



SHETRON

THE NAME BEHIND THE NAMES



31ST ANNUAL REPORT 2010-11



SHETRON LIMITED

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



SHETRON LIMITED

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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 2010-11 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 31st Annual General Meeting of the members of Shetron Limited will be held at Koramangala Club CA-17, 6th Cross, 6th Block, Koramangala, Bangalore – 560 095 on Monday, the 26th September, 2011 at 10.00 A.M to transact the following business.

ORDINARY BUSINESS :

1. To consider and adopt the Balance Sheet as at 31st March, 2011, 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 .

For SHETRON LIMITED

DIWAKAR S SHETTY
Chairman

NOTES:

1. For appointment of Directors, disclosure as required under Clause 46 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 19th September, 2011 to 26th September, 2011 (both the days inclusive).
5. Member desiring information as regards accounts is requested to write to the company at an early date so as to enable the management to keep the information ready.
6. Members holding shares in physical form are requested to notify promptly any change in their address to the registrar and share transfer agents of the company M/s. 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 authorising their representative to attend and vote at the Annual General Meeting.

By the order of the Board of Directors
SHETRON LIMITED

Place: Bangalore
Date : 24th May, 2011

DIWAKAR S. SHETTY
Chairman



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 Age : 72 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	Phd (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 first Annual Report on the business and operations of your Company and the Financial accounts for the year ended 31st March 2011 approved by the Board

FINANCIAL HIGHLIGHTS

Particulars	2010-11 ₹ in lacs	2009-10 ₹ in lacs
Gross Sales and Other Income	12,303	11,517
Gross Profit before Interest and Depreciation	1,827	1,869
Interest	1,124	1,094
Depreciation	662	624
Profit/Loss before Tax	41	151
Less : Provision for Tax	5	19
Less : Deferred Tax	7	28
Profit after tax	29	104
Transfer to Debenture Redemption Reserve	-	665
Preliminary Exp on Issue of Deb written off	-	(213)
Balance Profit for the year (after appropriations)	29	557
Add; Balance Brought Forward from previous year	1,541	984
BALANCE Carried Over	1,570	1,541

YEAR IN RETROSPECT

The Company achieved Gross turnover and other income of ₹12303 lacs against the previous year turnover of ₹ 11517 lacs showing an increase of about 7% in sales over previous year. The profit after tax was ₹ 29 lacs compared to ₹ 104 lacs in the previous year.

Major factors that contributed to lower profitability for the year, as compared to the previous year were the overall increase in raw materials and other input costs, higher Interest cost and provision for depreciation due to capitalization of fixed assets.

DIVIDEND

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

BUSINESS PROSPECTS

The outlook for metal packaging industry is very positive in the long term. At present the Company is having capacity constraints to scale up its turnover. With the modernization cum expansion programme is in advance stage and the New Can Making Line is expected to be commissioned by second quarter of this year and start generating additional sales once it gets stabilized. However on profitability front, the overall increasing trend in input costs poses challenge to protect the profit margin in the current financial year. The Directors are confident that the fructification of our capex plans would yield positive results within next two years.

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 has increased to ₹ 2553 lacs i.e., an increase of 34 % over the previous year sales of ₹ 1875 lacs. Exports to Asian, Middle East and African countries have picked up during the year

**SUBSIDIARY:**

During the year, the company has acquired 49% of the shares held by M/s Metropak A/s Denmark in the Joint Venture Company viz., M/s Shetron Metropak Private Ltd. Consequently the company now holds 99% stake in Shetron Metropak Private Ltd and it has become a Subsidiary of Shetron Limited.

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

Your company has bagged the "Award of Excellence" for the year in 2011 issued by IMDA, USA (International Metal Decorators Association) in recognition of the excellence in quality for printing. Each year the IMDA conducts a Quality Contest to recognize the skillful achievements of the metal decorating industry. Entries from around the globe are judged in eight categories with the best entry given the Grand Award.

DIRECTORS

In accordance with the provisions of the Companies Act 1956, and Articles of Association of the company, 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 being re-appointed is attached to the Notice of the ensuing Annual General Meeting.

DIRECTORS' RESPONSIBILITY STATEMENT

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

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

ADDITIONAL DISCLOSURES

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

**DEPOSITS**

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

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

Particulars of employees as required under Section 217(2A) of the Companies Act, 1956, read with the Companies (Particulars of Employees) Rules, 1975 are not given since the remunerations paid to 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.

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

For and on behalf of the Board
SHETRON LIMITED

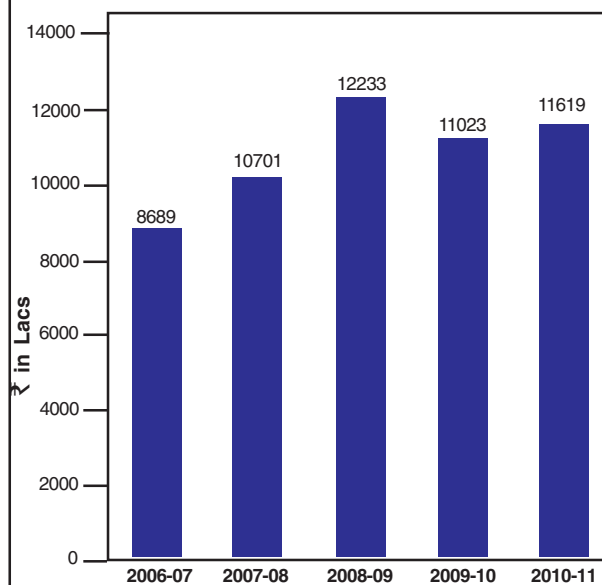
DIWAKAR S. SHETTY
Chairman

Place : Bangalore
Date: 24th May, 2011

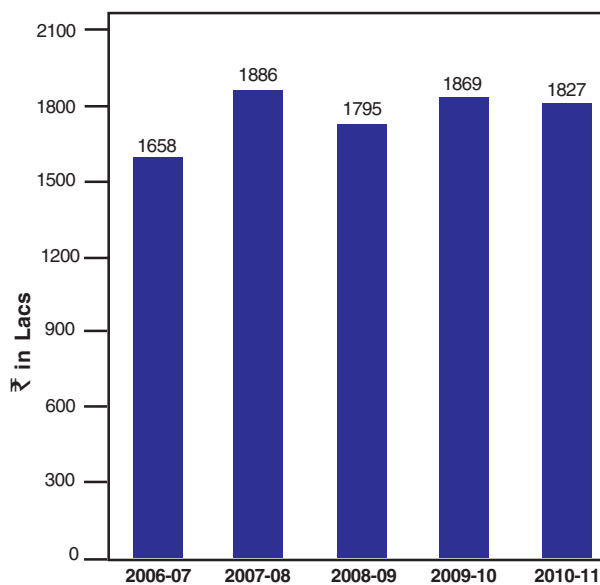


SHETRON LIMITED

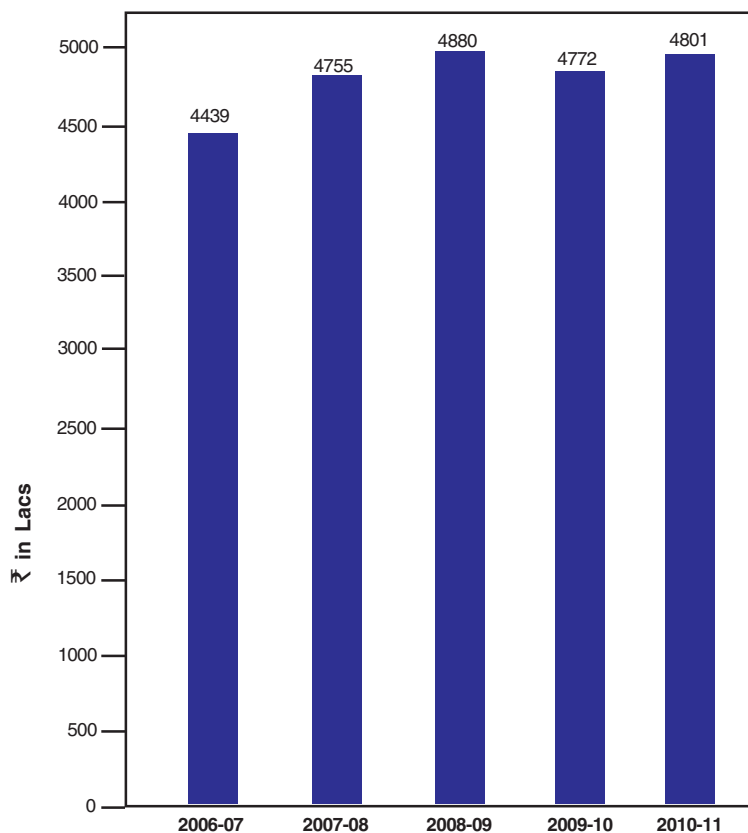
NET SALES AND OTHER INCOME



GROSS PROFIT



NET WORTH





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 has been receiving constant attention and measures are being taken for effective control on electricity and fuel consumption in the factory. During the year, cost savings have been achieved in the air consumption by eliminating air leakage and streamlining of the oversized pipelines and identifying of application points to reduce air consumption. Installation of meters at printing ovens to monitor the consumption fuel with respect to various sheet sizes and installation of interlocking system facilitates conservation of energy.

TECHNOLOGY ABSORPTION

The Company continues its efforts in up-gradation of systems and equipment with a view to improving the quality of its products, minimizing manufacturing wastages, cost reduction in terms of better productivity and customer satisfaction through better product performance. The company has installed new coating machine and ovens during the year. The Company has also in the process of installation of capacitor panel and also installed energy efficient motors, replacement of high rated motors with low rated motors based on the recommendations of TERI study report.

RESEARCH AND DEVELOPMENT

Teams have been formed internally comprising of competent engineers to identify few projects for new product development, technological up gradation to improve manufacturing process and to try out different materials / consumables to reduce product coats etc.

As an ongoing process, the Company is gradually developing techniques to reduce the thickness of the metal in the cans, which in turn ensures ease of use and simplifies processing. The company is also working out ways to reduce the weight of the cans which in turn will help to reduce wastage and also the aesthetic look of cans and improve yield of material.

FOREIGN EXCHANGE EARNINGS AND OUTGO

- a) Foreign Exchange earned : ₹2489 Lacs
- b) Foreign Exchange utilized : ₹3044 Lacs

For and on behalf of the Board
For SHETRON LIMITED

Place: Bangalore
Date: 24th May, 2011

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	4	1	8	1
2.	Mr. Kartik Nayak	Promoter Director Executive	4	1	2	1
3.	Mr. B S Patil	Independent Director	4	-	8	2
4	Dr M. Mahadeviah	Independent Director	4	1	-	1

Board Meetings

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

SI No.	Quarter	Date
1	April 10 - June 10	14th May 10
2	July 10 - September 10	30th July 2010
3	October 10 - December 10	2nd November 2010
4	January 11 - March 11	27th January 2011

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 advise
- Laying systems for Accounting and Audit
- Advising Internal Auditors on the scope of their Audit and review of their report
- Reviewing any significant Audit issues that may arise during the course of internal and Statutory Audit of the Company.

b) Share Transfer and investor Grievance Committee

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

The Committee comprises of 3 Directors viz. Mr. Kartik Nayak and Mr. Diwakar Shetty and Mr. B.S. Patil (Independent Director). The Company Secretary and Head – Finance are the permanent invitees to the committee. The Committee, generally review the working and approve the Transfer / Demat and give Authorizations to issue duplicate shares, etc if any. During the year under review committee met 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	Nil	Nil	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	13	13	Nil
6	Legal Cases/ Cases before consumer forum	Nil	Nil	Nil
7	Investors Request for Information	20	20	Nil
	Total	33	33	Nil

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	80,000
2	Dr M.Mahadeviah	80,000

5. CODE OF CONDUCT:

The Board has adopted and approved the Code of Conduct.

