



Shetron Limited

THE NAME BEHIND THE NAMES

FORM A

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

1.	Name of the Company	M/s Shetron Limited
2.	Annual financial statements for the year ended	31 st March, 2014
3.	Type of Audit Observation	Un-qualified/ Matter of Emphasis
4.	Frequency of observation	Whether appeared first time/ repetitive/ since how long period: Not Applicable
5.	To be signed by – <ul style="list-style-type: none">• CEO/Managing Director• CFO• Auditor of the company• Audit Committee Chairman	<p><i>Kartik Nayak</i> KARTIK NAYAK Managing Director</p> <p>N/A</p> <p><i>B. S. Patil</i> B. S. Patil</p> <p>PAI & SHANBHOGUE FRN 0025285 Bangalore Chartered Accountants</p>

CIN - L21014KA1980PLC003842



SHETRON

THE NAME BEHIND THE NAMES



34th
Annual Report
2013- 14



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
SHARES OF THE COMPANY ARE LISTED AT	:	Bombay Stock Exchange Ltd Phiroze Jeejeebhoy Towers, Dalal Street, Mumbai - 400 001	
AUDITORS	:	PAL & SHANBHOGUE Chartered Accountants 24, 4th Main, Malleswaram, Bangalore-560 003.	
BANKERS	:	COSMOS CO-OPERATIVE BANK LTD STATE BANK OF INDIA BANK OF INDIA	
REGISTRAR AND TRANSFER AGENT	:	INTEGRATED ENTERPRISES (INDIA) LTD, No.30,Ramana Residency, 4th Cross, Sampige Road, Malleswaram, Bangalore-560003 Tel: +91-80-23460815-818 Fax: +91-80-23460819 E-mail: irg@integratedindia.in	
REGISTERED OFFICE	:	Plot No.1, Bommasandra Industrial Area Hosur Road, BANGALORE - 560 099	
FACTORIES	:	i) Plot No.1, Bommasandra Industrial Area Hosur Road, BANGALORE - 560 099 ii) Mumbai-Nasik Highway, Post Vasind, Taluk Shahapur, Dist. Thane, MAHARASTRA - 421604	



SHETRON LIMITED

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**SHETRON LIMITED**

Dear Member,

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

The Ministry of Corporate Affairs (MCA) has taken a “Green Initiative in Corporate Governance” and vide Circular no. 17/2011 dated 21.4.2011 and Circular No. 18/2011 dated 29.4.2011, has allowed Companies to dispatch documents to shareholders through electronic mode to their registered e-mail addresses. Clause 32 of the Listing Agreement has also been amended to allow Companies to send soft copies of full annual reports to all those shareholders who have registered their e-mail addresses for the purpose.

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 2013-14 electronically in compliance with the said circulars.

Please note that these documents will also be available on the Company's website <http://www.shetrongroup.com/app/Shetron%20Annual%20Report%2013-14%206th%20Proof.pdf>

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 share 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 **34th Annual General Meeting** of the members of **M/s Shetron Limited** will be held on **Monday, 29th September, 2014 at 10.00 A.M. at Koramangala Club, 6th Cross, CA 17, 6th Block, Bangalore – 560 095** to transact the following business:

ORDINARY BUSINESS :

1) Adoption of Annual Accounts etc.,

To consider and adopt the Balance Sheet as at 31st March 2014, the statement of Profit and Loss and Cash Flow Statement for the year ended on that date and the reports of the Board of Directors and Auditors thereon.

2) Appointment of Statutory Auditors

To consider and if thought fit to pass with or without modification(s) the following resolution as an Ordinary Resolution:

“RESOLVED THAT pursuant to the provisions of Section 139 and other applicable provisions, if any, of the Companies Act, 2013 and the Rules framed thereunder, as amended from time to time, M/s Pal & Shanbhogue, Chartered Accountants, Bangalore (Firm Registration No.2528 S), be and is hereby re-appointed as Auditors of the Company to hold office from the conclusion of this Annual General Meeting (AGM) till the conclusion of the 37th AGM of the Company to be held in the year 2017 (subject to ratification of their appointment by the members at every subsequent AGM), at a remuneration as may be decided by the Board of Directors of the Company”.

SPECIAL BUSINESS :

1) Appointment of Independent Director

To consider and if thought fit, to pass with or without modification(s), the following resolution as an Ordinary Resolution:

“RESOLVED THAT pursuant to the provisions of Sections 149, 150, 152 and any other applicable provisions of the Companies Act, 2013 and the rules made thereunder (including any statutory modification(s) or re-enactment thereof for the time being in force) read with Schedule IV to the Companies Act, 2013, Mr. B S Patil (holding DIN 00061959), a non-executive Director of the Company who retires by rotation at the Annual General Meeting and in respect of whom the Company has received a notice in writing from a member proposing his candidature for the office of Director, be and is hereby appointed as an Independent Director of the Company to hold office for five consecutive years for a term upto the conclusion of the 39th AGM of the Company to be held in the year 2019”.

2) Appointment of Independent Director

To consider and if thought fit, to pass with or without modification(s), the following resolution as an Ordinary Resolution:

“RESOLVED THAT pursuant to the provisions of Sections 149, 150, 152 and any other applicable provisions of the Companies Act, 2013 and the rules made thereunder (including any statutory modification(s) or re-enactment thereof for the time being in force) read with Schedule IV to the Companies Act, 2013, Dr. M Mahadeviah (holding DIN 02573037), a non-executive Director of the Company who retires by rotation at the Annual General Meeting and in respect of whom the Company has received a notice in writing from a member proposing his candidature for the office of Director, be and is hereby appointed as an Independent Director of the Company to hold office for five consecutive years for a term upto the conclusion of the 39th AGM of the Company to be held in the year 2019”.

By the order of the Board
For **SHETRON LIMITED**

DIWAKAR S. SHETTY
Chairman

Place: Bangalore
Date : 19th May, 2014

**NOTES:**

- 1) For appointment of Directors, disclosure as required under Clause 49 of the Listing Agreement is annexed hereto.
- 2) A member entitled to attend and vote at the meeting is entitled to appoint one or more proxies to attend and vote on a poll instead of himself/herself and such a proxy/proxies 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) A person can act as proxy on behalf of Members not exceeding fifty (50) and holding in the aggregate not more than 10% of the total share capital of the Company. In case a proxy is proposed to be appointed by a Member holding more than 10% of the total share capital of the Company carrying voting rights, then such proxy shall not act as a proxy for any other person or shareholder.
- 5) The Explanatory Statement pursuant to Section 102 of the Companies Act, 2013 in respect of the business under Item No. 1 and Item No. 2 of the Notice, is annexed hereto.
- 6) The Register of Members and share transfer books will be closed from 22nd September, 2014 to 29th September, 2014 (both the days inclusive).
- 7) 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.
- 8) Members holding shares in physical form are requested to notify promptly any change in their address to the Registrar and Share Transfer (RTA) agents of the company M/s Intergrated Enterprises (India) Limited, 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.
- 9) Proxy form and Attendance Slip are attached to this Annual Report.
- 10) 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.
- 11) 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.
- 12) Corporate Members are requested to send to the Company a duly certified copy of the Board Resolution pursuant to Section 113 of the Companies Act, 2013 authorizing their representative to attend and vote at the Annual General Meeting.
- 13) The unclaimed dividends up to year 2005-06 have been transferred to the Investor Education and Protection Fund of the Central Government pursuant to the provisions of Section 205-A/205-C of the Companies Act, 1956.
- 14) Unpaid / unclaimed Dividend for the year 2006-07 & 2007-08 is due for transfer on 20th September 2014 & 04th September 2015 respectively to the Investor Education & Protection Fund of the Central Government. Members who have not yet encashed their dividend warrants for the said year(s), are requested to claim the dividend(s) by writing to the Company's Registrar & Transfer Agents, M/s Intergrated Enterprises (India) Limited No: 30 Ramana Residency, 4th Cross , Sampige Road, Malleshwaram, Bangalore - 560 003.

By the order of the Board of Directors
SHETRON LIMITED

DIWAKAR S. SHETTY
Chairman

Place: Bangalore
Date : 19th May, 2014



Explanatory Statement
(Pursuant to section 102 of the Companies Act, 2013)

As required by Section 102 of the Companies Act, 2013 (Act), the following explanatory statement sets out all material facts relating to the business mentioned under Item No. 1 and Item No. 2 of the accompanying Notice:

Item No. 1

Appointment of Independent Director

Shri B S Patil is a Non-Executive Independent Director of the Company. He joined the Board of Directors of the Company in September, 2002. Shri B S Patil is the Chairman of Audit Committee and a Member of the Share Transfer and Investor Grievance Committee. Shri B S Patil retired as Chief Secretary to Chief Minister of Karnataka and was heading State Financial Institutions for Industrial Growth in the State.

Shri B S Patil retires by rotation at the ensuing Annual General Meeting under the erstwhile applicable provisions of Companies Act, 1956. In terms of Section 149 and any other applicable provisions of the Companies Act, 2013, Shri B S Patil being eligible and offering himself for appointment, is proposed to be appointed as an Independent Director for 5 consecutive years for a term upto the conclusion of the 39th AGM of the Company to be held in the year 2019. A notice has been received from a member proposing Shri B S Patil as a candidate for the office of Director of the Company.

Shri B S Patil has given a declaration to the Board that he meets the criteria of Independence as provided under Section 149(6) of the Companies Act, 2013. In the opinion of the Board, Shri B S Patil fulfils the conditions specified in the Companies Act, 2013 and rules made thereunder for his appointment as an Independent Director of the Company and is independent of the management.

The Board considers that his continued association would be of immense benefit to the Company and it is desirable to continue to avail services of Shri B S Patil as an Independent Director. Accordingly, the Board recommends the resolution in relation to appointment of Shri B S Patil as an Independent Director, for the approval by the shareholders of the Company.

Except Shri B S Patil, being an appointee, none of the Directors and Key Managerial Personnel of the Company and their relatives is concerned or interested, financial or otherwise, in the resolution set out at Item No. 1.

Item No. 2

Appointment of Independent Director

Dr. M Mahadeviah is a Non-Executive Independent Director of the Company. He joined the Board of Directors of the Company in September, 2006. Dr. M Mahadeviah is the Member of Audit Committee. Dr. M Mahadeviah is expertise in specific functional areas wide Experience in administration, Food processing, Packaging Technology and Corrosion of Metal Containers.

