



# SHETRON LIMITED

*The name behind the names*

**42<sup>nd</sup>**  
**ANNUAL**  
**REPORT**  
**2021-22**





## SHETRON LIMITED

### BOARD OF DIRECTORS

- : Mr.Divakar S. Shetty Executive Chairman
- : Mr. Kartik Nayak Jt. Managing Director
- : Mr. Praveen Mally Jt. Managing Director
- : Mr. B.S. Patil Independent Director
- : Mr. Mohan Narayan Menon Independent Director  
(until 29<sup>th</sup> May, 2022)
- : Dr. Jyoti Gopalkrishna Baliga Independent Director
- : Mr. Bhagyachandra Rao Independent Director  
(w.e.f. 30<sup>th</sup> May, 2022)
- : Mr. Harish Hassan Visweswara Independent Director  
(w.e.f. 30<sup>th</sup> May, 2022)

### KEY MANAGERIAL PERSONNEL

- : Mr. Vilas Dingre Chief Financial Officer
- : Mrs. Jagruti Mursenia Company Secretary  
and Compliance Officer

### SHARES OF THE COMPANY ARE LISTED AT

- : BSE LIMITED  
Phiroze Jeejeebhoy Towers,  
Dalal Street, Mumbai - 400 001

### STATUTORY AUDITORS

- : MESSRS N NARESH AND CO.  
Chartered Accountants  
#23, Amarjyothi Layout, Sanjay Nagar Main Road  
Bengaluru - 560 094

### SECRETARIAL AUDITOR

- : MR. VIJAYAKRISHNA K T  
Practising Company Secretary  
# 496/4, II Floor, 10<sup>th</sup> Cross, Near Bashyam Circle,  
Sadashivnagar, Bengaluru- 560 080

### BANKERS

- : Cosmos Co-operative Bank Limited
- State Bank of India
- Bank of India
- Standard Chartered Bank

### REGISTRAR AND TRANSFER AGENT

- : Integrated Registry Management Services Private Limited  
No.30, Ramana Residency, 4<sup>th</sup> Cross,  
Sampige Road, Malleswaram, Bengaluru-560 003

### REGISTERED OFFICE

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

### FACTORIES

- i. Plot No.1, Bommasandra Industrial Area  
Hosur Road, Bengaluru - 560 099
- ii. Mumbai-Nasik Highway, Post Vasind,  
Taluk Shahapur, Dist. Thane, Maharastra - 421 604



## SHETRON LIMITED

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**SHETRON LIMITED**  
THE NAME BEHIND THE NAMES

## AGM NOTICE

Notice is hereby given that the **42<sup>nd</sup> Annual General Meeting** of the Members of Shetron Limited will be held on Tuesday, the **16<sup>th</sup> day of August, 2022 at 11:30 A.M. IST** through Video Conferencing ("VC")/ Other Audio Visual Means ("OAVM") to transact the following business:

### ORDINARY BUSINESS:

#### 1) ADOPTION OF FINANCIAL STATEMENTS:

To receive, consider and adopt the Audited Financial Statements of the Company for the Financial Year ended 31st March, 2022 together with the reports of the Board of Directors and of the Auditors thereon.

- 2) To appoint Mr. Divakar Shanku Shetty (DIN: 00432755), who retires by rotation as per the provisions of Section 152 of the Companies Act, 2013 and being eligible, offers himself for re-appointment.
- 3) To re-appoint Messrs Naresh & Co, Chartered Accountants, Bangalore having Firm Registration No. 011293S as Statutory Auditors of the Company.

To consider, and to pass, if thought fit, the following resolution as an **Ordinary Resolution**:

**"RESOLVED THAT** pursuant to the provisions of Sections 139, 142 and other applicable provisions, if any, of the Companies Act, 2013 and the Companies (Audit and Auditors) Rules, 2014, (including any statutory modification(s) or re-enactment(s) thereof for the time being in force), and pursuant to the recommendations of the Audit Committee and the Board of the Directors, Messrs Naresh & Co, Chartered Accountants, Bangalore having Firm Registration No. 011293S, who have offered themselves for re-appointment and have confirmed their eligibility to be appointed as Statutory Auditors, in terms of the provisions of Section 141 of the Act, and Rule 4 of the Rules, be and are hereby reappointed as Statutory Auditors of the Company for a second term of five years starting from the Company's financial year 2022-23 to 2026-27 to hold office from the conclusion of this Annual General Meeting until the conclusion of Forty Seventh Annual General Meeting of the Company on such remuneration as may be agreed upon by the Board of Directors and the Auditors, in addition to applicable taxes and reimbursement of out of pocket expenses incurred by them in connection with the audit of Accounts of the Company."

### SPECIAL BUSINESS:

#### 4) APPOINTMENT OF MR. BHAGYACHANDRA RAO (DIN: 00211127) AS A DIRECTOR IN THE CATEGORY OF INDEPENDENT DIRECTOR OF THE COMPANY:

To consider and if thought fit, to pass, the following resolution as a **Special Resolution**:

**"RESOLVED THAT** pursuant to the provisions of Section 161 and other applicable provisions of the Companies Act, 2013 read with the Articles of Association of the Company, Mr. Bhagya Chandra Rao (DIN: 00211127), who was appointed as an Additional Director of the Company by the Board of Directors and who holds office upto the date of this Annual General Meeting, be and is hereby appointed as a Director of the Company.

**RESOLVED FURTHER THAT** pursuant to the provisions of Sections 149, 150, and 152 read with Schedule IV and other applicable provisions of the Companies Act, 2013 and the Companies (Appointment and Qualification of Directors) Rules, 2014 (including any statutory modifications or reenactments thereof for the time being in force) and as per the recommendations of the Nomination and Remuneration Committee and the Board, Mr. Bhagya Chandra Rao (DIN: 00211127), who has submitted a declaration that he meets the criteria of Independence as provided in Section 149(6) of the Act, and is eligible for appointment as an Independent Director, be and is hereby appointed as an Independent Director of the Company to hold office for the first term of 5 consecutive years from 30th May, 2022 to 29th May, 2027 and that his office shall not be liable for retirement by rotation.



**RESOLVED FURTHER THAT** the Board of Directors and/or Company Secretary of the Company be and are hereby authorized to do such acts, deeds, things as may be required to give effect to the above resolution also to take necessary steps to file necessary returns with the Registrar of Companies and comply with other formalities if any, as may be required pursuant to the provisions of Companies Act, 2013 or such other regulations."

**5) APPOINTMENT OF MR. HARISH HASSAN VISWESWARA (DIN: 08742808) AS A DIRECTOR IN THE CATEGORY OF INDEPENDENT DIRECTOR OF THE COMPANY:**

To consider and if thought fit, to pass, the following resolution as a **Special Resolution**:

**"RESOLVED THAT** pursuant to the provisions of Section 161 and other applicable provisions of the Companies Act, 2013 read with the Articles of Association of the Company, Mr. Harish Hassan Visweswara (DIN: 08742808), who was appointed as an Additional Director of the Company by the Board of Directors and who holds office upto the date of this Annual General Meeting, be and is hereby appointed as a Director of the Company.

**RESOLVED FURTHER THAT** pursuant to the provisions of Sections 149, 150, and 152 read with Schedule IV and other applicable provisions of the Companies Act, 2013 and the Companies (Appointment and Qualification of Directors) Rules, 2014 (including any statutory modifications or reenactments thereof for the time being in force) and as per the recommendations of the Nomination and Remuneration Committee and the Board, Mr. Harish Hassan Visweswara (DIN: 08742808), who has submitted a declaration that he meets the criteria of Independence as provided in Section 149(6) of the Act, and is eligible for appointment as an Independent Director, be and is hereby appointed as an Independent Director of the Company to hold office for the first term of 5 consecutive years from 30th May, 2022 to 29th May, 2027 and that his office shall not be liable for retirement by rotation.

**RESOLVED FURTHER THAT** the Board of Directors and/or Company Secretary of the Company be and are hereby authorized to do such acts, deeds, things as may be required to give effect to the above resolution also to take necessary steps to file necessary returns with the Registrar of Companies and comply with other formalities if any, as may be required pursuant to the provisions of Companies Act, 2013 or such other regulations."

**6) APPROVAL OF THE TERMS AND CONDITIONS FOR REMAINING PERIOD OF THE TERM OF MR. KARTIK MANOHAR NAYAK (DIN: 00477686), JOINT MANAGING DIRECTOR:**

To consider and if thought fit, to pass, the following resolution as a **Special Resolution**:

**"RESOLVED THAT** pursuant to the provisions of Sections 196, 197 and 198 and all other applicable provisions of the Companies Act, 2013 (the "Act") (including any statutory modification from time to time or any re-enactment thereof for the time being in force) read with Schedule V to the said Act, and subject to the approval of such other authorities as may be necessary, based on the recommendations of the Nomination and Remuneration Committee and the Board, consent of the Shareholders be and is hereby accorded to remuneration payable to Mr. Kartik Manohar Nayak (DIN: 00477686), Joint Managing Director, for the remaining period of his term of appointment i.e., with effect from 16th May, 2022 to 15th May, 2023 on the terms and conditions including remuneration as set out in the Statement annexed to the Notice.

**RESOLVED FURTHER THAT** the Board be and is hereby authorized to do all such acts, deeds and things as in its absolute discretion it may think necessary, expedient or desirable; with settle any question or doubt that may arise in relation thereto in order to give effect to the foregoing resolution."

**7) RE-APPOINTMENT OF MR. KARTIK MANOHAR NAYAK (DIN: 00477686) AS JOINT MANAGING DIRECTOR:**

To consider and if thought fit, to pass, the following resolution as a **Special Resolution**:

**"RESOLVED THAT** pursuant to the provisions of Sections 196, 197 and 198 and all other applicable provisions of the Companies Act, 2013 (the "Act") (including any statutory modification from time to time or any re-enactment thereof for the time being in force) read with Schedule V to the said Act, and subject to the approval of such other authorities as may be necessary, consent of the Members be and is hereby accorded to the re-appoint Mr. Kartik Manohar Nayak (DIN: 00477686) as Joint Managing Director for a period of Three (3) years with effect from 16th May, 2023 to 15th May, 2026 on the terms and conditions including remuneration as set out in the Statement annexed to the Notice.



**RESOLVED FURTHER THAT** the Board of Directors of the Company (hereinafter referred to as "the Board" (which term shall be deemed to include any Committee of the Board constituted to exercise its powers, including the powers conferred by this Resolution) to alter and vary terms and conditions of the said appointment in such manner as may be agreed to between the Board and Mr. Kartik Manohar Nayak.

**RESOLVED FURTHER THAT** the Board be and is hereby authorized to do all such acts, deeds and things as in its absolute discretion it may think necessary, expedient or desirable; to settle any question or doubt that may arise in relation thereto in order to give effect to the foregoing resolution."

**8) APPROVAL OF THE TERMS AND CONDITIONS FOR REMAINING PERIOD OF THE TERM OF MR. DIVAKAR S SHETTY (DIN: 00432755), EXECUTIVE CHAIRMAN AND WHOLE-TIME DIRECTOR:**

To consider and if thought fit, to pass, the following resolution as a **Special Resolution**:

**"RESOLVED THAT** pursuant to the provisions of Sections 196, 197 and 198 and all other applicable provisions of the Companies Act, 2013 (the "Act") (including any statutory modification from time to time or any re-enactment thereof for the time being in force) read with Schedule V to the said Act, and subject to the approval of such other authorities as may be necessary, based on the recommendations of the Nomination and Remuneration Committee and the Board, consent of the Shareholders be and is hereby accorded to remuneration payable to Mr. Divakar S Shetty (DIN: 00432755), Executive Chairman and Whole-time Director, for the remaining period of his term of appointment i.e., with effect from 16th May, 2022 to 15th May, 2024 on the terms and conditions including remuneration as set out in the Statement annexed to the Notice.

**RESOLVED FURTHER THAT** the Board be and is hereby authorized to do all such acts, deeds and things as in its absolute discretion it may think necessary, expedient or desirable; to settle any question or doubt that may arise in relation thereto in order to give effect to the foregoing resolution."

**9) RATIFICATION OF THE REMUNERATION OF THE COST AUDITORS OF THE COMPANY FOR THE FINANCIAL YEAR 2022-23:**

To consider and if thought fit, to pass, the following resolution as an **Ordinary Resolution**:

**"RESOLVED THAT** pursuant to Section 148 and other applicable provisions, if any, of the Companies Act, 2013 and the rules made there under, as amended from time to time, and on the recommendation of the Board of Directors, consent of the members be and is hereby accorded for the payment of remuneration of Rs. 75,000/- plus applicable taxes and out-of-pocket expenses to Messrs Bhat & Co, Proprietorship, Mr. Vishwanath Bhat, Proprietor (Membership No.: 22986) Cost Accountants, Cost Auditors of the Company for the Financial Year 2022-23.

**RESOLVED FURTHER THAT** the Board of Directors be and is hereby authorized to do all the acts, deeds and things which are necessary, in this regard."

**Place : Bengaluru**

**Date : 11<sup>th</sup> July, 2022**

**Registered Office :  
Plot No: 1. Bommasandra Industrial Area,  
Hosur Road, Bangalore -560099**

**By the order of the Board  
For Shetron Limited**

**Divakar S Shetty  
Executive Chairman  
DIN : 00432755**

**NOTES:**

1. In view of disruptions caused by COVID-19 pandemic, the Ministry of Corporate Affairs (MCA) has, vide General Circular No. 14/2020 dated April 8, 2020, General Circular No. 17/2020 dated April 13, 2020, General Circular No. 20/2020 dated May 5, 2020 and General Circular No. 02/2021 dated January 13, 2021 (collectively "MCA Circulars"), permitted companies to conduct Annual General Meeting (AGM) through video conferencing or other audio visual means (VC) till December 31, 2021, subject to compliance with various conditions mentioned therein. Similarly, SEBI vide Circular No. 79 dated May 12, 2020 and Circular No. 11 dated January 15, 2021 granted certain relaxations pertaining to dispatch of hard copies of Annual Reports and Proxy Forms to listed entities who conduct their AGM through electronic mode till December 31, 2021. Further, MCA vide General Circular No. 02/2022 dated May 5, 2022 extended the option to conduct the AGM through VC till December 31, 2022. Similarly, SEBI vide Circular No. 62 dated May 13, 2022 extended the relaxations pertaining to dispatch of hard copies of Annual Reports and Proxy Forms to listed entities who conduct their AGM through electronic mode till December 31, 2022 subject to certain conditions. In compliance with the MCA Circulars, SEBI Circulars and applicable provisions of the Companies Act, 2013 and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the 42nd AGM of your Company is being convened and conducted through VC.
2. As the AGM shall be conducted through VC / OAVM, the facility for appointment of Proxy by the Members is not available for this AGM and hence the Proxy Form and Attendance Slip including Route Map are not annexed to this Notice. However, the Body Corporates are entitled to appoint authorised representatives to attend the AGM through VC/OAVM and participate there at and cast their votes through e-voting.
3. Explanatory Statement pursuant to Section 102(1) of the Companies Act, 2013, in respect of the Special Business at Item Nos.3, 4, 5, 6, 7, 8 & 9 of the above Notice is annexed hereto.
4. Pursuant to the provisions of Section 108 of the Companies Act, 2013 read with Rule 20 of the Companies (Management and Administration) Rules, 2014 (as amended) and Regulation 44 of SEBI (Listing Obligations & Disclosure Requirements) Regulations 2015 (as amended), and MCA Circulars dated April 08, 2020, April 13, 2020 and May 05, 2020 the Company is providing facility of remote e-voting to its Members in respect of the business to be transacted at the AGM. For this purpose, the Company has entered into an agreement with Central Depository Services (India) Limited (CDSL) for facilitating voting through electronic means, as the authorized e-Voting's agency. The facility of casting votes by a member using remote e-voting as well as the e-voting system on the date of the AGM will be provided by CDSL.
5. The Members can join the AGM in the VC/OAVM mode 15 minutes before and after the scheduled time of the commencement of the Meeting by following the procedure mentioned in the Notice. This will not include large Shareholders (Shareholders holding 2% or more shareholding), Promoters, Institutional Investors, Directors, Key Managerial Personnel, the Chairpersons of the Audit Committee, Nomination and Remuneration Committee and Stakeholders Relationship Committee, Auditors etc. who are allowed to attend the AGM without restriction on account of first come first served basis.
6. The attendance of the Members attending the AGM through VC/OAVM will be counted for the purpose of ascertaining the quorum under Section 103 of the Companies Act, 2013.
7. In line with the MCA Circulars and SEBI Circulars, the Annual Report for the financial year 2021-22 along with Notice of 42nd AGM of the Company has been uploaded on the website of the Company at [www.shetron.com](http://www.shetron.com). The Notice can also be accessed from the websites of the Stock Exchanges i.e. BSE Limited at [www.bseindia.com](http://www.bseindia.com). The AGM Notice is also disseminated on the website of CDSL (agency for providing the Remote e-Voting facility and e-voting system during the AGM) i.e. [www.evotingindia.com](http://www.evotingindia.com).
8. The Register of members and share transfer books of the Company will remain closed from Wednesday, 10th August, 2022 to Tuesday, 16th August, 2022 (both days inclusive) for the purpose of Annual General Meeting.
9. Members seeking any information with regard to accounts are requested to write to the Company at least 10 days to before the meeting so as to enable the management to keep the information ready.
10. Members holding the shares in physical mode are requested to notify immediately the change of their address and bank particulars to the R & T Agent of the Company. In case shares are held in dematerialized form, the information regarding change of address and bank particulars should be given to their respective Depository Participant.





11. The Register of Directors' and Key Managerial Personnel and their shareholding maintained under Section 170 of the Act, the Register of contracts or arrangements in which the Directors are interested under Section 189 of the Act and all other documents referred to in the Notice will be available for inspection in electronic mode.
12. Since the AGM will be held through VC / OAVM, the Route Map is not annexed in this Notice.
13. In line with MCA Circulars, the Annual Report for the financial year 2021-22 along with Notice of 42nd AGM of the Company inter *alia* indicating the process and manner of e-Voting are being sent only by electronic mode to those members whose email IDs are registered with the Company/Depository Participant(s) for communication.
14. The Shares of the Company are traded compulsorily in dematerialized form as per the directions of the Stock Exchange. Accordingly, members who have not opted for dematerialization of shares are once again reminded to take steps to dematerialize their holdings. Further, the members may note that as per SEBI (LODR) (Fourth Amendment) Regulations, 2018, with effect from April 1, 2019, except in case of transmission or transposition of securities, no transfer of securities shall be processed unless the securities are held in the dematerialized form. Accordingly, shareholders holding equity shares in physical form are urged to have their shares dematerialized so that they will be able to transfer them freely and participate in corporate actions.
15. Members holding the shares in physical form are requested to communicate the changes, if any, in their addresses, bank account details and other necessary details to the Company's Registrar and Share Transfer Agent, Integrated Registry Management Services Private Limited, 30, Ramana Residency, IV Cross, Sampige Road, Malleswaram, Bengaluru-560 003. Members holding the shares in dematerialized form are requested to communicate such changes to the concerned Depository Participant.
16. Members who are yet to register their e-mail address are requested to register the same with the Depository through their Depository Participants in respect of shares held in dematerialized form. Members holding the shares in physical form may register their e-mail address by writing to the Company's Registrar and Share Transfer Agent.
17. Brief resume and other information in respect of director seeking re-appointment at the annual general meeting as required under regulation 36 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015:

**Process for those members whose email ids are not registered:**

- (i) For members holding shares in Physical mode - please provide necessary details like Folio No., Name of shareholder, scanned copy of the share certificate (front and back), PAN (self attested scanned copy of PAN card), AADHAR (self attested scanned copy of Aadhar Card) by email to to Company / RTA email id : investor@shetrongroup.com / irg@integratedindia.in.
- (ii) Members holding shares in Demat mode- please provide Demat account details (CDSL-16 digit beneficiary ID or NSDL-16 digit DPID + CLID), Name, client master or copy of Consolidated Account statement, PAN (self attested scanned copy of PAN card), AADHAR (self attested scanned copy of Aadhar Card) to Company / RTA email id investor@shetrongroup.com / irg@integratedindia.in.
- (iii) CDSL have already sent SMS to Shareholders, to register their Email id with the Company or with respective Depository Participant and reminder email has been circulated to shareholders who have earlier opted no to download e mail address to RTA.

**THE INSTRUCTIONS FOR SHAREHOLDERS FOR REMOTE E-VOTING ARE AS UNDER:**

- (i) The voting period begins on Friday, 12th August, 2022 at 9.00 am and ends on Monday, 15th August, 2022 at 5.00 pm. During this period shareholders' of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date (record date) of 9th August, 2022 may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter.
- (ii) Shareholders who have already voted prior to the meeting date would not be entitled to vote at the meeting venue.
- (iii) Pursuant to SEBI Circular No. SEBI/HO/CFD/CMD/CIR/P/2020/242 dated 09.12.2020, under Regulation 44 of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, listed entities are required to provide remote e-voting facility to its shareholders, in respect of all shareholders' resolutions. However, it has been observed that the participation by the public non-institutional shareholders/retail shareholders is at a negligible level. Currently, there are multiple e-voting service providers



(ESPs) providing e-voting facility to listed entities in India. This necessitates registration on various ESPs and maintenance of multiple user IDs and passwords by the shareholders. In order to increase the efficiency of the voting process, pursuant to a public consultation, it has been decided to enable e-voting to all the demat account holders, by way of a single login credential, through their demat accounts/ websites of Depositories/ Depository Participants. Demat account holders would be able to cast their vote without having to register again with the ESPs, thereby, not only facilitating seamless authentication but also enhancing ease and convenience of participating in e-voting process.

