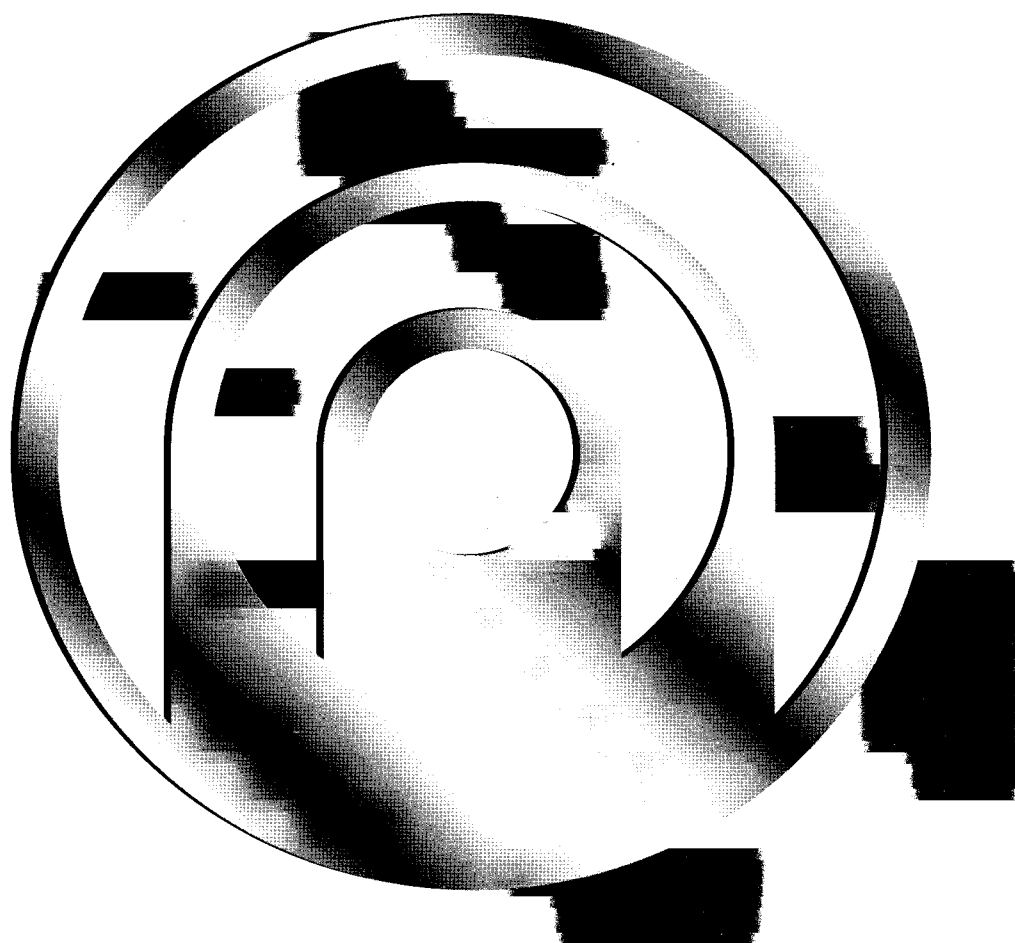




SHETRON

THE NAME BEHIND THE NAMES



ANNUAL REPORT 2008-09



SHETRON LIMITED

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SHETRON LIMITED

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



NOTICE

Notice is hereby given that the 29th Annual General Meeting of the members of Shetron Limited will be held at Koramangala CA 17, 6th Block, Bangalore – 560 095 on Thursday the 24th September 2009 at 10 A.M to transact the following business.

ORDINARY BUSINESS :

1. To consider and adopt the Balance Sheet as at 31st March, 2009, the Profit and Loss account for the year ended on that date and the report of the Board of Directors and Auditors thereon.
2. To appoint Dr. M. Mahadeviah, Director who retires by rotation and is eligible for the appointment.
3. To appoint M/s Pal & Shanbhogue as Auditors of the Company to hold office from the conclusion of this meeting until conclusion of the next Annual General Meeting of the Company and fix their remuneration .

For SHETRON LIMITED

DIWAKAR S SHETTY
Chairman

NOTES:

1. For appointment of Directors, disclosure as required under Clause 49 of the listing agreement is annexed hereto.
2. A member entitled to attend and vote at the meeting is entitled to appoint one or more proxies to attend and vote on a poll instead of himself and such proxy need not be a member of the company.
3. Proxies in order to be effective must be filed with the company not later than 48 hours before the meeting.
4. The Register of Members and share transfer books will be closed from 17th September 2009 to 24th September 2009 (both the days inclusive).
5. Member desiring information as regards accounts is requested to write to the company at an early date so as to enable the management to keep the information ready.
6. Members holding shares in physical form are requested to notify promptly any change in their address to the registrar and share transfer agents of the company M/s. Alpha Systems Pvt 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.
7. Proxy form and Attendance Slip are attached to this Annual Report.
8. So far, 95% of the total number of shares in the equity capital of the company has been dematerialized. In view of the advantages of the depository system and for easy trading of the shares, members are requested to opt for dematerialization of the shares of the company through any of the depository participant of their choice.
9. Members holding shares in demat form are requested to incorporate the DPID number and client ID number in the attendance slip/proxy form for easy identification of attendance at the meeting.
10. Corporate Members are requested to send to the Company a duly certified copy of the Board Resolution pursuant to Section 187 of the Companies Act, 1956 authorising their representative to attend and vote at the Annual General Meeting.

By the order of the Board of Directors
SHETRON LIMITED

Place: Bangalore
Date : 23rd June 2009

DIWAKAR S. SHETTY
Chairman



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	15.05.1939 Age : 70 Years
3.	Date of Appointment	30.10.2006
4.	Expertise in specific functional areas	Wide experience in Administration, food processing, Packaging Technology and Corrosion of Metal containers.
5.	Qualification	Phd (Food Processing Technology)
6.	Number of Shares held in the equity capital of the company	Nil
7.	Directorship held in other public companies	Nil
8.	Committee/Executive positions held in other companies	Nil



DIRECTORS' REPORT

Your Directors present the Twenty Ninth Annual Report on the business and operations of your Company and the financial accounts for the year ended 31st March 2009.

FINANCIAL HIGHLIGHTS

Particulars	2008-09 Rs. in lacs	2007-08 Rs. in lacs
Net Sales and Other Income	12233	10701
Profit before Interest and Depreciation	1795	1886
Interest	990	642
Depreciation	604	510
Profit/Loss before Tax	201	734
(Less)Provision for Tax	(72)	(155)
(Less)/Add Deferred Tax	4	(52)
Profit/Loss after tax	125	527
Transfer to Debenture Redemption Reserve	95	190
Transfer to General Reserve	13	53
Proposed Dividend	-	180
Proposed Dividend Tax	-	31
Balance Profit for the year (after appropriations)	17	73
Add: Balance brought forward from previous year	967	894
Balance carried to Balance Sheet	984	967

OPERATIONAL REVIEW

The financial year began under a challenging economic and business environment. Rising input costs had an adverse impact on margins. The subsequent global financial crisis has resulted in higher cost of credit, depreciation of rupee and sharp fall in capital markets which in turn affected our margins during the year under review.

The Company achieved a Net Turnover of Rs.11910 lacs as against the previous year turnover of Rs. 10397 lacs showing an increase of about 15% compared to previous year.

The Profit before Interest and Depreciation was Rs 1795 lacs compared to Rs.1885 lacs in the previous year. Major factors that contributed to lower profitability for the year, as compared to the previous year were:

- ☐ Adverse exchange rate between Indian Rupee and US Dollar resulting in higher cost of tin plate and other inputs higher rupee outgo on import payments.
- ☐ Increase in prices of Tinplate, the main raw materials.
- ☐ Higher Interest and Financing charges due to capitalization of fixed assets.
- ☐ Higher provision for depreciation due to capitalization of fixed assets.

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

After absorbing interest cost of Rs. 990 lacs and depreciation of Rs. 604 lacs, the profit before tax was Rs. 201 lacs compared to Rs. 734 lacs in the previous year. The net profit after tax was Rs. 125 lacs compared to Rs. 527 lacs achieved during the previous year.

DIVIDEND

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



BUSINESS PROSPECTS :

The Company is in the midst of very challenging times. The outlook for metal packaging industry continues to be positive in the long term. However, the ongoing global financial crisis will have an adverse effect in near term on liquidity and the cash flows. The Company could not raise funds to complete its capital expansion plans due to adverse financial market situation. At the same time the capital expenditure so far incurred by the company will help in improving productivity and optimizing costs with better sales realization. The company is focused on allocating resources judiciously keeping in mind the current economic scenario.