Dr. M Mahadeviah retires by rotation at the ensuing Annual General Meeting under the erstwhile applicable provisions of Companies Act, 1956. In terms of Section 149 and any other applicable provisions of the Companies Act, 2013, Dr. M Mahadeviah being eligible and offering himself for appointment, is proposed to be appointed as an Independent Director for 5 consecutive years for a term upto the conclusion of the 39th AGM of the Company to be held in the year 2019. A notice has been received from a member proposing Dr. M Mahadeviah as a candidate for the office of Director of the Company.



Dr. M Mahadeviah has given a declaration to the Board that he meets the criteria of Independence as provided under Section 149(6) of the Companies Act, 2013. In the opinion of the Board, Dr. M Mahadeviah fulfils the conditions specified in the Companies Act, 2013 and rules made thereunder for his appointment as an Independent Director of the Company and is independent of the management.

The Board considers that his continued association would be of immense benefit to the Company and it is desirable to continue to avail services of Dr. M Mahadeviah as an Independent Director. Accordingly, the Board recommends the resolution in relation to appointment of Dr. M Mahadeviah as an Independent Director, for the approval by the shareholders of the Company.

Except Dr. M Mahadeviah, being an appointee, none of the Directors and Key Managerial Personnel of the Company and their relatives is concerned or interested, financial or otherwise, in the resolution set out at Item No. 2.

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	Mr B.S.Patil
2. Date of Birth and Age	20th January, 1944 and Age : 70 Years
3. Date of Appointment	27.09.2002
4. Expertise in specific functional areas	Has wide range of administrative experience. Retired as Chief Secretary to Chief Minister of Karnataka and was heading State Financial Institutions for Industrial Growth in the State.
5. Qualification	B.A., I.A.S (Retd.)
6. Number of Shares held in the equity capital of the company	Nil
7. Directorship held in other public companies	<ol style="list-style-type: none"> 1. Scotts Garments Ltd. 2. Suprajit Engineering Limited 3. AMR India Ltd. 4. Surana Industries Ltd 5. BRS Precision Manufacturing Pvt. Ltd. 6. Surana Green Power Ltd 7. Surana Green Energy Ltd 8. Trinethra Energy Conversions Pvt. Ltd. 9. Prasanna Power Pvt. Ltd. 10. International Power Corporation Pvt. Ltd. 11. Sadbhavana Energy Pvt. Ltd.
8. Committee/Executive positions held in other companies	Nil



ANNEXURE TO NOTICE

APPOINTMENT OF DIRECTORS

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

1. Name	Dr. M. Mahadeviah
2. Date of Birth and Age	15th May, 1939 and Age: 75 years
3. Date of Appointment	30.10.2006
4. Expertise in specific functional areas	Expertise in specific functional areas wide Experience in administration, Food processing, Packaging Technology and Corrosion of Metal Containers
5. Qualification	Ph.d. (Food Processing Technology)
6. Number of Shares held in the equity capital of the company	Nil
7. Directorship held in other public companies	Nil
8. Committee/Executive positions held in other companies	Nil



DIRECTORS' REPORT

Your Directors present the Thirty Fourth Annual Report on the business and operations of your Company and the financial accounts for the year ended 31st March 2014 approved by the Board:

FINANCIAL HIGHLIGHTS :

Particulars	2013-14 ₹ in lacs	2012-13 ₹ in lacs
Gross Sales and Other Income	14,256	13,265
Profit before Interest and Depreciation	2,297	1,974
Finance Cost	1,654	1,688
Depreciation	794	790
Profit/(Loss) before Tax	(151)	(504)
(Less)Provision for Tax	-	-
(Less)/Add Deferred Tax	51	156
Profit/(Loss) after tax	(100)	(348)
Add: Balance Brought forward from Previous Year	799	1,147
Balance Carried Over	699	799

YEAR IN RETROSPECT :

Gross sales for the year were marginally higher than the previous financial year. Profit before Depreciation, Interest and Taxation (PBDIT) was higher by 16% at ₹ 2297 lacs as compared to ₹ 1974 lacs in the previous year. The improvement in operating margin has helped the company to reduce the loss to ₹ 100 lacs for the year against a corresponding loss of ₹ 348 lacs in the previous year.

BUSINESS PROSPECTS :

The Indian Packaging Industry is growing at more than 15% per annum. India stands at the 11th position in the world packaging industry and with the rising consumer demand and new technologies, it is expected to grow at 18-20 per cent and it is expected that annual turnover of Indian packaging industry will touch \$32 billion by 2025. At the expected growth pace Indian Packaging Industry will soon climb up to the 4th position in the world packaging industry. There will be ten times increase of middle class population by 2025 in India which will further trigger the consumption of packaging material and thus, the packaging industry will grow further.

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

EXPORTS:

During the year, the export turnover was ₹ 2561 lacs as compared to the previous year turnover of ₹ 3105 lacs, which represents a decrease of 18% over previous year. Major exports were made to Asian, Middle East, African and Australian countries.

SUBSIDIARY:

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

**CONSOLIDATED FINANCIALS :**

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

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

AWARDS & LAURELS :

As a testimonial of the company's strength, IMDA, USA (International Metal Decorators Association) in recognition of the excellence in quality for printing has awarded the company again in the year 2014.

DIRECTORS :

In accordance with the provisions of the Companies Act 2013, and Articles of Association of the company, Mr. B S Patil and Dr. M Mahadeviah retire by rotation at the end of this Annual General Meeting and is eligible for re-appointment. Brief resume of the Mr. B S Patil and Dr. M Mahadeviah being re-appointed is attached to the Notice of the Annual General Meeting.

DIRECTORS' RESPONSIBILITY STATEMENT :

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

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

ADDITIONAL DISCLOSURES :

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

DEPOSITS:

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

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

The information as per Section 217(2A) of the Companies Act, 1956 read with the Companies (Particulars of Employee Rules) 1975 are not given since the remuneration paid to the employees during the financial year were below the limits prescribed by the amended Companies (particulars of Employees) Rules, 1975.

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

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

AUDITORS AND AUDIT REPORT:

M/s Pal and Shanbhogue, Chartered Accountants, auditors of the Company hold office as auditors until the conclusion of ensuing Annual General Meeting and have offered for re-appointment.

The Company has received letters from all of them to the effect that their re-appointment, if made, would be within the prescribed limits under Section 141(3)(g) of the Companies Act, 2013 and that they are not disqualified for re-appointment.

COST AUDITORS:

The Company has appointed M/s Vishwanath Bhat & Co., Cost Auditors to conduct the Cost Audit of the Company for the financial year 2013-14.

REPORT ON CORPORATE GOVERNANCE:

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

TRANSFER OF AMOUNTS TO INVESTOR EDUCATION AND PROTECTION FUND:

Pursuant to the provisions of Section 205A(5) and 205C of the Companies Act, 1956, relevant amounts which remained unpaid or unclaimed for a period of Seven years have been transferred by the Company, from to time to time on due dates, to the Investor Education and Protection Fund.

MANAGEMENT DISCUSSION AND ANALYSIS REPORT:

The Management Discussion and Analysis Report as required is annexed as Annexure C.

ACKNOWLEDGEMENTS:

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

For and on behalf of the Board
SHETRON LIMITED

DIWAKAR S. SHETTY
Chairman

Place :Bangalore
Date : 19th May, 2014



ANNEXURE – A TO DIRECTORS' REPORT
INFORMATION PURSUANT TO SECTION 217(1) (e) OF THE COMPANIES ACT, 1956

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

CONSERVATION OF ENERGY

Conservation of Energy received constant attention and measures were taken for effective control of electricity and fuel consumption. The Company has installed fuel efficient and energy saving devices with the help of professional consultants to reduce energy consumption. The Company conducted the seminars/awareness of conservation of LPG and Petroleum products.

RESEARCH AND DEVELOPMENT

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

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

TECHNOLOGY ABSORPTION

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

FOREIGN EXCHANGE EARNINGS AND OUTGO

- a) Foreign Exchange earned : ₹ 2,445 Lacs
- b) Foreign Exchange outgo : ₹ 3,778 Lacs

Place: Bangalore
 Date: 19th May, 2014

For and on behalf of the Board
For SHETRON LIMITED

DIWAKAR S. SHETTY
 Chairman

ANNEXURE – B TO DIRECTORS' REPORT

CORPORATE GOVERNANCE REPORT

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

1. COMPANY'S PHILOSOPHY ON CODE OF GOVERNANCE:

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

2. BOARD OF DIRECTORS

a) Composition

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



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

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

Sl. No.	Name of the Directors	Composition & Category	Attendance at the Meeting		Directorship of Other Companies	Membership of Board Sub Committees
			Board	Last AGM		
1.	Mr. Diwakar S. Shetty	Promoter/ Director Executive	4	1	8	1
2.	Mr. Kartik Nayak	Promoter / Director Executive	4	1	2	2
3.	Mr. B S Patil	Independent Director	4	-	11	2
4	Dr. M. Mahadeviah	Independent Director	4	1	-	1

b) Board Meetings

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

Sl No.	Quarter	Date
1	April 13 -June 13	10th May, 2013
2	July 13 - September 13	30th July, 2013
3	October 13 – December 13	31st October, 2013
4	January 14 – March 14	31st January, 2014

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

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

3. BOARD COMMITTEES:

a) Audit Committee

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

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

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

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

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

**Main Terms of reference of the Committee are:**

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

b) Share Transfer and Investor Grievance Committee

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

The Committee comprises of 3 Directors viz. Mr. Kartik Nayak and Mr. Diwakar Shetty and Mr. B.S.Patil (Independent Director). The Company Secretary and Head – Finance are the permanent invitees to the committee. The Committee, generally review the working and approve the Transfer / Demat and give Authorizations to issue duplicate shares, etc if any. During the year under review committee met Nil 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	1	1	-
2	Letters received from SEBI/NSDL/Stock Exchanges	-	-	-
3	Requests for Stop Transfer	-	-	-
4	Non Receipt of Share Certificate / Credit for Demat of Shares/ Dividend/ Annual Report	1	1	-
5	Requests for issues of Duplicate Share Certificate and Dividend warrants	1	1	-
6	Legal Cases/ Cases before consumer forum	-	-	-
7	Investors Request for Information	-	-	-
	Total	3	3	0



4. REMUNERATION POLICY AND DETAILS OF REMUNERATION PAID:

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

Executive Directors :

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

Non-Executive Directors :

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

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

Sl no.	Name of the director	Sitting fees paid - (₹)
1.	Mr. B.S Patil	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 2013-14.