- (iv) In terms of SEBI circular no. SEBI/HO/CFD/CMD/CIR/P/2020/242 dated December 9, 2020 on e-Voting facility provided by Listed Companies, Individual shareholders holding securities in demat mode are allowed to vote through their demat account maintained with Depositories and Depository Participants. Shareholders are advised to update their mobile number and email Id in their demat accounts in order to access e-Voting facility.

Pursuant to above said SEBI Circular, Login method for e-Voting and joining virtual meetings for Individual shareholders holding securities in Demat mode is given below:

Type of shareholders	Login Method
Individual Shareholders holding securities in Demat mode with <b>CDSL</b>	<ol style="list-style-type: none"> <li>1) Users who have opted for CDSL Easi / Easiest facility, can login through their existing user id and password. Option will be made available to reach e-Voting page without any further authentication. The URL for users to login to Easi / Easiest are <a href="https://web.cdslindia.com/myeasi/home/login">https://web.cdslindia.com/myeasi/home/login</a> or visit <a href="http://www.cdslindia.com">www.cdslindia.com</a> and click on Login icon and select New System Myeasi.</li> <li>2) After successful login the Easi / Easiest user will be able to see the e-Voting option for eligible companies where the evoting is in progress as per the information provided by company. On clicking the evoting option, the user will be able to see e-Voting page of the e-Voting service provider for casting your vote during the remote e-Voting period or joining virtual meeting &amp; voting during the meeting. Additionally, there is also links provided to access the system of all e-Voting Service Providers i.e. CDSL/NSDL/KARVY/LINKINTIME, so that the user can visit the e-Voting service providers' website directly.</li> <li>3) If the user is not registered for Easi/Easiest, option to register is available at <a href="https://web.cdslindia.com/myeasi/Registration/EasiRegistration">https://web.cdslindia.com/myeasi/Registration/EasiRegistration</a></li> <li>4) Alternatively, the user can directly access e-Voting page by providing Demat Account Number and PAN No. from a e-Voting link available on <a href="http://www.cdslindia.com">www.cdslindia.com</a> home page. The system will authenticate the user by sending OTP on registered Mobile &amp; Email as recorded in the Demat Account. After successful authentication, user will be able to see the e-Voting option where the evoting is in progress and also able to directly access the system of all e-Voting Service Providers.</li> </ol>
Individual Shareholders holding securities in demat mode with <b>NSDL</b>	<ol style="list-style-type: none"> <li>1) If you are already registered for NSDL IDeAS facility, please visit the e-Services website of NSDL. Open web browser by typing the following URL: <a href="https://eservices.nsdl.com">https://eservices.nsdl.com</a> either on a Personal Computer or on a mobile. Once the home page of e-Services is launched, click on the "Beneficial Owner" icon under "Login" which is available under 'IDeAS' section. A new screen will open. You will have to enter your User ID and Password. After successful authentication, you will be able to see e-Voting services. Click on "Access to e-Voting" under e-Voting services and you will be able to see e-Voting page. Click on company name or e-Voting service provider name and you will be re-directed to e-Voting service provider website for casting your vote during the remote e-Voting period or joining virtual meeting &amp; voting during the meeting.</li> </ol>



	<p>2) If the user is not registered for IDeAS e-Services, option to register is available at <a href="https://eservices.nsdl.com">https://eservices.nsdl.com</a>. Select "Register Online for IDeAS "Portal or click at <a href="https://eservices.nsdl.com/SecureWeb/IdeasDirectReg.jsp">https://eservices.nsdl.com/SecureWeb/IdeasDirectReg.jsp</a></p> <p>3) Visit the e-Voting website of NSDL. Open web browser by typing the following URL: <a href="https://www.evoting.nsdl.com/">https://www.evoting.nsdl.com/</a> either on a Personal Computer or on a mobile. Once the home page of e-Voting system is launched, click on the icon "Login" which is available under 'Shareholder/Member' section. A new screen will open. You will have to enter your User ID (i.e. your sixteen digit demat account number hold with NSDL), Password/OTP and a Verification Code as shown on the screen. After successful authentication, you will be redirected to NSDL Depository site wherein you can see e-Voting page. Click on company name or e-Voting service provider name and you will be redirected to e-Voting service provider website for casting your vote during the remote e-Voting period or joining virtual meeting &amp; voting during the meeting.</p>
Individual Shareholders (holding securities in demat mode) login through their <b>Depository Participants</b>	You can also login using the login credentials of your demat account through your Depository Participant registered with NSDL/CDSL for e-Voting facility. After Successful login, you will be able to see e-Voting option. Once you click on e-Voting option, you will be redirected to NSDL/CDSL Depository site after successful authentication, wherein you can see e-Voting feature. Click on company name or e-Voting service provider name and you will be redirected to e-Voting service provider website for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting.

**Important note:** Members who are unable to retrieve User ID/ Password are advised to use Forget User ID and Forget Password option available at abovementioned website.

**Helpdesk for Individual Shareholders holding securities in demat mode for any technical issues related to login through Depository i.e. CDSL and NSDL**

Login type	Helpdesk details
Individual Shareholders holding securities in Demat mode with <b>CDSL</b>	Members facing any technical issue in login can contact CDSL helpdesk by sending a request at <a href="mailto:helpdesk.evoting@cdslindia.com">helpdesk.evoting@cdslindia.com</a> or contact at 022- 23058738 and 22-23058542-43.
Individual Shareholders holding securities in Demat mode with <b>NSDL</b>	Members facing any technical issue in login can contact NSDL helpdesk by sending a request at <a href="mailto:evoting@nsdl.co.in">evoting@nsdl.co.in</a> or call at toll free no.: 1800 1020 990 and 1800 22 44 30

(v) Login method for e-Voting and joining virtual meeting for **shareholders other than individual shareholders holding in Demat form & physical shareholders.**

- 1) The shareholders should log on to the e-voting website [www.evotingindia.com](http://www.evotingindia.com).
- 2) Click on "Shareholders" module.
- 3) Now enter your User ID
  - a. For CDSL: 16 digits beneficiary ID,
  - b. For NSDL: 8 Character DP ID followed by 8 Digits Client ID,
  - c. Shareholders holding shares in Physical Form should enter Folio Number registered with the Company.
- 4) Next enter the Image Verification as displayed and Click on Login.
- 5) If you are holding shares in demat form and had logged on to [www.evotingindia.com](http://www.evotingindia.com) and voted on an earlier e-voting of any company, then your existing password is to be used.



6) If you are a first time user follow the steps given below:

	For Shareholders holding shares in Demat Form and Physical Form
<b>PAN</b>	<p>Enter your 10 digit alpha-numeric *PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders)</p> <ul style="list-style-type: none"> <li>Shareholders who have not updated their PAN with the Company/Depository Participant are requested to use the sequence number which is printed on Postal Ballot / Attendance Slip indicated in the PAN field.</li> </ul>
<b>Dividend Bank Details Date of Birth (DOB)</b>	<p>Enter the Dividend Bank Details or Date of Birth (in dd/mm/yyyy format) as recorded in your demat account or in the company records in order to login.</p> <ul style="list-style-type: none"> <li>If both the details are not recorded with the depository or company please enter the member id / folio number in the Dividend Bank details field as mentioned in instruction (v).</li> </ul>

- (vi) After entering these details appropriately, click on "SUBMIT" tab.
- (vii) Shareholders holding shares in physical form will then directly reach the Company selection screen. However, shareholders holding shares in demat form will now reach 'Password Creation' menu wherein they are required to mandatorily enter their login password in the new password field. Kindly note that this password is to be also used by the demat holders for voting for resolutions of any other company on which they are eligible to vote, provided that company opts for e-voting through CDSL platform. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.
- (viii) For shareholders holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.
- (ix) Click on the EVSN for the Shetron Limited on which you choose to vote.
- (x) On the voting page, you will see "RESOLUTION DESCRIPTION" and against the same the option "YES/NO" for voting. Select the option YES or NO as desired. The option YES implies that you assent to the Resolution and option NO implies that you dissent to the Resolution.
- (xi) Click on the "RESOLUTIONS FILE LINK" if you wish to view the entire Resolution details.
- (xii) After selecting the resolution you have decided to vote on, click on "SUBMIT". A confirmation box will be displayed. If you wish to confirm your vote, click on "OK", else to change your vote, click on "CANCEL" and accordingly modify your vote.
- (xiii) Once you "CONFIRM" your vote on the resolution, you will not be allowed to modify your vote.
- (xiv) You can also take a print of the votes cast by clicking on "Click here to print" option on the Voting page.
- (xv) If a demat account holder has forgotten the login password then Enter the User ID and the image verification code and click on Forgot Password & enter the details as prompted by the system.
- (xvi) Shareholders can also cast their vote using CDSL's mobile app "m-Voting". The m-Voting app can be downloaded from respective Store. Please follow the instructions as prompted by the mobile app while Remote Voting on your mobile.
- (xvii) **Facility for Non - Individual Shareholders and Custodians -Remote Voting**
- Non-Individual shareholders (i.e. other than Individuals, HUF, NRI etc.) and Custodians are required to log on to [www.evotingindia.com](http://www.evotingindia.com) and register themselves in the "Corporates" module.
  - A scanned copy of the Registration Form bearing the stamp and sign of the entity should be emailed to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com).
  - After receiving the login details a Compliance User should be created using the admin login and password. The Compliance User would be able to link the account(s) for which they wish to vote on.
  - The list of accounts linked in the login should be mailed to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com) and on approval of the accounts they would be able to cast their vote.
  - A scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, should be uploaded in PDF format in the system for the scrutinizer to verify the same.
  - Alternatively Non Individual shareholders are required to send the relevant Board Resolution/ Authority letter etc. together with attested specimen signature of the duly authorized signatory who are authorized to vote, to the Scrutinizer and to the Company at the email address viz; [investors@shetrongroup.com](mailto:investors@shetrongroup.com), if they have voted from individual tab & not uploaded same in the CDSL e-voting system for the scrutinizer to verify the same.



**INSTRUCTIONS FOR SHAREHOLDERS ATTENDING THE AGM THROUGH VC/OAVM & E-VOTING DURING MEETING ARE AS UNDER:**

1. The procedure for attending meeting & e-Voting on the day of the AGM is same as the instructions mentioned above for Remote e-voting.
2. The link for VC/OAVM to attend meeting will be available where the EVSN of Company will be displayed after successful login as per the instructions mentioned above for Remote e-voting.
3. Shareholders who have voted through Remote e-Voting will be eligible to attend the meeting. However, they will not be eligible to vote at the AGM.
4. Shareholders are encouraged to join the Meeting through Laptops / IPads for better experience.
5. Further shareholders will be required to allow Camera and use Internet with a good speed to avoid any disturbance during the meeting.
6. Please note that Participants Connecting from Mobile Devices or Tablets or through Laptop connecting via Mobile Hotspot may experience Audio/Video loss due to Fluctuation in their respective network. It is therefore recommended to use Stable Wi-Fi or LAN Connection to mitigate any kind of aforesaid glitches.
7. Shareholders who would like to express their views/ask questions during the meeting may register themselves as a speaker by sending their request in advance atleast **10 days prior** to meeting mentioning their name, demat account number/folio number, email id, mobile number at investors@shetrongroup.com. The shareholders who do not wish to speak during the AGM but have queries may send their queries in advance **10 days prior** to meeting mentioning their name, demat account number/folio number, email id, mobile number at investors@shetrongroup.com. These queries will be replied to by the company suitably by email.
8. Those shareholders who have registered themselves as a speaker will only be allowed to express their views/ask questions during the meeting.
9. Only those shareholders, who are present in the AGM through VC/OAVM facility and have not casted their vote on the Resolutions through remote e-Voting and are otherwise not barred from doing so, shall be eligible to vote through e-Voting system available during the AGM.
10. If any Votes are cast by the shareholders through the e-voting available during the AGM and if the same shareholders have not participated in the meeting through VC/OAVM facility, then the votes cast by such shareholders shall be considered invalid as the facility of e-voting during the meeting is available only to the shareholders attending the meeting.

**PROCESS FOR THOSE SHAREHOLDERS WHOSE EMAIL/MOBILE NO. ARE NOT REGISTERED WITH THE COMPANY/DEPOSITORIES.**

1. For Physical shareholders- please provide necessary details like Folio No., Name of shareholder, scanned copy of the share certificate (front and back), PAN (self attested scanned copy of PAN card), AADHAR (self attested scanned copy of Aadhar Card) by email to Company/RTA email id.
2. For Demat shareholders - Please update your email id & mobile no. with your respective Depository Participant (DP).
3. For Individual Demat shareholders - Please update your email id & mobile no. with your respective Depository Participant (DP) which is mandatory while e-Voting & joining virtual meetings through Depository.

If you have any queries or issues regarding attending AGM & e-Voting from the CDSL e-Voting System, you can write an email to helpdesk.evoting@cdslindia.com or contact at 022- 23058738 and 022-23058542/43.

All grievances connected with the facility for voting by electronic means may be addressed to Mr. Rakesh Dalvi, Sr. Manager, (CDSL, ) Central Depository Services (India) Limited, A Wing, 25th Floor, Marathon Futurex, Mafatlal Mill Compounds, N M Joshi Marg, Lower Parel (East), Mumbai - 400013 or send an email to helpdesk.evoting@cdslindia.com or call on 022-23058542/43.

**Place : Bengaluru**

**Date : 11<sup>th</sup> July, 2022**

**Registered Office :**

**Plot No: 1. Bommasandra Industrial Area,  
Hosur Road, Bangalore -560099**

**By the order of the Board  
For Shetron Limited**

**Divakar S Shetty  
Executive Chairman  
DIN : 00432755**





## 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 businesses mentioned under Item Nos. 3 to 9:

### Item No. 3:

At the 37th AGM of the Company held on 28th September, 2017, the Shareholders had approved the appointment of Messrs Naresh & Co, Chartered Accountants (Firm Registration No. 011293S), as Statutory Auditors of the Company, to hold office till the conclusion of the 42nd AGM.

The Board of Directors at its meeting held on May 25, 2022, based on recommendations of the Audit Committee, has approved the re-appointment of Messrs Naresh & Co, Chartered Accountants, as the Statutory Auditors of the Company for another term of 5 (five) years i.e. from the conclusion of this AGM till the conclusion of 47th AGM. The re-appointment is subject to approval of the Shareholders of the Company.

In accordance with the provisions of Sections 139, 141 and other applicable provisions, if any, of the Companies Act, 2013 ("the Act") read with the Companies (Audit and Auditors) Rules, 2014 and the Listing Regulations, Messrs Naresh & Co, Chartered Accountants, have provided their consent and eligibility certificate to that effect, their re-appointment, if made, would be in compliance with the applicable laws.

The remuneration to Messrs Naresh & Co, Chartered Accountants, for the financial year 2023 is Rs. 9.60 Lakhs (Rupees Nine Lakhs and Sixty Thousand only) The remuneration to be paid to Statutory Auditors during the second term shall be mutually agreed between the Board of Directors and Statutory Auditors, from time to time.

The Board recommends the passing of the resolution set out at Item No.3 of the accompanying Notice.

None of the other Directors and Key Managerial Personnel of the Company and their relatives is concerned or interested, financially or otherwise, in the said Resolution.

### Item No. 4:

Based on the recommendation of Nomination and Remuneration Committee, the Board of Directors of the Company at its meeting held on 25th May, 2022, appointed Mr. Bhagya Chandra Rao as an Additional Director in the category of Independent Director of the Company, subject to approval of the Shareholders with effect from 30th May, 2022.

Mr. Bhagyachandra Rao has a Bachelor's Degree in Mechanical Engineering from Mysore University. He has deep domain expertise and understanding of business transformation, strategy, sales & marketing, supply chain, enterprise resource planning, manufacturing and technology management. He has a very good understanding of the functioning of the Board and sub-committee meetings (NRC, Risk, CSR, Stakeholder, Audit etc.) as per the Companies Act as well as the SEBI guidelines.

Mr. Bhagya Chandra Rao is the Member of Nomination & Remuneration Committee and Audit Committee of the Company. He does not hold any shares in the Company and is not related to any other Directors of the Company.

Details of his directorships in other companies and other membership /chairmanship of committees (i.e., Audit Committee / Stakeholders' Relationship Committee) are given below:

#### Directorships in Other Companies:

- ♦ Extrude Hone India Private Limited (Independent Director)
- ♦ Wendt India Limited (Independent Director)
- ♦ DISA India Limited (Independent Director)

Mr. Bhagya Chandra Rao is a member of Audit Committee and Stakeholders' Relationship Committee of Wendt India Limited and he is Chairman of Audit Committee and Member of Stakeholders' Relationship Committee of DISA India Limited.

In terms of Sections 149, 150 and 152 read with Schedule IV and other applicable provisions of the Companies Act, 2013 and the Companies (Appointment and Qualification of Directors) Rules, 2014, Mr. Bhagya Chandra Rao, being eligible, offers himself for appointment as an Independent Director of the Company, for a term of five consecutive years from May 30, 2022 to May 29, 2027.



Mr. Bhagya Chandra Rao has furnished a declaration confirming that he satisfies the criteria of independence as required under Section 149(6) of the Companies Act, 2013 and the Board noted the same. The Nomination and Remuneration Committee and the Board at their respective Meetings held on May 25, 2022, have recommended the appointment of Mr. Bhagya Chandra Rao as an Independent Director of the Company for the term of five years from May 30, 2022 to May 29, 2027. The Board considers that his association would be of immense benefit to the Company and it is desirable to avail services of Mr. Bhagya Chandra Rao as an Independent Director. Accordingly, the Board recommends the appointment of Mr. Bhagya Chandra Rao as an Independent Director for a term of five consecutive years as above at the remuneration as per the Company's Remuneration Policy. As per explanation to Section 152(6), office of Independent Directors shall not be liable for retirement by rotation.

Details of Mr. Bhagya Chandra Rao in pursuance of the provisions of the SEBI (LODR) Regulations, 2015 have been given in Annexure A to this Notice.

Mr. Bhagya Chandra Rao, being an appointee, is concerned or interested in the Resolution set out at item no. 4 of the Notice. None of the other Directors and Key Managerial Personnel of the Company and their relatives is concerned or interested, financially or otherwise, in the said Resolution.

#### **Item No. 5:**

Based on the recommendation of Nomination and Remuneration Committee, the Board of Directors of the Company at its meeting held on 25th May, 2022, appointed Mr. Harish Hassan Visweswara as an Additional Director in the category of Independent Director of the Company, subject to approval of the Shareholders with effect from 30th May, 2022.

Mr. Harish H V is 4th Ranker University in Engineering and on the Honour Roll at Indian Institute of Management, Calcutta.

He has over 30 years of experience in Finance, Banking, Investment Banking, Consulting and Strategy. He is a very active speaker and is widely quoted in press and on TV. He has wide range of experience in Private and Public Sectors covering a wide range of sectors including Technology, real estate, hospitality, pharmaceuticals, engineering, petrochemicals etc.

Mr. Harish H V is the Member of the Audit Committee and Stakeholders' Relationship Committee of the Company. He does not hold any shares in the Company and is not related to any other Directors of the Company.

Details of his directorships in other companies and other membership /chairmanship of committees (i.e., Audit Committee / Stakeholders' Relationship Committee) are given below:

Directorships in Other Companies:

- Suprajit Engineering Limited (Independent Director)
- Skanray Technologies Limited (Independent Director)
- Skanray Healthcare Global Private Limited (Independent Director)

Mr. Harish H V is a member of Audit Committee of Skanray Technologies Limited.

In terms of Sections 149, 150 and 152 read with Schedule IV and other applicable provisions of the Companies Act, 2013 and the Companies (Appointment and Qualification of Directors) Rules, 2014, Mr. Harish H V, being eligible, offers himself for appointment as an Independent Director of the Company, for a term of five consecutive years from May 30, 2022 to May 29, 2027.

Mr. Harish H V has furnished a declaration confirming that he satisfies the criteria of independence as required under Section 149(6) of the Companies Act, 2013 and the Board noted the same. The Nomination and Remuneration Committee and the Board at their respective Meetings held on May 25, 2022, have recommended the appointment of Mr. Harish H V as an Independent Director of the Company for the term of five years from May 30, 2022 to May 29, 2027. The Board considers that his association would be of immense benefit to the Company and it is desirable to avail services of Mr. Harish H V as an Independent Director. Accordingly, the Board recommends the appointment of Mr. Harish H V as an Independent Director for a term of five consecutive years as above at the remuneration as per the Company's Remuneration Policy. As per explanation to Section 152(6), office of Independent Directors shall not be liable for retirement by rotation.

Details of Mr. Harish H V in pursuance of the provisions of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 have been given in Annexure A to this Notice.



Mr. Harish H V, being an appointee, is concerned or interested in the Resolution set out at item no. 5 of the Notice. None of the other Directors and Key Managerial Personnel of the Company and their relatives is concerned or interested, financially or otherwise, in the said Resolution.