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

EXPORTS

During the year, the export turnover has increased to Rs 1395 lacs i.e., an increase of 21% over the previous year. Exports to both Asian and African countries have picked up during the year.

JOINT VENTURE :

The Company's 50: 50 joint venture company viz., M/s Shetron Metropak Private Ltd has reported a Sales of about Rs 675 lacs for the year FY 08-09 which represents an increase of 80% over the previous year. The Directors are committed to provide continued operational support to the JV company and are confident that it would make a turnaround in the current financial year in view of tremendous demand for the Saf Caps in the country.

AWARDS & LAURELS:

Your company has bagged the "Award of Excellence" for the Sixth consecutive year in 2008 issued by IMDA, USA (International Metal Decorators Association) in recognition of the excellence in quality for printing. Each year the IMDA conducts a Quality Contest to recognize the skillful achievements of the metal decorating industry. Entries from around the globe are judged in eight categories with the best entry given the Grand Award.

DIRECTORS

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

Mr M Kumar and Mr Uday Shankar R M have resigned from Directorship during the year due to personal reasons. The Board placed on record its deep appreciation and acknowledgment for the invaluable services rendered by the directors during their tenure as Directors of the Company.

DIRECTORS' RESPONSIBILITY STATEMENT:

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

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



ADDITIONAL DISCLOSURES

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

DEPOSITS

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

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

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

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

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

AUDITORS AND AUDIT REPORT

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

REPORT ON CORPORATE GOVERNANCE

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

MANAGEMENT DISCUSSION AND ANALYSIS REPORT

The Management Discussion and Analysis Report as required is annexed as Annexure D

ACKNOWLEDGEMENTS

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

For and on behalf of the Board
SHETRON LIMITED

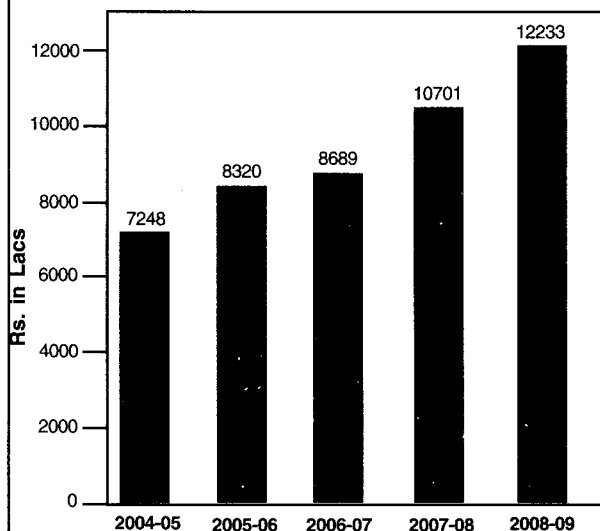
Date: 23rd June 2009
Place : Bangalore

DIWAKAR S. SHETTY
Chairman

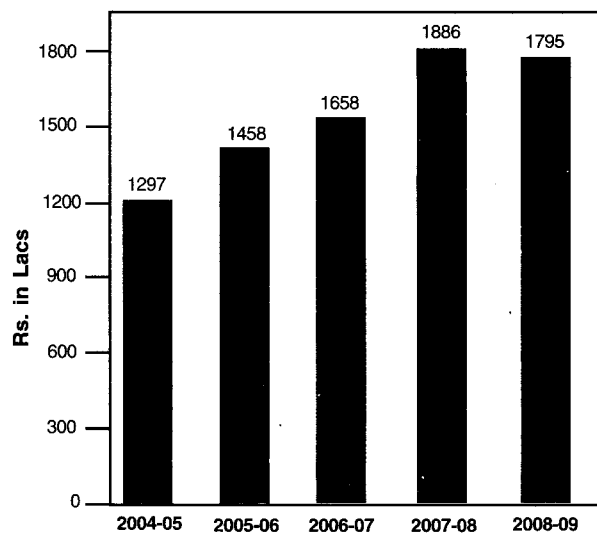


SHETRON LIMITED

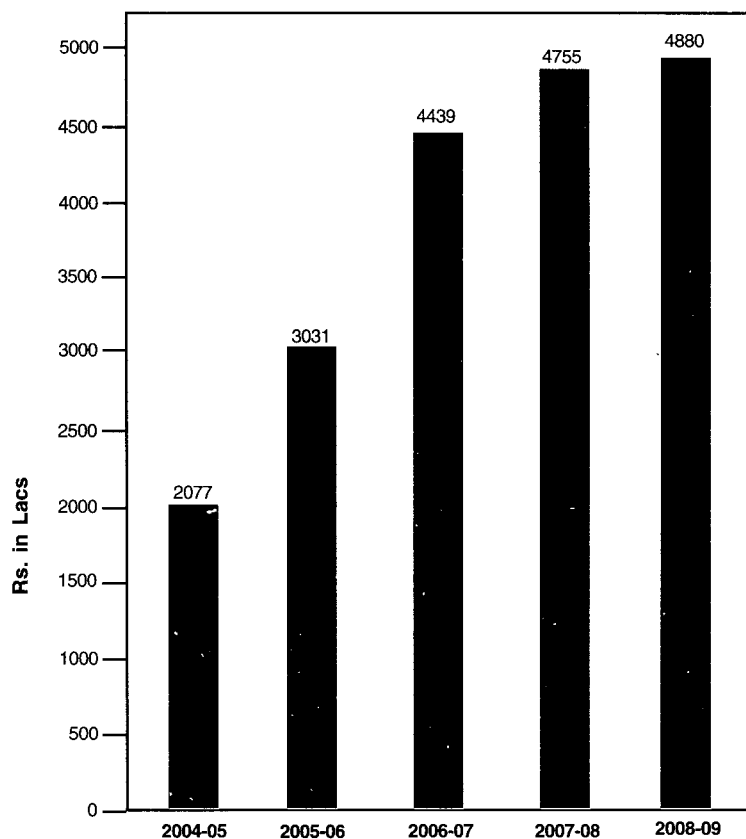
SALES AND OTHER INCOME



GROSS PROFIT



NET WORTH





ANNEXURE - A TO THE DIRECTORS REPORT

STATEMENT REQUIRED TO BE FURNISHED UNDER SECTION 217(2A) OF THE COMPANIES ACT, 1956, AS AMENDED BY THE COMPANIES (AMENDMENT ACT 1988 AND READ WITH COMPANIES (PARTICULARS OF EMPLOYEES) RULES 1975 AND FORMED PART OF THE DIRECTORS' REPORT FOR THE YEAR ENDED 31 ST MARCH 2009.

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

1	Name of the Employee	Mr. Diwakar S. Shetty	Mr Kartik Nayak
2	Designation & nature of duties	Executive Chairman	Managing Director
3	Remuneration Received	Rs. 33,77,000	Rs. 29,66,000
4	Qualification	B.Com	B.E, M.S (USA)
5	Experience of Employee (yrs)	40 Years	17 Years
6	Date of commencement of employment	01.09.1983	03.12.1996
7	Last employment held/designation /organization	Fibre Foils Limited Managing Director	Ann Arbor Machine Company USA Engineer
8	Age (yrs)	65	42

NOTES:

- Mr. Diwakar S. Shetty and Mr Kartik Nayak are related to each other.
 - Remuneration includes salary, allowances and contribution to provident fund .
 - The employment of Mr. Diwakar S. Shetty and Mr Kartik Nayak are contractual .
 - Remuneration of Mr Diwakar Shetty and Mr Kartik Nayak was revised with effect from 01.09.2008
 - The appointments of Mr Diwakar S Shetty as Executive Chairman and Mr Kartik Nayak as Managing Director were approved at the previous AGM held on 15th September 2008.
2. Employees of the company who were employed part of the financial year and in receipt of remuneration for the part of year which in the aggregate was not less than Rs. 24,00,000 : Nil.

ANNEXURE – B TO DIRECTORS' REPORT

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

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

CONSERVATION OF ENERGY

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

RESEARCH AND DEVELOPMENT

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

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

TECHNOLOGY ABSORPTION

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

FOREIGN EXCHANGE EARNINGS AND OUTGO

- Foreign Exchange earned : Rs.1310 Lacs
- Foreign Exchange utilized : Rs.4128 Lacs

For and on behalf of the Board
For SHETRON LIMITED

Place: Bangalore
Date: 23rd June 2009

DIWAKAR S. SHETTY
Chairman



ANNEXURE - C TO DIRECTORS' REPORT

CORPORATE GOVERNANCE REPORT

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

1. COMPANY'S PHILOSOPHY ON CODE OF GOVERNANCE:

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

2. BOARD OF DIRECTORS

a) Composition

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

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

The details on the composition of Board, their attendance in Board Meetings and AGM and other details, as required, are given below for the year ended 31.03.2009.