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

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

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

I hereby confirm that:

The Company has obtained from all the members of the Board and Senior Managers affirmation that they have complied with the code of conduct for Directors and Senior Managers in respect of financial year 2010-11

Sd/-

Kartik Nayak

Managing Director

6. GENERAL BODY MEETINGS

The 31st Annual General Meeting of the Company, for the Year 2011, would be held on Monday, the 26th September 2011 at 10.00 a.m at Koramangala Club, Bangalore .

Meeting	Day, Date and Time of the Meeting	Venue
30th AGM	25th September 2010 at 10.30 AM	Koramangala Club, Bangalore
29th AGM	24th September 2009 at 10.00 AM	Koramangala Club, Bangalore
28th AGM	15th September 2008 at 10.00 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.

**9. GENERAL SHAREHOLDER INFORMATION :**

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

10. SHAREHOLDER' INFORMATION

SI No:	Particulars	Details
1	Date, Time and Venue of the 31st Annual General Meeting	26th September, 2011 at 10 AM at Koramangala Club, Bangalore.
2	Date of Book Closure	19th September, 2011 to 26th September, 2011
3	Listing on Stock Exchange	The Bombay Stock Exchange (BSE) The Bangalore Stock Exchange *
4	Listing Fees	Paid for both 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) M/s. Integrated Enterprises (India) Ltd. No: 30, Ramana Residency, 4th Cross , Sampige Road, Malleshwaram, Bangalore 560003
8	Compliance Officer	Mr. B.K. Shetty, Company Secretary, Plot No.1, Bommasandra Industrial Area, Hosur Road, Bangalore –560099
9	For Financial Queries	Mr. B.K. Shetty , Company Secretary, Plot No.1, Bommasandra Industrial Area, Hosur Road, Bangalore –560099
10	For Shareholder's Queries	M/s.Integrated Enterprises (India) Ltd. No: 30, Ramana Residency, 4th Cross, Sampige Road, Malleshwaram, Bangalore 560003

* Delisted with effect from 18th May 2011

11. CHANGE OF ADDRESS:

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

12. SHARE TRANSFER SYSTEM

Share sent for physical transfer or dematerialization requests are generally registered and returned within a Period of 15 days from the date of receipt of completed and validly executed documents. The share transfer Committee generally meets every month, to approve the transfers and dematerialization requests. During the year ended 31st March 2011 the share Transfer Committee met 4 times.

13. DEMATERIALIZATION OF EQUITY SHARES

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

As of date (approx.) 86,10,690 shares of the 90,03,300 equity shares of the Company are in the dematerialized form.



14. SHAREHOLDERS' CORRESPONDENCE.

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

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

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

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

SL NO.	Month	High (₹)	Low (₹)	Volume of shares traded
1	March 2011	19.70	13.70	960
2	February 2011	18.00	13.50	725
3	January 2011	25.50	15.40	1809
4	December 2010	34.95	22.15	9162
5	November 2010	46.80	32.55	15997
6	October 2010	36.50	33.10	490
7	September 2010	41.95	27.50	2374
8	August 2010	43.00	28.00	1807
9	July 2010	33.35	27.10	319
10	June 2010	32.85	27.15	241
11	May 2010	32.70	27.00	263
12	April 2010	32.95	26.65	238

16. DISTRIBUTION OF SHAREHOLDING AS ON 31ST MARCH 2011

Category	No. of share holders	Percentage	No. of shares	Percentage
Up to 5000	4,877	98.33	13,91,165	15.45
5001 – 10000	24	0.48	1,71,231	1.90
10001 –20000	17	0.34	2,40,399	2.67
20001 – 30000	8	0.16	2,05,562	2.28
30001 – 40000	4	0.08	1,57,227	1.75
40001 – 50000	4	0.08	1,77,086	1.97
50001 – 100000	11	0.22	9,75,676	10.84
100001 and above	15	0.30	56,84,954	63.14
Total	4,960	100.00	9,003,300	100.00



17. SHAREHOLDING PATTERN AS ON 31ST MARCH 2011

Category	No of Shares held	Percentage of Shareholding
A Promoter's holding		
1 Promoters*		
- Indian Promoters	57,05,187	63.37
- Foreign Promoters	81,633	0.90
2 Persons acting in Concert	-	-
Sub - Total	57,86,820	64.27
B Non-Promoters Holding		
3 Institutional Investors		
a Mutual Funds and UTI	101	0.00
b Banks, Financial Institutions, Insurance Companies (Central/State Govt. Institutions/Non-government Institutions)	-	-
c FIIs	3,14,116	3.49
Sub - Total	3,14,217	3.49
4 Others		
a Private Corporate Bodies	6,25,625	6.95
b Indian Public	19,38,000	21.53
c NRIs/OCBs/Foreign Company	3,38,638	3.76
Sub - Total	29,02,263	32.24
GRAND TOTAL	90,03,300	100.00

For and on behalf of the Board
For SHETRON LIMITED

DIWAKAR S. SHETTY
Chairman

Place: Bangalore
Date: 24th May, 2011



MANAGEMENT DISCUSSION AND ANALYSIS REPORT

OVERVIEW:

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

ECONOMY, INDUSTRY STRUCTURE AND DEVELOPMENTS IN FOOD CANS AND BATTERY SEGMENTS:

ECONOMIC ENVIRONMENT:

The Financial year 2010-11 has been a complex and challenging year due to absorption and management of 'after effects' of global financial crisis. The crisis had its beginning in the developed world's subprime sector and broader financial markets and this contagion spread to the rest of the world economy, turning into a full blow global economic crisis. Indian economy also became affected to the extent it was coupled with global economy both through trade and exposure to international financial markets.

Global economy was on the recovery path. The Indian economy has performed relatively better in FY 2010-11 compared to other emerging economies. The Indian economy, one of the emerging economies recorded a growth rate of 8.6% in 2010-11 according to CMIE estimate. Agriculture rebounded from a down turn in 2009-10. Index of industrial production continues to be volatile. Inflationary expectation, higher commodity prices and volatility in global commodity markets have been a cause of concern. The year 2010-11 started with a double digit headline inflation of 11% in April 2010. After remaining in double digit till July 2010, it came down to 7.5% in November 2010. But the trend reversed with inflation moving up again to 9.41% in December 2010, 8.23% in Jan 2011 and 8.31% in Feb 2011. In spite of good growth in Agriculture this year, inflation remained at elevated level due to high food prices. Given the increase in oil prices, this inflationary trend can have some adverse impact on disposable income. The inflation based on WPI continued at higher level of 8.98% for March 2011. The spurt in inflationary expectation could be attributed primarily to supply constraints.

So far external sector of the economy is concerned, during 2010-11 the imports have been slow but exports have increased in view of global recovery and growth in trade with Asian countries as a result of which trade deficit is set to narrow. Exports for the year touched US\$245.9 billion registering a growth of 37.5% exceeding expectations. Imports for the same period stood US\$ 350.3 billion; and resultantly the trade deficit figure has come down to US\$104.4 billion for March 2011.

The Company's performance for the year 2010-11 has to be seen in the context of above economic background.

Growth of Food & Packaging industry in India

Food: A thriving industry in India

India is the world's 2nd largest producer of food next to China. It is the 2nd largest vegetable and 3rd largest fruit producer in the world. It ranks second only to Japan in inland sector fish production and produces about 6.57 million metric ton fish every year. Functional foods had the market earned revenues of over ₹870 Cr in 2007 and this is expected to reach ₹ 5,450 Cr in 2012.

Food Processing:

The growth of food processing sector has nearly doubled to 13.7 per cent during the last four years.

With its vast population base, growing middle class and strong macro-economic environment, the Indian market has seen processed food emerge as the one of its fastest growing segments. Rapid lifestyle transformation, particularly in urban areas, has resulted in a dramatic increase in the demand for processed, packaged and ready-to-eat food products. The arrival of food multinationals and the proliferation of Quick Service Restaurants (QSR) outlets have further added to the growth of this industry. The proliferation of modern retail trade and expansion of supermarkets, coupled with favourable industry trends is contributing to radical shifts in the Indian food and grocery industry.



Growing food processing and the ready to eat segment, is driving the packaging industry. The Indian packaging industry is expected to grow to ₹ 82,500 Cr by 2015 from the current ₹ 65,000 Cr.

India stands at the 11th position in the world packaging industry, which is ₹.26, 000 Cr, and with the rising consumer demand and new technologies, it is expected to grow at 18-20% from the current 15%. Packaging industry grew at the rate of 15% compared to the GDP growth of 8.5 %.

Growth drivers promoting the growth of packaging industry:

Consumer Trends:

Changing consumer trends is fuelling the growth of the packaging industry. The Indian population is younger, more urban, with greater disposable income and high purchasing power parity (PPP). Urban consumers are typically busier and more affluent, thus more willing to pay for convenience. The main impact of urbanization has created a growing demand for convenient products.

Demand for convenience:

The demand for 'convenience' is dominant in more than one segment. Apart from convenience in cooking at home, food services and chains have an equally strong share in the purchase of packaged foods. This demand for convenience also supported good growth in canned/preserved food and frozen processed food, with consumers appreciating the convenience of stocking up and keeping easily-prepared food at hand.

Improvement in the packaging technology:

Until recently, the majority of foodstuff was sold unpackaged. In the last few years, all sectors increased their share of packaged production. Despite a definite rise in the number of packaged products, many products are still sold unpackaged. The technology for packaging products and increasing their shelf life is being developed and adopted very rapidly.

Factors promoting the growth of Tin can usage:

Export driven market:

Through the growth of the packaging industry is large driven by domestic growth, usage and growth of tin can as a packaging material is largely driven by export market. Products like Coffee, pulp, gherkin, mushroom, sea food which are of client's interest are export based.

Shelf Life:

In spite of various cheaper substitute products available in the market, tin cans are preferred in the food processing segment for the increased shelf life that it provides for the product. For example, milk based beverages, which have a shelf life of less than a month in other packaging material like bottles and paper packs, can be stored up to 3 years in tin can.

Look and Feel of the product:

In some segments like Coffee, which are largely exported as a premium product from India and marketed in the retail segment overseas, the look and feel of the product becomes an important criterion. Tin cans are perceived to give a rich finish and look for the product.

Beverage segment:

One key segment, which has the capacity to boost the tin can usage in the domestic market, is Beverage segment. With large consumer base, the market volume is expected to be huge. However, growth of beverage segment in south is very minimal as most of the beverage companies have their plant in the Western part of the country. Booming retail market is expected to drive this market.



DRY CELL BATTERY :

Industry size and structure

The Indian market for Dry Cell Battery is now estimated at 2.2 billion pieces by volume and ₹14 billion by value. The battery market has only a few players. We hope that the demand drivers and the potential offered by the presently low-consuming Indian market will continue to offer further growth. India is one of the lowest consumers of batteries with an average annual per capita consumption of 2 as compared to other countries which are in the range between 4.5 to 20. Hence there is an inherent potential for growth.

The split of technology within the dry batteries market remained constant with zinc carbon batteries virtually possessing the entire market with 98 per cent share. The battery market saw all the players passing on significant price increases to off-set material cost push in the recent past. Cumulative price increases for the various battery types ranged between 20 per cent and 50 per cent. 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.