**Item Nos. 6 and 7:**

Shareholders may recall that the Company had appointed Mr. Kartik Manohar Nayak as Joint Managing Director for the period of 4 years from 16th May, 2019 to 15th May, 2023 at the 39th Annual General Meeting held on 17th September, 2019. Based on the recommendation of Nomination and Remuneration Committee, the Board at its Meeting held on 25th May, 2022 approved the terms and conditions for the remaining period of his term i.e., 16th May, 2022 to 15th May, 2023.

Mr. Kartik Nayak has a Bachelors degree in Engineering and M.S. from USA. Mr. Nayak has more than two decades of experience in the Company and held position as Executive Director before his elevation as Joint Managing Director in the year 2016. As Joint Managing Director he is responsible for the affairs of the Company viz, Production, Finance and Human Resources and also for the Company's growth and project implementation. During his tenure as Joint Managing Director he has been actively involved in the expansion activities especially in the Metal Cans and Twist Off Caps division. The Company is benefited by his extensive experience in the field of packaging and his continued services to the Company would be of great value.

Further, taking into consideration the duties and responsibilities of Joint Managing Director, the prevailing managerial remuneration in industry and, on the recommendation of the Nomination and Remuneration Committee, the Board at its Meeting held on 25th May, 2022 has approved for the re-appointment of Mr. Kartik Nayak for a further period of 3 years as Joint Managing Director of the Company, subject to the approval of the Shareholders on remuneration including minimum remuneration and on terms and conditions given hereunder and as set out by the Nomination and Remuneration Committee for the remaining period of his term i.e., 16th May, 2022 to 15th May, 2023 and for further period of 3 years i.e., 16th May, 2023 to 15th May, 2026:

**Remuneration**

- A. Salary: Rs. 5,00,000/- p.m. (including all allowances) with annual increments, as may be decided by the Board from time to time.
- B. Incentive/Commission: Equivalent to 1% of net profits of the Company, subject to a ceiling of 50% of annual salary.

**Perquisites:**

- a. Reimbursement of medical expenses (including insurance premium for medical and hospitalization policy, if any) incurred for self and family, subject to a ceiling of one month's salary in a year.
- b. Leave Travel Concession: Leave Travel Concession for self and family, once a year, incurred in accordance with the Rules of the Company.

For the above purposes "Family" includes spouse, dependent children.

- c. Personal Accident Insurance: Personal Accident Insurance as per rules of the Company.
- d. Contribution to Provident Fund and superannuation Fund: Contribution to Provident Fund and Superannuation Fund, as per Rules of the Company, to the extent these, either singly or put together, are not taxable under the Income Tax Act 1961.
- e. Leave and Encashment of Leave: As per Rules of the Company.
- f. Gratuity and/or contribution to Gratuity Fund: As per Rules of the Company.
- g. Use of Car and Telephone: Company maintained car with driver for use on Company's business, telephone at residence and cellular phone provided by the Company will not be considered as perquisite. However, personal long distance and use of car for private purposes shall be borne by the Director.
- h. Club Membership: Membership in two clubs will be made available to meet business associates.
- i. Reimbursement of Expenses: Reimbursement of entertainment, travelling and all other expenses incurred for the business of the Company, as per Rules of the Company.

The above perquisites and allowances shall be evaluated as per income-tax rules, wherever applicable. In the absence of any such rules, these shall be evaluated at actual cost.

**C. Other Benefits:**

- a. Contribution to provident fund, pension/superannuation/ gratuity fund schemes in accordance with the Company's rules and regulations in force from time to time.





- b. Leave Travel Encashment.
- c. Reimbursement of actual medical expenses incurred in India or abroad for self and family including hospitalization expenses, treatment expenses and in case of medical treatment abroad, the air fare, boarding/lodging, travel, etc., for self and family and attendant.
- d. Medical/Personal accident/ Travel insurance: Actual premium to be paid by the Company for self & family.
- e. Telephone: Free telephone facility at residence including mobile phone & other suitable communication facilities.

The above benefits will not be included in the computation of the ceiling on perquisites and allowances.

Minimum remuneration: Notwithstanding anything to the contrary contained herein, where, in any financial year during the currency of the tenure of Mr. Kartik Nayak, the Company has no profits or its profits are inadequate, Mr. Kartik Nayak shall be entitled to a minimum remuneration comprising salary, perquisites and benefits as detailed above subject to such revisions as may be approved by the Board from time to time.

The disclosures as required under Section II of Part II of Schedule V read with Section 201 of the Companies Act, 2013 as attached herewith as Annexure B to this Notice.

The details of Mr. Kartik Nayak in pursuance of the provisions of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 have been given in Annexure A to this Notice.

The Board recommends the resolution at Item Nos. 6 and 7 for approval of the members.

Other than Mr. Kartik Nayak, Mr. Divakar S Shetty, none of the other Directors and Key Managerial Persons of the Company is interested, financially or otherwise, in the said resolution.

#### **Item No. 8:**

Mr. Divakar S Shetty was appointed as an Executive Chairman and Whole Time Director w.e.f. 16th May, 2022 for a term of 5 (Five) years at the 39th Annual General Meeting held on 17th September, 2019.

Taking into consideration the duties and responsibilities of the Executive Chairman and Whole Time Director, the prevailing managerial remuneration in industry and on the recommendation of the Nomination and Remuneration Committee, the Board at its Meeting held on 25th May, 2022 approved the terms and conditions for the remaining period of his term i.e., 16th May, 2022 to 15th May, 2024, subject to approval of the Shareholders on remuneration including minimum remuneration and on terms and conditions given hereunder:

#### **Remuneration**

- A. Salary: Rs 6,50,000/- p.m. (including all allowances) with annual increments, as may be decided by the Board from time to time.
- B. Incentive/Commission: Equivalent to 1% of net profits of the Company, subject to a ceiling of 50% of annual salary.

#### **Perquisites:**

- a. Reimbursement of medical expenses (including insurance premium for medical and hospitalization policy, if any) incurred for self and family, subject to a ceiling of one month's salary in a year.
- b. Leave Travel Concession: Leave Travel Concession for self and family, once a year, incurred in accordance with the Rules of the Company.  
For the above purposes "Family" includes spouse, dependent children.
- c. Personal Accident Insurance: Personal Accident Insurance as per rules of the Company.
- d. Contribution to Provident Fund and superannuation Fund: Contribution to Provident Fund and Superannuation Fund, as per Rules of the Company, to the extent these, either singly or put together, are not taxable under the Income Tax 1961.
- e. Leave and Encashment of Leave: As per Rules of the Company.
- f. Gratuity and/or contribution to Gratuity Fund: As per Rules of the Company.
- g. Use of Car and Telephone: Company maintained car with driver for use on Company's business, telephone at residence and cellular phone provided by the Company will not be considered as perquisite. However, personal long distance and use of car for private purposes shall be borne by the Director.
- h. Club Membership: Membership in two clubs will be made available to meet business associates.
- i. Reimbursement of Expenses: Reimbursement of entertainment, travelling and all other expenses incurred for the business of the Company, as per Rules of the Company.



The above perquisites and allowances shall be evaluated as per income-tax rules, wherever applicable. In the absence of any such rules, these shall be evaluated at actual cost.

**C. Other Benefits:**

- a. Contribution to provident fund, pension/superannuation/ gratuity fund schemes in accordance with the Company's rules and regulations in force from time to time.
- b. Leave Travel Encashment.
- c. Reimbursement of actual medical expenses incurred in India or abroad for self and family including hospitalization expenses, treatment expenses and in case of medical treatment abroad, the air fare, boarding/lodging, travel, etc., for self and family and attendant.
- d. Medical/Personal accident/ Travel insurance: Actual premium to be paid by the Company for self & family.
- e. Telephone: Free telephone facility at residence including mobile phone & other suitable communication facilities.

The above benefits will not be included in the computation of the ceiling on perquisites and allowances.

Minimum remuneration: Notwithstanding anything to the contrary contained herein, where, in any financial year during the currency of the tenure of Mr. Divakar Shetty, the Company has no profits or its profits are inadequate, Mr. Kartik Nayak shall be entitled to a minimum remuneration comprising salary, perquisites and benefits as detailed above subject to such revisions as may be approved by the Board from time to time.

The disclosures as required under Section II of Part II of Schedule V read with Section 201 of the Companies Act, 2013 as attached herewith as Annexure B to this Notice.

The details of Mr. Divakar Shetty in pursuance of the provisions of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 have been given in Annexure A to this Notice.

Other than Mr. Divakar S Shetty, Mr. Kartik Nayak, Mr. Praveen Mally, none of the other Directors and Key Managerial Personnel of the Company or their respective relatives is interested, financially or otherwise, in the Resolution at Item No.8 of the accompanying Notice.

The Board recommends the Resolution at Item No.8 for approval of the members.

**Item No. 9:**

Pursuant to Section 148 of the Companies Act, 2013, the Company is required to have the audit of its cost records conducted by a Cost Accountant in Practice. On the recommendation of the Audit Committee, the Board of Directors has approved the appointment of Mr. Vishwanath Bhat, Proprietor, Bhat & Co, (Membership No. 22986) as the Cost Auditors of the Company to conduct audit of cost records of the Company for the products covered under the Companies (Cost Records and Audit) Rules, 2014 for the Financial Year 2022-23, at a remuneration of Rs.75,000/- plus applicable taxes.

Mr. Vishwanath Bhat has furnished a certificate regarding his eligibility for appointment as Cost Auditors of the Company. He has vast experience in the field of cost audit and has conducted the audit of the cost records of the Company for the previous years.

Accordingly, the consent of the members is sought for passing an Ordinary Resolution as set out at Item No. 9 of the Notice for fixation of the remuneration payable to the Cost Auditors for the Financial Year 2022-23.

The Board recommends the resolution at Item No. 9 for approval of the members.

None of the Directors and Key Managerial Personnel of the Company or their respective relatives is concerned or interested, financially or otherwise, in the Resolution at Item No.9 of the accompanying Notice.

**Place : Bengaluru**

**Date : 11<sup>th</sup> July, 2022**

**Registered Office :**

**Plot No: 1. Bommasandra Industrial Area,  
Hosur Road, Bangalore -560099**

**By the order of the Board  
For Shetron Limited**

**Divakar S Shetty  
Executive Chairman  
DIN : 00432755**



## **ANNEXURE TO NOTICE**

### **APPOINTMENT OF DIRECTORS**

**Details of Directors seeking appointment/re-appointment/retiring by rotation (In pursuance of Regulation 36 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015):**

<b>Name</b>	Mr. Bhagya Chandra Rao	Mr. Harish Hassan Visweswara	Mr. Kartik Manohar Nayak	Mr. Divakar S Shetty
<b>Date of Birth</b>	3rd June, 1956	3rd January, 1963	3rd March, 1967	3rd June, 1943
<b>DIN</b>	00211127	08742808	00477686	00432755
<b>Date of Appointment</b>	30th May 2022	30th May 2022	17th April 2019	17th April 2019
<b>Expertise in specific functional areas</b>	He has deep domain expertise and understanding of business transformation, strategy, sales & marketing, supply chain, enterprise resource planning, manufacturing and technology management. He has a very good understanding of the functioning of the Board and sub-committee meetings as per the Companies Act as well as the SEBI guidelines.	He has over 30 years of experience in Finance, Banking, Investment Banking, Consulting and Strategy. He is Very active speaker and widely quoted in press and TV. He has a wide range of experience in Private and Public Sectors covering a wide range of sectors including Technology, real estate, hospitality, pharmaceuticals, engineering, petrochemicals etc.	He has more than 2 decades experience in the Company and held position as Executive Director before his elevation. During his tenure as Managing Director he has been actively involved in the expansion activities especially in the Metal Cans and Twist Off Caps division. The Company is benefited by his extensive experience in the field of packaging and his continued services to the Company would be of great value.	He has rich and varied experience in the Packaging Industry and has been involved in the operations of the Company over a long period of time.
<b>Qualification</b>	Bachelor's Degree in Mechanical Engineering from Mysore University.	Mr. Harish H V is 4th Ranker University in Engineering and on the Honour Roll at IIM Calcutta.	B.E. M.S.(USA)	Graduate
<b>Number of Shares held in the equity capital of the company</b>	Nil	Nil	28700	493526
<b>Directorship held in other Public and Private Companies</b>	1. Wendt India Limited 2. Disa India Limited 3. Extrude Hone India Private Limited	1. Suprajit Engineering Limited 2. Skanray Technologies Limited 3. Skanray Healthcare Global Private Limited	Sansha Systems Limited	1. Fibre Foils Limited 2. Sansha Systems Limited 3. Konjal Machines Private Limited 4. Bunts Properties Private Limited 5. Shevanti Impex Private Limited 6. Shetron Enterprises Private Limited 7. Green Ecological Managed Services Private Limited



### ANNEXURE B TO THE NOTICE

- i. The payment of remuneration was approved by the Nomination and Remuneration Committee and by the Board of Directors at their meetings held on 25th May, 2022.
- ii. The Company has not made any default in repayment of any of its debts (including public deposits) or debentures or interest payable thereon or preference shares and dividend on preference shares for continuous period of thirty days in the preceding financial year before the date of his appointment.
- iii. Other particulars:

### I. GENERAL INFORMATION

1. Nature of Industry	Metal Cans Manufacturing
2. Date or expected date of	Existing Company in operation since 1980 commencement of commercial production
3. In case of new companies, expected date of commencement of activities as per project approved by the financial institute appearing in the prospectus	-Not applicable-
4. Financial performance based on given indicators	In the Financial Year 2021-22, the Company made a turnover of Rs. 22,745 lakhs and Profit of Rs. 512 Lakhs.
5. Foreign investments or collaborators, if any	--Not applicable-

### II. INFORMATION ABOUT THE APPOINTEE

PARTICULARS	Mr. Kartik Manohar Nayak	Mr. Divakar S Shetty
1. Background details	More than 2 decades experience in the Company and held position as Executive Director before his elevation. During his tenure as Managing Director he has been actively involved in the expansion activities especially in the Metal Cans and Twist Off Caps division.	He has rich and varied experience in the Packaging Industry and has been involved in the operations of the Company over a long period of time.
2. Past Remuneration	Rs. 60 Lakhs per annum	Rs. 78 Lakhs per annum
3. Recognition or awards	Not applicable	Not applicable
4. Job profile and his suitability	He was working as Joint Managing Director of the Company and he has been actively involved in the expansion activities especially in the Metal Cans and Twist Off Caps division. Proposed to be re-appointed for same job profile.	He was working as Chairman & Whole time Director of the Company, to manage the whole business and affairs of the Company.
5. Remuneration proposed	As stated in the explanatory statement at Item No. 5 of this Notice.	As stated in the explanatory statement at Item No. 7 of this Notice.



6. Comparative remuneration profile with respect to industry, size of the company, profile of the position and person (in case of expatriates the relevant details would be W.R.T. the country of his origin)	The remuneration of Mr. Kartik Nayak is comparable to that drawn by the peers in the similar capacity in the industry and is commensurate with the size of the Company and diverse nature of its business.	The remuneration of Mr. Divakar Shetty is comparable to that drawn by the peers in the similar capacity in the industry and is commensurate with the size of the Company and diverse nature of its business.
7. Pecuniary relationship directly or indirectly with the company, or relationship with the managerial personnel, if any	Mr. Kartik Nayak does not have any pecuniary relationship directly or indirectly with the company or with the other Managerial Personnel except to the extent of remuneration payable to him as Joint Managing Director of the Company and he holds 28,700 Equity Shares held in the Company. He is relative of Mr. Divakar S Shetty, Executive Chairman of the Company.	Mr. Divakar Shetty does not have any pecuniary relationship directly or indirectly with the company or with the other Managerial Personnel except to the extent of remuneration payable to him as Executive Chairman and Whole-time Director of the Company and he holds 493526 Equity Shares held in the Company. He is relative of Mr. Kartik Manohar Nayak and Mr. Praveen Vittal Mally, Joint Managing Directors of the Company.

### III. OTHER INFORMATION

1. Reason of loss or inadequate profits	The performance of the Company for the year under review has been improved and the Company has been earning profits.
2. Steps taken or proposed to be taken for improvements	To mitigate the adverse impact, the Company took various measures such as making alternate arrangements to operate to its full production capacity. The Company has also explored the new markets for sale.
3. Expected increase in productivity and profits in measurable terms	The management has adopted focused and aggressive business strategies in all spheres of functions to improve the sales and profitability of the Company. Considering the present business scenario, the Company is expecting increase in revenue and profitability. The Management is confident of keeping a higher growth ratio in the period to come and strong belief that business improvement will sustain in future.

The notice may be treated as the statement as required under Section II of Part II of Schedule V read with Section 201 of the Companies Act, 2013.



## BOARD'S REPORT

Your Directors are pleased to present the **Forty Second (42<sup>nd</sup>) Annual Report** on the business and operations of your Company along with the Audited Financial Statements for the year ended 31<sup>st</sup> March, 2022:

### FINANCIAL HIGHLIGHTS:

The summarized financial performances for the Financial Year ended March 31, 2022 are as under:

Particulars	2021-22 ₹ in Lakhs	2020-21 ₹ in Lakhs
Gross Sales and Other Income	22,745	17,189
Profit before Interest and Depreciation	2,335	1370
Finance Cost	1113	1,002
Depreciation	550	547
Profit before Tax	672	(179)
Less: Provision for Tax	200	-
Less: Deferred Tax	(40)	19
Profit after tax	512	(198)
Other Comprehensive Income	(20)	(20)
Total Comprehensive Income	492	(218)

### DIVIDEND:

With a view to enhance the value of Shares and not to utilize the surplus funds, the Board has decided to plough back the profits and hence, not recommend dividend for the financial year ended on 31st March 2022.

### TRANSFER TO RESERVES:

Your Board does not propose to transfer any amounts to reserves during the financial year ended on 31st March, 2022.

### CHANGE IN NATURE OF BUSINESS:

There were no changes in the nature of business during the year.

### OVERVIEW OF COMPANY'S FINANCIAL PERFORMANCE:

The Company has achieved turnover of Rs. 22,745 lakhs as against Rs. 17,189 lakhs showing an increase of 32 % over the previous year. Your Company reported net profit of Rs. 492 lakhs in FY 2021-22 as against loss of Rs 218 lakhs in previous FY 2020-21.

Metal packaging industry is bullish even though it has been affected by the twin impacts of securing tinplate and tin-free steel due to the imposition of BIS standards; plus the trickle-down effect of the Omicron virus. During the Pandemic period challenge was on logistic and sourcing of main raw material (tinplate), volatile pricing and availability. Due to introduction of BIS standards and approval procedures, import of regular steel supplies from Japan, China, Korea, Taiwan, Europe etc. has been restricted. Your Company had kept top priority to take care of health issues of employees inside the plant as well as outside. There is move from plastic packaging to metal can and the demand for Metal Can is increased due to the factors like safest packaging, long shelf life, eco-friendly and recyclability. This has resulted in increase of demand from organised sectors.

During the year, the Company also started Industrial Packaging for non-agro products and non-seasonal and expecting growth in this segment over the period. Further, study shows export market could have grown but due to challenge of logistic cost, shortage of container shipment, cost is exorbitant high & volatile. Hence, your Company could not exploit full market potential.





However, your Company's strengths lie in high quality and delivery and it is considered as preferred supplier and the demand for its products are growing.

#### **BUSINESS PERSPECTIVE:**

The India Metal Packaging Market is segmented by Material Type (Aluminum, Steel), Product Type (Cans, Bulk Containers, Shipping Barrels and Drums, Caps and Closures), and End-user Industry (Beverage, Food, Industrial, Cosmetic and Personal Care, Paints and Varnishes, Automotive, Household). The Rs 10,000 crore metal packaging industry of India is in a fix as it doesn't have many options on securing raw material after global players and suppliers of tin plate/ tin free steel have refused to supply the same to India in the wake of imposition of BIS standards.

The Metal Containers Manufacturers Association of India (MCMA), an organization that represents the interests of companies involved in the production of metal containers, packaging and allied components and representing MSMEs engaged in the business of metal cans, containers and components etc. has said that there is going to be an acute shortage of raw material as global players have refused to accept their orders to provide tinplate/tin free steel even as the domestic market is not equipped to fulfil their needs.

There is an increase in adoption of metal packaging by organic food producers, as they are more concerned about health benefits and consumer satisfaction. Additionally, protective and preserving traits of this packaging are enhancing the reputation of organic produce.

The potential of metals for reusability and their accessibility for infinite recycle ability without any degradation in the physical properties results in the protection of raw materials and energy. On the other hand, it also supports the reduction in CO2 emission which has become imperative to save the environment. Innovation plays a vital role in a competitive retail environment, and it has been resulting in the creation of novel aluminum cans. Stainless steel is currently chosen by the consumers for reusable food and beverage storage as it is durable. The trend of stainless steel in the metal packaging market will witness more growth in the upcoming years, due to the incoming demand from the F&B industry.

The global disposable batteries market is expected to grow at ~5.20% CAGR during the forecast period of 2018-2023. Dry cell batteries are the most important and the biggest segment of the primary battery market. The use of electronic gadgets has witnessed a steep surge, creating a favorable environment for the growth of the disposable batteries market. Batteries are central to the use of many consumer electronics goods. The battery category continued to be disturbed by proliferation of poor quality products imported from China at dumped prices which greatly augmented towards the end of the last financial year and during the beginning of the current year. Though imports declined post the implementation of standards issued by the standards issued by the Bureau of Indian Standards (BIS standards). high inventory of the imported batteries impacted volumes of organized players for a major part of the year. As a result, the category volume and value both remained flat during the year.