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

** Mr. C.R. Seetharam, Mr. M. Kumar and Mr. Uday Shankar R.M ceased to be Directors with effect from 15th September 2008, 2nd March 2009 and 3rd April 2009 respectively.

b) Board Meetings

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

Sl No.	Quarter	Date
1	April 08- June 08 27th June 2008	30th May 2008
2	July 08- September 08	31st July 2008
3	October 08 – December 08	24th October 2008
4	January 08 – March 08	30th January 2009

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 meets 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. M. Kumar	Chairman*
Mr. Uday Shankar R.M	Member *
Dr. M. Mahadevaiah	Member

* Mr. M. Kumar and Mr. Uday Shankar R.M ceased to be Directors with effect from 2nd March 2009 and 3rd April 2009 respectively.

All the members of the Committee are Non- Executive and Independent Directors.

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

Main Terms of reference of the Committee are ;

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

b) Share Transfer and Investor Grievance Committee

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

The Committee comprises of 3 Directors viz. Mr. Kartik Nayak (Promotor Director) and Mr..Uday Shankar R.M (Independent Director) and Mr. B.S.Patil (Independent Director). The Company Secretary and Head – Finance are the permanent invitees to the committee. The Committee, generally, twice a month to 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 eleven 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	13	13	Nil
2	Letters received from SEBI/NSDL/Stock Exchanges	1	1	Nil
3	Requests for stop transfer	NIL	Nil	Nil
4	Non Receipt of Share Certificate / Credit for Demat of Shares/ Dividend	NIL	NIL	Nil
5	Requests for issues of Duplicate Share Certificate and Dividend warrants	2	2	Nil
6	Legal Cases/ Cases before consumer forum	Nil	Nil	Nil
7	Investors Request for Information	Nil	Nil	Nil
	Total	16	16	Nil



4. REMUNERATION POLICY AND DETAILS OF REMUNERATION PAID :

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

Executive Directors :

Name	Position	Salary & Allowances Rs.	Employer Contribution To Provident Fund (Rs.)
Diwakar S. Shetty	Executive Chairman	31,25,000	2,52,000
Kartik Nayak	Managing Director	27,50,000	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 (Rs.)
1	Mr. B.S Patil	30000
2	Mr. M. Kumar	70000
3	Mr. C.R Seetharam	40000
4	Mr. R.M.Udayshankar	30000
5	Dr M.Mahadeviah	60000

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 2008-09.

Sd/-

Diwakar S. Shetty
Chairman


6. GENERAL BODY MEETINGS

The 29th Annual General Meeting of the Company, for the Year 2009, would be held on Thursday, the 24th September 2009 at Koramangala Club, Bangalore .

Meeting	Day, Date and Time of the Meeting	Venue
28th AGM	Monday the 15th September 2008 at 10.00 a.m	Koramangala Club, Bangalore
27th AGM EGM	Friday the 28th September 2007 at 10.00 a.m Monday the 26th November 2007 at 10.00 a.m	Koramangala Club, Bangalore Koramangala Club, Bangalore
26th AGM	Wednesday the 27th September 2006 at 3.00 p.m	Regd. Office at Bommasandra Plot. No. 1 Industrial Area, Hosur Road, Bangalore

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

7. DISCLOSURES :

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

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

8. MEANS OF COMMUNICATION:

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

9. GENERAL SHAREHOLDER INFORMATION :

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

10. SHAREHOLDER' INFORMATION

SI No:	Particulars	Details
1	Date, Time and Venue of the	24th Sep 2009 at 10 AM at Koramangala Club, Bangalore. 29th Annual General Meeting
2	Date of Book Closure	17th Sep 2009 to 24th Sep 2009 (both days inclusive)
3	Listing on Stock Exchange	The Bombay Stock Exchange (BSE)
4	Listing Fees	Paid as per the Listing agreement.
5	ISIN No:	INE 278C01010EQ
6	Registered Office	Plot No.1, Bommasandra Industrial Area, Bommasandra, Bangalore -560099
7	Share Transfer Agent	(For Electronic and Physical Transfers) M/s. Alpha Systems Private Ltd. No: 30 Ramana Residency, 4th Cross, Sampige Road, Malleshwaram, Bangalore 560003
8	Compliance Officer	Mr. B.K. Shetty, Company Secretary, Plot No.1, Bommasandra Industrial Area, Bommasandra, Bangalore -560099
9	For Financial Queries	Mr. B.K. Shetty , Company Secretary, Plot No.1, Bommasandra Industrial Area, Bommasandra, Bangalore -560099
10	For Shareholder's Queries	M/s. Alpha Systems Private Ltd. No: 30, Ramana Residency, 4th Cross, Sampige Road, Malleshwaram, Bangalore 560003



11. CHANGE OF ADDRESS:

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

12. SHARE TRANSFER SYSTEM

Share sent for physical transfer or dematerialization requests are generally registered and returned within a Period of 15 days from the date of receipt of completed and validly executed documents. The share transfer Committee generally meets every month, to approve the transfers and dematerialization requests. During the year ended 31st March 2009 the Share Transfer Committee met 11 times.

13. DEMATERIALIZATION OF EQUITY SHARES

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

As of date (approx.) 85,95,986 shares of the 90,03,300 equity shares of the Company are in the dematerialized form.

14. SHAREHOLDERS' CORRESPONDENCE.

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

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

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

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

SL NO.	Month	High (Rs.)	Low (Rs.)	Volume of shares traded
1	31.03.2009	18.00	13.65	10470
2	29.02.2009	20.00	18.05	6892
3	31.01.2009	23.00	20.65	4066
4	31.12.2008	24.75	19.20	6452
5	30.11.2008	26.75	18.55	2955
6	31.10.2008	34.75	18.00	25571
7	30.09.2008	48.00	31.80	10857
8	31.08.2008	44.60	36.00	10451
9	31.07.2008	47.70	32.05	56934
10	30.06.2008	58.00	44.15	156612
11	31.05.2008	63.95	52.20	30689
12	30.04.2008	66.00	54.10	42706



16. DISTRIBUTION OF SHAREHOLDING AS ON 31ST MARCH 2009

Category	No. of share holders	Percentage	No. of shares	Percentage
Up to 5000	3,976	98.46	9,29,766	10.33
5001 – 10000	21	0.52	1,40,211	1.56
10001 – 20000	10	0.25	1,38,760	1.54
20001 – 30000	4	0.10	1,06,300	1.18
30001 – 40000	2	0.05	77,227	0.86
40001 – 50000	3	0.07	1,29,909	1.44
50001 – 100000	6	0.15	4,76,020	5.29
100001 and above	16	0.40	70,05,107	77.80
Total	4,038	100.00	90,03,300	100.00

17. SHAREHOLDING PATTERN AS ON 31ST MARCH 2009

Category	No of Shares held	Percentage of Shareholding
A Promoter's holding		
1 Promoters		
- Indian Promoters	53,01,894	58.89
- Foreign Promoters	81,633	0.91
2 Persons acting in Concert	-	-
Sub - Total	53,83,527	59.80
B Non-Promoters Holding		
3 Institutional Investors		
a Mutual Funds and UTI	100	0.00
b Banks, Financial Institutions, Insurance Companies (Central/State Govt. Institutions/Non-government Institutions)		
c FIIs	2,80,044	3.11
Sub - Total	2,80,144	3.11
4 Others		
a Private Corporate Bodies	19,99,732	22.21
b Indian Public	11,64,628	12.94
c NRIs/OCBs/Foreign Company	1,75,269	1.95
Sub - Total	33,39,629	37.09
GRAND TOTAL	90,03,300	100.00

For and on behalf of the Board
For SHETRON LIMITED

Place: Bangalore
Date: 23rd June 2009

DIWAKAR S. SHETTY
Chairman



MANAGEMENT DISCUSSION AND ANALYSIS REPORT

OVERVIEW:

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

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

Global economy was severely impacted by the US financial crisis, with its contagion effect across countries. World trade was affected with reduced exports from developing and emerging countries like India and China.

India was one of the few large economies that registered a robust growth in GDP at 7% for 2008-09. India benefited from a near normal monsoon, reflecting in agriculture growing by 2.6%. Rural economy was also buoyed by Government spending, employment schemes and higher food prices. But industrial production registered significant slow down, impacted by the global recession. Country's GDP growth for the second half of 2008-09 was lower compared to the first half.

The global financial crisis has resulted in Foreign Institutional investors (FII) pulling money out of the country, resulting in a sharp fall in the Indian stock market This has also created a liquidity crisis in the system resulting in panic in the credit delivery system. However monetary measures taken by the Reserve Bank of India for reducing Cash Reserve Ratio and Repo rate has helped to improve the liquidity situation and slightly reduced the cost of credit.