Sd/-
Kartik Nayak
Managing Director



6. GENERAL BODY MEETINGS

The 34th Annual General Meeting of the Company, for the Financial Year 2013-14, would be held on Monday, the 29th September, 2014 at 10.00 AM at Koramangala Club, 6th Cross, CA 17, 6th Block, Bangalore – 560 095.

Meeting	Day, Date and Time of the Meeting	Venue
33rd AGM	30th September 2013 at 10.00 AM	Koramangala Club, Bangalore
32nd AGM	28th September 2012 at 10.00 AM	Koramangala Club, Bangalore
31st AGM	26th September 2011 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.

GENERAL SHAREHOLDER INFORMATION:

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

9. SHAREHOLDERS' INFORMATION

Sl No:	Particulars	Details
1	Date, Time and Venue of the 34th Annual General Meeting	29th September, 2014 at 10:00 A.M. at Koramangala Club, Bangalore.
2	Date of Book Closure	22nd September, 2014 to 29th September, 2014 (both days inclusive)
3	Listing on Stock Exchange	The Bombay Stock Exchange (BSE)
4	Listing Fees	Paid for all the above Stock Exchanges as per the Listing agreement.
5	ISIN No:	INE 278C01010EQ
6	Registered Office	Plot No. 1, Bommasandra Industrial Area, Hosur Road, Bangalore – 560099
7	Share Transfer Agent	(For Electronic and Physical Transfers) M/s Integrated Enterprise (India) Limited, No.30, Ramana Residency, 4th Cross, Sampige Road Malleswaram, Bangalore-560003 Tel: +91-80-23460815-818 Fax: +91-80-23460819 E-mail: irg@integratedindia.in



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

10. CHANGE OF ADDRESS:

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

11. SHARE TRANSFER SYSTEM

Share sent for physical transfer or dematerialization requests are generally registered and returned within a period of 15 days from the date of receipt of completed and validly executed documents. The share transfer committee generally meets every month, to approve the transfers and dematerialization requests. During the year ending 31st March 2014 the Share Transfer Committee met Nil times.

12. DEMATERIALIZATION OF EQUITY SHARES

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

As of date (approx.) 86,50,367 shares of the 90,03,300 equity shares (96.08%) of the Company are in the dematerialized form.

13. SHAREHOLDERS CORRESPONDENCE

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

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

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

**14. MARKET PRICE DATA :**

High, Low and Volume during each month in the last financial year (reported at the Bombay Stock Exchange)

SL NO.	Month	High (₹)	Low (₹)	Volume of shares traded
1	March 2014	7.35	6.07	95
2	February 2014	7.41	6.50	49
3	January 2014	10.30	7.00	31
4	December 2013	11.94	10.78	6
5	November 2013	11.38	9.88	10
6	October 2013	10.39	7.67	21
7	September 2013	8.07	6.99	36
8	August 2013	8.50	6.99	33
9	July 2013	8.39	6.88	39
10	June 2013	8.00	6.50	38
11	May 2013	7.14	6.06	42
12	April 2013	7.34	6.60	33

15. DISTRIBUTION OF SHAREHOLDING AS ON 31ST MARCH 2014

Category	No. of share holders	Percentage	No. of shares	Percentage
Up to 5000	4396	98.13	1191646	13.24
5001 – 10000	27	0.60	186173	2.07
10001 – 20000	13	0.29	189497	2.10
20001 – 30000	6	0.13	151320	1.68
30001 – 40000	5	0.11	190727	2.12
40001 – 50000	5	0.11	223659	2.48
50001 – 100000	11	0.25	922242	10.24
100001 and above	17	0.38	5948036	66.07
Total	4480	100.00	9003300	100.00



16. SHAREHOLDING PATTERN AS ON 31st MARCH 2014

Category	No of Shares held	Percentage of Shareholding
A Promoter's holding		
1 Promoters		
- Indian Promoters	57,10,394	63.43
- Foreign Promoters	81,633	0.91
2 Persons acting in Concert	-	-
Sub - Total	57,92,027	64.34
B Non-Promoters Holding		
3 Institutional Investors		
a Mutual Funds and UTI	100	0.00
b Banks, Financial Institutions, Insurance Companies (Central/State Govt. Institutions/Non-government Institutions)	-	-
c FIIs	1,58,669	1.76
Sub - Total	1,58,769	1.76
4 Others		
a Private Corporate Bodies	5,24,240	5.82
b Indian Public	22,31,932	24.79
c NRIs/OCBs/Foreign Company	2,96,332	3.29
Sub - Total	30,52,504	33.90
GRAND TOTAL	90,03,300	100.00

For and on behalf of the Board
For SHETRON LIMITED

Place: Bangalore
Date: 19th May, 2014

DIWAKAR S. SHETTY
Chairman



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

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

For and on behalf of the Board
For SHETRON LIMITED

Place: Bangalore
Date: 19th May, 2014

DIWAKAR S. SHETTY
Chairman



MANAGEMENT DISCUSSION AND ANALYSIS REPORT

OVERVIEW :

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

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

GLOBAL ECONOMIC OVERVIEW :

In the year 2013-14, the global economy showed signs of revival after almost 4 years since the onset of the financial crisis. The recovery this time was different as developed economies consolidated while most emerging markets faced challenges to reviving for growth.

Global growth is expected to be better in the current year, as the developed world consolidates further. In the advanced economies, risks to economic activity associated with very low inflation have come to the fore, especially in the euro area, where large output gaps have contributed to low inflation. Emerging market economies will have to tackle inflationary pressures and currency volatility in the short and medium-term as they attempt to revive growth. There is a risk of continuing tight financial conditions leading to a higher cost of capital leading to a further slowdown in investments. Also the recent geo-political risks may lead to a renewed bout of increased risk aversion in global financial markets.

INDIA ECONOMIC OVERVIEW :

The GDP growth of Indian economy was 4.7% in the year 2013-14. The economy has remained challenged as growth has been below 5% in the last 7 quarters between Q1, 2012-2013 to Q4, 2013-2014. The only exception in this period was Q2, 2013- 2014 when GDP grew by 5.2%. This slowdown has coincided with a decline in financial savings, low and sluggish growth in fixed capital formation over successive quarters, persistently high inflation, low business confidence and particularly inadequate structural policy measures have impacted on potential growth.

The year witnessed sustained high inflation and a highly volatile exchange rate in the first half of the year. The subsequent tightening of monetary policy effectively choked economic recovery. Domestically, structural reforms did not proceed at the pace expected by markets, as bottlenecks continued to hamper investment projects, particularly in the critical power sector.

METAL PACKAGING INDUSTRY-CHALLENGES AND OUTLOOK :

Tinplate, a value added flat steel product, is a versatile packaging substrate used in edible oils, paints, pesticides, processed foods, beverages and other industries. Its high suitability for packaging of processed edibles has enabled it to withstand the vagaries of the economic environment resulting in a steady growth in demand. However, cost pressures will continue on account of inflation rates, energy and transportation costs.

Growth of packaging industry is strongly co-related to the economic growth of a region. During the past year, global economy posted a marginal growth, amidst slow growth in the European, US and Chinese economies. Global packaging demand accordingly grew at a slower pace.

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

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

Your Company's performance for the period 2013-14 has to be seen in the context of above economic background.



SUPPLY SIDE OF TINPLATE :

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

Today the per capita consumption of tinplate in India is around 0.43 kg which is still very low compared to many developed nations and developing economies like China. Growth in packaging industry has always been closely linked with the GDP growth of the country. In India, with high growth in modern retail, FDI in multi-brand retail and with Government's thrust on the food processing industry, packaging industry is bound to grow. As a result, tinplate demand is likely to increase provided indigenous manufacturers undertake robust developments efforts. However, significant import of non-prime tinplates and their use in food packaging dampens the demand for prime tinplate. Though the Custom Duty for all steel products was increased to 7.5% recently, it continues to be relatively low and is not a significant deterrent to the dumping of non-prime tin mill products into India mainly from USA, Europe and Latin America. Further, the Free Trade Agreement with Japan has led to influx of good quality tinplate into India at very low (3%) customs duty.

Also, with strong competition from substitutes, the industry needs to continuously endeavor to make tinplate packaging more competitive at a global level by focusing on light-weighting.

SEGMENTWISE PERFORMANCE :

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

RISKS, OPPORTUNITIES, THREATS AND CONCERNS:

Shetron Limited 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 weakening of the rupee continues to put pressure on raw materials prices. Prices of some raw materials are also hardening to an extent. Apart from that, the overall inflationary trends have been putting pressure on operating costs. These represent areas of concern.

The market is now used to an inflationary environment, where all producers are compelled to pass on the adverse impacts faced by them. The battery market is no exception and the situation is likely to continue. The fluctuations in the prices of tin plate in the international market, the shrinking margins and highly volatile foreign currency fluctuations posed a serious concern in the coming year also. However your Company continuously assessed the associated business risks and undertook all the measures to minimize their impact on its operations.

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

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

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

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



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

INTERNAL CONTROL SYSTEM AND ITS ADEQUACY:

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

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

The Company has independent internal auditors to monitor the entire operations and services spanning all locations, businesses and functions on a regular basis. The 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.

CORPORATE POLICIES:**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 contributing to the better performance of the operations and processes 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 endeavor is to offer fair and reasonable compensation to its employees based on the market benchmarks.

TPM/ISO/IMS :

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

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



CAUTIONARY STATEMENT :

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

**AUDITOR'S CERTIFICATE ON CORPORATE GOVERNANCE**

**To the Members of
SHETRON LIMITED**

1. We have examined the compliance of Corporate Governance by Shetron Limited ("the company"), for the year ended on 31st March, 2014, as stipulated in Clause 49 of the Listing Agreement of the said Company with the stock exchanges.

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

In our opinion and to the best of our information and according to the explanations given to us, and based on the representation made by the Directors and Managements, we certify that the company has complied with the conditions of the Corporate Governance as stipulated in the Clause 49 of the Listing Agreement.

We further state that such compliance is neither an assurance as to the future viability of the Company nor the efficiency or effectiveness with which the management has conducted the affairs of the Company

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

K R SHANBHOGUE
Partner M.No.18578

Place : Bangalore
Date : 19th May, 2014

**INDEPENDENT AUDITORS' REPORT**

To
The Members of SHETRON LIMITED
Report on the Financial Statements

We have audited the accompanying financial statements of Shetron Ltd ("the Company") which comprises of:

- i. the Balance Sheet as at 31st March, 2014,
- ii. the Statement of Profit and Loss for the year ended 31st March, 2014
- iii. the Cash Flow Statement for the year 31st March, 2014
- iv. summary of the significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

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

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

Opinion

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

- a) in the case of Balance Sheet, of the state of affairs of the Company as at 31st March, 2014;
- b) in the case of the Statement of Profit and Loss, of the loss of the Company for the year ended on that date and
- c) in case of the Cash Flow Statement, of the cash flows of the Company for the year ended on that date.