Due to the COVID-19 pandemic, the global Metal Packaging market size is estimated to be worth USD 107830 Million in 2022 and is forecast to be a readjusted size of USD 125050 Million by 2028 with a Compound Annual Growth Rate (CAGR) of 2.5% during the review period.

The highlights of the industry trend, the outlook and the opportunities ahead for the Company are exhibited in detail in the Management Discussion and Analysis Report.

#### **EXPORTS:**

In the year 2021-22, the export turnover was Rs. 4945 Lakhs as compared to the previous year exports of Rs. 5465 Lakhs.

#### **SUBSIDIARY:**

As on date, your Company does not have any subsidiary company.

The Company has no associate companies within the meaning of Section 2(6) of the Companies Act, 2013.

#### **MATERIAL CHANGES AND COMMITMENTS AFFECTING THE FINANCIAL POSITION OF THE COMPANY:**

There were no material changes and commitments affecting the financial position of the Company which occurred between the end of the financial year to which these financial statements relate on the date of this report.



### **COVID-19 :**

The outbreak of the deadly COVID-19 virus and the ensuing lockdown imposed across the country affected business operations. The health of the employees and workers became a priority; stoppage of operations for an uncertain period resulted in a large financial burden on the one hand and workforce idling on the other. COVID-19 is an unprecedented challenge. The lockdown gave India time to make a concerted effort to flatten the outbreak curve. However, towards later part of the year consequent upon significant opening of the economic activity across the nation the demand picked up compared to that during the initial period of Covid-19. India is currently experiencing a massive second wave of Covid-19 infections. However, the Company expect no major changes in the economic activity as the nation is preparing to face the Pandemic with vaccines and preparedness) of virus management measures will curb economic activity and could dampen market and consumer sentiment. The announced countermeasures to combat the second wave - some of which are due to remain in place at least until the end of June - risk weakening the economic recovery. However, the targeted nature of containment measures and rapid progress on vaccinating the population will mitigate the credit-negative impact.

### **SHARE CAPITAL:**

During the financial year ended as on March 31, 2022, the Authorized Share Capital of the Company was Rs. 30,00,00,000/- (Rupees Thirty Crores Only) and the Paid up Share Capital was Rs. 9,00,33,000/- (Rupees Nine Crores Thirty Three Thousand Only). No changes took place in Share Capital of the Company during the year under review.

### **DIRECTORS' RESPONSIBILITY STATEMENT:**

Based on the framework of internal financial controls and compliance systems established and maintained by the Company, work performed by the Internal, Statutory and Secretarial Auditors, the reviews performed by Management and the relevant Board Committees, including the Audit Committee, your Board is of the opinion that the Company's internal financial controls were adequate during the financial year 2021-22.

Accordingly, pursuant to Section 134(5) of the Companies Act, 2013, the Board of Directors, to the best of their knowledge and ability, confirm that:

- 1) In the preparation of the Annual Accounts, the applicable accounting standards had been followed along with proper explanation relating to material departures;
- 2) The Directors had selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the company at the end of the financial year and of the profit and loss of the company for that period;
- 3) The Directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of Companies Act 2013 for safeguarding the assets of the company and for preventing and detecting fraud and other irregularities;
- 4) The Directors had prepared the Annual Accounts on a Going Concern basis;
- 5) The Directors had laid down internal financial controls to be followed by the Company and that such internal financial controls are adequate and were operating effectively.
- 6) The Directors have devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

### **CHANGES IN DIRECTORS AND KEY MANAGERIAL PERSONNEL:**

Members of the Company's Board of Directors are eminent persons of proven competence and integrity. Besides experience, strong financial acumen, strategic astuteness and leadership qualities, they have a significant degree of commitment to the Company and devote adequate time to the meetings and preparation.

#### **Retirement by rotation and subsequent re-appointment**

In terms of the provisions of the Companies Act, 2013 and the Articles of Association of the Company, Mr. Divakar S Shetty, (DIN: 00432755), Executive Chairman and Whole-time Director, retires at the forthcoming Annual General Meeting and being eligible, offers himself for reappointment.





Based on the recommendations of the Nomination and Remuneration Committee, the Board at its Meeting held on 25th May, 2022, subject to the approval of Shareholders at the ensuing Annual General Meeting approved the following:

**Re-appointment of Mr. Kartik Nayak (DIN: 00477686)) as Joint Managing Director of the Company.**

Based on the outcome of performance evaluation and recommendations of the Nomination and Remuneration Committee, the Board of Directors of the Company, at its meeting held on 25th May 2022 has recommended the reappointment of Mr. Kartik Nayak (DIN: 00477686) as Joint Managing Director for a further period of three (3) years with effect from 16th May, 2023. Accordingly, a Special Resolution seeking re-appointment of Mr. Kartik Nayak as Joint Managing Director of the Company is included in the Notice convening the Annual General Meeting. Details of Mr. Kartik Nayak are exhibited in the Explanatory Statement to the Notice of the Annual General Meeting. The Board of Directors recommends his appointment as Joint Managing Director of the Company.

**Appointment of Mr. Bhagya Chandra Rao (DIN: 00211127) as a Director and an Independent Director of the Company.**

Based on the recommendation of Nomination and Remuneration Committee, the Board appointed Mr. Bhagya Chandra Rao (DIN: 00211127) as an Additional Director in the category of Independent Director for a period of 5 years with effect from 30th May, 2022 to 29th May, 2027 (not liable to retire by rotation) subject to approval of the Shareholders at ensuing Annual General Meeting. Accordingly, a Special Resolution seeking appointment of Mr. Bhagya Chandra Rao (DIN: 00211127) as a Director in the category of Independent Director of the Company is included in the Notice convening the Annual General Meeting. Details of Mr. Bhagya Chandra Rao (DIN: 00211127) are exhibited in the Explanatory Statement to the Notice of the Annual General Meeting. The Board of Directors recommends his appointment as Independent Director of the Company.

**Appointment of Mr. Harish Hassan Visweswara (DIN: 08742808) as a Director and an Independent Director of the Company.**

Based on the recommendation of Nomination and Remuneration Committee, the Board appointed Mr. Harish Hassan Visweswara (DIN: 08742808), as an Additional Director in the category of Independent for a period of 5 years with effect from 30th May, 2022 to 29th May, 2027 (not liable to retire by rotation) subject to approval of the Shareholders at ensuing Annual General Meeting. Accordingly, a Special Resolution seeking appointment of Mr. Harish Hassan Visweswara (DIN: 08742808) as a Director in the category of Independent of the Company is included in the Notice convening the Annual General Meeting. Details of Mr. Harish Hassan Visweswara (DIN: 08742808) are exhibited in the Explanatory Statement to the Notice of the Annual General Meeting. The Board of Directors recommends his appointment as Independent Director of the Company.

**Cessation**

The Second term of Mr. Mohan Menon (DIN: 02838483) as an Independent Director of the Company ends on 29th May, 2022.

The Board has placed on record its deep appreciation of the contribution made by the aforesaid Director during his tenure as Director on the Board of the Company.

**DECLARATIONS FROM DIRECTORS:**

The Company has received necessary declarations from each Independent Director of the Company under the provisions of Section 149(7) of the Companies Act, 2013, that they meet the criteria of their Independence laid down under the provisions of Section 149(6) of the Companies Act, 2013 read with the Listing Regulations. All the Independent Directors have also confirmed under Regulation 16(b) of the Listing Regulations that they are not Non- Independent Director of another Company on the Board of which any Non-Independent Director of the listed entity is an Independent Director.

None of the Directors of the Company is disqualified for being appointed as Directors as specified in Section 164(2) of the Act and Rule 14(1) of the Companies (Appointment and Qualification of Directors) Rules, 2014.

**BOARD MEETINGS:**

During the year under review, the Board of Directors met four (4) times i.e. on 10-June-2021, 04-August-2021, 02-November-2021 and 08-February-2022.



The Meetings of the Board are held at regular intervals with a time gap of not more than 120 days between two consecutive Meetings. The Notice and Agenda of the Meetings were circulated to Directors in advance. Minutes of the Meetings of the Board of Directors were circulated amongst the Directors for their perusal.

Further, pursuant to Clause VII (1) of Schedule IV of the Companies Act, 2013, the Independent Directors held a separate meeting on 8th February, 2022.

SEBI (LODR)(Amendment) Regulations, 2018 has changed the evaluation criteria of Independent Directors from April 1, 2019. As per the amendment, evaluation of Independent Directors by the entire Board shall include:

- (a) Performance of Directors and
- (b) Fulfilment of independence criteria as specified in Listing Regulations and their independence from the management.

The Board has evaluated the Independent Directors and confirms that all the Independent Directors of the Company fulfills the independence criteria as specified in the Listing Regulations and their independence from the management.

Details on terms of appointment of Independent Directors and the familiarization program have been displayed on website of the Company at <http://shetron.com>.

#### **POLICY ON DIRECTORS' APPOINTMENT AND REMUNERATION:**

The policy of the Company on Director's appointment and remuneration, including the criteria for determining qualifications, positive attributes, independence of a director and such other matters, as required under sub-section (3) of Section 178 of the Companies Act, 2013, is available on the Company's website at <http://shetron.com>.

The Company affirms that the remuneration paid to the Directors is as per the terms laid out in the Nomination and Remuneration Policy of the Company.

#### **BOARD EVALUATION:**

Pursuant to the provisions of the Companies Act, 2013 and the Listing Regulations, the Board has carried out an annual performance evaluation of its performance, and of the Directors individually, as well as the evaluation of the working of its Committees.

#### **PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS MADE:**

During the year the Company has not given any loans or guarantees covered under the provisions of Section 186 of the Companies Act, 2013.

The details of the investments made by Company are given in the notes to the financial statements.

#### **ANNUAL RETURN:**

Pursuant to Section 92(3) of the Companies Act, 2013 and Rule 12 of the Companies (Management and Administration) Rules, 2014, an Annual Return in Form MGT-7 is placed on the website of the Company at <http://shetron.com>.

#### **DETAILS OF INTERNAL FINANCIAL CONTROLS REALTED TO FINANCIAL STATEMENTS:**

Your Company has adopted accounting policies which are in line with the Accounting Standards prescribed in the Companies (Accounting Standards) Rules, 2006 that continue to apply under Section 133 and other applicable provisions, if any, of the Companies Act, 2013 read with Rule 7 of the Companies (Accounts) Rules, 2014. These are in accordance with generally accepted accounting principles in India.

#### **COMPLIANCE WITH THE APPLICABLE SECRETARIAL STANDARDS:**

The Company has complied with Secretarial Standards issued by the Institute of Company Secretaries of India on Board Meetings (SS-1) and General Meetings (SS-2).

#### **ADDITIONAL DISCLOSURES:**

In line with the requirements of the Listing Regulations and Accounting Standards, your Company has made additional disclosures in respect of Related Party transactions and segment reporting in notes to accounts.



### **RISK MANAGEMENT POLICY:**

The Audit Committee has oversight in the area of financial risks and controls. The major risks identified by the businesses and functions are systematically addressed through mitigating actions on a ongoing basis. The policy for risk management is available on the Company's website at, <http://shetron.com>.

### **DEPOSITS:**

In terms of the provision of Sections 73, 74 & 76 of the Companies Act, 2013 read with the Companies (Acceptance of Deposits) Rules, 2014, your Company has not accepted/ renewed any fixed deposits from the public during the year under review.

Whether there has been any default in repayment of deposits or payment of interest thereon during the year and if so, number of such cases and the total amount involved-

- (i) At the beginning of the year: Nil
- (ii) Maximum during the year: Nil
- (iii) At the end of the year: Nil

### **AWARDS & LAURELS:**

Your Company was awarded the Gold and Silver winner by the Canmaker magazine for the year 2021-22 for Cans with easy-open end and with full-aperture opening respectively. Further, your Company has received Award of Excellence from IMDPA for Food & General Line and Golden Circle Supplier Recognition from Nestle during the year.

### **FRAUD REPORTED BY THE AUDITORS DURING THE YEAR:**

Not applicable as there were no such instances during the year under consideration.

### **CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION, FOREIGN EXCHANGE EARNINGS AND OUTGO:**

The information pertaining to conservation of energy, technology absorption, foreign exchange Earnings and outgo as required under Section 134 (3)(m) of the Companies Act, 2013 read with Rule 8(3) of the Companies (Accounts) Rules, 2014 is furnished in (Annexure - 1) and is attached to this report.

The Company endeavors to support the environment by adopting environment-friendly practices in the working patterns. The efforts in this direction centre around making efficient use of natural resources, elimination of waste and promoting recycling of resources.

### **STATUTORY AUDITORS:**

At the 37th Annual General Meeting held in the year 2017, Messrs Naresh & Co, Chartered Accountants, (Firm Registration No. 011293S) were appointed as the Statutory Auditors to hold office for a term of 5 years, till the conclusion of the 42nd Annual General Meeting of the Company to be held in the year 2022. Consequent to the amendments to the Companies Act, 2013, ratification of appointment of the statutory auditor at every Annual General Meeting is no longer required.

Messrs Naresh & Co, Chartered Accountants who retire at the ensuing Annual General Meeting of your Company are eligible for re-appointment. Your Company has received written consent and a certificate that they satisfy the criteria provided under Section 141 of the Companies Act, 2013 read with the Companies (Audit and Auditors) Rules, 2014 and that the appointment, if made, shall be in accordance with the applicable provisions of the Companies Act, 2013 and rules issued thereunder.

The Audit Committee and the Board of Directors recommend the appointment of Messrs Naresh & Co, Chartered Accountants as the Statutory Auditors of your Company for the second term for the further period of five years from the conclusion of 42nd Annual General Meeting till the conclusion of 47th Annual General Meeting.

### **COST AUDITORS:**

As per the requirement of the Central Government and pursuant to the provisions of Section 148 of the Companies Act, 2013 read with the Companies (Cost Records and Audit) Rules, 2014 as amended from time to time, your Company has been carrying out audit of cost records relating to all product line. The Board of Directors, on the recommendation of Audit Committee, has appointed Messrs Vishwanath Bhat & Co, Cost Auditors to audit the cost accounts of the Company for the financial year 2022-23.



As required under the Companies Act, 2013, a resolution seeking approval of Members for the remuneration payable to the Cost Auditor forms part of the notice convening the Annual General meeting.

#### **SECRETARIAL AUDIT:**

Pursuant to the provisions of Section 204 of the Companies Act, 2013 and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, Mr. Vijayakrishna K T, Practising Company Secretary was appointed to undertake the Secretarial Audit. The Report of the Secretarial Audit for the year ended 31st March, 2022 is attached to the Board's Report (Annexure - 2).

#### **AUDITORS' REPORT AND SECRETARIAL AUDIT REPORT:**

There was no qualification, reservations or adverse remarks made either by the Statutory Auditors or by the Secretarial Auditor in their respective reports and their reports are annexed.

#### **CORPORATE SOCIAL RESPONSIBILITY:**

The provisions of Section 135 of the Companies Act, 2013 on Corporate Social Responsibility is not applicable to the Company.

#### **REPORT ON CORPORATE GOVERNANCE:**

Your Company has taken adequate steps to adhere to all the stipulations laid down in Regulation 27 of the Listing Regulations. A report on compliance of the code is annexed herewith (Annexure - 3).

Certificate from Practising Company Secretary confirming the compliance with the conditions of Corporate Governance as stipulated under Regulation 27 of the Listing Regulations, is attached to this report.

#### **CONTRACTS AND ARRANGEMENTS WITH RELATED PARTIES:**

All contracts / arrangements / transactions entered by the Company during the financial year with related parties were in the ordinary course of business and at arm's length basis. During the year, the Company had not entered into any contract / arrangement / transaction with related parties which could be considered material in accordance with the policy of the Company on materiality of related party transactions. All contracts / arrangements / transactions with related parties are placed before the Audit Committee and also the Board, as may be required, for approval.

The policy on Materiality of Related Party Transactions and also on dealing with related party transactions as approved by the Audit Committee and the Board of Directors are displayed on the Company's website <http://shetron.com>.

All Related Party Transactions entered during the year were in Ordinary Course of the Business and at Arm's Length basis. No Material Related Party Transactions, i.e. transactions exceeding rupees one thousand crores or exceeding 10% of the annual consolidated turnover as per the last audited financial statements, whichever is lower, were entered during the year by your Company. The information on transactions with related parties pursuant to Section 134(3)(h) of the Act read with Rule 8(2) of the Companies (Accounts) Rules, 2014 are given in (Annexure-4) Form No. AOC-2 and the same forms part of this report.

Details of contracts / arrangements / transactions with related parties are given in the notes to the financial statements.

#### **TRANSFER OF UNCLAIMED DIVIDEND TO INVESTOR EDUCATION AND PROTECTION FUND:**

Adhering to the provisions of Section 125 of the Companies Act, 2013 relevant amounts which remained unpaid or unclaimed for a period of seven years have been transferred by the company, from time to time on due dates, to the Investor Education and Protection Fund.

#### **DISCLOSURE UNDER THE SEXUAL HARASSMENT OF WOMAN AT WORKPLACE (PREVENTION, PROHIBITION AND REDRESSAL) ACT, 2013:**

The Company has been employing women employees in various cadres within its office and factory premises. The Company has in place a policy against sexual harassment in line with the requirements of the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013. Internal Complaint Committee is set up at shop floor level to redress any complaints received. All employees are covered under the policy.



(a). number of complaints filed during the financial year (2021-22)	-	Nil
(b). number of complaints disposed of during the financial year (2021-22)	-	Nil
(c). number of complaints pending as on end of the financial year. (2021-22)-		Nil

#### **HEALTH, SAFETY AND ENVIRONMENT PROTECTION:**

Your Company has complied with all applicable environment laws and labour laws. The Company has been taking all the necessary measures to protect the environment and maximize worker protection and safety. The Company's policy require conduct of operation in such a manner so as to ensure safety of all concerned, compliance of environment regulations and preservation of natural resources.

#### **DISCLOSURE UNDER RULE 5 OF THE COMPANIES (APPOINTMENT AND REMUNERATION) RULES, 2014:**

Disclosures required under Section 197 of the Companies Act, 2013 read with rule 5 of the Companies (Appointment & Remuneration) Rules, 2014 have been annexed as Annexure - 5.

#### **DISCLOSURE RELATING TO REMUNERATION OF EMPLOYEES:**

There are no employees receiving remuneration more than Rs. 1,02,00,000/- (Rupees One Crore Two Lakhs only) per annum and /or Rs. 8,50,000/- (Rupees Eight Lakhs Fifty Thousand only) per month. Therefore, statement/disclosure pursuant to Sub Rule 5(2) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 is not required.

There are no employees posted and working in a country outside India, not being Directors or relatives, drawing more than Rs. 60,00,000/- (Rupees Sixty Lakhs only) per financial year or Rs. 5,00,000/- (Rupees Five Lakhs only) per month as the case may be. Therefore statement/disclosure pursuant to Sub Rule 5(3) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 is not required to be circulated to the members and is not attached to the Annual Report.

#### **SIGNIFICANT AND MATERIAL ORDERS PASSED BY THE REGULATORS:**

There are no such events during the year.

#### **REVISION OF FINANCIAL STATEMENT OR THE ANNUAL REPORT:**

As per the Secretarial Standards-4 in case the Company has revised its financial statement or the Report in respect of any of the three preceding financial years either voluntarily or pursuant to the order of a judicial authority, the detailed reasons for such revision shall be disclosed in the Report of the year as well as in the Report of the relevant financial year in which such revision is made.

No such revision of Financial Statements took place in any of the three preceding financial years under consideration.

#### **CORPORATE INSOLVENCY RESOLUTION PROCESS INITIATED UNDER THE INSOLVENCY AND BANKRUPTCY CODE, 2016 (IBC):**

There is no such process initiated during the year, therefore said clause is not applicable to the Company.

#### **FAILURE TO IMPLEMENT ANY CORPORATE ACTION:**

There were no such events took place during the year under consideration.

#### **CREDIT RATING OF SECURITIES:**

The Credit ratings obtained by the Company during the year under review are as under:

Date	Facilities	Rating
4th September, 2021	Long Term Facilities	ICRA BB- (Stable)
	Short Term Facilities	ICRA A4

**VIGIL MECHANISM :**

The Company has a robust vigil mechanism through its Whistle Blower Policy approved and adopted by Board of Directors of the Company in compliance with the provisions of Section 177(10) of the Act and Regulation 22 of the Listing Regulations.

The Company has adopted a revised Whistle Blower policy, which provides a formal mechanism for all Directors and employees of the Company to approach the Management of the Company (Audit Committee in case where the concern involves the Senior Management) and make protective disclosures to the Management about unethical behavior, actual or suspected fraud or violation of the Company's code of conduct or ethics policy.

The policy on Vigil Mechanism and Whistle Blower Policy is available on the website of the Company at <http://shetron.com>.

**INFORMATION ABOUT THE FINANCIAL PERFORMANCE / FINANCIAL POSITION OF THE SUBSIDIARIES / ASSOCIATES:**

The Company does not have any subsidiaries / associates. Hence the said clause is not applicable to the Company.

**MANAGEMENT DISCUSSION AND ANALYSIS REPORT:**

The Management Discussion and Analysis forms an integral part of this report and gives detail of the overview, industry structure and developments, different product groups of the Company, operational performance of its business segment, annexed as Annexure- 6.