According to the industry pundits there are difficulties faced by the batteries and flashlights businesses in the recent past. The increase in operating costs without significant increase in the overall market (the year over year growth is barely 1%) and the disruptive innovations like iPod, MP3 players which do not need conventional batteries, unorganized market, and spurious brands are posing barriers for the growth in the battery industry.

SUPPLY SIDE OF TINPLATE :

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

The per capita consumption of tinplate in India is merely 300gm a year. In countries like USA and UK, the per capita consumption is as high as 9-10kg. Even in China, which has an economy similar to India's the consumption is 1kg a year. Therefore, the scope of growth for tinplate industry in India is immense. 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 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. 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 , THEREATS AND CONCERNS:

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

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

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

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



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

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

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

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

INTERNAL CONTROL SYSTEM AND ITS ADEQUACY:

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

HUMAN RESOURCES/INDUSTRIAL RELATIONS:

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

CAUTIONARY STATEMENT:

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

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

1. We have examined the Compliance of Corporate Governance Report for the period ended 31st March 2011 as stipulated in clause 49 of the Listing Agreement of the said Company with the Stock Exchanges in India
2. The Compliance of conditions of Corporate Governance is the responsibility of the Management. Our examination was carried out in accordance with the Guidance Note on Certification of Corporate Governance (as stipulated in Clause 49 of the Listing Agreement), issued by the Institute of Chartered Accountants of India and was limited to procedures and implementation thereof adopted by the company for ensuring the compliance of the conditions of the Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the company.
3. In our opinion, to the best of our information and according to the explanation given to us, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in the above Listing Agreement.
5. We state that such Compliance is neither an assurance as to the future visibility of the Company nor the efficiency or effectiveness with which the Management has conducted the affairs of the Company.

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

Date : Bangalore
Place : 24th May, 2011

K R SHANBHOGUE
Partner
Membership No: 018578



AUDITORS' REPORT

To
The Members of SHETRON LIMITED

1. We have audited the attached Balance Sheet of M/s Shetron Limited, as at March 31, 2011, and also the Profit and Loss Account and the Cash Flow Statement of the Company for the year ended on that date, annexed thereto, signed by us under reference to this report. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audit.
2. We conducted our audit in accordance with auditing standards generally accepted in India. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by the management, as well as evaluating the over all financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.
3. As required by the Companies (Auditor's Report) Order, 2003 (as amended) (hereinafter referred to as "the Order") issued by the Central Government of India in terms of sub section (4A) of section 227 of the Companies Act, 1956, (hereinafter referred to as "the Act") we enclose in the Annexure a statement on the matters specified in paragraphs 4 & 5 of the said order.
4. Further to our comments in the Annexure referred to above, we report that:
 - a) we have obtained all the information and explanations, which, to the best of our knowledge and belief, were necessary for the purpose of our audit.
 - b) in our opinion, proper books of account, as required by law, have been kept by the Company so far as it appears from our examination of those books.
 - c) The Balance Sheet, Profit and Loss Account and Cash flow Statement dealt with by this report are in agreement with the books of account.
 - d) in our opinion, the Balance Sheet, Profit and Loss Account and Cash flow Statement dealt with by this report comply with the accounting standards referred to in sub-section (3C) of section 211 of the Act.
 - e) on the basis of written representations received from the directors, as at 31 March, 2011, and taken on record by the Board of Directors, we report that none of the directors is disqualified as on March 31, 2011 from being appointed as a director in terms of section 274 (1) (g) of the Act.
 - f) in our opinion and to the best of our information and according to the explanations given to us, the said accounts give the information required by the Act, in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India.
 - i. in the case of the Balance Sheet, of the state of the affairs of the company as at March 31, 2011;
 - ii. in the case of the Profit and Loss Account, of the profit for the year ended on that date;

and

 - iii. in the case of the Cash Flow Statement, of the cash flows for the year ended on that date.

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

Date : Bangalore
Place : 24th May, 2011

K R SHANBHOGUE
Partner
Membership No: 018578


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

1. (a) The Company has maintained proper records showing full particulars including quantitative details and situation of fixed assets.
- (b) The Company has a programme for phased physical verification of all fixed assets which in our opinion, is reasonable having regard to the size of the company and the nature of its fixed assets. As informed, no material discrepancies were noticed on such verification.
- (c) In our opinion, the Company has not disposed off substantial part of its fixed assets during the year and therefore going concern concept of the company is not affected.
2. The management has conducted physical verification of inventory at reasonable intervals during the year and in our opinion the frequency of verification is reasonable.
- (a) In our opinion, the procedures of physical verification of the inventories followed by the management are reasonable and adequate in relation to the size of the Company and the nature of its business.
- (b) The company is maintaining proper records of inventories. As explained to us, there was no material discrepancies noticed on the physical verification of inventories as compared to the book records.
3. (a) The Company has not granted any loans, secured or unsecured, to the companies, firms or other parties listed in the register maintained under section 301 of the Act. Hence clauses (iii) (f) & (g) of the order are not applicable.
- (b) The company has taken interest free unsecured loan of ₹ 662 lacs from companies, firm or other parties covered in the register maintained under section 301 of the Act without any stipulation for repayment of the loan and interest.
4. In our opinion and according to the information given to us, there are adequate internal control procedures commensurate with the size of the Company and the nature of its business and for the purchases of inventory and fixed assets and for the sale of goods and services. During the course of our audit, we have not observed any continuing failure to correct major weaknesses in the internal control system.
5. In respect of the contracts or arrangements referred to in Section 301 of the Companies Act, 1956.
- (a) In our opinion and according to the information and explanations given to us, the transaction made in pursuance of contracts or arrangements, that need to be entered in the register maintained under Section 301 of the Companies Act, 1956, have so been entered.
- (b) In our opinion and according to the information and explanations given to us, the transaction made in pursuance of contracts or arrangements, entered in the register maintained under Section 301 of the Companies Act, 1956, and exceeding the value of rupees five lakhs, in respect of any party during the year have been made at the prices which appear reasonable having regards to the prevailing market prices at relevant time.
6. The company has not accepted any deposits from the public, within the meaning of sections 58A and 58AA or any other relevant provisions of the Act, and the companies (Acceptance of Deposits) Rules, 1975.
7. In our opinion the Company has an internal audit system commensurate with its size and nature of its business.
8. According to the information and explanations given to us, the Central Government has not prescribed maintenance of cost records under clause (d) of sub section (1) of section 209 of the Act, for the Company.
9. In respect of statutory dues:
 - (a) The company is generally regular in depositing with appropriate authorities undisputed statutory dues including provident fund, (investor education and protection fund) Employees' State insurance, Income Tax, Sales Tax, Wealth Tax, Service Tax, Custom Duty, Cess and other material statutory dues applicable to it.
 - (b) According to the information and explanations given to us, no undisputed amounts payable in respect of Income Tax, Sales Tax, Wealth Tax, Service Tax, Custom Duty, Excise Duty and cess were in arrears as at 31 March, 2011 for a period of more than six months from the date they became payable.
 - (c) There are no disputed matters that are pending before any appropriate authorities.



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

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

Date : Bangalore
Place : 24th May, 2011

K R SHANBHOGUE
Partner
Membership No: 018578



BALANCE SHEET AS AT 31ST MARCH 2011

Particulars	Schedules	As at 31.03.2011		As at 31.03.2010	
		₹	₹	₹	₹
I SOURCES OF FUNDS :					
1 SHAREHOLDER'S FUNDS	1				
a. Share Capital		89,998,000		89,998,000	
b. Reserves and Surplus		390,053,297		387,206,671	
			480,051,297		477,204,671
2 LOAN FUNDS	2				
a. Secured Loans		795,135,494		733,891,251	
b. Unsecured Loans		46,498,139		46,830,775	
			841,633,633		780,722,026
3 DEFFERED TAX LIABILITY			100,099,788		99,369,788
TOTAL			1,421,784,718		1,357,296,485
II APPLICATION OF FUNDS					
1 FIXED ASSETS	3				
a. Gross Block		1,286,701,384		1,209,887,542	
b. Less Depreciation		583,753,958		525,707,645	
c. Net Block		702,947,426		684,179,897	
d. Capital Work in progress		96,913,014		70,016,596	
			799,860,440		754,196,493
2 INVESTMENTS	4		13,337,500		10,550,000
3 CURRENT ASSETS, LOANS & ADVANCES	5				
a. Inventories		307,539,484		260,509,137	
b. Sundry Debtors		263,484,030		274,637,237	
c. Cash and Bank Balances		78,279,187		41,503,260	
d. Loans and Advances		159,944,241		159,220,257	
e. Taxes paid in advance		59,405,688		58,821,402	
		868,652,630		794,691,293	
LESS : CURRENT LIABILITIES & PROVISIONS	6				
a. Current Liabilities		209,476,214		153,084,533	
b. Provisions		51,895,064		51,667,621	
		261,371,278		204,752,154	
NET CURRENT ASSETS			607,281,352		589,939,139
4 Preliminary expenses to the extent not written off			1,305,426		2,610,853
TOTAL			1,421,784,718		1,357,296,485
NOTES ON ACCOUNTS AND ACCOUNTING POLICIES	11				

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

Place : Bangalore
 Date : 24th May, 2011

DIWAKAR S.SHETTY
 Chairman

KARTIK NAYAK
 Managing Director

B.K. SHETTY
 Company Secretary

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


PROFIT & LOSS ACCOUNT FOR THE YEAR ENDED 31ST MARCH 2011

Particulars	Schedules	Year Ended 31.03.2011		Year Ended 31.03.2010	
		₹	₹	₹	₹
I INCOME					
Sales	7	1,217,640,464		1,143,952,934	
Less Excise Duty		68,380,293	1,149,260,171	49,380,510	1,094,572,424
Other Income	8		12,648,821		7,726,395
			1,161,908,992		1,102,298,819
II EXPENDITURE					
Manufacturing & Other Expenses	9		979,220,065		915,391,177
Profit before Interest, Depreciation & Tax			182,688,927		186,907,642
Less: Interest	10		112,426,264		109,402,068
Profit / (Loss) before Depreciation & Tax			70,262,663		77,505,574
Less: Depreciation			66,211,038		62,411,669
Profit before Exceptional items & Tax			4,051,625		15,093,905
Less : Provision for Taxation					
- Current			475,000		1,900,000
- Deferred Tax Liability			730,000		2,770,000
Profit after Tax for the year			2,846,625		10,423,905
Add - Transfer to Debenture Redemption Reserve			-		66,500,000
Less - Preliminary Expenses on issue of Debentures written off			-		(21,250,000)
Profit after Tax for the year			2,846,625		55,673,905
Balance brought forward from previous year			154,107,751		98,433,846
Balance Carried to Schedule I			156,954,376		154,107,751
Earnings per Share (EPS)					
No. of Equity shares (face value of ₹10 each)			8,999,800		8,999,800
Basic/Diluted EPS			0.32		1.16
NOTES ON ACCOUNTS AND ACCOUNTING POLICIES	11				