**Report on Other Legal and Regulatory Requirements**

1. As required by the Companies (Auditor's Report) Order, 2003("the order") issued by the Central Government in terms of Section 227(4A) of Act, we give in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the Order.
2. As required by Section 227(3) of the Act, we report that:
 - a. We have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit;
 - b. In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books;
 - c. The Balance Sheet, Statement of Profit and Loss, and the Cash Flow Statement dealt with by this Report are in agreement with the books of account;
 - d. In our opinion, the Balance Sheet, the Statement of Profit and Loss, and the Cash Flow Statement comply with the Accounting Standards referred to in Section 211 (3C) of the Act;
 - e. On the basis of the written representations received from the directors as on 31st March, 2014 and taken on record by the Board of Directors, none of the director is disqualified as on 31st March, 2014 from being appointed as a Director in terms of Section 274(1) (g) of the Act.

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

Place :Bangalore
Date : 19th May, 2014

K R SHANBHOGUE
Partner M.No.18578



ANNEXURE TO INDEPENDENT AUDITORS' REPORT

(Referred to in paragraph 1 under Report on Other Legal and Regulatory Requirements' Section of our Report of even date)

1. In respect of fixed assets

- a. The Company has maintained proper records showing full particulars, including quantitative details and situation of the fixed assets. On the basis of available information.
- b. As explained to us, the fixed assets are being physically verified under a phased periodical manner, which, in our opinion, is reasonable, having regard to the size of the company and nature of its assets. However, no material discrepancies have been noticed during the year on such verification.
- c. In our opinion, the company has not disposed off substantial part of its fixed assets during the year and the going concern status of the company is not affected.

2. In respect of its inventories:

- a. Inventories have been physically verified during the year by the management at reasonable intervals.
- b. In our opinion and according to the information and explanations given to us, the procedures of physical verification of the inventory followed by the management are reasonable and adequate in relation to the size of the Company and the nature of its business.
- c. The Company has maintained proper records of its inventories. As explained to us there was no material discrepancies were noticed on physical verification of inventories as compared to the book records.

3. a. On the basis of our examination of the books of account, the Company has not granted any loans, secured or unsecured, to companies, firms or other parties covered in the register maintained under section 301 of the Act.
- b. The Company has taken interest free unsecured loans of ₹ 735.50 lakhs (as on 31st March 2014) from companies, firms or other parties listed in the register maintained under Section 301 of the Companies Act 1956 and the rate of interest and terms and conditions are not prima facie prejudicial to the interest of the company. There are no stipulations as regards repayment.

4. In our opinion and according to the information and explanation given to us, there is an adequate internal control system commensurate with the size of the Company and the nature of its business, for the purchase of inventories and fixed assets and for the sale of goods and services. Further, on the basis of our examination of the books and records of the Company, we have neither come across nor have been informed of any continuing failure to correct major weaknesses in the aforesaid internal control system.

5. In respect of the contracts or arrangements referred to in Section 301 of the Companies Act, 1956

- a. In our opinion and according to the information and explanation given to us, the transactions made in pursuance of contracts or arrangements that needed to be entered into the register maintained under Section 301 of the Companies Act, 1956 have been so entered.
- b. In our opinion and according to the information and explanation given to us, the transactions 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 ₹5.00 lakhs in respect of each party during the year have been made at prices which are prima facie reasonable having regard to prevailing market prices at the relevant time.

6. The company has not accepted any deposits from the public to which the directives issued by Reserve Bank of India and the provisions of Sections 58A or 58AA or any other relevant provisions of the Companies Act, 1956 and the Companies (Acceptance of Deposits) Rules, 1975 apply.

7. In our opinion, the company has an adequate internal audit system commensurate with the size and nature of its business.



8. We have broadly reviewed the cost records maintained by the company pursuant to the Companies (Cost Accounting Records) Rules, 2011 prescribed by Central Government under section 209(1) (d) of the Companies Act, 1956 and are of the opinion that prima facie the prescribed accounts and cost records have been made and maintained. We have however, not made a detailed examination of cost records with a view to determine whether they are accurate or complete.
- 9. In respect of statutory dues:**
- a. The Company is generally regular in depositing undisputed dues, including Provident Fund, Investor Education and Protection Fund, Employees' State Insurance, Income Tax, Sales Tax, Wealth Tax, Service Tax, Cess and other material statutory dues as applicable with the appropriate authorities.
 - b. No undisputed amounts payable in respect of statutory dues were outstanding as at 31st March, 2014 for a period of more than six months from the date they became payable.
 - c. There are no dues of income tax, wealth tax, and customs duty which have not been deposited on account of any dispute.
10. The Company does not have any accumulated losses as at March 31, 2014 and has not incurred any cash losses in the financial year ended on that date or in the immediately preceding financial year.
11. Based on our audit procedures and according to the information and explanations given to us, the company has not defaulted in repayment of dues to any financial institution, bank or debenture holders during the year.
12. In our opinion and according to the explanations given to us and based on the information available, no loans and advances have been granted on the basis of security by way of pledge of shares, debentures and other securities.
13. In our opinion, the company is not a chit fund or a Nidhi / mutual benefit fund / society. Accordingly. Therefore the provisions of clause 4(xiii) of CARO are not applicable to the company.
14. According to the explanations given to us, the Company is not dealing or trading in shares, securities, debentures and other investments. Accordingly, the provisions of clause 4(xiv) of the CARO are not applicable to the Company.
15. The company has given guarantees for the loans taken by others from banks and financial institutions. According to the explanations and information given to us we are of opinion of that the terms and conditions thereof are not prima facie prejudicial to the interest of the company
16. According to the information and explanations given to us the term loans availed by the company were prima facie, applied for the purpose for which they were obtained.
17. According to the information and explanations given to us and on an overall examination of the Balance Sheet of the Company, we are of opinion that funds raised on short-term basis have, prime facie, not been used for long-term investment.
18. The company has not made any preferential allotment of shares to the parties and companies covered in the Register maintained under Section 301 of Companies Act, 1956
19. The company has not issued any debenture during the year .
20. The company has not raised any monies by the way of public issues during the year.
21. Based on the audit procedures performed and considering the size and nature of the company's operations, no fraud of material significance on or by the company has been noticed or reported during the year

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

Place : Bangalore
Date : 19th May, 2014

K R SHANBHOGUE
Partner M.No.18578



BALANCE SHEET AS AT 31ST MARCH, 2014

Particulars	Note No.	As at 31.03.2014 ₹ in Lacs	As at 31.03.2013 ₹ in Lacs
A EQUITY AND LIABILITIES			
1. SHAREHOLDER'S FUNDS			
(a) Share Capital	1	900	900
(b) Reserves and Surplus	2	3,030	3,130
		3,930	4,030
2 Non-current liabilities			
(a) Long-Term Borrowings	3	7,225	7,443
(b) Deferred Tax Liabilities (net)	4	503	554
		7,728	7,997
3 Current liabilities			
(a) Short-Term Borrowings	5	2,817	2,731
(b) Trade Payables	6	2,553	1,930
(c) Other Current Liabilities	7	493	261
(d) Short-Term Provisions	8	101	118
		5,964	5,040
TOTAL		17,622	17,067
B ASSETS			
1 Non-current assets			
(a) Fixed Assets			
(i) Tangible Assets	9	7,235	7,609
(ii) Capital Work-in-progress		345	108
		7,580	7,717
(b) Non-Current Investments	10	133	133
(c) Long-term Loans and Advances	11	1,118	1,438
(d) Other Non-Current Assets	12	541	591
		9,372	9,879
2 Current assets			
(a) Inventories	13	3,051	2,465
(b) Trade Receivables	14	2,724	2,717
(c) Cash and Cash Equivalents	15	896	779
(d) Short-Term Loans and Advances	16	1,480	1,160
(e) Other Current Assets	17	99	67
		8,250	7,188
TOTAL		17,622	17,067

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

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

Place : Bangalore
Date : 19th May, 2014

DIWAKAR S. SHETTY
Chairman

KARTIK NAYAK
Managing Director

VANITA GM
Company Secretary

K.R. SHANBHOGUE
Chartered Accountants



STATEMENT OF PROFIT AND LOSS FOR THE PERIOD ENDED 31ST MARCH, 2014

Particulars	Note No.	For the Period ended 31.03.2014 ₹ in Lacs	For the Period ended 31.03.2013 ₹ in Lacs
A CONTINUING OPERATIONS			
1. Sales (Gross)		14,123	13,093
Less: Excise Duty		902	878
Sales (Net)		13,221	12,215
2. Other Income	18	133	172
3. Total Revenue (1+2)		13,354	12,387
4. Expenses			
(a) Cost of Materials Consumed	19	9,272	8,315
(b) Changes in Inventories of Finished Goods and work-in-progress		(105)	243
(c) Employee Benefits Expense	20	917	914
(d) Finance Costs	21	1,654	1,688
(e) Depreciation and Amortisation Expense		794	790
(f) Other Expenses	22	973	941
Total Expenses		13,505	12,891
5. Profit / (Loss) before Exceptional and Extraordinary items and Tax (3 - 4)		(151)	(504)
6. Profit / (Loss) before Extraordinary Items and Tax		(151)	(504)
7. Extraordinary Items		-	-
8. Profit / (Loss) before tax (6-7)		(151)	(504)
9. Tax expense:			
(a) Current Tax expense for current year		-	-
(b) Deferred Tax		(51)	(156)
10. Profit / (Loss) from continuing Operations (8-9)		(100)	(348)
11. Earnings per share			
No of Equity Share with face value of ₹10 each		8,999,800	8,999,800
Basic and Diluted Earnings per share ₹		(1.11)	(3.86)
See accompanying notes forming part of the financial statements			

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

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

Place : Bangalore
Date : 19th May, 2014

DIWAKAR S. SHETTY
Chairman

KARTIK NAYAK
Managing Director

VANITA GM
Company Secretary

K.R. SHANBHOGUE
Chartered Accountants



NOTES FOR ACCOUNTS FOR THE YEAR ENDED 31ST MARCH, 2014

1. Share Capital:

₹ in Lacs

Particulars	31.03.2014	31.03.2013
Authorised Share Capital 250,00000 Equity Shares of ₹10/- each	2,500	2,500
<u>Issued, Subscribed and paid up Share Capital</u>	900	900
90,03,300 Equity Shares of ₹ 10/- each fully paid		
Less : Forfeited Shares	0.35	0.35
	900	900