**ANNEXURES FORMING A PART THE BOARD' REPORT**

The Annexures referred to in this Report and other information which are required to be disclosed are annexed herewith and form a part of this Report:

<b>Annexure</b>	<b>Particulars</b>
<b>1</b>	<b>Particulars of Conservation of Energy, Technology and Foreign Exchange</b>
<b>2</b>	<b>Secretarial Audit Report</b>
<b>3</b>	<b>Corporate Governance Report</b>
<b>4</b>	<b>Related Party Transactions</b>
<b>5</b>	<b>Managerial Remuneration and Particulars of Employees</b>
<b>6</b>	<b>Management Discussion And Analysis Report</b>

**ACKNOWLEDGEMENTS:**

Your Directors wish to place on record their sincere thanks to bankers, business associates, consultants, various Government Authorities and employees at all levels in the Company for their continued support extended to your Company's activities during the year under review. Your Directors also acknowledge gratefully the shareholders for their support and confidence reposed in your Company

**Place : Bengaluru**

**Date : 25<sup>th</sup> May, 2022**

By the order of the Board  
For **Shetron Limited**

**Divakar S Shetty**  
**Executive Chairman**  
**DIN: 00432755**

[Address: Divya Bunglow, Dr. R.S. Jain Marg,  
Gandhigram Road, Juhu, Mumbai 400049]





**ANNEXURE -1 TO THE BOARD'S REPORT**  
**CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION,**  
**FOREIGN EXCHANGE EARNINGS AND OUTGO**  
**(Pursuant to Section 134(3) of the Companies Act, 2013)**

**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 and improved competitiveness.

The company continues 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 : Rs. 4514 lakhs
- b) Foreign Exchange outgo : Rs. 2704 Lakhs

**Place : Bengaluru**  
**Date : 25<sup>th</sup> May, 2022**

**For and on behalf of the Board**  
**For Shetron Limited**

**Divakar S Shetty**  
**Executive Chairman**  
**DIN: 00432755**

**[Address: Divya Bunglow, Dr. R.S. Jain Marg,**  
**Gandhigram Road, Juhu, Mumbai 400049]**

**ANNEXURE - 2 TO THE BOARD'S REPORT****Form No. MR-3****SECRETARIAL AUDIT REPORT****FOR THE FINANCIAL YEAR ENDED 31-03-2022**

[Pursuant to Section 204(1) of the Companies Act, 2013 and Rule No. 9 of the Companies (Appointment and Remuneration Personnel) Rules, 2014]

To

The Members  
Shetron Limited

I have conducted the Secretarial Audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by Shetron Limited (CIN: L21014KA1980PLC003842) (hereinafter called "the Company"). Secretarial Audit was conducted in a manner that provided me a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing my opinion thereon.

Based on my verification of the books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of Secretarial Audit, I hereby report that in my opinion, the Company has, during the audit period covering the Financial Year ended on 31.03.2022 complied with the statutory provisions listed hereunder and also that the Company has proper Board processes and compliance mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

I have examined the books, papers, minute books, forms and returns filed and other records maintained by Shetron Limited for the financial year ended on 31.03.2022 according to the provisions of:

- i) The Companies Act, 2013 and the Rules made thereunder;
- ii) The Securities Contracts (Regulation) Act, 1956 and the Rules made thereunder;
- iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;
- iv) Foreign Exchange Management Act, 1999 and the Rules and Regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings;
- v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992: -
  - (a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Take overs) Regulations, 2011;
  - (b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;
  - (c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018;
  - (d) Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations, 2021;
  - (e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008;
  - (f) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act, 2013 and dealing with client;





- (g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2021; and Securities and Exchange Board of India (Buy-back of Securities) Regulations, 2018
- (h) The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015;
- (i) The Securities and Exchange Board of India (Issue and Listing of Non-Convertible and Redeemable Preference Shares) Regulations, 2013;
- (j) Circulars/Guidelines issued thereunder;
- (vi) There are no specific laws applicable to the Company pursuant to the business carried by the Company.
- (vii) The other general laws as may be applicable to the Company including the following:

**(1) Employer / Employee Related Laws & Rules:**

- ✦ The Factories Act, 1948
- ✦ The Employees State Insurance Act, 1948
- ✦ The Employees' Provident Funds and Miscellaneous Provisions Act, 1952
- ✦ The Contract Labour (Regulation and Abolition) Act, 1970
- ✦ The Minimum Wages Act, 1948
- ✦ The Payment of Wages Act, 1936
- ✦ The Payment of Gratuity Act, 1972
- ✦ The Payment of Bonus Act, 1965
- ✦ The Maternity Benefit Act, 1961
- ✦ The Equal Remuneration Act, 1976
- ✦ The Employment Exchanges (Compulsory Notification of Vacancies) Act, 1959
- ✦ The Karnataka Labour Welfare Fund Act, 1965
- ✦ The Apprentices Act, 1961
- ✦ The Industrial Employment Standing Orders Act, 1946
- ✦ The Sexual Harassment of Women at Workplace (Prevention, Prohibition & Redressal) Act, 2013
- ✦ The Karnataka Industrial Establishments (National & Festival) Holidays Act, 1963
- ✦ The Karnataka Public Safety (Measures) Enforcement Act, 2017
- ✦ The Karnataka Shops & Commercial Establishment Act, 1961

**(2) Environment Related Acts & Rules:**

- ✦ The Environment Protection Act, 1986
- ✦ The Water (Prevention & Control of Pollution) Act, 1974
- ✦ The Air (Prevention & Control of Pollution) Act, 1981
- ✦ Hazardous Wastes (Management, Handling and Transboundary Movement) Rules, 2008.
- ✦ The Karnataka Ground Water (Regulation for Protection of Sources of Drinking Water) Act, 1999

**(3) Economic/Commercial Laws & Rules:**

- ✦ The Competition Act, 2002
- ✦ The Indian Contract Act, 1872
- ✦ The Sales of Goods Act, 1930



- ✦ The Forward Contracts (Regulation) Act, 1952
- ✦ The Indian Stamp Act, 1899
- ✦ The Transfer of Property Act, 1882
- ✦ The Patents Act, 1970
- ✦ The Trade Marks Act, 1999
- ✦ The Explosives Act, 1884
- ✦ Legal Metrology Act, 2009

I have also examined compliances with the applicable clauses of the Secretarial Standards issued by the Institute of Company Secretaries of India on the Board and General Meetings i.e. SS - 1 and SS - 2.

During the period under review, the Company has complied with the provisions of the Acts, Rules, Regulations, Guidelines, Standards, etc. mentioned above. Certain nonmaterial findings made during the course of the audit relating to the provisions of the Companies Act, Secretarial Standards, Labour Laws were addressed suitably by the Management.

Further, I report that with regard to financial and taxation matters, I have relied on the Audit Report, Limited Review Report and the Internal Audit Report provided by the Statutory/Internal Auditor as the case may be.

I further report that the Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors. The changes in the composition of the Board of Directors which took place during the period under review were carried out in compliance with the provisions of the Companies Act, 2013 and The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

Adequate notice is given to all Directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent at least seven days in advance, and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the Meeting.

The decisions were carried through majority while the dissenting members' views are captured and recorded as part of the minutes as per the practice followed. However, during the period under report, there was no such case instance.

I further report that there are adequate systems and processes in the Company commensurate with the size and operations of the Company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

Place: Bengaluru  
Date: 25<sup>th</sup> May, 2022

**Vijayakrishna K T**  
Practising Company Secretary  
FCS No.: 1788 C P No.: 980  
UDIN: F001788C000383246

*Note : This report is to be read with my letter of even date which is annexed as Annexure and forms an integral part of this report.*



**'Annexure'**

**My report of even date is to be read along with this letter:**

1. Maintenance of secretarial record is the responsibility of the management of the Company. My responsibility is to express an opinion on these secretarial records based on our audit.
2. I have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of Secretarial Records. The verification was done on test basis to ensure that correct facts are reflected in the secretarial records. I believe that the processes and practices, I have followed provide a reasonable basis for our opinion.
3. I have not verified the correctness and appropriateness of financial records and Books of Accounts of the Company including records under Income Tax Act, Customs Act, Goods and Services Tax Act.
4. Wherever required, the Company has represented about the compliance of laws, rules and regulations and happening of events etc. as applicable from time to time.
5. The compliance of the provisions of Corporate and other applicable laws, rules, regulations, standards is the responsibility of Management. My examination was limited to the verification of procedures on test basis.
6. The Secretarial Audit report is neither an assurance as to the future viability of the Company nor of the efficacy or effectiveness with which the Management has conducted the affairs of the Company.

Place: Bengaluru  
Date: 25<sup>th</sup> May, 2022

**Vijayakrishna K T**  
Practising Company Secretary  
FCS No.: 1788 C P No.: 980



## **ANNEXURE - 3 TO THE BOARD'S REPORT**

### **CORPORATE GOVERNANCE REPORT**

This Report on Corporate Governance forms part of the Board's Report. This section, besides being in compliance of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, gives an insight into the process of functioning of the Company.

#### **I. 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.

#### **II. 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.

As at the financial year ended 31st March, 2022, the Board of the Company had an optimum combination of Three (3) Executive Directors and Three (3) Non-Executive Directors. 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.

All Independent Directors possess the requisite qualifications and are very experienced in their own fields. None of the Directors is a Director in more than seven (7) Listed Companies or ten (10) Public Limited Companies or acts as an Independent Director in more than seven (7) Listed Companies. The Executive Chairman and Joint Managing Directors do not serve as an Independent Director on any Listed Company. Further, none of the Directors acts as members of more than 10 (ten) Committees or Chairman of more than 5 (five) Committees in public limited companies in which they are Directors. Necessary disclosures have been obtained from all the Directors regarding their directorships and have been taken on record by the Board.

The Board of Shetron consists of eminent members, who bring in the needed skills, experience and competence for efficient function of the Board and its Committees.

The Board ensures to work under proper guidelines of the Statutory Authorities and due compliance of Corporate Governance.

The names of the Directors and the details of other Chairmanship / Directorship / Committee Membership of each Director as on 31<sup>st</sup> March 2022 are given below. The table below shows key skills/expertise/competence Board of Directors.

Name of Director	Expertise in specific functional areas	Listed Company	Number of Directorships in other companies*		Number of Committee Memberships in other companies **	
			Chairman	Member	Chairman	Member
<b>Mr. Divakar S. Shetty</b>	Financial Know how, Diversity, Leadership, Statutory Compliance and Good Ethical Governance	•Shetron Limited- Executive Director (Promoter/ Director)	-	7	-	1
<b>Mr. Kartik Nayak</b>	Financial Know how, Diversity, Leadership, Sales and Marketing, Statutory Compliance and Good Ethical Governance	•Shetron Limited- Executive Director (Promoter/ Director)	-	1	-	-



<b>Mr. Praveen Mally</b>	Financial Know how, Diversity, Leadership, Sales and Marketing, Statutory Compliance and Good Ethical Governance	•Shetron Limited- Executive Director (Promoter/ Director)	-	1	-	-
<b>Mr. B S Patil</b>	Financial Know how, Diversity, Leadership, Statutory Compliance and Good Ethical Governance, Legal	•Shetron Limited- Non-Executive - Independent Director	-	5	-	-
<b>Mr. Mohan Narayan Menon</b>	Financial Know how, Diversity, Leadership, Sales and Marketing	•Shetron Limited- Non-Executive - Independent Director	-	2	1	1
<b>Dr, Jyoti Gopalkrishna Baliga</b>	Financial Know how, Diversity, Leadership, Sales and Marketing, Statutory Compliance and Good Ethical Governance	• Shetron Limited- Non-Executive Independent Director	-	-	-	-

1. Only memberships in Audit Committee and Stakeholders' Relationship Committee have been reckoned for other committee memberships.
2. None of the Directors is related to any Director or is a Member of an extended family except Mr. Divakar S. Shetty, Mr. Kartik Nayak and Mr. Praveen Mally.
3. The above table excludes directorships in Private Companies, Foreign Companies and Companies registered under Section 8 of the Companies Act, 2013.

**b) Board Meetings and Attendance at Board Meetings:**

The Board met four times during the financial year 2021-22. The Board Meetings were held at regular intervals, and the gap between two meetings did not exceed the maximum time gap of 120 days.

The relevant details are as under:

SL.No.	Quarter	Date	Board Strength	No. of Directors Present
1	Q1	10-June-2021	7	7
3	Q2	04-Aug-2021	6	6
4	Q3	02-Nov-2021	6	6
5	Q4	08-Feb-2022	6	6

The dates for the Board Meetings are fixed after taking into account the convenience of all the Directors and sufficient notice is given to them. 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 the Directors well in advance of the date of the Board Meeting.

The Joint Managing Directors apprise the Board on the overall performance of the Company at every Board Meeting. The Board reviews performance, sets the strategy that the Company should follow and ensures financial stability. The Board takes on record the actions taken by the Company on all its decisions periodically.

The Board also takes on record the declaration made by the Executive Chairman regarding compliances of all laws on a quarterly basis.

Normally every Director is required to attend the meeting. Directors/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.



**c) Attendance of each Director at Board Meetings and at the previous Annual General Meeting (AGM):**

Sl. No.	Name	No. of Board Meetings held	No. of Board Meetings attended	Attendance at the last AGM
1.	Mr. Divakar S. Shetty	4	4	Present
2.	Mr. Kartik Nayak	4	4	Present
3.	Mr. B S Patil	4	4	Present
4.	Mr. Praveen Mally	4	4	Present
5.	Mr. Mohan Narayan Menon	4	4	Present
6.	Dr. Jyoti Gopalkrishna Baliga	4	4	Present

**d) Independent Directors:**

The Board confirms that the Non-Executive Independent Directors fulfill the conditions of independence specified in Section 149(6) of the Companies Act, 2013, and rules made thereunder and meet the requirements of the Listing Regulations and are Independent of the Management of the Company. All the Independent Directors have registered in the data bank of Independent Directors as required by Companies (Appointment and Qualification of Directors) Fifth Amendment Rules, 2019 and the Companies (Creation and Maintenance of databank of Independent Directors) Rules, 2019. Every Independent Director, at the first meeting of the Board in which he/she participates as a Director and thereafter at the first meeting of the Board in every financial year, gives a declaration that he/she meets the criteria of independence as provided under the Companies Act, 2013. On appointment, the Independent Directors are issued letter of appointment setting out in detail the terms of appointment, duties, responsibilities and expected time commitments, etc., which is available on the website of the company viz. <http://shetron.com>.

**e) Familiarization Programme for Independent Directors:**

Each newly appointed Director is taken through a formal induction and familiarization program including a presentation from the Chairman and Joint Managing Directors on the Company's manufacturing, marketing, finance and other important aspects. Periodic presentations are made at the Board and Committee meetings on business and performance updates of the Company, global business environment, business strategy and risks involved. The details of such familiarization programme are available on the website of the company viz. <http://shetron.com>.

**f) Evaluation of the Board's Performance:**

The Board has adopted a formal mechanism for evaluating its performance as well as that of its committees and individual Directors, including the Chairman of the Board. The exercise is carried out through a structured evaluation process covering various aspects of the Board's functioning such as composition of the Board and its Committees, experience & competencies, performance of specific duties and obligations, governance issues etc. Separate exercise was carried out to evaluate the performance of individual Directors including the Board Chairman who were evaluated on parameters such as attendance, contribution at the meetings and otherwise, independent judgment, safeguarding of minority shareholders' interest, etc.

The evaluation of the Independent Directors was carried out by the entire Board and that of the Chairman and the Non-Independent Directors was carried out by the Independent Directors.

The Directors were satisfied with the evaluation results, which reflected the overall engagement of the Board and its Committees with the company.

**(h) Declaration under Schedule V, Part C, Clause 10(i) of SEBI (Listing Obligations and Disclosure Requirement) (Amendment) Regulations, 2018:**

All the Directors have confirmed that they are neither debarred nor disqualified from being appointed or continuing as Director by the Securities and Exchange Board of India /the Ministry of Corporate Affairs or any such statutory authority. The Company has obtained a Certificate from Mr. Vijayakrishna K.T., Practising Company Secretary, Bengaluru to this effect.



### III. BOARD COMMITTEES:

#### 1) Audit Committee:

##### a) Composition :

The Audit Committee comprised of the following Directors for the year ended 31<sup>st</sup> March, 2022:

Mr. B.S. Patil, Chairman	Independent Director
Mr. Divakar Shetty, Member	Executive Chairman
Mr. Mohan Narayan Menon, Member	Independent Director

As on 31st March, 2022 the Committee comprised of two Independent Directors and one Executive Director, all of whom are financially literate and have relevant finance / audit exposure. Statutory Auditors, Internal Auditors and Departmental Head of Finance are permanent Invitees to the Committee.

The Company Secretary of the Company is the Secretary to the Committee.

The other Directors are invited to attend the Audit Committee Meetings as and when required.

##### b) Terms of Reference:

The role and terms of Audit Committee cover the area of Part C of Schedule II of Regulation 18 (3) of the Listing Regulations and Section 177 of the Companies Act, 2013 besides other terms as may be referred to by the Board of Directors of the Company.

The minutes of the Audit Committee are taken note of by the Board of Directors.

##### c) Meeting and Attendance:

During the year under review, the Audit Committee met 4 (four) times on 10-June-2021, 04-August-2021, 02-November-2021 and on 08-February-2022 and not more than 120 days lapsed between two consecutive meetings of the Audit Committee. The necessary quorum was present for all the meetings.

The details are as follows:

Sl. No	Name	No. of Audit Committee Meetings held	No. of Audit Committee Meetings attended
1	Mr. B.S. Patil, Chairman	4	4
2	Mr. Divakar S Shetty, Member	4	4
3	Mr. Mohan Narayan Menon, Member	4	4

#### 2) Stakeholders' Relationship Committee:

The Stakeholders' Relationship Committee is constituted in compliance with the provisions of Section 178 of the Companies Act, 2013 and Listing Regulations.

##### a) Composition:

The Committee comprised of the following Directors for the year ended 31st March, 2022:

Mr. B.S. Patil, Chairman	Independent Director
Mr. Divakar S Shetty, Member	Executive Chairman
Mr. Kartik Nayak, Member	Joint Managing Director

##### b) Terms of Reference:

The role and terms of Stakeholders' Relationship Committee cover the area under Part D of Schedule II of Regulation 20 (4) of the Listing Regulations and Section 178 of the Companies Act, 2013 besides other terms as may be referred to by the Board of Directors of the Company. The minutes of the Stakeholders' Relationship Committee are taken note of by the Board of Directors.



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

Sl. No.	Nature of Correspondence	Received	Replied / Resolved	Pending
1	No. of Requests for Change of Address & bank Mandate	4	4	Nil
2	Letters received from SEBI / NSDL / Stock Exchanges	Nil	Nil	Nil
3	Requests For stop Transfer	Nil	Nil	Nil
4	Non Receipt of Share Certificate / Credit for Demat of Shares/ Dividend/ Annual Report	Nil	Nil	Nil
5	Requests for issues of Duplicate Share Certificate and Dividend warrants	Nil	Nil	Nil
6	Legal Cases/ Cases before consumer forum	Nil	Nil	Nil
7	Investors Request for Information	1	1	Nil
	<b>Total</b>	<b>5</b>	<b>5</b>	<b>0</b>

SEBI vide Circular Ref: CIR/OIAE/2/2011 dated June 3, 2011 informed the Company that they had commenced processing of investor complaints in a web based complaints redress system "SCORES". Under this system, all complaints pertaining to the companies are electronically sent through SCORES and the companies are required to view the complaints pending against them and submit Action Taken Report (ATRs) along with supporting documents electronically in SCORES.

All the requests and complaints received from the shareholders were attended to within the stipulated time and nothing was pending for disposal at the end of the year. For any clarification / complaint the Shareholders may contact Mrs. Jagruti Mursenia, Company Secretary and Compliance Officer at the Registered Office of the Company.

**d) Meetings and Attendance :**

During the year under review, the Committee met 1 (one) time on 4<sup>th</sup> August 2021.

The attendance of the members of the Stakeholders' Relationship Committee is as under:

Sl. No	Name	No. of Stakeholders' Relationship Committee	No. of Stakeholders' Relationship Committee attended
1	Mr. B.S. Patil, Chairman	1	1
2	Mr. Divakar Shetty, Member	1	1
3	Mr. Kartik Nayak, Member	1	1

**3) Nomination and Remuneration Committee:**

**a) Composition:**

The Committee comprises of the following members as on 31<sup>st</sup> March, 2022:

Sl.No.	Name of Member	Category
1	Mr. B S Patil, Chairman	Independent/Non-executive
2	Mr. Mohan Narayan Menon, Member	Independent/Non-executive
3	Mr. Divakar S Shetty, Member	Executive Chairman
4	Dr. Jyoti Gopalkrishna Baliga, Member	Independent/Non-executive



**b) Terms of Reference:**

The role and terms of Nomination and Remuneration Committee cover the area under Part D of Schedule II of Regulation 19 of Listing Regulations and Section 178 of the Companies Act, 2013 besides other terms as may be referred to by the Board of Directors of the Company. The minutes of the Nomination and Remuneration Committee are taken note of by the Board of Directors.

**c) Meetings and Attendance:**

During the year under review, the Committee met 2 (two) times on 10-June-2021 and 04-August-2021.