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

Place : Bangalore
Date : 24th May, 2011

DIWAKAR S.SHETTY
Chairman

KARTIK NAYAK
Managing Director

B.K. SHETTY
Company Secretary

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



SCHEDULES FORMING PART OF THE ACCOUNTS

Particulars	As at 31.03.2011		As at 31.03.2010	
	₹	₹	₹	₹
1. SHAREHOLDER'S FUNDS				
a) SHARE CAPITAL :				
Authorised				
2,50,00,000 Equity Shares of ₹10/- each		250,000,000		250,000,000
(PY 2,50,00,000 Equity Shares of ₹10 Each)				
Issued:				
90,03,300 Equity Shares of ₹10/- each		90,033,000		90,033,000
		90,033,000		90,033,000
Subscribed and Paid up:				
90,03,300 Equity Shares of ₹10/- each fully paid up		89,988,000		89,988,000
Less : Calls in Arrears		(12,500)		(12,500)
Add : Forfeited Equity Shares 4,500		22,500		22,500
		89,998,000		89,998,000
b) RESERVES AND SURPLUS :				
Capital Subsidy Reserve				
As per last Balance Sheet		1,500,000		1,500,000
Share Premium				
As per last Balance Sheet		211,143,920		211,143,920
General Reserve		20,455,000		20,455,000
Profit & Loss Account		156,954,377		154,107,751
		390,053,297		387,206,671
2. LOAN FUNDS				
SECURED LOANS:				
a) Term Loans :				
Rupee Loans				
Term loan from Cosmos Co-Operative Bank Ltd, Pune		512,167,945		487,151,903
b) Hire Purchase Scheme		274,771		619,553
c) Working Capital Loans from Banks:		282,692,778		246,119,795
		795,135,494		733,891,251
UNSECURED LOANS:				
Sales Tax Deferral		12,998,139		13,330,775
Others		33,500,000		33,500,000
		46,498,139		46,830,775
4. INVESTMENTS				
(Unquoted and valued at cost)				
1,970,100 Equity Shares in Shetron Metropak Pvt Ltd of ₹10/- each		12,737,500		9,950,000
(P.Y 9,95,000 Shares)		500,000		500,000
20,000 Equity Shares in Kalyan Janata Sahakari Bank Ltd of ₹25/- each		100,000		100,000
1,000 equity shares in Cosmos Co Oprative Bank Ltd ₹100/- each		13,337,500		10,550,000

**NOTES:****Secured Loans:**

1. The Term Loans of ₹ 5122 lacs 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.
2. The Working Capital Loans of ₹ 2321.84 lacs are under Consortium Banking Arrangement with Bank of India and State Bank of India and are secured by First parri- passu charge on the Hypothecation of Stocks, Book Debts and other Current Assets of the Company, Exclusive First Charge on the Company's immovable property situated at Asangon, Maharastra and Second parri-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. The Working Capital Credit loan of ₹ 505 lacs availed from Cosmos-Cooperative Bank Ltd as SLSO loan by extending first charge by way of Equitable Mortgage on the Company's immovable property situated at Bangalore.
3. Loans from the Hire Purchase Scheme of ₹ 2.75 lacs are secured by hypothecation of Vehicles acquired under the Scheme.



SCHEDULES FORMING PART OF THE ACCOUNTS

3. FIXED ASSETS (AT COST)

Particulars	GROSS BLOCK AT COST				DEPRECIATION				NET BLOCK	
	As at 01.04.2010 ₹	Additions** ₹	Adjustments ₹	As at 31.03.2011 ₹	As at 01.04.2010 ₹	for the Year ₹	Adjustments ₹	As at 31.03.2011 ₹	As at 31.03.2011 ₹	As at 31.03.2010 ₹
Freehold Land & Development	8,091,172	-	-	8,091,172	-	-	-	-	8,091,172	8,091,172
Buildings	208,896,915	5,164,179	-	214,061,094	57,967,918	6,934,258	-	64,902,176	149,158,918	150,928,997
Plant & Machinery	966,685,815	78,776,013	7,878,658	1,037,583,170	453,171,883	57,065,954	7,878,567	502,359,270	535,223,900	513,513,932
Furniture, Fixture & Equipments	16,734,568	1,465,065	178,911	18,020,722	11,001,259	1,348,043	103,306	12,245,996	5,774,726	5,733,309
Vehicles*	9,479,072	-	533,846	8,945,226	3,566,585	862,784	182,853	4,246,516	4,698,710	5,912,487
TOTAL	1,209,887,542	85,405,257	8,591,415	1,286,701,384	525,707,645	66,211,039	8,164,727	583,753,958	702,947,426	684,179,897
Capital Work in Progress (Includes Capital Advances)										
									96,913,014	70,016,596
									799,860,440	754,196,493

* Include vehicles purchased under H.P. scheme amounting to ₹49,04,836/- (PY ₹ 52,84,885/-)

* Include vehicles purchased under H.P. scheme amounting to ₹49,04,836/- (PY ₹ 52,84,885/-)

**Additions to fixed assets include expenditure capitalised of ₹1,19,12,078/= including interest and other expenditure



SCHEDULES FORMING PART OF ACCOUNTS

Particulars	As at 31.03.2011		As at 31.03.2010	
	₹	₹	₹	₹
5. CURRENT ASSETS, LOANS AND ADVANCES				
a) Inventories as taken, valued and certified by Management				
Stores and Spares at Cost	12,535,830		12,829,044	
Raw-Materials at cost (Including Goods in Transit ₹ 712 lacs)	225,017,133		176,751,388	
Work-in-progress at cost	69,006,071		67,162,904	
Finished Goods at lower of Cost and net realisable value	980,450		3,765,801	
		307,539,484		260,509,137
b) Sundry Debtors				
Unsecured and considered good:				
Debts outstanding for a period exceeding six months	22,534,122		15,778,082	
Other debts	240,949,908		258,859,155	
		263,484,030		274,637,237
c) Cash & Bank Balance				
Cash on hand	119,758		87,355	
With scheduled banks:				
Current Accounts	9,578,272		10,273,049	
Term Deposits	68,581,157		31,142,856	
		78,279,187		41,503,260
d) Loans and Advances				
Unsecured and considered good:				
Advances recoverable in cash or in kind or for				
for Supply of Materials & Services	151,639,741		144,984,596	
Deposits	3,119,412		3,119,412	
Other Receivables	5,185,088		11,116,249	
		159,944,241		159,220,257
e) Taxes paid in advance				
Advance Payment Tax	59,405,688		58,821,402	
		59,405,688		58,821,402
		868,652,630		794,691,293
6 CURRENT LIABILITIES AND PROVISIONS				
a) Current Liabilities:				
Sundry Creditors	185,874,844		132,712,587	
Other Liabilities	18,399,694		15,282,098	
Interest Accrued and due	5,201,676		5,089,848	
		209,476,214		153,084,533
b) Provisions:				
For Taxation	43,366,095		43,425,000	
For Accrued leave salary	8,441,219		7,973,962	
For Excise duty /Custom duty	87,750		268,659	
		51,895,064		51,667,621
		261,371,278		204,752,154
PRELIMINARY EXPENSES :				
Preliminary Expenses on Project	2,610,853		3,916,277	
Less : written off	1,305,427	1,305,426	1,305,424	2,610,853
		1,305,426		2,610,853



SCHEDULES FORMING PART OF ACCOUNTS

Particulars	As at 31.03.2011		As at 31.03.2010	
	₹	₹	₹	₹
7 SALES :				
Battery Cell Jackets / Battery Cell Components and Metal Cans including Food Cans	1,180,404,222		1,117,380,646	
Job Work	7,286,351		1,916,820	
Scrap Sales	29,949,891		24,655,469	
		1,217,640,464		1,143,952,934
8 OTHER INCOME				
Interest	3,602,361		1,793,841	
Miscellaneous Income	9,046,460		5,932,554	
		12,648,821		7,726,395
9 MANUFACTURING AND OTHER EXPENSES				
a) Consumption of Raw Materials (Schedule 9.1)		736,481,202		711,241,464
b) Consumption of Stores & Spares Parts		11,521,290		10,620,121
c) Expenditure on Employees:				
1) Salaries, Wages and Bonus including provision for leave encashment	73,476,152		62,873,951	
2) Contribution to Provident & Other funds	2,989,717		2,650,367	
3) Gratuity	867,008		1,342,613	
4) Welfare expenses	6,307,927		4,675,459	
		83,640,804		71,542,389
d) Sitting Fee to Directors		160,000		195,000
e) Operating and Other Expenses				
1) Power & Fuel	32,896,907		24,692,612	
2) Rent	1,970,880		2,784,011	
3) Repairs to Building	898,780		546,269	
4) Repairs to Machinery	3,477,610		3,150,163	
5) Repairs to Vehicles	488,412		348,643	
6) Repairs to Furniture & other equipments	606,942		780,583	
7) Insurance	792,424		789,231	
8) Rates and Taxes	2,057,712		2,382,955	
9) Other Expenses (Sch.9.2)	32,832,786		29,730,909	
10) Carriage inwards	14,669,814		16,635,623	
11) Packing & Forwarding	28,824,589		22,604,856	
12) Bank Charges	13,760,766		12,912,875	
13) Business Promotion Expenses	13,377,872		8,812,652	
		146,655,494		126,171,383
		978,458,790		919,770,357
(Increase)/Decrease in stock(Sch.9.3)		761,275		(4,379,180)
		979,220,065		915,391,177



SCHEDULES FORMING PART OF ACCOUNTS

Particulars	As at 31.03.2011		As at 31.03.2010	
	₹	₹	₹	₹
9.1 CONSUMPTION OF RAW-MATERIALS				
Opening Stock		176,751,388		163,653,133
Purchases		784,746,947		724,340,719
		961,498,335		887,993,852
Less Closing Stock		225,017,133		176,751,388
		736,481,202		711,242,464
9.2 OTHER EXPENSES INCLUDE				
Remuneration to Auditors				
Audit Fee	600,000		450,000	
Tax Audit Fee	50,000		50,000	
for Certification and other matters	105,000		100,000	
For Income Tax matters	350,000		-	
		1,105,000		600,000
9.3 INCREASE IN STOCKS				
Opening Stock				
Work-in-progress		67,162,904		63,469,571
Finished Goods		3,497,142		2,811,295
		70,660,046		66,280,866
Closing Stock				
Work-in-progress		69,006,071		67,162,904
Finished Goods		892,700		3,497,142
		69,898,771		70,660,046
(Increase)/Decrease		761,275		(4,379,180)
10 INTEREST				
On Fixed Loans:				
Debentures	-		14,186,914	
Other Fixed Loans	57,361,448		31,569,982	
	57,361,448		45,756,896	
On other accounts	55,064,816		63,645,172	
		112,426,264		109,402,068
		112,426,264		109,402,068



11. NOTES TO ACCOUNTS AND ACCOUNTING POLICIES FOR THE YEAR ENDED 31ST MARCH 2011

	As at 31.03.2011 ₹ In lacs	As at 31.03.2010 ₹ In lacs
1. Contingent Liabilities		
i. Letters of Credit and guarantee established and Bills discounted under LC and others	3,945	3,070
ii. Guarantees given by the company in favour of Collector of Customs and other Company	450	450
iii. Guarantees given by the company in favour of Financial Institution / Banks as security	500	500
iv. Future lease rentals payable	3	7
v. Income Tax department has raised demand of for the assessment year 2006-07	-	250
2. Estimated amount of contracts remaining to be executed on capital account net of advance and not provided for.	1,442	2,949
3. The Company is availing export benefit under Advance License and DEPB Scheme.		
4 Disclosure as required under Accounting Standard (AS) 15 of the Companies (Accounting Standards) Rules 2006	As at 31.03.2011 Group Gratuity Scheme ₹	As at 31.03.2010 Group Gratuity Scheme ₹
i) Changes in present value of obligations		
Present value of obligations as at beginning of year	5,767,549	5,017,310
Interest cost	461,404	401,375
Current Service Cost	485,987	484,892
Benefits Paid	88,438	251,564
Actuarial gain on obligations	(790,966)	(115,536)
Present value of obligations as at end of year	7,417,468	5,767,549
Changes in the fair value of plan assets		
Fair value of plan assets at beginning of year	1,048,489	438,634
Expected return on plan assets	90,187	61,428
Contributions	-	799,991
Benefits paid	88,438	251,564
Actuarial Gain / (Loss) on Plan assets	NIL	NIL
Fair value of plan assets at the end of year	1,050,238	1,048,489
Fair value of plan assets		
Fair value of plan assets at beginning of year	1,048,489	438,634
Actual return on plan assets	90,187	61,428
Contributions	-	799,991
Benefits Paid	88,438	251,564
Fair value of plan assets at the end of year	1,050,238	1,048,489
Funded status	6,367,230	4,719,060
Excess of Actual over estimated return on plan assets	Nil	Nil
Actuarial Gain/Loss recognized		
Actuarial gain for the year -Obligation	(790,966)	(115,536)
Actuarial (gain)/Loss for the year - plan assets	Nil	NIL
Total gain for the year	(790,966)	(115,536)
Actuarial gain recognized in the year	(790,966)	(115,536)



NOTES TO ACCOUNTS AND ACCOUNTING POLICIES FOR THE YEAR ENDED 31ST MARCH 2011 (Contd.)