The year 2008 also witnessed high levels of volatility in steel prices, depreciation of rupee against dollar and high interest cost, causing stress in business planning processes. Wholesale price inflation touched high levels during the year, before decelerating sharply towards the later part of the year under review.

Your Company's performance for the period 2008-09 has to be seen in the context of above economic background.

FOOD PROCESSING SECTOR:

The food processing sector in India has a market size of \$70 billion, employs 13 million persons directly and two-and-a half times that number indirectly. The Indian food processing market is one of the largest in terms of production, consumption, and export and import prospects.

The growth in the economy, coupled with a strong desire among consumers to maintain a healthy lifestyle and the growing awareness of functional ingredients are driving the functional foods and beverages market.

The growth of the food industry in India stems from the consistently increasing agricultural output. With the second largest arable-land area in the world, India is one of the key food producing countries in the world, second only to China. Currently, India ranks second in fruit production and third in vegetable production in the world.

Sustained by high agricultural output, international demand and a strong domestic market, the Indian food industry offers ample scope for large investments in processing technologies, skills and equipment, packaging, refrigeration of frozen food and thermo processing.

Currently, 6% of the country's fruit and vegetable produce is processed and India's share of the global market stands close to 0.03 per cent. While the size of the global processed-food market is estimated at US\$ 3.2 trillion and nearly 80 per cent of agricultural products in the developed countries get processed and packaged (as suggested by 'India Food Report 2008', released at the Food Forum India, in Mumbai), there is huge scope for export-led growth in the sector. Recognising this, the country aims at, in the next few years, raising the share of processed food to 20 per cent in comparison to total agri-produce, on the one hand, and enhancing export of these items to three per cent on the other. The domestic food market, according to the 'India Food Report 2008' is estimated at over US\$ 182 billion accounting for about 2/3rd of the total Indian retail market.



Private investment has been one of the key drivers for growth of the Indian food industry. The 'India Food Report 2008', reveals that the total amount of investments in the food processing sector in the pipeline for the next three years is about US\$ 23 billion.

Government Initiatives:

According to the India Food Report 2008, investments to the tune of US\$ 23 Billion in the processed food industry are targeted over the next three years.

The government has planned to establish 30 mega food-parks in different parts of the country through the public-private partnership (PPP)-route. In the public-private partnership mode, the government would give US\$ 10.2 million per project as grant for establishing the park, while the rest would be contributed by private partners.

While organic food and health food are emerging as a global trend in the food and food processing sector, India remains a traditional grower and consumer of organic food. The global retail market for organic food has grown to US\$ 100 billion from US\$ 35 billion over the last three years. The exports of organic food from India have grown to US\$ 65 million over the past one year from US\$ 21.6 million two years ago.

According to the estimates of the Ministry of Food Processing Industry, currently, the food processing sector contributes nine per cent of the GDP and there is immense scope for further growth. In a bid to give a boost to the sector, the government is considering a proposal to allow foreign direct investment (FDI) in the food retail sector. While 100 per cent FDI is already allowed in food processing and 51 per cent FDI in single-brand food retailing, the next step will be allowing FDI in select food items, fresh and processed fruit and vegetables, which may include retailing of farm and dairy produce, marine and poultry products. The initiative would underline inclusive growth in the food sector through marketing-driven farming, disciplined procuring from the farms, state of the art processing, and organised retailing.

Metal Packaging Sector:

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

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

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

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



DRY CELL BATTERY :

The Dry Cell Battery industry went through significant price increases to offset material cost push in the recent past. Cumulative price increases for the various battery types ranged between 20 per cent and 50 per cent. This met with stiff consumer resistance and demand started slowing down.

The Battery industry is presently dominated by the Dry Cell Industry and in India, Zinc Carbon batteries comprise nearly 99% of the total dry cell market.

According to the analysts there is no change in the basic fundamentals of the battery business. Need for portable energy is intrinsic to mankind and there is no substitute to batteries for it on any practical commercial scale. The demand drivers continue to be the same and India still has good potential in batteries as it consumes almost the lowest numbers of these products in the world.

Current trends indicate that the market is gradually coming back to consumption levels as determined by fundamental demand. As India gets economically more developed, device penetration into households will increase in line with the rest of the world, boosting battery growth. Input cost related to zinc has eased off quite considerably – though there has been some hardening of prices. However, it looks set to remain range-bound around this level in the year 2009.

SUPPLY SIDE OF TINPLATE :

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

Organized retail market is expected to grow at CAGR of 21.8% by 2015, garnering 15% of overall retail sales. With packaging cost ranging from 5 – 15% of the overall value, it points to a huge packaging substrate demand. Also with growth in retailing, brands compete for consumer mind share and the packaging is one of the key differentiators. Tinplate consumption in India as of last year was, approximately 3,50,000 - 4,00,000 tonnes per annum. Overall, domestic market meet about 45% of the total 4,00,000 tonnes tinplate required for can manufacturing, while the remaining 55% is met through imports from Europe and the US. The current economic downturn has not impacted much on the tinplate prices and at the same time there is not such high volatility that the industry has witnessed in the last year.

SEGMENTWISE PERFORMANCE:

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

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

RISKS, OPPORTUNITIES , THEREATS AND CONCERNS:

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

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

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

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



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

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

INTERNAL CONTROL SYSTEM AND ITS ADEQUACY:

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

FINANCIAL AND OPERATIONAL PERFORMANCE:

Higher productivity, aggressive cost control together with debt restructuring have been the key areas to improve the operational performance. The Current economic crisis and the resultant credit crisis have put a severe liquidity strain across the industries and these will have to be smartly managed in the current financial year. The financial performance has been dealt with in the Directors' Report.

HUMAN RESOURCES/ INDUSTRIAL RELATIONS:

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

CAUTIONARY STATEMENT:

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



AUDITOR'S CERTIFICATE ON CORPORATE GOVERNANCE

**To the Members of
SHETRON LIMITED**

1. We have examined the Compliance of Corporate Governance Report for the period ended 31st March 2009 as stipulated in clause 49 of the Listing Agreement of the said Company with the Stock Exchanges in India
2. The Compliance of conditions of Corporate Governance is the responsibility of the Management. Our examination was carried out in accordance with the Guidance Note on Certification of Corporate Governance (as stipulated in Clause 49 of the Listing Agreement), issued by the Institute of Chartered Accountants of India and was limited to procedures and implementation thereof adopted by the company for ensuring the compliance of the conditions of the Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the company.
3. In our opinion, to the best of our information and according to the explanation given to us, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in the above Listing Agreement.
5. We state that such Compliance is neither an assurance as to the future visibility of the Company nor the efficiency or effectiveness with which the Management has conducted the affairs of the Company.

For PAL & SHANBHOGUE
Chartered Accountants

Date : Bangalore
Place : 23rd June 2009

K R SHANBHOGUE
Partner



AUDITORS' REPORT

To
The Members of SHETRON LIMITED

1. We have audited the attached Balance Sheet of M/s Shetron Limited, as at March 31, 2009, and also the Profit and Loss Account and the Cash Flow Statement of the Company for the year ended on that date, annexed thereto, signed by us under reference to this report. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audit.
2. We conducted our audit in accordance with auditing standards generally accepted in India. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by the management, as well as evaluating the over all financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.
3. As required by the Companies (Auditor's Report) Order, 2003 (as amended) (hereinafter referred to as "the Order") issued by the Central Government of India in terms of sub section (4A) of section 227 of the Companies Act, 1956, (hereinafter referred to as "the Act") we enclose in the Annexure a statement on the matters specified in paragraphs 4 & 5 of the said order.
4. Further to our comments in the Annexure referred to above, we report that:
 - a) we have obtained all the information and explanations, which, to the best of our knowledge and belief, were necessary for the purpose of our audit.
 - b) in our opinion, proper books of account, as required by law, have been kept by the Company so far as it appears from our examination of those books.
 - c) The Balance Sheet, Profit and Loss Account and Cash flow Statement dealt with by this report are in agreement with the books of account.
 - d) in our opinion, the Balance Sheet, Profit and Loss Account and Cash flow Statement dealt with by this report comply with the accounting standards referred to in sub-section (3C) of section 211 of the Act.
 - e) on the basis of written representations received from the directors, as at 31 March, 2009, and taken on record by the Board of Directors, we report that none of the directors is disqualified as on March 31, 2009 from being appointed as a director in terms of section 274 (1) (g) of the Act.
 - f) in our opinion and to the best of our information and according to the explanations given to us, the said accounts give the information required by the Act, in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India.
 - i. in the case of the Balance Sheet, of the state of the affairs of the company as at March 31, 2009;
 - ii. in the case of the Profit and Loss Account, of the profit for the year ended on that date;
 - and
 - iii. in the case of the Cash Flow Statement, of the cash flows for the year ended on that date.