The attendance of the members of the Nomination and Remuneration Committee is as under:

Sl. No	Name	No. of Nomination and Remuneration Committee Meetings held	No. of Nomination and Remuneration Committee Meetings attended
1	Mr. B.S. Patil, Chairman	2	2
2	Mr. Mohan Narayan Menon, Member	2	2
3	Mr. Divakar Shetty, Member	2	2
4	Dr. Jyoti Gopalkrishna Baliga, Member	2	2

**d) Compensation Policy for Board and Senior Management**

Based on the recommendations of the Nomination and Remuneration Committee, the Board has approved the Remuneration Policy for Directors, KMPs and all other employees of the Company.

**As part of the policy, the Company strives to ensure that:**

- the level and composition of remuneration is reasonable and sufficient to attract, retain and motivate Directors of the quality required to run the Company successfully;
- relationship between remuneration and performance is clear and meets appropriate performance benchmarks;
- remuneration to Directors, KMP and senior management involves a balance between fixed and incentive pay reflecting short and long-term performance objectives appropriate to the working of the Company and its goals.

**4) Borrowing Committee:****a) Composition:**

The Committee comprises of the following members:

Mr. Divakar S Shetty, Chairman	Executive Chairman
Mr. B.S. Patil, Member	Independent Director
Mr. Praveen Mally, Member	Joint Managing Director
Mr. Kartik Nayak, Member	Joint Managing Director

**b) Terms of Reference:**

The terms of reference of the Committee are:

- exercise of powers vested in the Board by virtue of provisions of Companies Act, 2013 contained in Section 179 of sub-section (3) clause (d) read with proviso to the said sub-section (3) and the Board hereby delegates the powers of the Board to borrow moneys (Borrowing Powers) to a committee to be called 'Borrowing Committee' of 4 directors, which committee be and is hereby constituted to exercise the Borrowing powers of the Board.

**c) Meetings and Attendance:**

During the year under review, the Committee met 1 (One) time on 30th December, 2021.

The attendance of the members of the Borrowing Committee is as under:

Sl. No	Name	No. of Borrowing Committee Meetings held	No. of Borrowing Committee Meetings attended
1	Mr. Divakar S Shetty, Chairman	1	1
2	Mr. B.S. Patil, Member	1	0
3	Mr. Praveen Mally Member	1	1
4	Mr. Kartik Nayak, Member	1	0



## 5) Independent Directors:

In compliance with the provisions of Section 149(8) read along with Schedule IV of the Companies Act, 2013 and the Listing Regulations, 2 (two) meetings of the Independent Directors of the Company were held on 10-June-2021 and 08-February-2022 without the attendance of Non-Independent Directors and members of Management. All the Independent Directors were present at the said meeting, to discuss the following matters.

- Evaluation of the performance of Non Independent Directors and the Board of Directors as a Whole.
- Evaluation of the performance of the Chairman of the Company, taking into account the views of the Executive and Non-Executive Directors.
- Evaluation of the quality, content and timelines of flow of information between the Management and the Board that is necessary for the Board to effectively and reasonably perform its duties.

## I. REMUNERATION PAID TO DIRECTORS:

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 the Shareholders.

### a. Executive Directors:

Name	Position	Salary & Allowances (Rs.)	Employer Contribution to Provident Fund (Rs.)
Mr. Divakar S. Shetty	Executive Chairman	83,00,000	4,20,000
Mr. Kartik Nayak	Jt. Managing Director	62,50,000	3,60,000
Mr. Praveen Mally	Jt. Managing Director	62,50,000	3,60,000

### b. Non-Executive Directors:

The 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 the Board Meetings and Audit Committee meetings are given below:

Sl. No.	Name of the Director	Sitting fees paid (₹)
1	Mr. B.S Patil	2,00,000
2	Mr. Mohan Narayan Menon	2,00,000
3	Dr. Jyoti Gopalkrishna Baliga	1,50,000
4	Dr P P Shastri	50,000

There were no pecuniary relationships or transactions of the Non-Executive Directors vis-à-vis the Company during the Financial Year ended 31st March, 2022.

### c. Details of shareholding of Directors as on 31st March 2022:

As on 31st March 2022, the Company had three Executive Directors and three Non-Executive Directors. Of the three Executive Directors, Mr. Divakar S Shetty holds 492033 Equity Shares in the Company, Mr. Kartik Nayak holds 28,700 Equity Shares in the Company and Mr. Praveen Mally holds 44,095 Equity Shares in the Company. The other Non-Executive Directors does not hold any shares in the Company.

## II. DISCLOSURES:

### 1. Materially Significant Related Party Transactions:

All the transactions entered into with the related parties as defined under the Companies Act, 2013 and the Listing Regulation, during the financial year were in the ordinary course of business and at arm's length pricing basis. There were no materially significant transactions with the related parties during the financial year which were in conflict with the interests of the Company. Suitable disclosure as required by the Accounting Standards (AS 18) has been made in the notes to the Financial Statements.



The Company has formulated a policy on materiality of Related Party Transactions and also on dealing with the Related Party Transactions pursuant to the provisions of the Companies Act, 2013 and the Listing Regulations. The same is available on the website of the Company at <http://shetron.com>.

## **2. Statutory compliance, penalties and strictures:**

There were no cases of non-compliance by the Company with Stock Exchange or the SEBI Regulations nor any cases of penalties or strictures imposed on the Company by any Stock Exchange or SEBI or any statutory authorities for any violation on any matter related to the capital market during the last three years.

## **3. Whistle Blower Policy / Vigil Mechanism:**

Pursuant to Section 177(9) and (10) of the Companies Act, 2013, and the Listing Regulations, the Company has adopted a Whistle Blower policy, which provides a formal mechanism for all Directors and employees of the Company to approach the Management of the Company (Audit Committee in case where the concern involves the Senior Management) and make protective disclosures to the Management about unethical behavior, actual or suspected fraud or violation of the Company's code of conduct or ethics policy. The disclosures reported are addressed in the manner and within the time frames prescribed in the Policy. The Company affirms that no Director or employee of the Company has been denied access to the Audit Committee. The policy on Vigil Mechanism and Whistle Blower Policy is available on the website of the Company at <http://shetron.com>.

## **4. Governance Codes:**

### **i. Code of Business Conduct:**

The Board has adopted and approved the Code of Business Conduct. The Board members and Senior Managers observe the highest standards of ethical conduct and integrity and 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 business conduct on its website at <http://shetron.com>.

A declaration signed by the Managing Director affirming the compliance of the code of business 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 business conduct for Directors and Senior Managers in respect of financial year 2022-23.

**Kartik Nayak**  
Jt. Managing Director

### **ii. Code of conduct for prevention/prohibition of Insider Trading:**

The Company has adopted a Code of Conduct for Prevention of Insider Trading with a view to regulate trading in securities by the Directors and designated employees of the Company. The Code requires pre-clearance for dealing in the Company's shares and prohibits the purchase or sale of Company shares by the Directors and the designated employees while in possession of unpublished price sensitive information in relation to the Company and during the period when the Trading Window is closed. The Board is responsible for implementation of the code.

All Directors and the designated employees have confirmed compliance with the code.

## **5. Listing Regulations Compliance:**

The Company complies with all the mandatory requirements of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

## **6. CEO/CFO Certification:**

As per the requirement of the Listing Regulations a Certificate duly signed by Executive Chairman and Whole Time Director of the Company was placed at the Board Meeting of the Company held on 25th May 2022. A copy of the certificate is annexed to this Annual Report.

## **7. Sexual Harassment (Prevention, Prohibition and Redressal) Act, 2013**

Disclosures relating to Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 are provided in the Board's Report forming part of this Annual Report.



8. Total fees for all services paid by the Company and its Subsidiaries, on a consolidated basis, to the Statutory Auditor and all entities in the network firm/network entity of which the Statutory Auditor is a part;

Total Number of Subsidiary or Associate Company- NIL

Total fees for all services paid by the Company to Statutory Auditors: Rs. 9.6 Lakhs

### III. MEANS OF COMMUNICATION:

The Company has always promptly reported all material information including quarterly financial results, press releases issued by the Company, etc. to the Stock Exchange 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.

The Company's website address is: <http://shetron.com>. The website contains basic information about the Company and such other details as required under the SEBI (LODR) Regulations, 2015 and other applicable and mandatory regulations. The Company ensures periodical updation of its website. The Company has designated the email-id [investors@shetrongroup.com](mailto:investors@shetrongroup.com) to enable the shareholders to register their grievances.

The Ministry of Corporate Affairs, Government of India (MCA) has, by its Circular dated 21st April, 2011 announced a "Green Initiative in the Corporate Governance" by allowing paperless compliance by companies. In terms of the said Circular, service of notice/documents by a Company to its Shareholders required to be made under the provisions of the Companies Act, 2013 can be made through the electronic mode.

In line with the above initiative of the MCA, the Company proposes to send documents such as the Notice of the Annual General Meeting, audited Financial Statements, Board's Report, Auditors' Report, Postal Ballots etc., henceforth to all its esteemed Shareholders, including your good self, in electronic form, through e-mail. Please note that these documents will also be available on the Company's website [www.shetron.com](http://www.shetron.com).

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

To facilitate the same, the Company requests to furnish your e-mail ID, quoting the folio number/DPID/Client ID to our Registrar and Share Transfer Agent at the following address:

**Integrated Registry Management Services Private Limited**

No. 30, Ramana Residency 4th Cross,  
Sampige Road Malleswaram,  
Bangalore - 560 003  
Phone : +91-80-23460815-18,  
Fax : +91-80-23460819  
E-mail : [irg@integratedindia.in](mailto:irg@integratedindia.in)

### IV. GENERAL SHAREHOLDER INFORMATION:

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

#### 1. Shareholders' Information:

Sl No:	Particulars	Details
1	Date, Time and Venue of the 42nd Annual General Meeting	16th August, 2022 at 11.30 am through Video Conference
2	Date of Book Closure	10th August, 2022 To 16th August, 2022 (both days inclusive)
3	Financial Year	1st April 2021 to 31st March 2022
4	Listing on Stock Exchange	BSE Limited Phiroze Jeejeebhoy Towers, Dalal Street, Mumbai - 400 001, India.
5	Listing Fees	Paid for all the above Stock Exchanges as per the Listing Regulations.
6	ISIN	INE 278C01010EQ
7	Corporate Identification Number (CIN)	L21014KA1980PLC003842



8	Registered Office	Plot No: 1. Bommasandra Industrial Area, Hosur Road, Bangalore -560099
9	Share Transfer Agent (For Electronic and Physical Transfers)	Integrated Registry Management Services Private Limited, No: 30 Ramana Residency, 4th Cross, Sampige Road, Malleshwaram, Bangalore - 560 003 Tel: +91-80-23460815-818 Fax: +91-80-23460819 E-mail: irg@integratedindia.in
10	Compliance Officer	Mrs. Jagruti Mursenia Compliance Officer, Plot No: 1. Bommasandra Industrial Area, Hosur Road, Bangalore -560099
11	For Financial Queries	Mr. Vilas Dingre Chief Financial Officer, Plot No: 1. Bommasandra Industrial Area, Hosur Road, Bangalore -560099
12	For Shareholder's Queries	Integrated Registry Management Services Private Limited No: 30 Ramana Residency, 4th Cross, Sampige Road, Malleshwaram, Bangalore - 560 003 Tel: +91-80-23460815-818 Fax: +91-80-23460819 E-mail: irg@integratedindia.in

## 2. Change of Address:

Members holding Equity Shares 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 Shares in Dematerialized form are requested to notify the change of address / dividend mandate, if any, to their respective DPs.

## 3. Share Transfer System:

Equity Shares 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. During the year ended 31st March, 2022 the Share Transfer Committee met 4 times. The system is further audited by a Practising Company Secretary and the required certificates/ reports to this effect as also those related to dematerialization, reconciliation of Shares etc. are issued and filed with the Stock Exchanges where the Company's shares are listed.

## 4. 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 viz., 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 on 31st March, 2022, 8804911 Equity Shares (97.80%) out of the 9003300 Equity Shares of the Company are in the dematerialized form.

## 5. Shareholders' Correspondence:

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



The Company endeavors to reply to all communications received from the Shareholders within a week of receipt.

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.

## 6. General Body Meetings :

### Annual General Meeting:

The 42nd Annual General Meeting of the Company, for the Financial Year 2021-22, would be held on 16th August, 2022. The details of the previous 3 Annual General Meetings along with the Special Resolutions passed at the respective meetings are enlisted below:

Meeting	Day, Date and Time of the Meeting	Venue	Special Resolutions Passed
<b>41<sup>st</sup> AGM</b>	20 <sup>th</sup> September 2021 at 11.30 AM	Registered Office Bangalore (through Video Conferencing)	<ul style="list-style-type: none"> <li>• Re-appointment of Mr. Mohan Menon Narayanan (DIN: 02838483) as an Independent Director.</li> <li>• Re-appointment of Dr. Jyoti Gopalkrishna Baliga (DIN: 00484000) as an Independent Director.</li> <li>• Re-appointment of Mr. Praveen Vittal Mally (DIN: 00798354) as Joint Managing Director.</li> </ul>
<b>40<sup>th</sup> AGM</b>	23 <sup>rd</sup> September 2020 at 11.30 AM	Registered Office Bangalore (through Video Conferencing)	—
<b>39<sup>th</sup> AGM</b>	17 <sup>th</sup> September 2019 at 10.00 AM	Hotel Ajantha, Bangalore	<ul style="list-style-type: none"> <li>• Re-appointment of Mr. Babugowda Sanganagowda Patil (DIN: 00061959) as an Independent Director.</li> <li>• Re-appointment of Mr. Divakar Sanku Shetty (DIN: 00432755) as Executive Chairman and Whole-Time Director.</li> <li>• Re-appointment of Mr. Kartik Manohar Nayak (DIN: 00477686) as Joint Managing Director.</li> <li>• Re-appointment of Mr. Praveen Vittal Mally (DIN: 00798354) as Joint Managing Director.</li> </ul>





There were no resolutions passed through Postal Ballot during the last 3 years.

#### 7. Market Price Data:

High, Low and Volume during each month in the last financial year (reported at the BSE):

Sl. No.	Month	High (Rs.)	Low (Rs.)	Volume of shares traded
1	March 2022	48.20	37.15	49087
2	February 2022	52.40	39.35	97124
3	January 2022	53.90	34.60	325470
4	December 2021	37.95	31.00	109879
5	November 2021	36.45	30.35	81231
6	October 2021	35.50	30.00	78987
7	September 2021	33.15	28.20	45256
8	August 2021	36.15	28.35	92920
9	July 2021	39.40	29.00	312856
10	June 2021	34.00	22.90	209616
11	May 2021	29.70	21.05	146937
12	April 2021	22.50	18.60	24908

#### 8. Distribution of Shareholding as on 31<sup>st</sup> March 2022:

Category	No. of Share holders	Percentage	No. of shares	Percentage
Up to 5000	4235	98.33	1163177	12.97
5001 - 10000	28	0.65	200120	2.22
10001 -20000	12	0.28	176216	1.96
20001 - 30000	6	0.14	157055	1.74
30001 - 40000	1	0.02	38850	0.43
40001 - 50000	4	0.09	178814	1.99
50001 - 100000	3	0.07	259724	2.88
100001 and above	18	0.42	6829344	75.85
Total	4307	100.00	9003300	100.00

#### 9. Credit Rating of Securities:

The Credit ratings obtained by the Company during the year under review are as under:

Date	Facilities	Rating
4th September, 2021	Long Term Facilities	ICRA BB- (Stable)
	Short Term Facilities	ICRA A4

Shareholding Pattern as on 31<sup>st</sup> March, 2022:

	Category	No of Shares Held	Percentage of Shareholding
1	Promoters		
	- Indian Promoters	58,03,615	64.46
	- Foreign Promoters	-	-
2	Persons acting in Concert	-	-
	<b>Sub - Total</b>	<b>58,03,615</b>	<b>64.46</b>
B	<b>Non-Promoters Holding</b>		
3	<b>Institutional Investors</b>		
A	Mutual Funds and UTI	100	0
B	Banks, Financial Institutions, Insurance Companies (Central/State Govt. Institutions / Non-government Institutions)	-	-
C	FIs	-	-
	<b>Sub - Total</b>	<b>100</b>	<b>0</b>
4	<b>Non-Institutional investors</b>		
A (i)	Individual- i) individual shareholders holding nominal share capital up to Rs. 2 Lakhs	12,75,104	14.16
A (ii)	ii) individual shareholders holding nominal share capital in excess of Rs. 2 Lakhs	18,07,048	20.07
B	NBFCs registered with RBI		
D	Any other	1,17,433	1.31
	<b>Sub - Total</b>	<b>31,99,585</b>	<b>35.54</b>
	<b>GRAND TOTAL</b>	<b>90,03,300</b>	<b>100</b>

Place : Bengaluru

Date : 25<sup>th</sup> May 2022

For and on behalf of the Board  
For Shetron Limited

Divakar S Shetty  
Executive Chairman

DIN: 00432755

[Address: Divya Bunglow, Dr. R.S. Jain Marg,  
Gandhigram Road, Juhu, Mumbai 400049]

**ANNEXURE - 4 TO THE BOARD'S REPORT****Particulars of contracts/arrangements made with related parties****Form No. AOC-2**

**[Pursuant to clause (h) of sub-section (3) of Section 134 of the Companies Act, 2013 and Rule 8(2) of the Companies (Accounts) Rules, 2014]**

This Form pertains to the disclosure of particulars of contracts/arrangements entered into by the Company with related parties referred to in subsection of Section 188 of the Companies Act, 2013 including certain arm's length transactions under third proviso thereto.

**Details of contracts or arrangements or transactions not at arm's length basis**

There were no contracts or arrangements or transactions entered into during the year ended March 31, 2021, which were not at arm's length basis.

**Details of material contracts or arrangements or transactions at arm's length basis**

There were no material contracts or arrangements or transactions entered into during the year ended March 31, 2022 crossing the materiality threshold of 10% of the annual consolidated turnover of the Company.



### **ANNEXURE - 5 TO THE BOARD'S REPORT**

#### **STATEMENT OF DISCLOSURE OF REMUNERATION UNDER SECTION 197 OF THE COMPANIES ACT, 2013 AND RULE 5(1) OF COMPANIES (APPOINTMENT AND REMUNERATION OF MANAGERIAL PERSONNEL) RULES, 2014**

1	The ratio of the remuneration of each director to the median remuneration of the employees of the company for the financial year;	<b>Director Name</b>	<b>Ratio to median remuneration</b>
		Mr. Divakar S Shetty	29.3:1
		Mr. Kartik Nayak	22.2:1
		Mr. Praveen Vittal Mally	22.2:1
2	The percentage increase in remuneration of each Director, Chief Financial Officer, Chief Executive Officer, Company Secretary or Manager, if any, in the financial year;	<b>Director Name</b>	<b>% of increase</b>
		Mr. Divakar S Shetty, Executive Chairman	-
		Mr. Kartik Nayak, Jt. Managing Director	-
		Mr. Praveen Mally, Jt. Managing Director	-
		Mr. Vilas Dingre , Chief Financial Officer	20.48
		Mrs. Jagruti Mursenia	9.87
3	The percentage increase in the median remuneration of employees in the financial year;	31%	
4	The number of permanent employees on the rolls of company;	222	
5	The explanation on the relationship between average increase in remuneration and company performance;	The increase in median remuneration of around 22.30% is in line with the other Industries with matching business and work areas	
6	Comparison of the remuneration of the Key Managerial Personnel against the performance of the company;	The aggregate remuneration of Key Managerial Personnel is Rs. 237.92 Lakhs which is 1.05% of the Company's total turnover of Rs. 22745 Lakhs. As per the Company's Remuneration Policy, the compensation of the Key Managerial Personnel is based on performance, industry and working of the Company and its goal.	
7	Variation in	<b>31.03.2022</b>	<b>31.03.2021</b>
	Market Capitalization	132.91%	35.74%
	Price Earning Ratio	203.04%	-143.63
	Percentage Increase/decrease of the market quotations	132.91%	



8	Average percentile increase already made in the salaries of employees other than the managerial personnel in the last financial year and its comparison with the percentile increase in the managerial remuneration and justification thereof and point out if there are any exceptional circumstances for increase in the managerial remuneration;	The average increase in salaries of employees other than managerial personnel in 2022-23 was 9.41%. The managerial remuneration was not increased during the year 2022-23.
9	Comparison of the each remuneration of the Key Managerial Personnel against the performance of the company	The key parameters for the variable component of remuneration availed by the directors are considered by the Board of Directors based on the recommendations of the Nomination and Remuneration Committee as per the remuneration policy for Directors, Key Managerial Personnel and other employees.
10	The ratio of the remuneration of the highest paid director to that of the employees who are not directors but receive remuneration in excess of the highest paid director during the year;	No employee received remuneration in excess of the highest-paid director.
11	Affirmation that the remuneration is as per the remuneration policy of the company.	Yes, the remuneration is as per the remuneration policy of the company.

**Place : Bengaluru**

**Date : 25<sup>th</sup> May, 2022**

**For and on behalf of the Board  
For Shetron Limited**

**Divakar S Shetty  
Executive Chairman  
DIN: 00432755**

**[Address: Divya Bunglow, Dr. R.S. Jain Marg,  
Gandhigram Road, Juhu, Mumbai 400049]**



## **ANNEXURE - 6 TO THE BOARD'S REPORT**

### **MANAGEMENT DISCUSSION AND ANALYSIS REPORT**

Your Directors have pleasure in presenting the Management Discussion and Analysis Report for the year ended on March 31, 2022.