4	Disclosure as required under Accounting Standard (AS) 15 of the Companies (Accounting Standards) Rules 2006	As at 31.03.2011 Group Gratuity Scheme ₹	As at 31.03.2010 Group Gratuity Scheme ₹		
	The amounts to be recognized in the balance sheet and statements of profit and loss:				
	Present value of obligations as at the end of year	7,417,468	5,767,549		
	Fair value of plan assets as at the end of the year	1,050,238	1,048,489		
	Funded status	6,367,230	4,719,060		
	Net asset recognized in balance sheet	6,367,230	4,719,060		
	Expenses Recognised in statement of Profit & loss				
	Current Service cost	485,987	484,892		
	Interest Cost	461,404	401,375		
	Expected return on plan assets	90,187	61,428		
Net Actuarial gain recognised in the year	(790,966)	(115,536)			
Expenses recognised in statement of Profit & loss	1,648,170	940,375			
Actuarial Assumptions					
Discount Rate	8%	8 %			
Salary Increase	7%	7 %			
5.	Additional information pursuant to the provisions of paragraph 3 and 4 of Part II of Schedule VI of the Companies Act, 1956				
	PRODUCTION / TURNOVER	Installed Capacity	Production	Sales	
	a. Class of Goods				
	1. Metal Containers including Food Cans and Dry Cells - Current Year	20870 MT	9479 MT	9515 MT	
	(Jackets and Components including printed / lacquered sheets) * - Previous year	20870 MT	9408 MT	9406 MT	
	* as certified by the Management and not verified by Auditors being technical matter.				
		Qty(in M.T.)	Year Ended 31.03.2011 ₹	Qty (in M.T.)	Year Ended 31.03.2010 ₹
	b. Consumption of Raw materials				
	Tinplates	10,737	637,607,728	10810	625,868,925
	Inks, Sizing Materials etc		98,873,473		85,372,539
Total		736,481,201		711,241,464	
Value of Raw Materials, Spare parts and components consumed					
Imported	36%	265,923,216	34%	248,622,472	
Indigenous	64%	482,079,276	66%	473,239,113	
Total		748,002,492		721,861,585	



NOTES TO ACCOUNTS AND ACCOUNTING POLICIES FOR THE YEAR ENDED 31ST MARCH 2011 (Contd.)

c. Value of direct imports calculated on C.I.F. basis during the year		Year Ended 31.03.2011 ₹	Year Ended 31.03.2010 ₹
Raw Materials		264,067,751	131,185,816
Components, Spare parts & Stores		2,747,821	18,923,515
Capital goods		37,578,680	85,356,300
d. Expenditure in Foreign currency during the financial year on account of Travel / Claims/ Agency Commission		867,844	556,038
e. i. The amount remitted during the year in foreign currencies on account of Dividend		Nil	Nil
ii. No. of non resident shareholders		Nil	Nil
iii. No. of shares held by them		Nil	Nil
f. Earnings in Foreign Exchange			
F.O.B. Value of Exports		248,374,800	180,672,646
Commission Received		395,611	540,298
g. Remuneration to Managing Director & Whole Time Director (Minimum)			
Salaries and Allowances		6,600,000	6,600,000
Contribution to Provident and other Funds		468,000	468,000
Total Remuneration Paid		7,068,000	7,068,000

6 The Company has imported certain Plant & Machinery under EPCG scheme. The licensing authority fixed the export obligation of ₹4930 lacs, to be completed over a period of 8 years from the date of issue of each licence. So far the company has completed export obligations to the extent of ₹ 647 lacs as on 31st March 2011 and applications have been filed with licencing authorities for closure of the same.

7 Balance in Debtors & Creditors Account , Loans & Advances are subject to confirmations. It includes ₹147.00 lacs debtors and ₹ 449.28 lacs of Loans an advances which outstanding for more than six months. The directors consider all debtors and Loans and Advances and other Current Assets as good and realisable in full in the course of normal business cycle and no provision is required to be made in the books of accounts.

8 Sundry Creditors include a sum of ₹88.81 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 31.03.2011 is ₹ 67.23 Lacs.

9 **Deferred Tax**
Tax provision has been made in accordance with the requirements under the Accounting Standard 22 "Accounting for Taxes on Income" and accordingly, the Deferred Tax Liability and Deferred Tax Asset has been restated as at March 31, 2011.

(₹ in Lacs)

10 Details of Deferred Tax Calculation for the year ending 31.03.2011	Deferred Tax (Asset)/Liability as on 01.04.2010	Current Year Charge/Credit	Deferred Tax (Asset)/Liability as on 31.03.2011
a. Difference between book and tax Depreciation	927.00	11.22	938.22
b. Preliminary Expenses	67.00	(3.92)	63.08
TOTAL	994.00	7.30	1001.30

11 Fixed assets include the following assets acquired under hire Purchase (in the nature of finance lease).

	WDV AS at 31st March, 2011 ₹	Minimum Lease payments (FMLP) as at 31st March 2011 ₹	Net Present Value of MLP ₹
Vehicles	596,638	330,360	507,039



NOTES TO ACCOUNTS AND ACCOUNTING POLICIES FOR THE YEAR ENDED 31ST MARCH 2011 (Contd.)

The total future minimum lease rentals payable (FMPL) and their net present values (NPV) for these assets as at March 31, 2011 are given below

Sl. No.	Vehicles	FMPL in ₹	NPV in ₹
1.	Not later than one year	132,144	124,596
2.	Later than one year but less than five years	196,216	382,443
3.	Later than five years	Nil	Nil

12. Related Party Disclosure

I Controlling Companies Nil

II List of Related Parties

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

III Transaction with related parties

Nature of Transaction entered into during the year	(₹ in lacs) Amount
Sales	934.96
Commission Received	-
Purchase	9.57
Rent paid	20.40
Unsecured Loan Received	335.00
Shared Services Received	28.14
Status of outstanding Balances	
Amount Due from As on 31.03.2011	452.37
Amount Due to As on 31.03.2011	139.50

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

13 Segment Disclosure

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

a. Primary Segment Information

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

b. Secondary segment information

Geographical Segment Revenues	(₹ in lacs)
India	9,623.78
Asia	1,239.89
Europe	109.82
America	123.91
Africa	1,079.00
Total	12,176.40


NOTES TO ACCOUNTS AND ACCOUNTING POLICIES FOR THE YEAR ENDED 31ST MARCH 2011 (Contd.)

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

15. Significant Accounting Policies

1. Basis for preparation of financial statements

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

2. Method of Accounting

The company is following accrual basis of accounting.

3. Fixed Assets & Depreciation

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

4. Borrowing Cost

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

5. Investments

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

6. Inventories

Inventories are valued as follows:

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

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

7. Transactions in Foreign Currency

Transactions in Foreign Currency are stated at rates prevailing on the transaction date. Monetary items like receivables/ payables in foreign currencies are stated at exchange rates prevailing as at the Balance Sheet date and the gain/loss arising 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 cos of the Company.

11. Provisions and Contingencies

A provision is recognized when the Company has a present legal or constructive obligation as a past event and it is probable that an outflow 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 Schedule 1 to 11

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

Place : Bangalore
Date : 24th May, 2011

DIWAKAR S.SHETTY
Chairman

KARTIK NAYAK
Managing Director

B.K. SHETTY
Company Secretary

K.R. SHANBHOGUE
Partner
Membership No : 018578



CASH FLOW STATEMENT FOR THE YEAR ENDED 31.03.2011

Particulars	31.03.2011 ₹ in Lacs		31.03.2010 ₹ in Lacs	
A. CASH FLOW FROM OPERATING ACTIVITIES:				
NET PROFIT BEFORE TAX	41		151	
Adjustments for:				
Depreciation	662		624	
Discount on issue of Debentures / Preliminary Exp W/off	13		13	
Interest	1,124		1,094	
(Profit)/Loss on sale of Fixed Assets	(9)		(6)	
Operating Profit before Working Capital changes	1,831		1,876	
Adjustments for:				
Trade and Other receivables	112		(562)	
Inventories	(470)		(193)	
Trade Payables	567		(8)	
Loans and Advances	(7)		(361)	
Cash Generated from Operations	2,032		752	
Interest Paid	(1,124)		(1,094)	
Direct Taxes Paid	(6)		(141)	
CASH FLOW BEFORE EXTRAORDINARY ITEMS	902		(483)	
NET CASH FROM OPERATING ACTIVITIES		902		(483)
B. CASH FLOW FROM INVESTING ACTIVITIES:				
Purchase of Fixed Assets (including Capital Advances)	(1,124)		(708)	
Sale of Fixed Assets	9		6	
Purchase of Investments	28		(6)	
		(1,143)		(708)
C. CASH FLOW FROM FINANCING ACTIVITIES:				
Change in Long Term Borrowings	609		4,718	
NET CASH USED IN FINANCING ACTIVITIES		609		4,718
NET INCREASE IN CASH AND CASH EQUIVALENTS		368		3,527
CASH AND CASH EQUIVALENTS AS AT (CLOSING BALANCE)	783		415	
CASH AND CASH EQUIVALENTS AS AT (OPENING BALANCE)	415	368	450	(35)

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

Place : Bangalore
Date : 24th May, 2011

DIWAKAR S.SHETTY
Chairman

KARTIK NAYAK
Managing Director

B.K. SHETTY
Company Secretary

K.R. SHANBHOGUE
Partner
Membership No : 018578

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

AUDITORS CERTIFICATE

We have examined the attached Cash Flow Statement of Shetron Limited for the year ended 31st March 2011. The statement has been prepared by the Company in accordance with the requirements of Clause 32 of the listing agreement with the Mumbai Stock Exchange.