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

Name of the Share holders	No. of shares 31.03.2014		No. of shares 31.03.2013	
	No.	%	No.	%
Shetron Enterprises Pvt Ltd.	17,96,717	19.96	17,96,717	19.96
Konjal Machine Pvt. Ltd	8,58,055	9.53	8,58,055	9.53
Bunts Properties Pvt. Ltd.	8,00,000	8.89	8,00,000	8.89

2. Reserves And Surplus:

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

₹ in Lacs

Particulars	31.03.2014	31.03.2013
Capital Subsidiary Reserve	15	15
Share Premium	2,111	2,111
General Reserves	205	205
Profit and Loss Accounts:		
Opening Balance	199	847
Add: Profit / Loss for the year	(100)	(348)
Total	99	499
Less: Transfer to contingency reserve	-	300
Closing Balance	99	199
Contingency Reserve Opening Balance	600	300
Transfer from Profit and Loss accounts	-	300
Closing Balance	600	600
Total	3,030	3,130


3. Long Term Borrowings

₹ in Lacs

Particulars	31.03.2014	31.03.2013
Deferred Sales Tax	100	124
Loan From Related Parties	736	720
Term Loan from Cosmos Co Op Bank Ltd. Pune	5,962	5,726
Buyers' Credit	817	1,037
Car Loan	14	7
Sub -Total	7,629	7,614
Less: Maturities within one year	404	171
Total	7,225	7,443

- Term Loans from Banks are guaranteed by two promoter directors and one of their relatives.
- Deferred Sales tax is payable over period of 15 years. Loan from related parties are not subjected to any repayment terms. Term Loans are repayable over a period of 7 years from the date of disbursement. Buyers' credit are payable over a period of 3 years. Car Loan is payable over a period of five years from the date of disbursement.
- Term Loans from Cosmos Co Op 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.
- Car Loan is secured by hypothecation of vehicles acquired under the scheme.

4. Details of deferred tax calculation for the year ending 31st March 2014.

₹ in Lacs

Particulars	Deferred Tax (Asset) / Liability		
	As on 01.04.2013	for the Year	As on 31.03.2014
Difference between Book and Tax Depreciation	951	(44)	907
Brought forward Unabsorbed Depreciation (₹9.32 Cr)	(397)	(7)	(404)
Total	554	(51)	503

5. Short Term Borrowings:

₹ in Lacs

Particulars	31.03.2014	31.03.2013
Demand Loan From Banks	2,817	2,731
Total	2,817	2,731



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

6. Trade Payables

Trade Payables include sum of ₹54.50 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 31.03.2014 is ₹15.20 lacs. Trade payables are subject to confirmation from parties.

7. Other Current Liabilities :

₹ in Lacs

Particulars	31.03.2014	31.03.2013
Deposits Payable	5	5
ESI Payable	2	2
Interest Accrued but not Due	66	62
LIP Payable	1	2
PF Payable	6	6
TDS Payable	6	7
Term Loan Maturities within one Year	404	171
Unclaimed Dividend	3	5
Others	-	1
Total	493	261

8. Short Term Provisions :

₹ in Lacs

Particulars	31.03.2014	31.03.2013
Provision for Employee Benefits	99	115
Provision for Taxation	-	-
Provision for Excise duty on Finished Goods	2	3
Total	101	118



9. FIXED ASSETS (AT COST) ₹ in Lacs

Particulars	GROSS BLOCK AT COST			DEPRECIATION			NET BLOCK	
	01.04.2013	Additions	Adjustments	31.03.2014	01.04.2013	Period	Adjustments	31.03.2014
Leasehold Land & Development	81	-	-	81	-	-	-	81
Buildings	2,207	49	-	2,256	794	74	-	1,388
Plant & Machinery	12,403	349	-	12,752	6,388	698	-	5,666
Furniture, Fixture & Equipments	211	7	-	218	151	13	-	54
Vehicles	100	14	-	114	59	9	-	46
TOTAL	15,002	419	-	15,421	7,392	794	-	7,235
								7,609

**10. Non-Current Investments:**

₹ in Lacs

Particulars	31.03.2014	31.03.2013
* Shares in Subsidiary Company (Unquoted)	127	127
** Other Shares (Unquoted)	6	6
TOTAL	133	133

* 19,70,100 Equity Shares of M/s Shetron Metropak Pvt Ltd of ₹ 10/- each.

** 20,000 Equity Shares of M/s Kalyan Janatha Sahakari Bank of ₹ 25/- each and 1000 Equity Shares of M/s Cosmos Co-Operative Bank Ltd of ₹ 100/- each.

11. Long Term Loans And Advances

₹ in Lacs

Particulars	31.03.2014	31.03.2013
Advances for value to be received	1,118	1,438

Advances are unsecured. Advances includes, advances to related parties ₹ 250 lakhs (₹ PY Rs.300 Lakhs) and others which in the opinion of the management will realize values stated in the Balance sheet in the long term. However the Company, as a prudent measure, has created a contingency reserve to the extent of ₹600 lacs(Long Term Loans and Advances and other Non-Current Assets) for any possible erosion in the value of said advances and other non-current assets in addition to contingency reserve already created. Advances are subject to confirmation from parties.

12. Other Non-Current Assets

₹ in Lacs

Particulars	31.03.2014	31.03.2013
Trade Receivables	541	591
Total	541	591

Trade receivables are unsecured but considered good. Trade receivables are subject to confirmation from parties. In the opinion of the management the company will realize values stated in the Balance sheet in the long term.

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

₹ in Lacs

Particulars	31.03.2014	31.03.2013
Finished Goods	44	54
Raw Material	2,186	1,723
Stores & Spares	177	157
Work In Process	644	531
Total	3,051	2,465

Inventories are valued as follows:

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

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

**14. Trade Receivables**

₹ in Lacs

Particulars	31.03.2014	31.03.2013
Outstanding for period of exceeding 6 months	755	508
Other Debts	1,969	2,209
Total	2,724	2,717

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

15. Cash and Cash Equivalents

₹ in Lacs

Particulars	31.03.2014	31.03.2013
Bank Balances	92	49
Cash On Hand	2	2
Margin Money Deposit with Bank for L/Cs	772	698
Fixed Deposit with Bank (More than 12 months Maturity)	30	30
Total	896	779

16. Short Term Loans and Advances:

₹ in Lacs

Particulars	31.03.2014	31.03.2013
(Unsecured and Considered good)		
Advance Custom Duty	13	27
Advance for Goods*	736	679
Advance Income Tax	55	53
Cenvat Recoverable	429	233
Advance to Employees	5	14
VAT Recoverable	242	154
Total	1,480	1,160

*Advances for goods are subject to confirmation from parties

17. Other Current Assets:

₹ in Lacs

Particulars	31.03.2014	31.03.2013
Deposits	44	38
Interest Receivable	10	-
Prepaid Expenses	45	29
Total	99	67

**18. Other Income:**

₹ in Lacs

Particulars	31.03.2014	31.03.2013
Commission Received	1	1
Discount Received	1	7
Dividend	1	1
Export Incentive	32	53
Interest Received	65	46
Miscellaneous Income	27	17
Rent Received	6	47
Total	133	172

19. Cost of Material Consumed :

₹ in Lacs

Particulars	31.03.2014	31.03.2013
Exchange Fluctuation	31	74
Power and Fuel	503	461
Raw Materials*	8,655	7,705
Carriage Inward	83	75
Total	9,272	8,315

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

20. Employees Benefit Expenses:

₹ in Lacs

Particulars	31.03.2014	31.03.2013
PF and Other Funds	66	60
Salaries and Wages	809	806
Staff Welfare Expenses	42	48
Total	917	914

21. Finance Cost:

₹ in Lacs

Particulars	31.03.2014	31.03.2013
Interest	1,284	1,319
Other Finance Cost	370	369
Total	1,654	1,688

**22. Other Expenses:**

₹ in Lacs

Particulars	31.03.2014	31.03.2013
Administrative Expenses*	336	370
Business Promotion	10	16
Commission Paid	34	37
Discount / Rebate	-	16
Insurance	8	7
Job Charges	56	50
Other Expenses	8	2
Packing Forwarding	401	325
Rates and Taxes	13	9
Rent	16	6
Repairs Buildings	15	21
Repairs Machinery	63	67
Repairs Others	13	15
Total	973	941

*Administrative Expenses includes Audit Fees for Statutory Auditors of ₹10.50. lakhs (PY ₹10.80 lakhs)

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

₹ in Lacs

Particulars	31.03.2014	31.03.2013
Factoring obligations	861	863
Guarantees for Customs Duty	450	450
Guarantees for Financial Institutions/Banks as security	500	500
Export Obligations under EPCG Scheme	1,174	2,464
Disputed Income Tax	249	249

₹ in Lacs

24.

Particulars	31.03.2014	31.03.2013
Letters of credit and guarantee established and Bills discounted under LC and others	3,183	3,231

25. Value of Imports/Exports :

₹ in Lacs

Particulars	31.03.2014	31.03.2013
CIF Value of Imports		
Raw Materials	3,703	2,689
Components and Spare Parts	65	50
FOB Value of Exports	2,445	2,937
Expenditure in Foreign Currency	10	6

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

**26. Raw Material Consumption:**

₹ in Lacs

Particulars	31.03.2014		31.03.2013	
	%	Value ₹ in Lacs	%	Value ₹ in Lacs
Imported	45%	3,950	45%	3102
Indigenous	55%	4,705	55%	4,603

27. Related Party Disclosures:**I Controlling Companies** : NIL**II List of Related Parties**

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

III Transaction with related parties

₹ in Lacs

Nature of Transaction entered into during the year	31.03.2014	31.03.2013
Sales	416	762
Purchase	301	17
Rent paid	2	2
Unsecured Loan Received	16	75
Shared Services Received	40	38
Payment to Key Managerial Personnel	71	71
Status of outstanding Balances		
Amount Receivable	1,152	1,330
Amount Payable	354	301

Segment Disclosure:

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

a. Primary Segment Information:

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



₹ in Lacs

Geographical Segment	31.03.2014	31.03.2013
India	11,591	10,051
Asia	477	894
America	85	83
Africa	1,613	1,594
Australia	357	471
Total	14,123	13,093

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

28. Significant Accounting Policies:

1. Basis for preparation of financial statement

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

2. Method of Accounting

The company is following accrual basis of accounting.