For PAL & SHANBHOGUE
Chartered Accountants

Date : Bangalore
Place : 23rd June 2009

KR SHANBHOGUE
Partner



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

- i. (a) The Company has maintained proper records showing full particulars including quantitative details and situation of fixed assets.
- (b) The Company has a programme for phased physical verification of all fixed assets which in our opinion, reasonable having regard to the size of the company and the nature of its fixed assets. As informed, no material discrepancies were noticed on such verification.
- (c) The Company has not disposed off substantial part of its fixed assets during the year.
- ii. (a) The management has conducted physical verification of inventory at reasonable intervals during the year.
- (b) In our opinion, the procedures of physical verification of the inventories followed by the management are reasonable and adequate in relation to the size of the Company and the nature of its business.
- (c) The company is maintaining proper records of inventory and material discrepancies were noticed on physical verification.
- iii. (a) The Company has not granted any loans, secured or unsecured, to the companies, firms or other parties listed in the register maintained under section 301 of the Act. Hence clauses (iii) (f) & (g) of the order are not applicable.
- (b) The company has taken interest free unsecured loan of Rs.135 lacs from companies, firm or other parties covered in the register maintained under section 301 of the Act without any stipulation for repayment of the loan.
- iv. In our opinion and according to the information explanations given to us, there are adequate internal control procedures commensurate with the size of the company and nature of its business with regard to purchase of inventory, fixed assets and with regard to the sale of goods and services. Further, on the basis of our examination of the books and records of the Company, and according to the information and explanation given to us, we have neither come across nor have been informed of any continuing failure to correct major weaknesses in the aforesaid internal control procedures of the company.
- v. Based on the examination of the books of account and related records and according to the information and explanations provided to us, there are contracts or arrangements with companies, firms or other parties which need to be listed in the register maintained under section 301 of the Act.
- vi. The company has not accepted any deposits from the public, within the meaning of sections 58A and 58AA or any other relevant provisions of the Act, and the companies (Acceptance of Deposits) Rules, 1975.
- vii. In our opinion the Company has an internal audit system commensurate with its size and nature of its business.
- viii. According to the information and explanations given to us, the Central Government has not prescribed maintenance of cost records under clause (d) of sub section (1) of section 209 of the Act, for the Company.
- ix. According to the information and explanations given to us and the records of the company examined by us, the company has generally deposited its statutory dues including provident fund, (investor education and protection fund) Employees' State insurance, Income Tax, Sales Tax, Wealth Tax, Service Tax, Custom Duty, Cess and other material statutory dues within the prescribed time with the appropriate authorities during the year and that there are no undisputed amounts payable in respect of these dues which have remained outstanding as at 31 March, 2009 for a period of more than six months from the date they became payable.
- x. the Company has no accumulated losses at the end of the financial year and it has not incurred cash losses in the current and immediately preceding financial year.
- xi. Based on the examination of the books of account and related records and according to the information and explanations provided to us, the company has not defaulted in repayment of dues to the banks. The company has not issued any debentures during the year.



- xii. In our opinion and according to the information and explanations given to us, the company is not a chit fund or a nidhi/mutual benefit fund/society. Accordingly, provisions of clause 4(xiii) of the order are not applicable to the company.
- xiii. In our opinion and according to the information and explanations given to us the company is not dealing in shares, securities, debentures and other investments. Accordingly, the provisions of clause 4 (xiv) of the Order are not applicable to the Company.
- xiv. The terms and conditions of guarantee given during the year by the company, for loans taken by others from banks or financial institutions, are not prima facie prejudicial to the interest of the company.
- xv. According to the information and explanations given to us and the records of the Company examined by us, the term loan obtained by the company during the year have been applied for the purpose for which the loan was obtained.
- xvi. According to the informations and explanations given to us and on an overall examination of the financial statements of the Company, we report that no funds raised on short term basis have been used for long term investments.
- xvii. According to the informations and explanations given to us the Company has not made preferential allotment of shares to parties and companies covered in the register maintained under section 301 of the Act.
- xviii. According to the informations and explanations given to us the Company has not issued any debentures during the period covered by our report.
- xix. During the year the company has not made preferential allotment of shares to parties and companies covered in the register maintained under section 301 of the Act.
- xx. The Company has not raised any money by way of public issues during the year.
- xxi. According to the informations and explanations given to us and the best of our knowledge and belief, no fraud on or by the Company has been noticed or reported during the course of our audit.

For PAL & SHANBHOUE
Chartered Accountants

Date : Bangalore
Place : 23rd June 2009

K R SHANBHOUE
Partner



BALANCE SHEET AS AT 31ST MARCH 2009

Particulars	Schedules	As at 31.03.2009		As at 31.03.2008	
		Rs.	Rs.	Rs.	Rs.
I SOURCES OF FUNDS :					
1 SHAREHOLDER'S FUNDS	1				
a. Share Capital		89,998,000		89,998,000	
b. Reserves and Surplus		398,032,7676		385,548,680	
			488,030,766		475,546,680
2 LOAN FUNDS	2				
a. Secured Loans		638,451,068		591,229,389	
b. Unsecured Loans		26,683,814		26,718,540	
			665,134,882		617,947,929
3 DEFERRED TAX LIABILITY			96,599,788		96,153,279
TOTAL			1,249,765,436		1,189,647,888
II APPLICATION OF FUNDS					
1 FIXED ASSETS	3				
a. Gross Block		1,132,075,291		1,076,096,285	
b. Less Depreciation		478,487,734		447,448,910	
c. Net Block		653,587,557		628,647,375	
d. Capital Work in progress		92,277,088		84,065,205	
			745,864,645		712,712,580
2 INVESTMENTS	4		9,950,000		9,950,000
3 CURRENT ASSETS, LOANS & ADVANCES	5				
a. Inventories		241,235,955		353,788,435	
b. Sundry Debtors		218,436,564		155,997,245	
c. Cash and Bank Balances		44,990,601		42,869,778	
d. Loans and Advances		123,099,255		115,852,083	
e. Taxes paid in advance		44,677,116		25,888,421	
		672,439,491		694,395,963	
LESS : CURRENT LIABILITIES & PROVISIONS	6				
a. Current Liabilities		155,387,075		203,545,768	
b. Provisions		48,267,904		61,586,588	
		203,654,979		265,132,356	
NET CURRENT ASSETS			468,784,513		429,263,607
4 Preliminary expenses to the extent not written off			25,166,278		37,721,701
TOTAL			1,249,765,436		1,189,647,888
NOTES ON ACCOUNTS AND ACCOUNTING POLICIES	11				

As per our report of even date
For PAL & SHANBHOGUE

Chartered Accountants
K.R. SHANBHOGUE
Partner

Place : Bangalore
Date : 23.06.2009

DIWAKAR S.SHETTY
Chairman

KARTIK NAYAK
Managing Director

B.K. SHETTY
Company Secretary



PROFIT & LOSS ACCOUNT FOR THE YEAR ENDED 31ST MARCH 2009

Particulars	Schedules	Year Ended 31.03.2009		Year Ended 31.03.2008	
		Rs.	Rs.	Rs.	Rs.
I INCOME					
Sales	7	1,272,877,471		1,120,449,040	
Less Excise Duty		81,806,490	1,191,070,981	80,744,431	1,039,704,609
Other Income	8		32,213,157		30,408,877
			1,223,284,138		1,070,113,486
II EXPENDITURE					
Manufacturing & Other Expenses	9		1,043,796,693		881,554,362
Profit before Interest, Depreciation & Tax			179,487,445		188,559,124
Less: Interest	10		98,964,919		64,203,904
Profit/(Loss) before Depreciation & Tax			80,522,526		124,355,220
Less: Depreciation			60,426,944		50,953,649
Profit before Tax			20,095,582		73,401,571
Less : Provision for Taxation					
- Current			6,500,000		15,000,000
- Deferred Tax (Asset)			446,509		5,245,137
- Fringe Benefit Tax			664,987		458,467
Profit after Tax for the year			12,484,086		52,697,967
Less - Transfer to General Reserve			1,300,000		5,300,000
- Transfer to Debenture Redemption Reserve			9,500,000		19,000,000
- Provision for Proposed Dividend			-		18,006,600
- Provision for Tax on Proposed Dividend			-		3,060,222
Balance Profit after appropriations			1,684,086		7,331,145
Balance brought forward from previous year			96,749,760		89,418,615
Balance Carried to Schedule I			98,433,846		96,749,760
Earnings per Share (EPS)					
No of Equity shares (face value of Rs.10 each)			8,999,800		8,999,800
Basic/Diluted EPS			1.39		5.86
NOTES ON ACCOUNTS AND ACCOUNTING POLICIES	11				