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

##### **GLOBAL ECONOMIC OVERVIEW:**

Global growth is projected to slow from an estimated 6.1 percent in 2021 to 3.6 percent in 2022 and 2023. This is 0.8 and 0.2 percentage points lower for 2022 and 2023 than projected in January. Beyond 2023, global growth is forecast to decline to about 3.3 percent over the medium term. The war in Ukraine has triggered a costly humanitarian crisis that demands a peaceful resolution. At the same time, economic damage from the conflict will contribute to a significant slowdown in global growth in 2022 and add to inflation. Fuel and food prices have increased rapidly, hitting vulnerable populations in low-income countries hardest. War-induced commodity price increases and broadening price pressures have led to 2022 inflation projections of 5.7 percent in advanced economies and 8.7 percent in emerging market and developing economies-1.8 and 2.8 percentage points higher than projected last January. Multilateral efforts to respond to the humanitarian crisis, prevent further economic fragmentation, maintain global liquidity, manage debt distress, tackle climate change, and end the pandemic are essential.

The global Metal Cans Market is expected to grow from USD 23.7 billion in 2021; it is projected to grow at a CAGR of 5.6% to reach USD 31.2 billion by 2026. The rise in demand for sustainable products and awareness regarding the environment coupled with increasing demand for convenient packaging will drive the market demand and growth of beverage cans globally. COVID-19 had a huge impact on the food supply chain in all regions, including North America, Europe, Asia-Pacific, South America, and the rest of the world. Due to the spread of COVID-19, there has been a growing number of death cases and long-term health impacts. The recyclable and reusable properties of cans act as an important driver for the growth of the beverage cans market. Almost 90% recyclability of both steel and aluminum cans makes them eco-friendly. It also helps can users in obtaining a cost advantage in packaging while at the same time addressing concerns about disposability, as they are manufactured in accordance with environmental regulations for decomposition.

Since the onset of the coronavirus, demand for different metal packaging formats is being impacted differently. Overall, a post-COVID tailwind will raise the 2020-2025 industry compound annual growth rate (CAGR) to 3.1% - almost twice that predicted in pre-pandemic forecasts. This will push worldwide value to \$131.2 billion in 2025, at constant prices.

##### **INDIAN ECONOMIC OVERVIEW:**

India's economy will grow 7.5% in fiscal year (FY) 2022 and 8% in FY2023. The Government of India's policy to improve logistics infrastructure, incentives to facilitate industrial production, and measures to improve farmers' income will support the country's accelerated recovery.

Large public infrastructure investments planned over the next 2 years will encourage more private investment. Together with the PM Gati Shakti initiative to improve India's logistics infrastructure, increased financial and technical support to states to expand capital investment will boost infrastructure spending and help spur economic growth. Private consumption will pick up as labor market conditions improve. Forecasts are based on a normal monsoon, which, coupled with rising wheat prices, is expected to boost agriculture output and improve farmers' income. The government's production-linked incentive scheme will provide a thrust to the manufacturing sector in FY2022 and FY2023.

##### **INDUSTRY STRUCTURE AND DEVELOPMENTS :**

With advancement in technology and general awareness, the packaging sector in India is well poised as most of the raw materials for packaging are abundantly available in the country. Moreover, the per capita spending has increased tremendously, leading to changing rural markets and a growing middle class who demand the best of products. The Indian packaging industry has made a mark with its exports that comprise flattened cans, printed sheets and components, crown cork, lug caps, plastic film laminates, craft paper, paper board and packaging machinery, while the imports include tinplate, coating and lining compounds and others. In India, the fastest growing packaging segments are laminates and flexible packaging, especially PET and woven sacks. Over the last few years Packaging Industry is an important sector driving technology and innovation growth in the country and adding value to the various manufacturing sectors including agriculture and FMCG segments.





Metal is tapping more into beverages through can packaging compared to food. This advanced packaging is worthy of a wide range of acceptance, because it is advantageous in new category beverages such as ready-to-drink (RTD) beverages. The application of metal packaging in the beverages industry is expanding at a CAGR of 3.4% through to 2025.

Packaging is among the high growth industries in India and developing @ 22-25% per annum and becoming a preferred hub for packaging industry. Currently the 5th largest sector of India's economy, the industry has reported steady growth over past several years and shows high potential for much expansion, particularly in the export market.

The market of dry cell batteries in India is becoming promising day by day and has grown with a CAGR of above 4% historically. The high demand in the rural segment is due to lack of proper power facilities while in the urban areas the increasing use of portable equipment leads to high demand for dry cell batteries. The rural segment is seen as a high revenue-generating segment.

A constantly expanding distribution network to meet the ever-increasing demand, the dry cell batteries are available in all kinds of local stores, malls, and available online too. The strategic product display and attractive packing makes this a low involvement purchase.

#### **OPPORTUNITIES, RISKS, THREATS AND CONCERNS:**

The global metal packaging market was valued at \$108.8 billion in 2020, and is projected to reach \$147.4 billion by 2030, growing at a CAGR of 3.1% from 2021 to 2030.

The packaging industry is one of the most vital growing sectors in the country owing to the rising population, increasing income levels, changing lifestyles, modern retail, and increased media. The market's swift growth is driven mainly by pharmaceuticals, foods and beverages, decorative, paints, etc. With companies making huge investments across sectors such as food processing, personal care, paint and pharmaceuticals, end-user industries generate opportunity for growth of the packaging market, which is grown more than 10% p.a. Reports by retail association indicate that in the current times of Covid-19 more opportunities for packaging of food products for longer shelf life, sanitisers and disinfectants in aerosol cans etc. are being created.

The competition from paper and plastic packaging poses a challenge to the metal packaging market.

Increased investments in canned packaging R&D have further propelled the growth of the market. Innovations, such as reduced surface area without affecting the volume, have resulted in lowering the cost of packaging of metal cans, thus, supporting companies in lowering packaging expenses. Consumer trends, such as smaller size consumption and multi-pack consumption, are also supporting the volume growth of the cans in the US and European regions, while similar trends have been observed in the Asia-Pacific region. The growing demand for mini-cans is expected to influence the growth of the market. Due to growing environmental awareness, consumers are demanding metal cans as they have a lower environmental impact. High recyclability of metal is one of the key drivers of the market. The economic conditions and lower pricing of canned goods in some regions remains a key driver in the market.

#### **OUTLOOK AND CHALLENGES:**

Over the past few decades, the global packaging industry has enjoyed healthy growth, supported by several megatrends. The revolution sparked by two megatrends-sustainability and digital-is unprecedented in the packaging industry. They will continue to shape the business, and it is expected that two of them-sustainability and digital (particularly e-commerce)-will create significant challenges for industry leaders, as well as once-in-a-lifetime transformational opportunities. In the current era, a dramatic shift to online shopping, increased global regulation of packaging waste, and the acceleration of consumers' sustainability concerns have combined to reinforce the rapid pace of change.

Packaging is a critical enabler for the everyday lives of most consumers. It helps to support the purchasing decision journey in retail stores, creates cost-efficient delivery systems for brand owners, minimizes product breakage and food waste throughout the value chain, and facilitates the consumer's need for convenience.

While the overall outlook is for a robust growth, your company has been identifying challenges facing the metal packaging industry like of the growing use of HDPE (high density polyethylene) and PET bottles. For positive growth, metal packaging companies will need to keep developing new and innovative metal packaging prototypes, and continue to develop new marketing strategies, in order to broaden their share of the market. Our commitment is to offer quality products to our clients and meet their expectations; we continuously strive to bring together segments of all knowledge of new products created by new innovative technologies.



The packaging machine industry faces a unique set of challenges that stretches its engineering capabilities to the limits. Consumer goods producers are striving to evolve containers into new shapes to appeal to continually changing customer needs and tastes. Nearly every machine produced by a packaging machinery company is a one-of-a-kind creation designed to bring a package designer's creation to life, to increase production rates, or to lower costs. As demand continues to remain robust for steel, normalcy in economic activity following relaxation of lockdown curbs has resulted in higher finished steel output across all major steel-producing economies, the CARE report said.

Riding on various stimulus packages, a sharp rebound in global demand had significantly widened the demand supply gap, resulting in an upsurge in steel prices in the last one year.

Hereon, the decline in steel prices will only be gradual largely supported by the continuing robust growth in steel demand and higher iron ore prices, said CARE Ratings.

On the domestic front, while the second wave had slowed down the demand for steel momentarily, CARE Ratings expects domestic demand is likely to bounce back post the end of the monsoon, largely driven by the infrastructure and construction sector.

Domestic steel prices are currently hovering around a marginal discount to international prices, as domestic steelmakers believe any further increase in prices may weigh down their domestic sales volumes. This discount is likely to get evaded post the moderation in international prices.

As evident, the industry is facing various challenges such as rapid changes in technology, shortage and rising cost of raw material, high levels of inflation, rising input costs, highly-inadequate credit flow, lack of market access, lack of exposure to best management and manufacturing practices, marketing, distribution and branding, and 100 per cent commitment to the quality standards.

#### **SEGMENTWISE PERFORMANCE:**

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

#### **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. Various Checks and balances ensure 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 and internal policies and procedures.

The internal control system is regularly reviewed by the Audit Committee and has well documented policies and guidelines to ensure reliability of financial and all other records to prepare financial statements and other data.

#### **CORPORATE POLICIES:**

##### **HUMAN RESOURCES/ INDUSTRIAL RELATIONS:**

The Company maintains a cordial relationship with its employees by creating a positive work environment, with focus on improving productivity and efficiency. The Company has a team of qualified and dedicated personnel contributing to the better performance of the operations and processes of the company. Constant training continues to be the focus for developing and honing the skill sets and competency levels of employees in the organization in line with the business standards and requirement. The company firmly believes that well trained man power at every level provides the true competitive advantage in its business and hence the Company invests resources in training. The company's endeavor is to offer fair and reasonable compensation to its employees based on the market benchmarks.

##### **TPM/ISO/IMS:**

Your Company has completed the sixteenth year of TPM (Total Productive Maintenance) programme to sensitize employees in safe and clean working environment enabling, zero accidents and breakdowns, highly skilled teams with high OEE rates and customer not clear through good quality, less cost and timely delivery.

Your Company is ISO 9001:2015 certified for Quality Management Systems (QMS). The ISO version is upgraded from ISO 9001:2008 to ISO 9001:2015 by stringent audits from TUV-Rheinland. Through this your company is committed to be competitive and efficient ensuring to achieve customer satisfaction with Continual process improvements. Your company is making continuous efforts for improvement in the processes, Quality Management Systems (QMS) and skill building.



In addition to Quality Management Systems, your Company is also ISO 22000:2005 certified for Food Safety Management Systems (FSMS) which was received in the financial year Mar-2018. This will help in maintaining and monitoring of Hazard and Critical Control Points (HACCP) during the process of manufacturing metal cans for food packaging. The certification helps to set standards for hygiene of employees and the surroundings which will impact in hygienic packaging for processed food. As the company's policy of FSMS speaks, it prevents contamination in source and ensures product safety, while also complying with the applicable statutory and regulatory requirements.

#### CAUTIONARY STATEMENT:

Statements in this report describing the company's objectives, expectations or forecasting 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 also international markets, changes in the Government regulations, tax laws, other statutes and also many exogenous variables. 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.

#### SIGNIFICANT CHANGES IN KEY RATIOS:

In Accordance with SEBI (Listing Obligation and Disclosure Requirement Regulations 2018) Amendment regulations 2018, The Company is required to give details of significant Changes).

S.No.	Particulars	Ratios	
		2021-22	2020-21
1	Debtor Turnover Ratio	7.99	6.34
2	Inventory Turnover	4.04	3.58
3	Interest Coverage Ratio	1.94	1.33
4	Current Ratio	1.42	1.42
5	Debt Equity Ratio	1.25	1.58
6	Operating Profit Margin(%)	10.37	7.97
7	Net Profit Margin (%)	2.16	-1.27

Place : Bengaluru

Date : 25<sup>th</sup> May 2022

For and on behalf of the Board  
For Shetron Limited

Divakar S Shetty  
Executive Chairman  
DIN: 00432755

[Address: Divya Bunglow, Dr. R.S. Jain Marg,  
Gandhigram Road, Juhu, Mumbai 400049]



**AUDITOR'S CERTIFICATE ON COMPLIANCE WITH THE CONDITIONS OF CORPORATE GOVERNANCE AS REQUIRED UNDER THE SEBI (LISTING OBLIGATIONS AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2015.**

To  
The Members  
Shetron Limited  
Bangalore

I have examined all the relevant records of Shetron Limited ('the Company') for the purpose of certifying the compliance of the conditions of Corporate Governance by the Company for the financial year ended 31st March, 2022 as stipulated under Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('the Listing Regulations').

The compliance of the conditions of Corporate Governance is the responsibility of the Management. My 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 my opinion and to the best of my information and explanations given to me, I certify that the Company has complied with the conditions of Corporate Governance as stipulated in the Listing Regulations.

I 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.

**Place : Bengaluru**  
**Date : 25<sup>th</sup> May, 2022**

**Vijayakrishna K T**  
Practising Company Secretary  
FCS No.: 1788 CP No.: 980  
F001788D000383345



**CERTIFICATE OF NON-DISQUALIFICATION OF DIRECTORS**  
***(pursuant to Regulation 34(3) and Schedule V Para C clause (10)(i) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015)***

To  
 The Members  
**SHETRON LIMITED**  
 Plot No 1, Bommasandar Industrial Area,  
 Hosur Road, Bangalore- 560097

I have examined the relevant registers, records, forms, returns and disclosures received from the Directors of **SHETRON LIMITED** having CIN: L21014KA1980PLC003842 and having the Registered Office at Plot No 1, Bommasandra Industrial Area, Hosur Road, Bangalore - 560097. (hereinafter referred to as 'the Company'), produced before me by the Company for the purpose of issuing this Certificate, in accordance with Regulation 34(3) read with Schedule V Para-C Sub clause 10(i) of the Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

In my opinion and to the best of my information and according to the verifications (including Directors Identification Number (DIN) status at the portal [www.mca.gov.in](http://www.mca.gov.in)) as considered necessary and explanations furnished to me by the Company & its Officers, I hereby certify that none of the Directors on the Board of the Company as stated below for the Financial Year ended on 31st March, 2022 has been debarred or disqualified from being appointed or continuing as Directors of Companies by the Securities and Exchange Board of India, the Ministry of Corporate Affairs, or any such other Statutory Authority.

Sr. No.	Name of Director	DIN	Date of appointment in the Company
1	Mr. Babugowda Sanganagowda Patil	00061959	27/09/2002
2	Mr. Divakar Sanku Shetty	00432755	01/09/2005
3	Mr. Kartik Manohar Nayak	00477686	01/04/2003
4	Ms. Jyoti Gopalkrishna Baliga	00484000	25/07/2019
5	Mr. Praveen Vittal Mally	00798354	08/02/2016
6	Mr. Mohan Narayan Menon	02838483	16/05/2016

Ensuring the eligibility for the appointment/continuity of every Director on the Board is the responsibility of the Management of the Company. My responsibility is to express an opinion on these based on my verification. This certificate is neither an assurance as to the future viability of the Company nor of the efficiency or effectiveness with which the Management has conducted the affairs of the Company.

Place : Bengaluru  
 Date : 25th May, 2022

**Vijayakrishna K T**  
 Practising Company Secretary  
 FCS No.: 1788 CP No.: 980  
 F001788D000383400



## **CEO CERTIFICATION**

The Board of Directors  
Shetron Limited

I, the undersigned, in my capacity as Executive Chairman and Whole Time Director of the Company hereby certify that, to the best of my knowledge and belief:

- a) I have reviewed the financial statements and the cash flow statement for the financial year ended 31st March, 2022 and that to the best of my knowledge and belief:
  - i. These statements do not contain any materially untrue statements or omit any material facts or contain statements that might be misleading;
  - ii. These statements together present a true and fair view of the Company's affairs and are in compliance with existing accounting standards, applicable laws and regulations;
- b) There are, to the best of my knowledge and belief, no transactions entered into by the Directors and Senior Management Personnel during the year, which are fraudulent, illegal or violative of the Company's Code of Conduct.
- c) I accept responsibility for establishing and maintaining internal controls for financial reporting and have evaluated the effectiveness of the internal control systems of the Company for such reporting. I have disclosed to the Auditors and the Audit Committee, deficiencies, if any, in the design or operation of such internal controls, of which I was aware of and the steps taken and/or proposed to be taken to rectify these deficiencies.
- d) I have also indicated to the Auditors and the Audit Committee.
  - i. Significant changes in Internal Controls with respect to financial reporting during the year.
  - ii. Significant changes in accounting policies during the Year and these have been disclosed in the notes to the financial statements.
  - iii. Instances of significant fraud involving either the management or employees having a significant role in the Company's internal control systems with respect to financial reporting.

**Place : Bengaluru**  
**Date : 25th May, 2022**

**Divakar S Shetty**  
**Executive Chairman**  
**DIN: 00432755**  
**[Address: Divya Bunglow, Dr. R.S. Jain Marg,**  
**Gandhigram Road, Juhu, Mumbai 400049]**





## INDEPENDENT AUDITOR'S REPORT

### TO THE MEMBERS OF SHETRON LIMITED

#### Report on the Audit of the Financial Statements

##### Opinion

We have audited the accompanying Ind AS financial statements of **SHETRON LIMITED** (referred to as "the Company") which comprise the Balance Sheet as at **31 March, 2022**, the Statement of Profit and Loss (including other comprehensive income), the Cash Flow Statement and the Statement of Changes in Equity for the year then ended, and a summary of the significant accounting policies and other explanatory information (hereinafter referred to as "the Ind AS financial statements").

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 Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the India Accounting Standards prescribed under section 133 read with the Companies (Indian Accounting Standards) Rules, 2015 as amended, ("Ind AS") and other accounting principles generally accepted in India, of the state of affairs of the company as at March 31, 2022 and its loss, changes in equity and its cash flows for the year ended on that date.

##### Basis for Opinion

We conducted our audit of the financial statements in accordance with the Standards on Auditing specified under section 143(10) of the Act (SAs). Our responsibilities *under those Standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company* in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India (ICAI) together with the independence requirements that are relevant to our audit of the financial statements under the provisions of the Act and the Rules made thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ICAI's Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the financial statements.

##### Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the Standalone Financial Statements of the current period. These matters were addressed in the context of our audit of the Standalone Financial Statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. We have do not have any key audit matters to report for this financial year.

##### Information Other than the Financial Statements and Auditor's Report Thereon

The Company's Board of Directors are responsible for the preparation of the other information. The other information comprises the information included in the Management Discussion and Analysis, Board's Report including Annexure to Board's Report, Business Responsibility Report, Corporate Governance and Shareholder's Information, but does not include the financial statements and our auditor's report thereon.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained during the course of our audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information; we are required to report that fact. We have nothing to report in this regard.

##### Management's Responsibility for the Financial Statements

The Company's Board of Directors is responsible for the preparation of these Ind AS financial statements in terms of the requirements of the Companies Act, 2013 that give a true and fair view of the financial position, financial performance including other comprehensive income, cash flows and changes in equity of the Company is in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) prescribed under Section 133 of the Companies Act, 2013 read with relevant rules issued there under.

The respective Board of Directors of the companies included in the Company are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; the selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the Ind AS financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the Ind AS financial statements by the Directors of the Company, as aforesaid. The respective Board of Directors of the Company are responsible for overseeing the Company's financial reporting process.



### Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

### Report on Other Legal and Regulatory Requirements

1. As required by Section 143(3) of the Act, we report that:
  - a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes 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, the Statement of Profit and Loss including the Statement of Other Comprehensive Income, the Cash Flow Statement and Statement of Changes in Equity dealt with by this Report are in agreement with the books of account.
  - d) In our opinion, the aforesaid standalone financial statements comply with the Accounting Standards specified under Section 133 of the Act.
  - e) On the basis of the written representations received from the directors as on March 31, 2022 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2022 from being appointed as a director in terms of Section 164 (2) of the Act.
  - f) With respect to the adequacy of the internal financial controls with reference to the standalone financial statements of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure A".
  - g) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended in our opinion and to the best of our information and according to the explanations given to us:
    - i. The Company does not have any pending litigations which would impact its financial position.
    - ii. The Company has made provision, as required under the applicable law or accounting standards, for material foreseeable losses, if any on long-term contracts including derivative contracts.
    - iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.
    - iv. (a) The management has represented that, to the best of its knowledge and belief, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the company to or in any other persons or entities, including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;
    - (b) The management has represented, that, to the best of its knowledge and belief no funds have been received by the company from any persons or entities, including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the company shall, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries; and
    - (c) Based on such audit procedures that the auditor has considered reasonable and appropriate in the circumstances, nothing has come to their notice that has caused us to believe that the representations under sub-clause (i) and (ii) of Rule 11(e), as provided under (a) and (b) above, contain any material misstatement.
  - v. The company has not declared or paid any dividend during the year in compliance of the provisions of section 123 of the Companies Act, 2013.
2. As required by the Companies (Auditor's Report) Order, 2020 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in the "Annexure B" a statement on the matters specified in paragraphs 3 and 4 of the Order.