3. Fixed Assets & Depreciation

Fixed Assets are stated at cost inclusive of finance charges on borrowed funds attributable to acquisition of Fixed Assets for the period up to the date of commencement of commercial production. Assets acquired under Hire Purchase Scheme are capitalized with the value of assets and finance charges are accounted as and when paid.

Depreciation on fixed assets are charged on straight line method at rates specified in Schedule XIV of the Companies Act 1956.

4. Borrowing Cost

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

5. Investments

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

6. Inventories

Inventories are valued as follows:

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

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



7. Transactions in Foreign Currency

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

8. Income

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

9. Retirement Benefits

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

AS-15(Revised 2005) for year ended 31/03/2014

SHETRON LIMITED EMPLOYEES GRATUITY FUND TRUST

1.	Assumption	As On	
		31/03/2013	31/03/2014
	Discount Rate	8%	8%
	Salary Escalation	7%	7%

2. Table Showing changes in present value of obligation as on 31/03/2014

Amount in ₹

Present value of obligations as at beginning of year	6,638,273
Interest cost	531,062
Current Service Cost	547,019
Benefits Paid	(180,541)
Actuarial (gain)/ loss on obligations	(140,858)
Present value of obligations as at end of year	7,394,955

3. Table showing changes in the fair value of plan assets As on 31/03/2014

Amount in ₹

Fair value of plan assets at beginning of year	193,850
Expected return on plan assets	4,608
Contributions	-
Benefits Paid	(180,541)
Actuarial gain/(loss) on Plan assets	-
Fair value of plan assets at the end of year	17,912

**4. Table showing fair value of plan assets**

Amount in ₹

Fair value of plan assets at beginning of year	193,850
Actual return on plan assets	4,608
Contributions	-
Benefits Paid	(180,541)
Fair value of plan assets at the end of year	17,917
Funded status	(7,377,038)
Excess of Actual over estimated return on plan assets	-
(Actual rate of return=Estimated rate of return as ARD falls on 31st March)	

5. Actuarial Gain/Loss recognized As on 31/03/2014

Amount in ₹

Actuarial (gain)/ loss on obligations	140,858
Actuarial (gain)/ loss for the year - plan assets	-
Total (gain)/ loss for the year	(140,858)
Actuarial (gain)/ loss recognized in the year	(140,858)

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

Amount in ₹

Present value of obligations as at the end of year	7,394,955
Fair value of plan assets as at the end of the year	17,917
Funded status	(7,377,038)
Net asset/(liability) recognized in Balance Sheet	(7,377,038)

7. Expenses Recognised in Statement of Profit and Loss

Amount in ₹

Current Service cost	547,019
Interest Cost	531,062
Expected return on plan assets	(4,608)
Net Actuarial (gain)/ loss recognized in the year	(140,858)
Expenses recognised in Statement of Profit and Loss	(932,615)

Note:

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



10. Provisions and Contingencies

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

Signatures to notes of accounts
For PAL & SHANBHOGUE
Chartered Accountants
(Registration No. 2528 S)

Place : Bangalore
Date : 19th May, 2014

DIWAKAR S. SHETTY
Chairman

KARTIK NAYAK
Managing Director

VANITA GM
Company Secretary

K.R. SHANBHOGUE
Chartered Accountants



CASH FLOW STATEMENT FOR PERIOD ENDED 31.03.2014

Particulars	31.03.2014 ₹ in Lacs		31.03.2013 ₹ in Lacs	
A. CASH FLOW FROM OPERATING ACTIVITIES:				
NET LOSS / PROFIT BEFORE TAX	(151)		(504)	
Adjustments for:				
Depreciation	794		790	
Interest	1,654		1,688	
(Profit)/Loss on sale of Fixed Assets	-		-	
Operating Profit before Working Capital changes	2,297		1,974	
Adjustments for:				
Trade and Other receivables	43		(525)	
Inventories	(586)		1,022	
Trade Payables	924		(1,186)	
Loans and Advances	(352)		(326)	
Cash Generated from Operations	2,326		959	
Interest Paid	(1,654)		(1,688)	
Direct Taxes Paid	-		-	
CASH FLOW BEFORE EXTRAORDINARY ITEMS	672		(729)	
NET CASH FROM OPERATING ACTIVITIES		672		(729)
B. CASH FLOW FROM INVESTING ACTIVITIES:				
Purchase of Fixed Assets (including Capital Advances)	(337)		(62)	
Sale of Fixed Assets	-		-	
Purchase of Investments	-		-	
		(337)		(62)
C. CASH FLOW FROM FINANCING ACTIVITIES:				
Change in Long Term Borrowings	(218)		833	
NET CASH USED IN FINANCING ACTIVITIES		(218)		833
NET INCREASE IN CASH AND CASH EQUIVALENTS		117		42
CASH AND CASH EQUIVALENTS AS AT (CLOSING BALANCE)	896		779	
CASH AND CASH EQUIVALENTS AS AT (OPENING BALANCE)	779	117	737	42

In terms of our report attached.

For and on behalf of the Board of Directors

As per our report of even date

For PAL & SHANBHOGUE

(Registration No. 2528 S)

Place : Bangalore

DIWAKAR S. SHETTY

KARTIK NAYAK

VANITA GM

K.R. SHANBHOGUE

Date : 19th May, 2014

Chairman

Managing Director

Company Secretary

Chartered Accountants

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

We have examined the attached Cash Flow Statement of Shetron Limited for the year ended 31st March 2014. The statement has been prepared by the Company in accordance with the requirements of Clause 32 of the listing agreement with Bombay Stock Exchange Limited, Mumbai

For PAL & SHANBHOGUE

Chartered Accountant
(Registration No. 2528 S)

Place : Bangalore

Date : 19th May, 2014

K.R. SHANBHOGUE

Partner M.No.18578



CONSOLIDATE INDEPENDENT AUDITORS' REPORT

To
The Members of Shetron Limited

1. We have audited the accompanying consolidated Financial Statements of SHETRON LIMITED ('the Company') and its Subsidiary M/s Shetron Metropak Pvt Ltd, which comprise the Consolidated Balance Sheet as at March 31, 2014, the Consolidated Statement of Profit and Loss and the Consolidated Cash Flow Statement for the year then ended, and a summary of the significant accounting policies and other explanatory information.

Management Responsibility for the Consolidated Financial Statements

2. The Company's Management is responsible for the preparation of these consolidated financial statements that give a true and fair view of the consolidated financial position, consolidated financial performance and consolidated cash flows of the group in accordance with the Accounting Standards notified under the Companies Act, 1956. This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the consolidated financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

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

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

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

Opinion

4. In our opinion and to the best of our information and according to the explanations given to us, the aforesaid consolidated financial statements give a true and fair view in conformity with the accounting principles generally accepted in India:
 - (a) In the case of the Consolidated Balance Sheet, of the state of affairs of the Group as at 31st March, 2014 ;
 - (b) In the case of the Consolidated Statement of Profit and Loss, of the loss of the Group for the year ended on that date; and
 - (c) In the case of the Consolidated Cash Flow Statement, of flows of the Group for the year ended on that date.

Other Matters

5. We did not audit the financial statements of a subsidiary M/s Shetron Metropak Pvt Ltd, whose financial statements reflects total assets of ₹1164.64 lakhs as at 31st March, 2014, total revenue of ₹ 479.46 lakhs and net cash outflow amounting to ₹5.33 lakhs for the year ended on that date, as considered in the consolidated financial statements. These financial statements have been audited by other auditors whose report have been furnished to us by the Management and our opinion, in so far as it relates to the amounts and disclosures included in respect of these subsidiaries, is based solely on the reports of the auditors.

Our opinion is not qualified in respect of this matter.

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

Date : Bangalore
Place : 19th May, 2014

K R SHANBHOUE
Partner M.No.18578



CONSOLIDATED BALANCE SHEET AS AT 31ST MARCH, 2014

Particulars	Note No.	As at 31.03.2014 ₹ in Lacs	As at 31.03.2013 ₹ in Lacs
A EQUITY AND LIABILITIES			
1. SHAREHOLDER'S FUNDS			
(a) Share Capital	1	900	900
(b) Reserves and Surplus	2	3,039	3,122
Sub Total		3,939	4,022
2. Non-current liabilities			
(a) Long-term Borrowings	3	7,396	7,799
(b) Deferred Tax Liabilities (net)	4	503	554
Sub Total		7,899	8,353
3. Current liabilities			
(a) Short-Term Borrowings	5	2,818	2,848
(b) Trade Payables	6	2,554	1,955
(c) Other Current Liabilities	7	597	260
(d) Short-Term Provisions	8	101	117
Minority Interest		95	79
Sub Total		6,165	5,259
TOTAL		18,003	17,634
B ASSETS			
1 Non-current assets			
(a) Fixed assets			
(i) Tangible Assets	9	7,874	8,325
(ii) Intangible Assets (Good will on Consolidation)		41	41
(iii) Capital Work-in-progress		352	112
Sub Total		8,267	8,478
(b) Non-Current Investments	10	6	6
(c) Long-Term Loans and Advances	11	1,118	1,438
(d) Other non-Current Assets	12	541	591
Sub Total		9,932	10,513
2 Current Assets			
(a) Inventories	13	3,058	2,528
(b) Trade Receivables	14	2,051	2,157
(c) Cash and Cash Equivalents	15	901	789
(d) Short-Term Loans and Advances	16	1,955	1,571
(e) Other Current Assets	17	106	76
Sub Total		8,071	7,121
TOTAL		18,003	17,634

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

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

Place : Bangalore
 Date : 19th May, 2014

DIWAKAR S. SHETTY
 Chairman

KARTIK NAYAK
 Managing Director

VANITA GM
 Company Secretary

K.R. SHANBHOGUE
 Chartered Accountants


CONSOLIDATED PROFIT AND LOSS FOR THE PERIOD ENDED 31ST MARCH, 2014

Particulars	Note No.	For the Period ended 31.03.2014 ₹ in Lacs	For the Period ended 31.03.2013 ₹ in Lacs
A CONTINUING OPERATIONS			
1. Sales (Gross)		14,198	13,358
Less: Excise duty		915	891
Sales (Net)		13,283	12,467
2. Other income	18	126	165
3. Total revenue (1+2)		13,409	12,632
4. Expenses			
(a) Cost of materials consumed	19	9,073	8,401
(b) Changes in inventories of finished goods and work-in-progress		(62)	265
(c) Employee benefits expense	20	931	926
(d) Finance costs	21	1,703	1,741
(e) Depreciation and amortisation expense		871	857
(f) Other expenses	22	1,010	981
Total Expenses		13,526	13,171
5. Profit / (Loss) before exceptional and extraordinary items and tax (3 - 4)		(117)	(539)
6. Profit / (Loss) before extraordinary items and tax		(117)	(539)
7. Extraordinary items		-	-
8. Profit / (Loss) before tax (6-7)		(117)	(539)
9. Tax expense:			
(a) Current tax expense for current year		-	-
(b) Deferred tax		(51)	(156)
10. Profit / (Loss) from continuing operations (8-9)		(66)	(383)
Share of Minority Interest		17	(17)
Profit/(Loss) for the year		(83)	(366)
11. Earnings per share			
No of Equity Share with face value of ₹10 each		8,999,800	8,999,800
Basic and Diluted Earnings per share ₹		(0.92)	(4.07)
See accompanying notes forming part of the financial statements			