As per our report of even date
For PAL & SHANBHOGUE

Place : Bangalore
Date : 23.06.2009

DIWAKAR S.SHETTY
Chairman

KARTIK NAYAK
Managing Director

B.K. SHETTY
Company Secretary

Chartered Accountants
K.R. SHANBHOGUE
Partner



SCHEDULES FORMING PART OF ACCOUNTS

Particulars	As at 31.03.2009		As at 31.03.2008	
	Rs.	Rs.	Rs.	Rs.
1. SHAREHOLDER'S FUNDS				
a) SHARE CAPITAL :				
Authorised 2,50,00,000 Equity Shares of Rs.10/- each (PY 25000000 Equity Shares of Rs. 10 Each)		250,000,000		250,000,000
Issued: 90,03,300 Equity Shares of Rs.10/- each		90,033,000		90,033,000
Subscribed and Paid up: 90,03,300 Equity Shares of Rs.10/- each fully paid up Less : Calls in Arrears Add : Forfeited Equity Shares 4,500		89,988,000 (12,500) 22,500		89,988,000 (12,500) 22,500
		89,998,000		89,998,000
(Of the above 15,17,300 shares were allotted as fully paid up by way of Bonus shares through capitalisation of reserves).				
b) RESERVES AND SURPLUS :				
Capital Subsidy Reserve		1,500,000		1,500,000
Share Premium		211,143,920		211,143,920
General Reserve		20,455,000		19,155,000
Debenture Redemption Reserve		66,500,000		57,000,000
Profit & Loss Account		98,433,846		96,749,760
		398,032,766		385,548,680
2. LOAN FUNDS				
SECURED LOANS:				
a) Term Loans :				
<i>Rupee Loans:</i>				
i) Secured Redeemable 9% Debentures		209,000,000		247,000,000
ii) Citicorp Finance India Ltd		-		90,000,000
iii) Term Loan Yes Bank Ltd		20,640,855		30,961,283
iv) Term Loan Bank of India		18,553,503		30,547,000
v) Term Loan Hongkong and Shanghai Banking Corp.Ltd		108,040,000		
b) Hire Purchase Scheme		2,240,057		3,481,785
c) Working Capital Loans from Banks:				
State Bank of India	87,127,438		71,602,358	
Citibank N A	44,923,670		40,144,579	
Yes Bank Ltd	51,545,371		24,029,756	
Bank of India	19,105,832		23,232,692	
Hongkong and Shanghai Banking Corporation Ltd	46,897,881		-	
Indusind Bank Ltd	30,376,461		30,229,936	
		279,976,653		189,239,321
		638,451,068		591,229,389
UNSECURED LOANS:				
Sales Tax Deferral		13,183,814		13,218,540
Others		13,500,000		13,500,000
		26,683,814		26,718,540
4. INVESTMENTS				
(Unquoted and valued at cost)				
9,95,000 Equity Shares in Shetron Metropak Pvt Ltd of Rs. 10 each		9,950,000		9,950,000



NOTES:

Secured Loans:

2. a) Working Capital Credit facilities extended by the Banks are under Multiple Banking Arrangement and are secured by First Parri Passu Charge on the Hypothecation of Stocks, Book Debts and other Current Assets and Second Parri Passu Charge on the Fixed Assets (including extension of Equitable Mortgage on the immovable properties) of the Company.
- b) Citicorp Finance India Ltd in the year September 2005 has subscribed to 38,00,000 Nos. of 9% Secured Redeemable non-convertible debentures at a discount for a nominal value of Rs 38 Crores payable in 10 Semi- Annual Instalments over a period of 5 years. The Debenture is secured by First Parri Passu Charge on the Fixed Assets and Equitable Mortgage on the Immovable Properties of the Company. The Company has not redeemed the payment of Rs 4.75 Crores due on 31st March 2009 and has entered into an amendment agreement to the Debenture Subscription Agreement with the Debentureholders on 28th May 2009 to reschedule the same.
- c) The Term Loan facilities extended by Yes Bank Ltd, Bank of India and Hongkong and Shanghai Banking Corporation Ltd are secured by First Parri Passu Charge on the Fixed Assets (including extension of Equitable Mortgage on the immovable properties of the Company) and Second Parri Passu Charge on the Current Assets of the Company.
- d) Loans from Hire Purchase Scheme are secured by hypothecation of assets acquired under the scheme.

SCHEDULES FORMING PART OF THE ACCOUNTS

3. FIXED ASSETS (AT COST)

Particulars	GROSS BLOCK AT COST				DEPRECIATION				NET BLOCK	
	As at 01.04.08 Rs.	Additions Rs.	Deductions Rs.	As at 31.03.09 Rs.	As at 01.04.08 Rs.	for the Year Rs.	Deductions Rs.	As at 31.03.09 Rs.	As at 31.03.09 Rs.	As at 31.03.08 Rs.
Leasehold Land & Development	8,091,172	-	-	8,091,172	-	-	-	-	8,091,172	8,091,172
Buildings	202,833,820	2,846,744	-	205,680,564	44,381,151	6,755,847	-	51,136,998	154,543,566	158,452,669
Plant & Machinery	839,295,762	84,840,618	31,572,696	892,563,684	392,086,635	51,554,863	28,714,464	414,927,124	477,636,560	447,209,127
Furniture, Fixture & Equipments	15,615,028	645,771	-	16,260,799	8,585,917	1,171,622	-	9,757,539	6,503,260	7,029,111
Vehicles*	10,260,503	624,770	1,406,201	9,479,072	2,395,207	944,612	673,746	2,666,073	6,812,999	7,865,296
TOTAL	1,076,096,285	88,957,903	32,978,897	1,132,075,291	447,448,910	60,426,944	29,388,210	478,487,734	653,587,557	628,647,375
Capital Work in Progress									92,277,088	84,065,205
									745,864,645	712,712,580

Capital work in progress includes

Capital advances of Rs. 84431068 (P.Y. Rs. 77,787,211)

* Include vehicles purchased under H.P. scheme amounting to Rs 6,394,318 (PY RS. 7,443,686)





SCHEDULES FORMING PART OF ACCOUNTS

Particulars	As at 31.03.2009		As at 31.03.2008	
	Rs.	Rs.	Rs.	Rs.
5. CURRENT ASSETS, LOANS AND ADVANCES				
a) Inventories as taken, valued and certified by Management				
Stores and Spares at Cost	11,057,256		15,643,299	
Raw-Materials at cost (Including Goods in Transit)	163,653,133		263,569,297	
Work-in-progress at cost	63,469,571		69,135,473	
Finished Goods at lower of Cost and net realisable value	3,055,995		5,440,366	
Includes excise duty of Rs. 244,700 (P.Y. Rs. 637,406)				
		241,235,955		353,788,435
b) Sundry Debtors				
Unsecured and considered good:				
Debts outstanding for a period exceeding six months	13,037,957		17,809,949	
Other debts	205,398,607		138,187,296	
		218,436,564		155,997,245
c) Cash & Bank Balance				
Cash on hand	199,470		236,637	
With scheduled banks;				
Current Accounts	4,297,252		6,188,414	
Term Deposits	40,493,879		36,444,727	
		44,990,601		42,869,778
d) Loans and Advances				
Unsecured and considered good:				
Advances recoverable in cash or in kind or for	117,278,333		100,168,634	
for Supply of Materials & Services				
Deposits	3,141,412		3,616,412	
Other Receivables	2,679,510		12,067,038	
		123,099,255		115,852,084
e) Taxes paid in advance				
Advance Payment Tax	44,677,116		25,888,421	
		44,677,116		25,888,421
		672,439,491		694,395,963
6 CURRENT LIABILITIES AND PROVISIONS				
a) Current Liabilities:				
Sundry Creditors	140,054,362		192,293,475	
Other Liabilities	15,332,713		11,252,293	
		155,387,075		203,545,768
b) Provisions:				
For Taxation	41,525,000		35,025,000	
For Gratuity and other employee benefits	6,498,204		4,857,360	
For Proposed dividend	-		18,006,600	
For Tax on Proposed Dividend	-		3,060,222	
For Excise duty /Custom duty	244,700		637,406	
		48,267,904		61,586,588
		203,654,979		265,132,356
PRELIMINARY EXPENSES				
Preliminary Expenses on Issue of Debentures	32,500,000		41,250,000	
Preliminary Expenses on Project	5,221,702		6,527,126	
	37,721,702		47,777,126	
Less : Written Off	12,555,424		10,055,425	
		25,166,278		37,721,701



