(2,130)
C. CASH FLOW FROM FINANCING ACTIVITIES:				
Change in Long Term Borrowings	889		1,321	
NET CASH USED IN FINANCING ACTIVITIES		889		1,321
NET INCREASE IN CASH AND CASH EQUIVALENTS		8		(32)
CASH AND CASH EQUIVALENTS AS AT (CLOSING BALANCE)	789		781	
CASH AND CASH EQUIVALENTS AS AT (OPENING BALANCE)	781		813	

In terms of our report attached.
For and on behalf of the Board of Directors

As per our report of even date
For PAL & SHANBHOGUE
Chartered Accountants
(Firm Registration No. 2528 S)

Place : Bangalore
Date : 10th May, 2013

DIWAKAR S.SHETTY
Chairman

KARTIK NAYAK
Managing Director

K.R. SHANBHOGUE
Partner M.No.18578

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

We have examined the attached Cash Flow Statement of Shetron Limited for the year ended 31st March 2013. The statement has been prepared by the Company in accordance with the requirements of Clause 32 of the listing agreement with Bombay Stock Exchange Limited, Mumbai

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

Place : Bangalore
Date : 10th May, 2013

K.R.SHANBHOGUE
Partner M.No.18578



**STATEMENT PURSUANT TO EXEMPTION RECEIVED UNDER SECTION 212(8) OF
THE COMPANIES ACT, 1956 RELATING TO SUBSIDIARY COMPANIES**

NAME OF THE COMPANY: M/S SHETRON METROPAK PRIVATE LIMITED, BANGALORE

Particulars	2012-13 (₹ in lacs)	2011-12 (₹ in lacs)
Capital	389.00	389.00
Reserves	(232.08)	(196.65)
Total Liabilities	1402.56	1291.2
Total Assets	1559.48	1483.55
Investments other than Investments in Subsidiary	-	-
Turnover	809.81	985.59
Profit Before Taxation	(35.40)	7.99
Provision for Taxation	-	-
Profit After Taxation	(35.40)	7.99
Proposed Dividend	-	-

The Ministry of Corporate Affairs, Government of India has granted exemption under Section 212(8) of the Companies Act, 1956 from attaching the Balance Sheet, Profit and Loss account and other documents of the Subsidiary Companies with the Balance Sheet of the Company. Any member desirous of the same may write to the Company Secretary.

BOOK - POST

if undelivered please return to :



SHETRON LIMITED

Regd. Office and Factory
Plot No. 1, Bommasandra Industrial Area,
Hosur Road, Bangalore - 560 099.
Karnataka, **INDIA**

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