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

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

Place : Bangalore
 Date : 19th May, 2014

DIWAKAR S. SHETTY
 Chairman

KARTIK NAYAK
 Managing Director

VANITA GM
 Company Secretary

K.R. SHANBHOGUE
 Chartered Accountants



CONSOLIDATED NOTES FOR ACCOUNTS FOR THE YEAR ENDED 31ST MARCH 2014

1. Share Capital:

₹ in Lacs

Particulars	31.03.2014	31.03.2013
Authorised Share Capital 250,00000 Equity Shares of ₹10/- each	2,500	2,500
<u>Issued, Subscribed and paid up Share Capital</u>	900	900
90,03,300 Equity Shares of ₹ 10/- each fully paid	0.35	0.35
Less: Forfeited Shares		
	900	900

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

Name of the Share holders	No. of shares 31.03.2014		No. of shares 31.03.2013	
	No.	%	No.	%
Shetron Enterprises Pvt Ltd.	17,96,717	19.96	17,96,717	19.96
Konjal Machine Pvt. Ltd	8,58,055	9.53	8,58,055	9.53
Bunts Properties Pvt. Ltd.	8,00,000	8.89	8,00,000	8.89

2. Reserves And Surplus:

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

₹ in Lacs

Particulars	31.03.2014	31.03.2013
Capital Subsidiary Reserve	15	15
Share Premium	2,111	2,111
General Reserves	205	205
Profit and Loss Accounts:		
Opening Balance	191	857
Add: Profit / Loss for the year	(83)	(366)
Total	108	491
Less: Transfer to contingency reserve	-	300
Closing Balance	108	191
Contingency Reserve	600	300
Transfer from Profit and Loss accounts	-	300
Closing Balance	600	600
Total	3,039	3,122

**3. Long Term Borrowings**

₹ in Lacs

Particulars	31.03.2014	31.03.2013
Deferred Sales Tax	100	124
Loan From Related Parties	738	722
Term Loan from Cosmos Co Op Bank Ltd. Pune	5,961	5,726
Term Loan from financial Institutions	268	354
Buyers' Credit	817	1,037
Car Loan	14	7
Sub-Total	7,898	7970
Less: Maturities within one year	502	171
Total	7,396	7,799

- 3.1** Term Loans from Banks / Financial Institution are guaranteed by two promoter directors and one of their relatives
- 3.2** Deferred Sales tax is payable over period of 15 years. Loan from related parties are not subjected to any repayment terms. Term Loans from Banks are repayable over a period of 7 years from the date of disbursement. Term Loan from financial Institutions by subsidiary Company is repayable over a period of 5 year. Buyers' credit are payable over a period of 3 years. Car Loan is payable over a period of five years from the date of disbursement.
- 3.3** Term Loans from Cosmos Co Op 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.
- 3.4** The Term Loan availed from financial Institution by the subsidiary company is secured by way of First Charge on the Fixed Assets of the subsidiary company and Corporate Guarantee of Shetron Ltd.
- 3.5** Car Loan is secured by hypothecation of vehicles acquired under the scheme.

4. Details of deferred tax calculation for the year ending 31st March 2014.

₹ in Lacs

Particulars	Deferred Tax(Asset) / Liability		
	As on 01.04.2013	As on 31.03.2014	for the year 2013-14
Difference between Book and Tax Depreciation	951	(44)	907
Brought forward Unabsorbed Depreciation	(397)	(7)	(404)
Total	554	(51)	503



5. Short Term Borrowings:

₹ in Lacs

Particulars	31.03.2014	31.03.2013
Bills Discounted	-	117
Demand Loan From Banks	2,818	2,731
Total	2,818	2,848

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

6. Trade Payables

Trade Payables include sum of ₹ 54.50 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 31.03.2014 is ₹ 15.20 lacs. Trade payables are subject to confirmation from parties

7. Other Current Liabilities :

₹ in Lacs

Particulars	31.03.2014	31.03.2013
Deposits Payable	5	5
ESI Payable	2	2
Interest Accrued but not Due	66	62
LIP Payable	1	3
PF Payable	6	6
TDS Payable	12	7
Term Loan Maturities within one Year	502	170
Unclaimed Dividend	3	5
Total	597	260

8. Short Term Provisions :

₹ in Lacs

Particulars	31.03.2014	31.03.2013
Provision for Employee Benefits	99	114
Provision for Taxation	-	-
Provision for Excise duty on Finished Goods	2	3
Total	101	117



9. FIXED ASSETS (AT COST) ₹ in Lacs

Particulars	GROSS BLOCK AT COST				DEPRECIATION				NET BLOCK	
	01.04.2013	Additions	Adjustments	31.03.2014	01.04.2013	Period	Adjustments	31.03.2014	31.03.2014	31.03.2013
Leasehold Land & Development	81	-	-	81	-	-	-	-	81	81
Buildings	2,206	49	-	2,255	794	73	-	867	1,388	1,412
Plant & Machinery	13,424	349	-	13,773	6,695	775	-	7,470	6,303	6,730
Furniture, Fixture & Equipments	213	7	-	220	151	13	-	164	56	61
Vehicles	100	14	-	114	59	9	-	68	46	41
TOTAL	16,024	419	-	16,443	7,699	870	-	8,569	7,874	8,325

**10. Non-Current Investments:**

₹ in Lacs

Particulars	31.03.2014	31.03.2013
Other Shares (Unquoted)*	6	6
TOTAL	6	6

*20,000 Equity Shares of M/s Kalyan Janatha Sahakari Bank of ₹ 25/- each and 1000 equity shares of M/s Cosmos Co-Operative Bank Ltd of ₹ 100/- each.

11. Long Term Loans And Advances

₹ in Lacs

Particulars	31.03.2014	31.03.2013
Advances for value to be received	1,118	1,438

Advances are unsecured. Advances includes, advances to related parties ₹ 250 lakhs (₹ PY Rs.300 Lakhs) and others which in the opinion of the management will realize values stated in the Balance sheet in the long term. However the Company, as a prudent measure, has created a contingency reserve to the extent of ₹600 lacs (Long Term Loans and Advances and other Non-Current Assets) for any possible erosion in the value of said advances and other non-current assets in addition to contingency reserve already created. Advances are subject to confirmation from parties.

12. Other Non-Current Assets

₹ in Lacs

Particulars	31.03.2014	31.03.2013
Trade Receivables	541	591

Trade receivable is unsecured but considered good. Trade receivable s are subject to confirmation from parties. In the opinion of the management Trade Receivables will realize values stated in the Balance sheet in the long term.

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

₹ in Lacs

Particulars	31.03.2014	31.03.2013
Finished Goods	44	53
Raw Material	2,193	1,740
Stores & Spares	177	161
Work In Process	644	574
Total	3,058	2,528

14. Trade Receivables

₹ in Lacs

Particulars	31.03.2014	31.03.2013
Outstanding for period of exceeding 6 months	92	852
Other Debts	1,969	1,305
Total	2,051	2,157

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

**15. Cash and Cash Equivalents**

₹ in Lacs

Particulars	31.03.2014	31.03.2013
Bank Balances	93	55
Cash On Hand	2	2
Margin Money Deposit with Bank for L/Cs	774	699
Fixed Deposit with Bank (More than 12 months Maturity)	32	33
Total	901	789

16. Short Term Loans and Advances:

₹ in Lacs

Particulars	31.03.2014	31.03.2013
(Unsecured and Considered good)		
Advance Custom Duty	13	27
Advance for Goods	898	782
Advance Income Tax	62	54
Cenvat Recoverable	598	410
Advance to Employees	5	14
VAT Recoverable	379	284
Total	1,955	1,571

17. Other Current Assets:

₹ in Lacs

Particulars	31.03.2014	31.03.2013
Deposits	51	44
Interest Receivable	10	-
Prepaid Expenses	45	32
Total	106	76

18. Other Income:

₹ in Lacs

Particulars	31.03.2014	31.03.2013
Commission Received	1	1
Discount Received	1	7
Dividend	1	1
Export Incentive	31	53
Interest Received	65	45
Miscellaneous Income	27	58
Total	126	165

**19. Cost of Material Consumed :**

₹ in Lacs

Particulars	31.03.2014	31.03.2013
Exchange Fluctuation	32	74
Power and Fuel	530	478
Raw Materials	8,428	7,772
Carriage Inward	83	77
Total	9,073	8,401

20. Employees Benefit Expenses:

₹ in Lacs

Particulars	31.03.2014	31.03.2013
PF and Other Funds	66	60
Salaries and Wages	823	818
Staff Welfare Expenses	42	48
Total	931	926

21. Finance Costs:

₹ in Lacs

Particulars	31.03.2014	31.03.2013
Interest	1,325	1,365
Other Finance Costs	378	376
Total	1,703	1,741

22. Other Expenses:

₹ in Lacs

Particulars	31.03.2014	31.03.2013
Administrative Expenses*	360	372
Business Promotion	10	16
Commission Paid	34	36
Discount / Rebate	-	16
Insurance	9	9
Job Charges	57	51
Other Expenses	8	2
Packing Forwarding	410	358
Rates and Taxes	14	10
Rent	15	6
Repairs Buildings	15	21
Repairs Machinery	65	69
Repairs Others	13	15
Total	1,010	981

*Administrative Expenses includes Audit Fees for Statutory Auditor of ₹12.00 lakhs (PY ₹10.80 lakhs)

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

₹ in Lacs

Particulars	31.03.2014	31.03.2013
Guarantees for Customs Duty	450	450
Factoring obligations	861	863
Guarantees for Financial Institutions/Banks as security	500	500
Export Obligations EPCG Scheme	1,174	2,464
Disputed Income Tax	249	249

₹ in Lacs

24.