For PAL & SHANBHOGUE
Chartered Accountant
(Registration No. 2528 S)
K.R.SHANBHOGUE
Partner
Membership No : 018578

Place : Bangalore
Date : 24th May, 2011



BALANCE SHEET ABSTRACT AND COMPANY'S GENERAL BUSINESS PROFILE

I. REGISTRATION DETAILS

Registration No. 38421-80

State Code: 8

II. CAPITAL RAISED DURING THE YEAR 31ST MARCH 2011**(₹ in Lacs)**

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

III. POSITION OF MOBILISATION AND DEPLOYMENT OF FUNDS**(₹ in Lacs)****SOURCES OF FUNDS :**

Paid-up Capital	899.98
Reserves & Surplus	3,900.53
Secured Loans	7,951.35
Unsecured Loans	464.98
Deferred Tax Liability	1,001.00

TOTAL**14,217.85****APPLICATION OF FUNDS :**

Net Fixed Assets	7,998.60
Net Current Assets	6,072.81
Investments	133.38
Preliminary expenses	13.05

TOTAL**14,217.85****IV. PERFORMANCE OF COMPANY****(₹ In Lacs)**

Total Income	11,619.09
Total Expenditure	11,578.57
(Loss) / Profit before tax	40.52
(Loss) / Profit after tax	28.47
Earning per Share in ₹	0.32
Dividend rate %	-

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

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

Place : Bangalore
Date : 24th May, 2011**DIWAKAR S.SHETTY**
Chairman**KARTIK NAYAK**
Managing Director**B.K. SHETTY**
Company Secretary

**CONSOLIDATED FINANCIAL STATEMENTS 2011****AUDITORS' REPORT**

To
The Members of Shetron Limited

1. We have audited the attached Consolidated Balance Sheet of M/s Shetron Limited ('the Company') and its Subsidiary M/s Shetron Metropak Pvt Ltd, (collectively referred to as the 'Group') as at March 31, 2011, the consolidated Profit and Loss Account and the consolidated Cash Flow Statement of the Group for the year ended on that date, annexed thereto. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audit.
2. We conducted our audit in accordance with auditing standards generally accepted in India. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by the management, as well as evaluating the over all financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.
3. We did not audit the financial statements of the subsidiary company M/s Shetron Metropak Pvt Ltd whose financial statements reflect net profit after tax of ₹ 686,965/- for the year ended March 31, 2011. These financial statements and other financial information have been audited by other auditors whose reports have been furnished to us, and our opinion is based solely on the report of other auditors.
4. We report that the consolidated financial statements have been prepared by the Company's management in accordance with the requirements of Accounting Standards (AS) 21, consolidated financial statements prescribed by the Companies (Accounting Standards) Rules, 2006 (as amended).
5. Based on our audit and on consideration of reports of other auditors on separate financial statements and on the other financial information of the components, and to the best of our information and according to the explanations given to us, we are of the opinion that the attached consolidated financial statements give a true and fair view in conformity with the accounting principles generally accepted in India:
 - i. in the case of the consolidated Balance Sheet, of the state of the affairs of the Group as at March 31, 2011;
 - ii. in the case of the consolidated Profit and Loss Account, of the profit of the Group for the year ended on that date;
 - and
 - iii. in the case of the consolidated Cash Flow Statement, of the cash flows for the Group for the year ended on that date.

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

Date : Bangalore
Place : 24th May, 2011

K R SHANBHOGUE
Partner
Membership No: 018578



CONSOLIDATED BALANCE SHEET AS AT 31ST MARCH 2011

Particulars	Schedules	As at 31.03.2011		As at 31.03.2010	
		₹	₹	₹	₹
I SOURCES OF FUNDS :					
1 SHAREHOLDER'S FUNDS	1				
a. Share Capital		89,998,000		89,998,000	
b. Reserves and Surplus		390,727,754		387,206,671	
			480,725,754		477,204,671
2 LOAN FUNDS	2				
a. Secured Loans		831,278,339		733,891,251	
b. Unsecured Loans		79,217,179		46,830,775	
			910,495,518		780,722,026
3 DEFFERED TAX LIABILITY			100,099,788		99,369,788
TOTAL			1,491,321,060		1,357,296,486
II APPLICATION OF FUNDS					
1 FIXED ASSETS	3				
a. Gross Block		1,369,544,342		1,209,887,542	
b. Less Depreciation		602,609,063		525,707,646	
c. Net Block		766,935,279		684,179,896	
d. Capital Work in progress		96,984,951		70,016,597	
			863,920,230		754,196,493
2 INVESTMENTS	4		600,000		10,550,000
3 CURRENT ASSETS, LOANS & ADVANCES	5				
a. Inventories		313,717,642		260,509,137	
b. Sundry Debtors		255,825,569		274,637,237	
c. Cash and Bank Balances		81,303,483		41,503,260	
d. Loans and Advances		181,087,930		159,220,257	
e. Taxes paid in advance		59,405,688		58,821,402	
		891,340,312		794,691,293	
LESS : CURRENT LIABILITIES & PROVISIONS	6				
a. Current Liabilities		214,030,365		153,084,533	
b. Provisions		51,895,064		51,667,621	
		265,925,429		204,752,154	
NET CURRENT ASSETS			625,414,883		589,939,139
4 Preliminary expenses to the extent not written off			1,385,947		2,610,853
TOTAL			1,491,321,060		1,357,296,485
NOTES ON ACCOUNTS AND ACCOUNTING POLICIES	11				

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

Place : Bangalore
Date : 24th May, 2011

DIWAKAR S.SHETTY
Chairman

KARTIK NAYAK
Managing Director

B.K. SHETTY
Company Secretary

K.R. SHANBHOGUE
Partner
Membership No : 018578


CONSOLIDATED PROFIT & LOSS ACCOUNT FOR THE YEAR ENDED 31ST MARCH 2011

Particulars	Schedules	Year Ended 31.03.2011		Year Ended 31.03.2010	
		₹	₹	₹	₹
I INCOME					
Sales	7	1,242,068,270		1,143,952,934	
Less Excise Duty		62,966,929	1,179,101,341	49,380,510	1,094,572,424
Other Income	8		10,110,031		7,726,395
			1,189,211,372		1,102,298,819
II EXPENDITURE					
Manufacturing & Other Expenses	9		995,102,731		915,391,177
Profit before Interest , Depreciation & Tax			194,108,641		186,907,642
Less: Interest	10		117,976,053		109,402,068
Profit / (Loss) before Depreciation & Tax			76,132,588		77,505,574
Less: Depreciation			71,393,989		62,411,669
Profit before Exceptional items & Tax			4,738,599		15,093,905
Less : Provision for Taxation					
- Current			475,000		1,900,000
- Deferred Tax Liability			730,000		2,770,000
Profit after Tax for the year before share of minority Interest			3,533,599		10,423,905
Less - Share of Profit / (Loss) of Minority Interest			6,869		-
Add - Transfer to Debenture Redemption Reserve			-		66,500,000
Less - Preliminary Expenses on issue of Debenturees written off			-		(21,250,000)
Profit after Tax for the year			3,526,730		55,673,905
Balance brought forward from previous year			154,107,751		98,433,846
Balance Carried to Schedule I			157,634,481		154,107,751
Earnings per Share (EPS)					
No. of Equity shares (face value of ₹ 10 each)			8,999,800		8,999,800
Basic/Diluted EPS			0.39		1.16
NOTES ON ACCOUNTS AND ACCOUNTING POLICIES	11				
<p>As per our report of even date For PAL & SHANBHOGUE Chartered Accountants (Registration No. 2528 S)</p>					
Place : Bangalore Date : 24th May, 2011	DIWAKAR S.SHETTY Chairman	KARTIK NAYAK Managing Director	B.K. SHETTY Company Secretary	K.R. SHANBHOGUE Partner Membership No : 018578	



SCHEDULES FORMING PART OF THE CONSOLIDATED ACCOUNTS

Particulars	As at 31.03.2011		As at 31.03.2010	
	₹	₹	₹	₹
1. SHAREHOLDER'S FUNDS				
a) SHARE CAPITAL :				
Authorised				
25,00,00,000 Equity Shares of ₹10/- each		250,000,000		250,000,000
(PY 25,00,00,000 Equity Shares of ₹ 10/- Each)				
Issued:				
9,003,300 Equity Shares of ₹10/- each		90,033,000		90,033,000
		90,033,000		90,033,000
Subscribed and Paid up:				
9,003,300 Equity Shares of ₹10/- each fully paid up		89,988,000		89,988,000
Less : Calls in Arrears		(12,500)		(12,500)
Add : Forfeited Equity Shares 4,500		22,500		22,500
		89,998,000		89,998,000
b) RESERVES AND SURPLUS :				
Capital Subsidy Reserve				
As per last Balance Sheet		1,500,000		1,500,000
Share Premium				
As per last Balance Sheet		211,143,920		211,143,920
General Reserve		20,455,000		20,455,000
Profit & Loss Account	157,634,481		154,107,751	
Less : Minority Interest (Net)	5,647	157,628,834	-	154,107,751
		390,727,754		387,206,671
2. LOAN FUNDS				
SECURED LOANS:				
a) Term Loans :				
Ruppee Loans				
Term loan from Cosmos Co-Operative Bank Ltd, Pune		512,167,945		487,151,903
Term loan from KSFC, Bangalore		29,500,000		-
b) Hire Purchase Scheme		274,771		619,553
c) Working Capital Loans from Banks:		289,335,623		246,119,795
		831,278,339		733,891,251
UNSECURED LOANS:				
Sales Tax Deferral		12,998,139		13,330,775
Others		66,219,040		33,500,000
		79,217,179		46,830,775
4. INVESTMENTS				
(Unquoted and valued at cost)				
1,970,100 Equity Shares in Shetron Metropak Pvt Ltd of ₹ 10/- each				9,950,000
(Previous Year 9,95,000 Shares)		-		
20,000 Equity Shares in Kalyan Janatha Sahakari Bank Ltd of ₹ 25/- each		500,000		500,000
1,000 Equity Shares in Cosmos Co-Operative Bank Ltd of ₹. 100/- each		100,000		-
		600,000		10,550,000

**NOTES:****Secured Loans:**

1. a) The Term Loans of ₹ 5122 lacs 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.
b) The Term Loan of ₹ 295.00 lacs availed from KSFC, Bangalore 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.
2. a) The Working Capital Loans of ₹ 2321.84 lacs are under Consortium Banking Arrangement with Bank of India and State Bank of India and are secured by First parri- passu charge on the Hypothecation of Stocks, Book Debts and other Current Assets of the Company, Exclusive First Charge on the Company's immovable property situated at Asangon, Maharastra and Second parri-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. The Working Capital Credit loan of ₹ 505 lacs availed from Cosmos-Cooperative Bank Ltd as SLSO loan by extending first charge by way of Equitable Mortgage on the Company's immovable property situated at Bangalore.
b) The Working Capital loan of ₹ 66.42 lacs availed by subsidiary company from Indusind Bank Ltd is secured by Hypothecation of Stock, Book debts and other current assets of the subsidiary company and Second charge on the fixed assets of the subsidiary company
3. Loans from the Hire Purchase Scheme of ₹ 2.75 lacs are secured by hypothecation of Vehicles acquired under the Scheme.