SCHEDULES FORMING PART OF ACCOUNTS

Particulars	As at 31.03.2009		As at 31.03.2008	
	Rs.	Rs.	Rs.	Rs.
7 SALES :				
Battery Cell Jackets / Battery Cell Components and Metal Cans including Food Cans		1,272,877,471		1,120,449,040
8 OTHER INCOME				
Job Work	-		2,198,405	
Scrap Sales	24,281,846		21,725,070	
Sale of inks & coatings (related to job work)	-		3,348	
Interest	2,500,562		1,711,877	
Miscellaneous Income	5,430,749		4,770,177	
		32,213,157		30,408,877
9 MANUFACTURING AND OTHER EXPENSES				
a) Consumption of Raw Materials (Schedule 9.1)		824,275,786		696,387,302
b) Consumption of Stores & Spares Parts		13,040,758		11,059,672
c) Expenditure on Employees:				
1) Salaries, Wages and Bonus including provision for leave encashment	59,976,923		48,840,356	
2) Contribution to Provident & Other funds	2,657,127		2,592,130	
3) Gratuity	737,339		1,473,842	
4) Welfare expenses	5,160,903		4,745,962	
		68,532,292		57,652,290
d) Sitting Fee to Directors		230,000		285,515
e) Operating and Other Expenses				
1) Power & Fuel	24,827,721		23,311,116	
2) Rent	2,950,670		3,067,930	
3) Repairs to Building	593,023		742,772	
4) Repairs to Machinery	5,160,330		2,319,597	
5) Repairs to Vehicles	395,803		235,656	
6) Repairs to Furniture & other equipment	530,417		766,392	
7) Insurance	941,416		1,499,023	
8) Rates and Taxes	2,337,247		658,153	
9) Other Expenses (Sch.9.2)	39,482,447		36,622,566	
10) Carriage inwards	8,622,445		11,148,777	
11) Packing & Forwarding	19,984,228		19,036,094	
12) Bank Charges	16,430,106		10,949,856	
13) Business Promotion Expenses	7,804,436		9,438,703	
		130,060,290		119,686,635
		1,036,139,126		885,071,414
		7,657,567		(3,627,052)
		1,043,796,693		881,444,362
(Increase)/Decrease in stock(Sch.9.3)				



SCHEDULES FORMING PART OF ACCOUNTS

Particulars	As at 31.03.2009		As at 31.03.2008	
	Rs.	Rs.	Rs.	Rs.
9.1 CONSUMPTION OF RAW-MATERIALS				
Opening Stock		263,569,297		188,726,580
Purchases		724,359,622		771,230,019
		987,928,919		959,956,599
Less Closing Stock		163,653,133		263,569,297
		824,275,786		696,387,302
9.2 OTHER EXPENSES INCLUDE				
Remuneration to Auditors				
Audit Fee	450,000		350,000	
Tax Audit Fee	50,000		50,000	
for Certification and other matters	140,000		140,000	
For Income Tax matters	-		15,000	
		640,000		555,000
9.3 INCREASE IN STOCKS				
Opening Stock				
Work-in-progress		69,135,473		63,576,085
Finished Goods	71 MT	4,802,960	89 MT	6,735,296
		73,938,433		70,311,381
Closing Stock				
Work-in-progress		63,469,571		69,135,473
Finished Goods	37 MT	2,811,295	71 MT	4,802,960
		66,280,866		73,938,433
(Increase)/Decrease		7,657,567		(3,627,052)
10 INTEREST				
On Fixed Loans:				
Debentures	24,617,342		27,013,316	
Other Fixed Loans	16,645,134		1,139,022	
	41,262,476		28,152,338	
On other accounts	57,702,443		36,051,566	
		98,964,919		64,203,904



11. NOTES TO ACCOUNTS AND ACCOUNTING POLICIES FOR THE YEAR ENDED 31ST MARCH 2009

	As at 31.03.09 Rs. In lacs	As at 31.03.08 Rs. In lacs
1. Contingent Liabilities		
i. Letters of Credit established	2,324.98	2,714.13
ii. Inland Bills/LC's Discounting outstanding and guarantees given by bank on behalf of the Co..	0.05	0.05
iii. Guarantees given by the company in favour of Collector of Customs and other Company	550.00	550.00
iv. Future lease rentals payable	24.91	40.49
v. Income Tax department has raised demand of for the assessment year 2006-07 The company has preferred an appeal against the order. The matter is pending before the appellate authority.	250.00	
2. Estimated amount of contracts remaining to be executed on capital account net of advance and not provided for.	2,996.72	3,044.29
3. The Company is availing export benefit under Advance License Scheme.		
4 Disclosure as required under Accounting Standard (AS) 15 of the Companies (Accounting Standards) Rules 2006		
	As at 31.3.2009 Group Gratuity Scheme Rs.	As at 31.3.2008 Group Gratuity Scheme Rs.
i) Changes in present value of obligations		
Present value of obligations as at beginning of year	4,602,920	3,968,066
Interest cost	368,234	317,445
Current Service Cost	480,305	367,617
Benefits Paid	368,503	35,308
Actuarial gain on obligations	65,646	14,900
Present value of obligations as at end of year	5,017,310	4,602,920
Changes in the fair value of plan assets		
Fair value of plan assets at beginning of year	539,658	-
Expected return on plan assets	45,592	101,668
Contributions	221,887	1,276,548
Benefits paid	368,503	35,308
Actuarial Gain / (Loss) on Plan assets	Nil	Nil
Fair value of plan assets at the end of year	438,634	1,342,908
Fair value of plan assets		
Fair value of plan assets at beginning of year	539,658	-
Actual return on plan assets	45,592	101,668
Contributions	221,887	1,276,548
Benefits Paid	368,503	35,308
Fair value of plan assets at the end of year	438,634	1,342,908
Funded status	4,578,676	3,260,012
Excess of Actual over estimated return on plan assets	Nil	Nil
Actuarial Gain/Loss recognized		
Actuarial gain for the year -Obligation	65,646	14,900
Actuarial (gain)/Loss for the year - plan assets	Nil	Nil
Total gain for the year	65,646	14,900
Actuarial gain recognized in the year	65,646	14,900



4 Disclosure as required under Accounting Standard (AS) 15 of the Companies (Accounting Standards) Rules 2006		As at 31.3.2009 Group Gratuity Scheme Rs.		As at 31.3.2008 Group Gratuity Scheme Rs.	
The amounts to be recognized in the balance sheet and statements of profit and loss:					
Present value of obligations as at the end of year		5,017,310		4,602,920	
Fair value of plan assets as at the end of the year		438,634		1,342,908	
Funded status		4,578,676		3,260,012	
Net asset recognized in balance sheet		4,578,676		3,260,012	
Expenses Recognised in statement of Profit & loss Current Service cost		480,305		367,617	
Interest Cost		368,234		317,445	
Expected return on plan assets		45,592		101,668	
Net Actuarial gain recognised in the year		65,646		14,900	
Expenses recognised in statement of Profit & loss		737,301		568,494	
Acturial Assumptions					
Discount Rate		8%		8 %	
Salary Increase		7%		7 %	
5. Additional information pursuant to the provisions of paragraph 3 and 4 of Part II of Schedule VI of the Companies Act, 1956					
PRODUCTION / TURNOVER		Installed Capacity	Production	Sales	
a. Class of Goods					
1. Metal Containers including Food Cans and Dry Cells - Current Year		17680 MT	12693 MT	12727 MT	
(Jackets and Components including printed / lacquered sheets) *					
- Previous year		15890 MT	12078 MT	12096 MT	
* as certified by the Management and not verified by Auditors being technical matter.					
	b. Consumption of Raw materials	Qty(in M.T.)	Year Ended 31.03.2009 Rs.	Qty (in M.T.)	Year Ended 31.03.2008 Rs.
		14093	749,271,829	10668	624,807,413
			75,003,957		71,579,890
	Total	824,275,786		696,387,303	
	Value of Raw Materials, Spare parts and components consumed				
		Imported 65%	544,890,288	59%	409,943,396
		Indigeneous 35%	292,426,256	41%	297,503,579
	Total	837,316,544		707,446,975	



c. Value of direct imports calculated on C.I.F. basis during the year		Year Ended 31.03.2009	Year Ended 31.03.2008
Raw Materials		395,067,807	446,649,494
Components, Spare parts & Stores		4,343,552	5,605,621
Capital goods		13,339,056	36,545,922
d. Expenditure in Foreign currency during the financial year on account of Travel / Claims/ Agency Commission		704,927	2,112,677
e. i. The amount remitted during the year in foreign currencies on account of Dividend		Nil	Nil
ii. No. of non resident shareholders		151	155
iii. No. of shares held by them		175,269	157,817
f. Earnings in Foreign Exchange			
F.O.B. Value of Exports		130,962,702	114,814,065
Commission Received		-	350,958
g. Remuneration to Managing Director & Whole Time Director (Minimum)			
Salaries and Allowances		5,875,000	5,220,000
Contribution to Provident and other Funds		468,000	468,000
Total Remuneration Paid		6,343,000	5,688,000