Particulars	31.03.2014	31.03.2013
Letters of credit and guarantee established and Bills discounted under LC and others	3,183	3,231

25. Value of Imports/Exports :

₹ in Lacs

Particulars	31.03.2014	31.03.2013
CIF Value of Imports		
Raw Materials	3,715	2,689
Components and Spare Parts	62	50
FOB Value of Exports	2,445	2,937
Expenditure in Foreign Currency	10	6

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

26. Raw Material Consumption:

₹ in Lacs

Particulars	31.03.2014		31.03.2013	
	%	Value ₹ in Lacs	%	Value ₹ in Lacs
Imported	44	3,962	37	3,102
Indigenous	56	5,111	63	5,299

27. Related Party Disclosures:**I Controlling Companies** : NIL**II List of Related Parties**

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



III Transaction with related parties

₹ in Lacs

Nature of Transaction entered into during the year	31.03.2014	31.03.2013
Sales	161	217
Purchase	22	17
Rent paid	2	2
Payment to Key Managerial Personnel	71	71
Status of outstanding Balances		
Amount Receivable	455	425
Amount Payable	192	330

Segment Disclosure:

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

a. Primary Segment Information:

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

₹ in Lacs

Geographical Segment	31.03.2014	31.03.2013
India	11,666	10,316
Asia	477	894
America	85	83
Africa	1,613	1,594
Australia	357	471
Total	14,198	13,358

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

28. Significant Accounting Policies:**1. Basis for preparation of financial statements**

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

2. Method of Accounting

The company is following accrual basis of accounting.



3. Fixed Assets & Depreciation

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

4. Borrowing Cost

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

5. Investments

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

6. Inventories

Inventories are valued as follows:

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

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

7. Transactions in Foreign Currency

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

8. 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.

9. Retirement Benefits

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



AS-15(Revised 2005) for year ended 31/03/2014

SHETRON LIMITED EMPLOYEES GRATUITY FUND TRUST

1.	Assumption	As On	
		31/03/2013	31/03/2014
	Discount Rate	8%	8%
	Salary Escalation	7%	7%

2. Table Showing changes in present value of obligation as on 31/03/2014

Amount in ₹

Present value of obligations as at beginning of year	6,638,273
Interest cost	531,062
Current Service Cost	547,019
Benefits Paid	(180,541)
Actuarial (gain)/ loss on obligations	(140,858)
Present value of obligations as at end of year	7,394,955

3. Table showing changes in the fair value of plan assets As on 31/03/2014

Amount in ₹

Fair value of plan assets at beginning of year	193,850
Expected return on plan assets	4,608
Contributions	-
Benefits Paid	(180,541)
Actuarial gain/(loss) on Plan assets	-
Fair value of plan assets at the end of year	17,912

4. Table showing fair value of plan assets

Amount in ₹

Fair value of plan assets at beginning of year	193,850
Actual return on plan assets	4,608
Contributions	Nil
Benefits Paid	(180,541)
Fair value of plan assets at the end of year	17,917
Funded status	(7,377,038)
Excess of Actual over estimated return on plan assets	-
(Actual rate of return=Estimated rate of return as ARD falls on 3st M1arch)	

**5. Actuarial Gain/Loss recognized As on 31/03/2014**

Amount in ₹

Actuarial (gain)/ loss on obligations	140,858
Actuarial (gain)/ loss for the year - plan assets	-
Total (gain)/ loss for the year	(140,858)
Actuarial (gain)/ loss recognized in the year	(140,858)

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

Amount in ₹

Present value of obligations as at the end of year	7,394,955
Fair value of plan assets as at the end of the year	17,917
Funded status	(7,377,038)
Net asset/(liability) recognized in Balance Sheet	(7,377,038)

7. Expenses Recognised in Statement of Profit and Loss

Amount in ₹

Current Service cost	547,019
Interest Cost	531,062
Expected return on plan assets	(4,608)
Net Actuarial (gain)/ loss recognized in the year	(140,858)
Expenses recognised in Statement of Profit and Loss	(932,615)

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

10. Provisions and Contingencies

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

Signatures to notes of accounts

For PAL & SHANBHOGUE
(Registration No. 2528 S)

Place : Bangalore
Date : 19th May, 2014

DIWAKAR S. SHETTY
Chairman

KARTIK NAYAK
Managing Director

VANITA GM
Company Secretary

K.R. SHANBHOGUE
Chartered Accountants


CONSOLIDATED CASH FLOW STATEMENT FOR THE PERIOD ENDED 31ST MARCH, 2014

Particulars	31.03.2014 ₹ in Lacs		31.03.2013 ₹ in Lacs	
A. CASH FLOW FROM OPERATING ACTIVITIES:				
NET LOSS / PROFIT BEFORE TAX .	(117)		(539)	
Adjustments for:				
Depreciation	871		857	
Interest	1,703		1,741	
(Profit)/Loss on sale of Fixed Assets	-		-	
Operating Profit before Working Capital changes	2,457		2,059	
Adjustments for:				
Trade and Other receivable	156		(235)	
Inventories	(530)		1,093	
Trade Payables	890		(1,468)	
Loans and Advances	(414)		(389)	
Cash Generated from Operations	2,558		1,059	
Interest Paid	(1,703)		(1,741)	
Direct Taxes Paid	-		-	
CASH FLOW BEFORE EXTRAORDINARY ITEMS	855		(682)	
NET CASH FROM OPERATING ACTIVITIES		855		(682)
B. CASH FLOW FROM INVESTING ACTIVITIES:				
Purchase of Fixed Assets (including Capital Advances)	(340)		(199)	
Sale of Fixed Assets	-		-	
Purchase of Investments	-		-	
		(340)		(199)
C. CASH FLOW FROM FINANCING ACTIVITIES:				
Change in Long Term Borrowings	(403)		889	
NET CASH USED IN FINANCING ACTIVITIES		(403)		889
NET INCREASE IN CASH AND CASH EQUIVALENTS		112		8
CASH AND CASH EQUIVALENTS AS AT (CLOSING BALANCE)	901		789	
CASH AND CASH EQUIVALENTS AS AT (OPENING BALANCE)	789	112	781	8

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

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

Place : Bangalore
 Date : 19th May, 2014

DIWAKAR S. SHETTY
 Chairman

KARTIK NAYAK
 Managing Director

VANITA GM
 Company Secretary

K.R. SHANBHOGUE
 Chartered Accountants

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

We have examined the attached Cash Flow Statement of Shetron Limited for the year ended 31st March 2014. The statement has been prepared by the Company in accordance with the requirements of Clause 32 of the listing agreement with Bombay Stock Exchange Limited, Mumbai

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

Place : Bangalore
 Date : 19th May, 2014

K.R. SHANBHOGUE
 Partner M.No.18578



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

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

Particulars	2013-14 (₹ in lacs)	2012-13 (₹ in lacs)
Capital	389	389
Reserves	(198)	(232)
Total Liabilities	974	1403
Total Assets	1165	1559
Investments other than Investments in Subsidiary	-	-
Turnover	458	797
Profit Before Taxation	34	(35)
Provision for Taxation	-	-
Profit After Taxation	34	(35)
Proposed Dividend	-	-

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

Form No. MGT-11

PROXY FORM

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

Name of the member (s) : _____
Registered address : _____
E-mail Id : _____
Folio No/ Client Id : _____
DP ID : _____

I/We, being the member (s) of shares of the above named company, hereby appoint

1. Name Address :
.....
E-mail Id : Signature :, or failing him
2. Name Address :
.....
E-mail Id : Signature :, or failing him
3. Name Address :
.....
E-mail Id : Signature :, or failing him

as my/our proxy to attend and vote (on a poll) for me/us and on my/our behalf at the **34th Annual General Meeting** of the company, to be held on **Monday, the 29th September 2014 at 10:00 AM at Koramangala Club, 6th Cross, CA 17, 6th Block, Bangalore – 560095** and at any adjournment thereof in respect of such resolutions as are indicated below:

Resolution No.	Description of Resolution	Special/ Ordinary	Optional	
Ordinary Business:			For	Against
1	Adoption of accounts for the year ended March 31, 2014	Ordinary		
2	Appointment of Statutory Auditor	Ordinary		
Special Business:				
1	Appointment of Mr. B S Patil as an Independent Director	Ordinary		
2	Appointment of Dr. M Mahadeviah as an Independent Director	Ordinary		

Signed this day of 2014

Signature of shareholder :

Signature of Proxy holder(s) :

Affix
Revenue
Stamp

Note:

1. This form of proxy in order to be effective should be duly completed and deposited at the Registered Office of the Company, not less than 48 hours before the commencement of the Meeting.
2. It is optional to put a "X" in the appropriate column against the Resolutions indicated in the box. If you leave the 'For' or 'Against' column blank any or all Resolutions, your proxy will be entitled to vote in the manner as he / she thinks appropriate.
3. Please complete all details of Member(s) in the above box before submission.

ATTENDANCE SLIP

34th ANNUAL GENERAL MEETING

Date : 29th September, 2014; Time : 10.00 a.m

Place : Koramangala Club, 6th Cross, CA 17, 6th Block, Bangalore – 560095

Folio No/Client ID & DP Id:

Member's Folio/DPID-Client ID No. :

Member's/Proxy's name in Block Letters :

Member's/Proxy's Signature :

Note :

- ✦ A member/proxy wishing to attend the Meeting must complete this Attendance Slip before coming to the Meeting and hand it over at the entrance.
- ✦ Bodies Corporate, whether a company or not, who are members, may attend through their authorised representatives appointed under Section 113 of the Companies Act, 2013. A copy of authorisation should be deposited with the Company
- ✦ In case of shares held in demat/electronic form, the signature of the Beneficial Owner is liable for verification with the record furnished to the Company by NSDL/CDSL.
- ✦ If you intend to appoint a proxy, please complete the Proxy Form and deposit it at the Company's Registered Office, at least 48 hours before the Meeting.



Shetron Limited

Corporate Office :

A/6, M.I.D.C., Road No. 5, Andheri (East),
Mumbai - 4000 093, INDIA
+91-22-6139 9100 - 9199 / 2832 6228
Fax : +91-22-2837 2145
email : corporate@shetrongroup.com

Registered Office :

Plot No. 1, Bommasandra Industrial Area,
Hosur Road, Bangalore - 560 099, INDIA
Telephone : +91-80-2783 2290 / 91 / 92 / 46
Fax : +91-80-2783 2293
email : investors@shetrongroup.com

website : www.shetrongroup.com

AN ISO 9001 : 2008 CERTIFIED COMPANY