SCHEDULES FORMING PART OF THE CONSOLIDATED ACCOUNTS

3. FIXED ASSETS (AT COST)

Particulars	GROSS BLOCK AT COST				DEPRECIATION				NET BLOCK	
	As at 01.04.2010 ₹	Additions** ₹	Adjustments ₹	As at 31.03.2011 ₹	As at 01.04.2010 ₹	for the Year*** ₹	Adjustments ₹	As at 31.03.2011 ₹	As at 31.03.2011 ₹	As at 31.03.2010 ₹
Goodwill on consolidation (Intangible assets)		13,975,777	-	13,975,777	-	-	-	-	13,975,777	-
Freehold Land	8,091,172	-	-	8,091,172	-	-	-	-	8,091,172	8,091,172
Buildings	208,896,915	5,164,179	-	214,061,094	57,967,918	6,934,258	-	64,902,176	149,158,918	150,928,997
Plant & Machinery	966,685,815	147,485,064	7,878,658	1,106,292,220	453,171,884	75,882,339	7,878,567	521,175,656	585,116,565	513,513,931
Furniture, Fixture & Equipments	16,734,568	1,623,195	178,911	18,178,852	11,001,259	1,386,762	103,306	12,284,715	5,894,137	5,733,309
Vehicles*	9,479,072	-	533,846	8,945,226	3,566,585	862,784	182,853	4,246,516	4,698,710	5,912,487
TOTAL	1,209,887,542	168,248,215	8,591,415	1,369,544,342	525,707,646	85,066,144	8,164,727	602,609,063	766,935,279	684,179,896
Capital Work in Progress (Includes Capital Advances)									96,984,951	70,016,597
									863,920,230	754,196,493

Capital Work in Progress (Includes Capital Advances)

* Include vehicles purchased under H.P. scheme amounting to ₹4,904,836/- (PY ₹5,284,885/-)

** Additions to fixed assets includes expenses capitalised ₹11,912,078 towards interest and others

*** Depreciation for the year includes accumulated depreciation ₹136,72,155 upto 31.3.2010 of Subsidiary Company added for the purposes of consolidation



SCHEDULES FORMING PART OF CONSOLIDATED ACCOUNTS

Particulars	As at 31.03.2011		As at 31.03.2010	
	₹	₹	₹	₹
5. CURRENT ASSETS, LOANS AND ADVANCES				
a) Inventories as taken, valued and certified by Management				
Stores and Spares at Cost	12,535,830		12,829,044	
Raw-Materials at cost (Including Goods in Transit ₹ 712 Lacs)	227,927,488		176,751,388	
Work-in-progress at cost	72,273,874		67,162,904	
Finished Goods at lower of Cost and net realisable value	980,450		3,765,801	
		313,717,642		260,509,137
b) Sundry Debtors				
Unsecured and considered good:				
Debts outstanding for a period exceeding six months	25,747,276		15,778,082	
Other debts	230,078,293		258,859,155	
		255,825,569		274,637,237
c) Cash & Bank Balance				
Cash on hand	138,739		87,355	
With scheduled banks;				
Current Accounts	9,584,295		10,273,049	
Term Deposits	71,580,449		31,142,856	
		81,303,483		41,503,260
d) Loans and Advances				
Unsecured and considered good:				
Advances recoverable in cash or in kind or for				
for Supply of Materials & Services	171,589,478		144,984,596	
Deposits	3,619,412		3,119,412	
Other Receivables	5,879,039		11,116,249	
		181,087,930		159,220,257
e) Taxes paid in advance				
Advance Payment Tax	59,405,688		58,821,402	
		59,405,688		58,821,402
		891,340,312		794,690,293
6 CURRENT LIABILITIES AND PROVISIONS				
a) Current Liabilities:				
Sundry Creditors	189,712,225		132,712,587	
Other Liabilities	19,072,820		15,282,098	
Interest Accrued and due	5,245,320		5,089,848	
		214,030,365		153,084,533
b) Provisions:				
For Taxation	43,366,095		43,425,000	
For Accrued leave salary	8,441,219		7,973,962	
For Excise duty /Custom duty	87,750		268,659	
		51,895,064		51,667,621
		265,925,429		204,752,154
PRELIMINARY EXPENSES :				
Preliminary Expenses on Project	2,771,372		3,916,277	
Less : written off	1,385,425	1,385,947	1,305,424	2,610,853
		1,385,947		2,610,853



SCHEDULES FORMING PART OF CONSOLIDATED ACCOUNTS

Particulars	As at 31.03.2011		As at 31.03.2010	
	₹	₹	₹	₹
7 SALES :				
Battery Cell Jackets / Battery Cell Components and Metal Cans including Food Cans	1,203,230,055		1,117,380,646	
Job Work	7,286,351		1,916,820	
Scrap Sales	31,551,864		24,655,469	
		1,242,068,270		1,143,952,934
8 OTHER INCOME				
Interest	3,877,531		1,793,841	
Miscellaneous Income	6,232,500		5,932,554	
		10,110,031		7,726,395
9 MANUFACTURING AND OTHER EXPENSES				
a) Consumption of Raw Materials (Schedule 9.1)		747,230,644		711,241,464
b) Consumption of Stores & Spares Parts		11,784,616		10,620,121
c) Expenditure on Employees:				
1) Salaries, Wages and Bonus including provision for leave encashment	74,471,767		62,873,951	
2) Contribution to Provident & Other funds	2,989,717		2,650,367	
3) Gratuity	825,902		1,342,613	
4) Welfare expenses	6,307,927		4,675,459	
		84,595,313		71,542,389
d) Sitting Fee to Directors		160,000		195,000
e) Operating and Other Expenses				
1) Power & Fuel	34,772,803		24,692,612	
2) Rent	1,970,880		2,784,011	
3) Repairs to Building	898,780		546,269	
4) Repairs to Machinery	3,679,409		3,150,163	
5) Repairs to Vehicles	488,412		348,643	
6) Repairs to Furniture & other equipments	606,942		780,583	
7) Insurance	874,055		789,231	
8) Rates and Taxes	2,155,348		2,382,955	
9) Other Expenses (Sch.9.2)	34,909,716		29,730,909	
10) Carriage inwards	14,669,814		16,635,623	
11) Packing & Forwarding	28,824,589		22,604,858	
12) Bank Charges	14,021,313		12,912,875	
13) Business Promotion Expenses	13,377,872		8,812,652	
		151,249,933		126,171,383
		995,020,506		919,770,357
		82,225		(4,379,180)
		995,102,731		915,391,177
(Increase)/Decrease in stock(Sch.9.3)				



SCHEDULES FORMING PART OF CONSOLIDATED ACCOUNTS

Particulars	As at 31.03.2011		As at 31.03.2010	
	₹	₹	₹	₹
9.1 CONSUMPTION OF RAW-MATERIALS				
Opening Stock		176,751,388		163,653,133
Purchases		795,829,263		724,340,719
		972,580,651		887,993,852
Less Closing Stock		225,350,007		176,751,388
		747,230,644		711,242,464
9.2 OTHER EXPENSES INCLUDE				
Remuneration to Auditors				
Audit Fee	600,000		450,000	
Tax Audit Fee	50,000		50,000	
for Certification and other matters	105,000		-	
for Income Tax matters	150,000		100,000	
		755,000		600,000
9.3 INCREASE IN STOCKS				
Opening Stock				
Work-in-progress		69,751,657		63,469,571
Finished Goods		3,497,142		2,811,295
		73,248,799		66,280,866
Closing Stock				
Work-in-progress		72,273,874		67,162,904
Finished Goods		892,700		3,497,142
		73,166,574		70,660,046
(Increase)/Decrease		82,225		(4,379,180)
10 INTEREST				
On Fixed Loans:				
Debentures	-		14,186,914	
Other Fixed Loans	61,502,934		31,569,982	
	61,502,934		45,756,896	
On other accounts	56,473,119		63,645,172	
		117,976,053		109,402,068
		117,976,053		109,402,068



11. NOTES TO ACCOUNTS AND ACCOUNTING POLICIES OF CONSOLIDATED ACCOUNTS FOR THE YEAR ENDED 31ST MARCH 2011

Basic of Consolidation, significant Accounting policies and Notes on Accounts:

A Basis of consolidation

The Consolidated Financial statements relate to Shetron Limited (the Company), its subsidiary company together "the Group". drawn up to the same reporting date as of the Company, i.e. 31st March 2011

1 Principles of Consolidation

The Consolidated Financial Statements ('the CFS') have been prepared on the following basis:

- The financial Statements of the Company and its subsidiary company have been consolidated on a line by line basis by adding together the book values of like items of assets, liabilities, income and expense. The intra-group balances, intra group transactions and unrealised profits or losses have been eliminated fully.
- The excess of cost to the Company of its investments in the subsidiary company over its share of the equity of the subsidiary company, at the dates on which the investments in the subsidiary company were made, is recognized as "goodwill", being an asset in the CFS and is classified under Fixed Assets Schedule as intangible asset.
- Minority interest in the net assets of consolidated subsidiary consists of the amount of equity attributable to the minority shareholders at the dates on which investments are made by the Company in the subsidiary company and further movements in their share in the equity, subsequent to the dates of investments as state above.
- The Consolidated Financial Statements of the Group are prepared in accordance with Accounting Standard 21- Consolidated Financial Statements as notified by the Rules.
- Share of Minority Interest in the net profit is adjusted against the income to arrive at the net income attributable to shareholders. Minority Interest's share of net assets is presented separately in the balance sheet.
- Shetron Metropak P Ltd has become subsidiary on July 1, 2010 hence figures have been consolidated in these financial statements and previous year figures for subsidiary are not applicable

1. Contingent Liabilities	As at 31.03.2011 ₹ In lacs	As at 31.03.2010 ₹ In lacs
i. Letters of Credit and guarantee established and Bills discounted under LC and others	4,049	3,070
ii. Guarantees given by the company in favour of Collector of Customs and other Company	450	450
iii. Guarantees given by the company in favour of Financial Institution / Banks as security	500	500
iv. Future lease rentals payable	3	7
v. Income Tax department has raised demand of for the assessment year 2006-07	-	250
vi. Bank Guarantees issued in favour of Customs Dept.	22	-
2. Estimated amount of contracts remaining to be executed on capital account net of advance and not provided for.	1,442	2,949
3. The Company is availing export benefit under Advance License and DEPB Scheme.		
4. Disclosure as required under Accounting Standard (AS) 15 of the Companies (Accounting Standards) Rules 2006		
i) Changes in present value of obligations	As at 31.03.2011 Group Gratuity Scheme ₹	As at 31.03.2010 Group Gratuity Scheme ₹
Present value of obligations as at beginning of year	5,767,549	5,017,310
Interest cost	461,404	401,375
Current Service Cost	485,987	484,892
Benefits Paid	88,438	251,564
Actuarial gain on obligations	(790,966)	(115,536)
Present value of obligations as at end of year	7,417,468	5,767,549
Disclosure as required under Accounting Standard (AS) 15 of the company (Accounting Standards) Rules 2006		



**NOTES TO ACCOUNTS AND ACCOUNTING POLICIES OF CONSOLIDATED ACCOUNTS
FOR THE YEAR ENDED 31ST MARCH 2011 (Contd.)**

	As at 31.03.2011 Group Gratuity Scheme ₹	As at 31.03.2010 Group Gratuity Scheme ₹
Changes in the fair value of plan assets		
Fair value of plan assets at beginning of year	1,048,489	438,634
Expected return on plan assets	90,187	61,428
Contributions	-	799,991
Benefits paid	88,438	251,564
Actuarial Gain / (Loss) on Plan assets	NIL	NIL
Fair value of plan assets at the end of year	1,050,238	1,048,489
Fair value of plan assets		
Fair value of plan assets at beginning of year	1,048,489	438,634
Actual return on plan assets	90,187	61,428
Contributions	-	799,991
Benefits Paid	88,438	251,564
Fair value of plan assets at the end of year	1,050,238	1,048,489
Funded status	6,367,230	4,719,060
Excess of Actual over estimated return on plan assets	Nil	Nil
Actuarial Gain/Loss recognized		
Actuarial gain for the year - Obligation	(790,966)	(115,536)
Actuarial (gain)/Loss for the year - plan assets	Nil	NIL
Total gain for the year	(790,966)	(115,536)
Actuarial gain recognized in the year	(790,966)	(115,536)
The amounts to be recognized in the balance sheet and statements of profit and loss:		
Present value of obligations as at the end of year	7,417,468	5,767,549
Fair value of plan assets as at the end of the year	1,050,238	1,048,489
Funded status	6,367,230	4,719,060
Net asset recognized in balance sheet	6,367,230	4,719,060
Expenses Recognised in statement of Profit & loss		
Current Service cost	485,987	484,892
Interest Cost	461,404	401,375
Expected return on plan assets	90,187	61,428
Net Actuarial gain recognised in the year	(790,966)	(115,536)
Expenses recognised in statement of Profit & loss	1,648,170	940,375
Actuarial Assumptions		
Discount Rate	8%	8 %
Salary Increase	7%	7 %