6	The Company has imported certain Plant & Machinery earlier year under EPCG scheme. The licensing authority has fixed the export obligation of Rs.1600.41 lacs , to be completed over a period of 8 years.		
7	Balance in Debtors & Creditors Account , Loans & Advances are subject to confirmations.The Board of directors consider all debtors and Loans and Advances and other Current Assets as good and realisable in full in the course of normal business cycle.		
8	Sundry Creditors include a sum of Rs.62.62 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 31.03.2009 is Rs. 39.77 Lacs.		
9	Shetron Metropak Private Ltd, a JV Company, wherein the Company has invested 50% of equity has reported an accumulated loss resulting in erosion of equity. However the Board of Directors are of the view that the company has taken effective steps to recoup loss and therefore no provision need to be made towards the diminution in the value of the investment.		
10	Deferred Tax provision has been made in accordance with the requirements under the Accounting Standard 22 "Accounting for Taxes on Income" and accordingly, the Deferred Tax Liability and Deferred Tax Asset has been restated as at March 31, 2009		

		(Rs. in Lacs)		
11	Details of Deferred Tax Calculation for the year ending 31.03.2009	Deferred Tax (Asset)/Liability as on 01.04.2008	Current Year Charge/Credit	Deferred Tax (Asset)/Liability as on 31.03.2009
	a. Difference between book and tax Depreciation	852.43	42.70	895.13
	b. Preliminary Expenses	109.11	(38.24)	70.86
	TOTAL	961.54	4.46	965.99

12	Fixed assets include the following assets acquired under hire Purchase (in the nature of finance lease).	(Rs.)		
		WDV AS at 31st March, 2009	Minimum Lease payments (FMLP) as at 31st March 09	Net Present Value of MLP
	Vehicles	5,341,420	2,490,892	2,302,656



The total future minimum lease rentals payable (FMPL) and their net present values (NPV) for these assets as at March 31, 2009 are given below

1. Not later than one year
2. Later than one year but less than five years
3. Later than five years

Vehicles	
FMPL in Rs.	NPV in Rs.
1,794,612	1,689,423
696,280	613,233
Nil	Nil

13. Related Party Disclosure

I Controlling Companies

Nil

II List of Related Parties

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

III Transaction with related parties

Nature of Transaction entered into during the year	(Rs. in lacs) Amount
Sales	869.19
Commission Received	1.54
Purchase	216.61
Rent paid	26.40
Unsecured Loan	-
Shared Services Received	48.60
Status of outstanding Balances	
Amount Due from As on 31.03.09	874.32
Amount Due to As on 31.03.09	140.15

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

14 Segment Disclosure

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

a. Primary Segment Information

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

b. Secondary segment information

Geographical Segment	(Rs. in Lakhs) Revenues
India	11,656.39
Asia	456.31
Europe	11.00
America	56.73
Africa	870.47
Total	13,050.90



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

16. Significant Accounting Policies

1. Basis for preparation of financial statements

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

2. Method of Accounting

The company is following accrual basis of accounting.

3. Fixed Assets & Depreciation

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

4. Borrowing Cost

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

5. Investments

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

6. Inventories

Inventories are valued as follows:

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

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

7. Transactions in Foreign Currency

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

8. Deferred Revenue Expenditure

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

9. Income

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

10. Retirement Benefits

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

Signatures to Schedule 1 to 11

For PAL & SHANBHOGUE

Chartered Accountants
K.R. SHANBHOGUE
Partner

Place : Bangalore
Date : 23.06.2009

DIWAKAR S.SHETTY
Chairman

KARTIK NAYAK
Managing Director

B.K. SHETTY
Company Secretary



BALANCE SHEET ABSTRACT AND COMPANY'S GENERAL BUSINESS PROFILE

I. REGISTRATION DETAILS

Registration No. L21014KA1980PLC003842

State Code: 8

II. CAPITAL RAISED DURING THE YEAR 31st March 2009

(Rs. in Lacs)

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

III. POSITION OF MOBILISATION AND DEPLOYMENT OF FUNDS

SOURCES OF FUNDS :

Paid-up Capital	899.98
Reserves & Surplus	3980.33
Secured Loans	6384.51
Unsecured Loans	266.83
Deferred Tax Liability	966.00

TOTAL

12497.65

APPLICATION OF FUNDS :

Net Fixed Assets	7458.64
Net Current Assets	4687.85
Investments	99.50
Preliminary expenses	251.66

TOTAL

12497.65

IV. PERFORMANCE OF COMPANY

Total Income	12232.84
Total Expenditure	12031.88
(Loss) / Profit before tax	200.96
(Loss) / Profit after tax	124.84
Earning per Share in Rs.	1.39
Dividend rate %	-

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

Item Code No. (ITC Code)	7212.30
Product Description	Printed/Lacquered Tin Coated Sheet
Item Code No. (ITC Code)	8506.00
Product Description	Dry Battery Cell Jackets & Components
Item Code No. (ITC Code)	7310.00
Product Description	Metal Containers

Place : Bangalore
Date : 23.06.2009

DIWAKAR S.SHETTY
Chairman

KARTIK NAYAK
Managing Director

B.K. SHETTY
Company Secretary



CASH FLOW STATEMENT FOR THE YEAR ENDED 31.03.2009

Particulars	31.03.2009 Rs. in Lacs	31.03.2008 Rs. in Lacs
A. CASH FLOW FROM OPERATING ACTIVITIES:		
NET PROFIT BEFORE TAX	201	734
Adjustments for:		
Depreciation	604	509
Interest	990	642
Discount on issue of Debentures	126	100
(Profit)/Loss on sale of Fixed Assets	(1)	-
Operating Profit before Working Capital changes	1,919	1,985
Adjustments for:		
Trade and Other receivables	(624)	202
Inventories	1,126	(816)
Trade Payables	(469)	927
Loans and Advances	(72)	(253)
Cash Generated from Operations	1,879	2,045
Interest Paid	(990)	(642)
Direct Taxes Paid	(195)	(121)
Dividend Paid	(211)	(165)
CASH FLOW BEFORE EXTRAORDINARY ITEMS	484	1,117
NET CASH FROM OPERATING ACTIVITIES	484	1,117
B. CASH FLOW FROM INVESTING ACTIVITIES:		
Purchase of Fixed Assets (including Capital Advances)	(972)	(1,757)
Sale of Fixed Assets	37	-
	(935)	(1,757)
C. CASH FLOW FROM FINANCING ACTIVITIES:		
Change in Long Term Borrowings	472	800
Change in short term Borrowings	-	135
Discount on issue of Debentures	-	(65)
NET CASH USED IN FINANCING ACTIVITIES	472	870
NET INCREASE IN CASH AND CASH EQUIVALENTS	21	230
CASH AND CASH EQUIVALENTS AS AT (CLOSING BALANCE)	450	429
CASH AND CASH EQUIVALENTS AS AT (OPENING BALANCE)	429	199

As per our report of even date
For PAL & SHANBHOGUE

Chartered Accountants
K.R. SHANBHOGUE
Partner

Place : Bangalore
Date : 23.06.2009

DIWAKAR S.SHETTY
Chairman

KARTIK NAYAK
Managing Director

B.K. SHETTY
Company Secretary

AUDITORS CERTIFICATE

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 2009. The statement has been prepared by the Company in accordance with the requirements of Clause 32 of the listing agreement with the Mumbai, Bangalore and Ahmedabad Stock Exchange and is based on and in agreement with the corresponding Profit and Loss Account and Balance Sheet of the Company covered by our report of even date attached to the members of the Company.

For PAL & SHANBHOGUE
Chartered Accountant
K.R. SHANBHOGUE
Partner

Place : Bangalore
Date : 23.06.09

SHETRON LIMITED

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

PROXY

I / We _____
of _____
being a Member/Members of Shetron Limited, hereby appoint _____
Sri/Smt _____
or failing him/her _____
of _____
as my/our proxy to vote for me/us on my/our behalf at the **TWENTY NINTH ANNUAL GENERAL MEETING** of the Company to be held
on Thursday the 24th September 2009, at Mallige Hall, Koramangala CA 17, 6th Block, Bangalore – 560 095 at 10 A.M

As Witness my/our hand/hands this _____ day of _____ 2009
Signed by the said _____ in the presence of _____

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

Affix
Revenue
Stamp

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

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

SHETRON LIMITED

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

ATTENDANCE SLIP

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

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

I hereby record my presence at the **TWENTY NINTH ANNUAL GENERAL MEETING** of the Company to be held on **Thursday the 24th September 2009**, at Mallige Hall, Koramangala CA 17, 6th Block, Bangalore – 560 095 at 10 A.M

Member's / Proxy's name in Block letters

Signature of the Member / Proxy

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



SHETRON LIMITED

THE NAME BEHIND THE NAMES

Regd. Office and Factory

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

Corporate Office

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