NOTES TO ACCOUNTS AND ACCOUNTING POLICIES OF CONSOLIDATED ACCOUNTS FOR THE YEAR ENDED 31ST MARCH 2011 (Contd.)				
5. Additional information pursuant to the provisions of paragraph 3 and 4 of Part II of Schedule VI of the Companies Act, 1956		Installed Capacity	Production	Sales
PRODUCTION / TURNOVER				
a. Class of Goods				
1. Metal Containers including Food Cans and Dry Cells				
Jackets and Components including printed / lacquered sheets) *		20870 MT	9479 MT	9515 MT
- Current Year		20870 MT	9408 MT	9406 MT
- Previous year		891 Lacs	431 Lacs	431 Lacs
2. Lug Caps (Nos)				
* as certified by the Management and not verified by Auditors being technical matter.				
		Qty(in M.T.)	Year Ended 31.03.2011 ₹	Qty (in M.T.) Year Ended 31.03.2010 ₹
b. Consumption of Raw materials				
Tinplates	MT	10,737	637,607,728	10,810
Inks, Sizing Materials etc			98,873,473	625,868,925
Printed Sheets			996,192	85,372,539
Lining Components		49	9,753,250	-
Total			747,230,643	711,241,464
Value of Raw Materials, Spare parts and components consumed				
Imported	36%	275,676,466	34%	248,622,472
Indigeneous	64%	483,338,793	66%	473,239,113
Total			759,015,259	721,861,585
			Year Ended 31.03.2011 ₹	Year Ended 31.03.2010 ₹
c. Value of direct imports calculated on C.I.F. basis during the year				
Raw Materials		274,062,025	139,670,403	
Components, Spare parts & Stores		3,175,162	19,671,552	
Capital goods		37,578,680	85,356,300	
d. Expenditure in Foreign currency during the financial year on account of Travel / Claims/ Agency Commission		867,844	556,038	
e. i. The amount remitted during the year in foreign currencies on account of Dividend		Nil	Nil	
ii. No. of non resident shareholders		Nil	Nil	
iii. No. of shares held by them		Nil	Nil	
f. Earnings in Foreign Exchange				
F.O.B. Value of Exports		249,152,867	180,672,646	
Commission Received		395,611	540,298	
g. Remuneration to Managing Director & Whole Time Director (Minimum)				
Salaries and Allowances		6,600,000	6,600,000	
Contribution to Provident and other Funds		468,000	468,000	
Total Remuneration Paid		7,068,000	7,068,000	



**NOTES TO ACCOUNTS AND ACCOUNTING POLICIES OF CONSOLIDATED ACCOUNTS
FOR THE YEAR ENDED 31ST MARCH 2011 (Contd.)**

- 6 The Company has imported certain Plant & Machinery earlier year under EPCG scheme. The licensing authority fixed the export obligation of ₹ 6242 lacs, to be completed over a period of 8 years from the date of issue of each licence. So far the company has completed export obligations to the extent of ₹ 1959 lacs as on 31st March 2011 and applications have been filed with Govt authorities for closure of the same.
- 7 Balance in Debtors & Creditors Account, Loans & Advances are subject to confirmations. It includes ₹140.17 lacs debtors and ₹ 449.28 lacs of Loans and advances which outstanding for more than six months. The directors consider all debtors and Loans and Advances and other Current Assets as good and realisable in full in the course of normal business cycle and no provision is required to be made in the books of accounts.
- 8 Sundry Creditors include a sum of ₹88.81 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 31.03.2011 is ₹.67.23 Lacs.
- 9 Minority Interest of Rs 5647/- is after adjusting the Share of Loss of ₹ 12,508 upto the date of acquisition with the net profit of ₹ 6,869/- attributable to the minority shareholders for the year ended 31st March 2011.

10 Deferred Tax

Tax provision has been made in accordance with the requirements under the Accounting Standard 22 "Accounting for Taxes on Income" and accordingly, the Deferred Tax Liability and Deferred Tax Asset has been restated as at March 31, 2011. However in respect of the subsidiary company the deferred asset of ₹ 48.65 lacs has not been recognised in the books of subsidiary company.

- 11 Details of Deferred Tax Calculation for the year ending 31.03.2011

₹ in Lacs

	Deferred Tax (Asset)/Liability as on 01.04.2010	Current Year Charge/Credit	Deferred Tax (Asset)/Liability as on 31.03.2011
a. Difference between book and tax Depreciation	927.00	11.22	938.22
b. Preliminary Expenses	67.00	(3.92)	63.08
TOTAL	994.00	7.30	1001.30
12 Fixed assets include the following assets acquired under hire Purchase (in the nature of finance lease).	WDV AS at 31st March, 2011	Minimum Lease payments (FMLP) as at 31st March 2011	Net Present Value of MLP
	₹	₹	₹
Vehicles	596,638	330,360	507,039

The total future minimum lease rentals payable (FMLP) and their net present values (NPV) for these assets as at March 31, 2011 are given below

Sl.No	Vehicles	FMLP in ₹	NPV in ₹
1.	Not later than one year	132,144	124,596
2.	Later than one year but less than five years	198,216	382,443
3.	Later than five years	Nil	Nil

13. Related Party Disclosure

I Controlling Companies

Nil

II List of Related Parties

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



**NOTES TO ACCOUNTS AND ACCOUNTING POLICIES OF CONSOLIDATED ACCOUNTS
FOR THE YEAR ENDED 31ST MARCH 2011 (Contd.)**

III Transaction with related parties

Nature of Transaction entered into during the year	(₹ in lacs) Amount
Sales	262.08
Purchase	9.57
Rent paid	20.40
Unsecured Loan received	662.19
Status of outstanding Balances	
Amount Due from As on 31.03.2011	142.68
Amount Due to As on 31.03.2011	139.50

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

14 Segment Disclosure

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

a. Primary Segment Information

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

b. Secondary segment information

Geographical Segment	(₹ in Lacs) Revenues
India	9,860.27
Asia	1,247.67
Europe	109.82
America	123.91
Africa	1,079.00
Total	12,420.67

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

16. Significant Accounting Policies

1. Basis for preparation of financial statements

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

2. Method of Accounting

The company is following accrual basis of accounting.

3. Fixed Assets & Depreciation

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

4. Borrowing Cost

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

5. Investments

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



**NOTES TO ACCOUNTS AND ACCOUNTING POLICIES OF CONSOLIDATED ACCOUNTS
FOR THE YEAR ENDED 31ST MARCH 2011 (Contd.)**

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 cos of the Company.

11. Provisions and Contingencies

A provision is recognized when the Company has a present legal or constructive obligation as a past event and it is probable that an outflow 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 Schedule 1 to 11

Place : Bangalore
Date : 24th May, 2011

DIWAKAR S. SHETTY
Chairman

KARTIK NAYAK
Managing Director

B.K. SHETTY
Company Secretary

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

K.R. SHANBHOGUE
Partner
Membership No : 018578


CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED 31.03.2011

Particulars	31.03.2011 ₹ in Lacs		31.03.2010 ₹ in Lacs	
A. CASH FLOW FROM OPERATING ACTIVITIES:				
NET PROFIT BEFORE TAX	47		151	
Adjustments for:				
Depreciation	714		624	
Discount on issue of Debentures / Preliminary Exp W/off	14		13	
Interest	1,180		1,094	
(Profit)/Loss on sale of Fixed Assets	(9)		(6)	
Operating Profit before Working Capital changes	1,946		1,876	
Adjustments for:				
Trade and Other receivables	188		(562)	
Inventories	(532)		(193)	
Trade Payables	612		(8)	
Loans and Advances	(226)		(361)	
Cash Generated from Operations	1,989		752	
Interest Paid	(1,180)		(1,094)	
Direct Taxes Paid	(6)		(141)	
CASH FLOW BEFORE EXTRAORDINARY ITEMS	803		(483)	
NET CASH FROM OPERATING ACTIVITIES		803		(483)
B. CASH FLOW FROM INVESTING ACTIVITIES:				
Purchase of Fixed Assets (including Capital Advances)	(1,812)		(708)	
Sale of Fixed Assets	9		6	
Purchase of Investments	100		(6)	
		(1,703)		(708)
C. CASH FLOW FROM FINANCING ACTIVITIES:				
Change in Long Term Borrowings	1,298		1,156	
NET CASH USED IN FINANCING ACTIVITIES		1,298		1,156
NET INCREASE IN CASH AND CASH EQUIVALENTS		398		(35)
CASH AND CASH EQUIVALENTS AS AT (CLOSING BALANCE)	813		415	
CASH AND CASH EQUIVALENTS AS AT (OPENING BALANCE)	415	398	450	(35)

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

Place : Bangalore
Date : 24th May, 2011

DIWAKAR S.SHETTY
Chairman

KARTIK NAYAK
Managing Director

B.K. SHETTY
Company Secretary

K.R. SHANBHOGUE
Partner
Membership No : 018578

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

AUDITORS CERTIFICATE

We have examined the attached Consolidated Cash Flow Statement of Shetron Limited for the year ended 31st March 2011. The statement has been prepared by the Company in accordance with the requirements of Clause 32 of the listing agreement with the Mumbai Stock Exchange.

For PAL & SHANBHOGUE
Chartered Accountant
(Registration No. 2528 S)
K.R.SHANBHOGUE
Partner
Membership No : 018578

Place : Bangalore
Date : 24th May, 2011



**KEY INFORMATION PERTAINING TO SUBSIDIARY COMPANY'S
FINANCIAL STATEMENTS AS AT 31ST MARCH 2011**

NAME OF THE SUBSIDIARY : M/S SHETRON METROPAK PRIVATE LTD, BANGALORE

Particulars	Amount (₹ lacs)
Capital	199.00
Reserves	(204.63)
Liabilities	1,043.84
Total Liabilities	1,038.21
Total Assets	1,038.21
Investments	-
Turnover	882.16
Profit Before Taxation	6.86
Provision for Taxation	-
Profit After Taxation	6.86
Proposed Dividend	-



SHETRON LIMITED

THE NAME BEHIND THE NAMES

Regd. Office and Factory

Plot No. 1, Bommasandra Industrial Area, Hosur Road,
Bangalore - 560 099, INDIA. • Phone: 91-80-2783 2290/91/92/46
Fax: 91-80-2783 2293 • E-mail : shetron@shetrongroup.com

Corporate Office

A/6, M.I.D.C., Road No. 5, Andheri (East), Mumbai-400 093 (India)
Tel : 2832 6228 / 2832 8609 • Fax : 91 - 22 - 2837 2145
Email : shetron@vsnl.com • www.shetrongroup.com