**Place : Bengaluru**

**Date : May, 25<sup>th</sup> 2022**

**UDIN: 22025859AKJGCT1596**

**For N.NARESH AND CO**  
Chartered Accountants  
(Firm's Registration No. 011293S)  
**UDIN: 22025859AKJGCT1596**

**S. VENKATESAN**  
Partner  
(Membership No.:025859 )



## **ANNEXURE "A" TO THE INDEPENDENT AUDITOR'S REPORT**

(Referred to in paragraph 1(f) under 'Report on Other Legal and Regulatory Requirements' section of our report to the Members of SHETRON LIMITED of even date)

### **Report on the Internal Financial Controls Over Financial Reporting under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")**

We have audited the internal financial controls over financial reporting of **SHETRON LIMITED** ("the Company") as of March 31, 2022 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

#### **Management's Responsibility for Internal Financial Controls**

The Board of Directors of the Company is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to respective company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

#### **Auditor's Responsibility**

Our responsibility is to express an opinion on the internal financial controls over financial reporting of the Company based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") issued by the Institute of Chartered Accountants of India and the Standards on Auditing prescribed under Section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the internal financial controls system over financial reporting of the Company.

#### **Meaning of Internal Financial Controls over Financial Reporting**

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

#### **Limitations of Internal Financial Controls over Financial Reporting**

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to



future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

**Opinion**

In our opinion, to the best of our information and according to the explanations given to us, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2022, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

For **N. NARESH AND CO**  
Chartered Accountants  
(Firm's Registration No. 011293S)  
UDIN - **22025859AKJGCT1596**

**Place : Bengaluru**  
**Date : May 25<sup>th</sup> 2022**

**S. VENKATESAN**  
Partner  
(Membership No.:025859 )



### Annexure B' to the Independent Auditors' Report

**(Referred to in paragraph 2 under 'Report on Other Legal & Regulatory Requirement' section of our report to the Members of Shetron Limited of even date)**

To the best of information and according to the explanations provided to us by the Company and the books of accounts and records examined by us in the normal course of audit, we state that:

- (i) In respect of the company's Property, Plant and Equipment:
  - (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of Property, Plant and Equipment.
  - (b) The Company has a regular programme of verification to cover all the items of its Property, Plant and Equipment by which the Property, Plant and Equipment are verified by the management in a phased manner over a period of one year. Pursuant to the program, the Property, Plant and Equipment has been physically verified by the management during the year and no material discrepancies were noticed on such verification. In our opinion, this periodicity of physical verification is reasonable having regard to the size of the Company and nature of its assets.
  - (c) The title deeds of all immovable properties are held in the name of the Company
  - (d) The Company has not revalued any of its Property, Plant and Equipment (including right-of-use assets) during the year.
  - (e) No proceedings have been initiated during the year or are pending against the Company as at March 31, 2022 for holding any benami property under the Benami Transactions (Prohibition) Act, 1988 (as amended in 2016) and rules made thereunder.
- (ii) (a) The Management has conducted physical verification of inventory (excluding inventories in transit) at reasonable intervals during the year and discrepancies is less than 10% in aggregate for each class of inventory. In our opinion, the frequency of verification by the management is reasonable and the coverage and procedure for such verification is appropriate.
- (b) The Company has been sanctioned working capital limits in excess of 5 crores, in aggregate, from banks or financial institutions during the year on the basis of security of current assets of the Company. The quarterly returns/statements filed by the Company with such banks and financial institutions are in agreement with the books of accounts of the Company.
- (iii) The Company has not granted any loans or advances to parties covered in the Register maintained under section 189 of the Act. Accordingly, the question of reporting as per the provisions of clause (a) to (c) of Paragraph 3 (iii) of the Order are not applicable to the Company.
- (iv) In our opinion and according to the information and explanations given to us, the Company has complied with the provisions of section 185 and 186 of the Act, with respect to the loans, investments, guarantees and securities made or given.
- (v) Based on our scrutiny of the companies records and according to the information and explanations provided by the management, in our opinion the Company has not accepted any deposits from the public and hence the directives issued by the Reserve Bank of India and the provisions of Sections 73 to 76 or any other relevant provisions of the Act and the Companies (Acceptance of Deposit) Rules, 2015 with regard to the deposits accepted from the public are not applicable.
- (vi) We have broadly reviewed the books of account maintained by the Company pursuant to the rules made by the Central Government for the maintenance of cost records under section 148(1) of the Companies Act, 2013, related to the manufacture of metal packaging, and are of the opinion that, prima facie, the specified accounts and records have been made and maintained. We have not, however, made a detailed examination of the same.
- (vii) (a) According to information and explanations given to us and on the basis of our examination of the books of account and records of the Company, amounts deducted /accrued in the books of account in respect of undisputed statutory dues including provident fund, employees state insurance, income tax, sales tax, service tax, duty of customs, duty of excise, value added tax, goods and service tax, cess and material statutory dues have been regularly deposited during the year by the Company with the appropriate authorities. According to the information and explanations given to us, none disputed amounts payable in respect of the above were in arrears as at March 31, 2022 for a period of more than six months from the date they become payable.



- (b) According to the information and explanations given to us, there are no dues of income tax, sales tax, service tax, duty of customs, duty of excise, value added tax, outstanding on account of any dispute.
- (viii) There were no transactions relating to previously unrecorded income that have been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961 (43 of 1961).
- (ix)a) The Company has not defaulted in repayment of loans or other borrowings or in the repayment of interest thereon to any lender.
- (b) The Company has not been declared wilful defaulter by any bank or financial institution or government or any government authority.
- (c) In our opinion and according to the information and explanations given to us by the management, term loans were applied for the purpose for which the loans were obtained.
- (d) On an overall examination of the financial statements of the Company, funds raised on short-term basis have, prima facie, not been used during the year for long-term purposes by the Company.
- (e) According to the information and explanations given to us and on an overall examination of the financial statements of the Company, we report that, the Company has not taken any funds from any entity or person on account of or to meet the obligations of its subsidiaries, associates or joint ventures as defined under Companies Act, 2013.
- (f) According to the information and explanations given to us and procedures performed by us, we report that, the Company has not raised loans during the year on the pledge of securities held in its subsidiaries, joint ventures or associate companies (as defined under Companies Act, 2013).
- (x)(a) The Company has not raised moneys by way of initial public offer public offer or further public offer (including debt instruments) and term Loans during the year and hence, reporting under clause 3(x)(a) of the Order is not applicable.
- (b) During the year, the Company has not made any preferential allotment or private placement of shares or convertible debentures (fully or partly of optionally) and hence, reporting under clause 3(x)(b) of the Order is not applicable.
- (xi)(a) No fraud by the Company and no material fraud on the Company has been noticed or reported during the year.
- (b) No report under sub-section (12) of section 143 of the Companies Act has been filed in Form ADT-4 as prescribed under rule 13 of Companies (Audit and Auditors) Rules, 2014 with the Central Government, during the year and up to the date of this report.
- (c) Company has not received any whistle blower complaints during the year (and up to the date of this report). Hence reporting under clause 3(xi)(c) of the Order is not applicable.
- (xii) In our opinion, and to the best of our information and according to the explanations provided by the management, the Company is not a Nidhi Company. Accordingly, the requirements of clause 3 (xii) of the Order is not applicable.
- (xiii) According to the information and explanations given to us and based on our examination of the records of the company, transactions with the related parties are in compliance with sections 177 and 188 of the Act and the details of such transactions have been disclosed in the financial statements as required by the applicable accounting standards.
- (xiv)a) In our opinion the Company has an adequate internal audit system commensurate with the size and the nature of its business.
- (b) We have considered, the internal audit reports for the year under audit, issued to the Company during the year and till date, in determining the nature, timing and extent of our audit procedures.
- (xv) In our opinion during the year the Company has not entered into any non-cash transactions with its Directors or persons connected with its directors and hence provisions of section 192 of the Companies Act, 2013 are not applicable to the Company.
- (xvi) The company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934. Hence, reporting under clause 3(xvi)(a), (b) and (c) of the Order is not applicable.
- (xvii) According to the information The Company has not incurred cash losses during the financial year covered by our audit and the immediately preceding financial year.





- (xviii) There has been no resignation of the statutory auditors of the Company during the year.
- (xix) On the basis of the financial ratios, ageing and expected dates of realisation of financial assets and payment of financial liabilities, other information accompanying the financial statements and our knowledge of the Board of Directors and Management plans and based on our examination of the evidence supporting the assumptions, nothing has come to our attention, which causes us to believe that any material uncertainty exists as on the date of the audit report indicating that Company is not capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date. We, however, state that this is not an assurance as to the future viability of the Company. We further state that our reporting is based on the facts up to the date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the balance sheet date, will get discharged by the Company as and when they fall due.
- (xx) In our opinion sub section (5) and (6) of section 135 of the Companies Act is not applicable to the Company. Hence reporting under clause 3(xx)(a) and (b) of the Order is not applicable.

**For N. NARESH AND CO**  
Chartered Accountants  
(Firm's Registration No. 011293S)  
**UDIN - 22025859AKJGCT1596**

**Place : Bengaluru**  
**Date : May 25<sup>th</sup> 2022**

**S. VENKATESAN**  
Partner  
(Membership No.:025859 )



## Balance Sheet as at 31<sup>st</sup> March 2022

Particulars	Note No.	As at 31 <sup>st</sup> Mar 2022 ₹ in Lakhs	As at 31 <sup>st</sup> Mar 2021 ₹ in Lakhs
<b>ASSETS</b>			
<b>Non-Current Assets</b>			
Property, Plant & Equipment	2	3,823	4,104
Capital Work-in-Progress	2	-	-
Intangible Assets			
- Good will		230	230
Financial Assets			
Investments	3	11	11
Trade Receivables	4	-	-
Other Non-Current Assets	5	293	333
<b>Total Non-Current Assets</b>		<b>4,357</b>	<b>4,678</b>
<b>Current Assets</b>			
Inventories	6	5,634	4,761
Financial Assets			
Trade Receivables	7	2,847	2,688
Cash & Cash Equivalents	8	3	68
Bank Balances other than Cash & Cash Equivalents	9	601	613
Other Current Assets	10	1,826	1,857
Assets held for Disposal	34	40	40
<b>Total Current Assets</b>		<b>10,951</b>	<b>10,027</b>
<b>TOTAL ASSETS</b>		<b>15,308</b>	<b>14,705</b>
<b>EQUITY &amp; LIABILITIES</b>			
<b>EQUITY</b>			
Equity Share Capital	11	900	900
Other Equity	11A	3,582	3,090
<b>LIABILITIES</b>			
<b>Non-Current Liabilities</b>			
Financial Liabilities			
Borrowings	12	3,089	3,561
Other Financial Liabilities	13	8	8
Deferred Tax Liabilities (Net)	14,34	20	60
<b>Total Non-Current Liabilities</b>		<b>7,599</b>	<b>7,619</b>
<b>Current Liabilities</b>			
Financial Liabilities			
Borrowings	15	3,055	3,312
Trade Payables	16	3,614	2,637
Other Financial Liabilities	17	370	689
Other Current Liabilities	18	135	136
Provisions	19	535	312
<b>Total Current Liabilities</b>		<b>7,709</b>	<b>7,086</b>
<b>TOTAL LIABILITIES</b>		<b>15,308</b>	<b>14,705</b>

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

As per our report of even date  
**For N NARESH & CO**  
Chartered Accountants  
FRN 011293S

Place : Bengaluru  
Date : 25<sup>th</sup> May, 2022

**DIVAKAR S SHETTY**  
Executive Chairman  
DIN No. : 00432755

**KARTIK NAYAK**  
Jt. Managing Director  
DIN No. : 00477686

**PRAVEEN MALLY**  
Jt. Managing Director  
DIN No. : 00798354

**VILAS DINGRE**  
Chief Financial Officer

**JAGRUTI MURSENIA**  
Company Secretary -(A35339)

**S.VENKATESAN**  
Partner M.No.025859



## STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH 2022

Particulars	Note No.	For the year ended 31 <sup>st</sup> Mar 2022 ₹ in Lakhs	For the year ended 31 <sup>st</sup> Mar 2021 ₹ in Lakhs
<b>REVENUE</b>			
Revenue from Operations		22,572	17,053
Other income	20	173	136
<b>TOTAL INCOME (I)</b>		<b>22,745</b>	<b>17,189</b>
<b>EXPENSES</b>			
Cost of Materials Consumed	21	17,212	12,194
Changes in Inventories of Finished Goods, Stock-in-Trade and Work-in- Progress		-629	250
Employee Benefit Expense	22	1,869	1,724
Finance Costs	23	1,113	1,002
Depreciation & Amortisation Expense	2	550	547
Power & Fuel		687	544
Other Expenses	24	1,274	1,106
<b>TOTAL EXPENSES (II)</b>		<b>22,076</b>	<b>17,367</b>
<b>Profit before Exceptional item &amp; Tax Expenses (I-II)</b>		672	-179
<b>Profit before Tax Expenses</b>		672	-179
<b>Tax Expenses:</b>			
Current Tax		200	-
Deferred Tax		-40	19
<b>Total Tax Expense</b>		160	19
<b>Profit for the Year (III)</b>		512	-198
<b>Other Comprehensive Income</b>			
A (i) Items that will not be reclassified to P & L - Actuarial Gain/(Loss) on Employee Benefits		-20	-20
<b>Other Comprehensive Income for the year (IV)</b>		-20	-20
<b>Total Comprehensive Income for the year (III+IV)</b>		492	-218
<b>Earnings Per Equity Share (Face Value Rs. 10 each)</b>			
Basic (in Rs)		5.47	-2.42
Diluted (in Rs)		5.47	-2.42

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

As per our report of even date  
**For N NARESH & CO**  
Chartered Accountants  
FRN 011293S

Place : Bengaluru  
Date : 25<sup>th</sup> May, 2022

**DIVAKAR S SHETTY**  
Executive Chairman  
DIN No. : 00432755

**KARTIK NAYAK**  
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**VILAS DINGRE**  
Chief Financial Officer

**JAGRUTI MURSENIA**  
Company Secretary -(A35339)

**S.VENKATESAN**  
Partner M.No.025859



**Note 2:- Property, Plant & Equipment**

₹ in Lakhs

Particulars	GROSS BLOCK				DEPRECIATION & AMORTISATION			NET BLOCK	
	As at 01.04.21	Additions	Deductions/Adj	As at 31.03.2022	As at 01.04.21	For the year	As at 31.03.2022	As at 31.03.2022	As at 31.3.2021
<b>(A) Tangible Assets</b>									
Land:									
Freehold Land	80	-	2	78	-	-	-	78	80
Buildings	2,288	15	-	2,303	1,356	70	1,426	877	931
Plant & Equipment:									
Own	12,516	236	-	12,752	9,575	437	10,012	2,739	2,940
Office Equipment	27	11	-	38	26	6	32	6	1
Furniture & Fixtures	234	8	-	242	213	2	215	27	21
Vehicles	334	-	-	334	204	34	238	96	130
<b>Total Tangible Assets</b>	<b>15,479</b>	<b>270</b>	<b>2</b>	<b>15,747</b>	<b>11,374</b>	<b>550</b>	<b>11,923</b>	<b>3,823</b>	<b>4,104</b>
<b>(B) Capital Work-in-Progress</b>	-	-	-	-	-	-	-	-	-
<b>Total Tangible Assets</b>	<b>15,479</b>	<b>270</b>	<b>2</b>	<b>15,747</b>	<b>11,374</b>	<b>550</b>	<b>11,923</b>	<b>3,823</b>	<b>4,104</b>
<b>(C) Intangible Assets</b>									
Software	-	-	-	-	-	-	-	-	-
<b>Total Intangible Assets</b>	-	-	-	-	-	-	-	-	-
<b>(D) Intangible Assets under Development</b>									
<b>Total Intangible Assets</b>	-	-	-	-	-	-	-	-	-
<b>Total Assets (A+B+C+D)</b>	<b>15,479</b>	<b>270</b>	<b>2</b>	<b>15,747</b>	<b>11,374</b>	<b>550</b>	<b>11,923</b>	<b>3,823</b>	<b>4,104</b>



**Note 3:- Other Investments Unquoted**

₹ in Lakhs      ₹ in Lakhs  
31.03.22      31.03.21

<b>Unquoted</b>		
<b>Equity Instruments</b>		
11000 (L.Y.6000) equity shares of face value of Rs.100 each		
in M/s. Cosmos Co-Operative Bank Limited	11	11
	<b>11</b>	<b>11</b>

**Note 4:- Trade Receivable**

From Subsidiaries	-	-
Unsecured Considered Good (from Others)	-	-

**Note 5:- Other Non-Current Assets**

Advance to Suppliers	<b>293</b>	<b>333</b>
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**Note 6:- Inventories**

Raw Materials	3,591	3,357
Work-in-Progress	1,741	1,111
Finished Goods	25	26
Stores & Spares	277	267
	<b>5,634</b>	<b>4,761</b>

**Note 7:- Trade Receivables**

<b>Unsecured, Considered good</b>		
From Others	2,847	2,688
	<b>2,847</b>	<b>2,688</b>
<b>Aging Schedule given in Annexure I</b>		

**Note 8:- Cash & Cash Equivalents**

Balance with Banks (Current Account)	2	67
Cash on hand	1	1
	<b>3</b>	<b>68</b>

**Note 9:- Bank Balance other than Cash**

Fixed Deposits with Banks	32	32
Earmarked Fixed Deposits	569	581
	<b>601</b>	<b>613</b>

**Note 10:- Other Current Assets**

Advances to Staff and Workers	17	6
Advances to Suppliers	440	779
Prepaid Expenses	59	49
Security and Other Deposits	336	252
Balance With Govt Authorities and Other receivables	974	771
	<b>1,826</b>	<b>1,857</b>

**Note 11 :- Equity Share Capital****(1) Current reporting period****Amount Rs. in Lakhs**

Balance as on April 1, 2021	Changes in Equity Share Capital due to prior period errors	Restated balance at the beginning of the current reporting period	Changes in equity share capital during the current year	Balance as on March 31, 2022
900	0	0	0	900

**(1) Previous reporting period**

Balance as on April 1, 2020	Changes in Equity Share Capital due to prior period errors	Restated balance at the beginning of the current reporting period	Changes in equity share capital during the current year	Balance as on March 31, 2021
900	0	0	0	900

**A Other Equity****(1) Current reporting period**

Particulars	Reserves and Surplus				Other Comprehensive Income			Total equity attributable to equity share holders of Company
	Capital Reserve	Securities Premium	Retained Earnings	General Reserve	Equity Instrument through other comprehensive income	Effective portion of cash flow hedges	Other items of other comprehensive income	
<b>Balance as on April 1, 2021</b>	15	2111	759	205				3090
Profit for the year			492					492
Changes in accounting policy or prior period errors			0					0
Restated balance at the beginning of the current reporting period			0					0
<b>Total Comprehensive Income for the current year</b>	15	2111	1251	205	0	0	0	3582
Dividends	-	-	-	-	-	-	-	-
Transfer to retained earnings								
<b>Balance as at March 31, 2022</b>	15	2111	1251	205	0	0	0	3582



## (2) Previous reporting period

Particulars	Reserves and Surplus				Other Comprehensive Income			Total equity attributable to equity share holders of Company
	Capital Reserve	Securities Premium	Retained Earnings	General Reserve	Equity Instrument through other comprehensive income	Effective portion of cash flow hedges	Other items of other comprehensive income	
Balance as on April 1, 2020	15	2111	975	205				3306
Profit for the year			-218					-218
Changes in accounting policy or prior period errors			2					2
Restated balance at the beginning of the current reporting period								0
Total Comprehensive Income for the current year	15	2111	759	205	0	0	0	3090
Dividends								
Transfer to retained earnings								
Balance as at March 31, 2021	15	2111	759	205	0	0	0	3090

## Shareholding of Promoters

The details of shares held by promoters as at March 31, 2022.

Sl No.	Promoter Name	As at 31st March 2022			As at # 1st March 2021	
		No. of Shares	% of Total Shares	% change during the year	No. of Shares	% of Total Shares
1	DAKSHRAJ DIWAKAR SHETTY	276250	3.07		276250	3.07
2	DHANIKARTIK NAYAK	3700	0.04		3700	0.04
3	DIWAKAR SANKU SHETTY	492033	5.47	0.19%	486070	5.40
4	KARTIK MANOHAR NAYAK	28700	0.32		28700	0.32
5	NIKSHA KARTIK NAYAK	297010	3.30		297010	3.30
6	PRAVEEN VITTAL MALLY	44095	0.49		44095	0.49
7	RAKSHA PRAVEEN MALLY	299020	3.32		299020	3.32
8	YASHODA DIWAKAR SHETTY	308640	3.43		308640	3.43
9	BUNTS PROPERTIES PRIVATE LIMITED	1133057	12.58		1133057	12.58
10	FIBRE SHELLS LIMITED	45158	0.50		45158	0.50
11	KONJAL MACHINES PRIVATE LIMITED	858055	9.53		858055	9.53
12	SHETRON ENTERPRISES PRIVATE LIMITED	1713617	19.03		1713617	19.03
13	GREEN ECOLOGICAL MANAGED SERVICES PVT. LTD.	304280	3.38		304280	3.38
		<b>5803615</b>	<b>64.46</b>		<b>5797652</b>	<b>64.39</b>



**Note 12:- Non-Current Borrowings**

	₹ in Lakhs 31.03.22	₹ in Lakhs 31.03.21
<b>Loans from Related Parties</b>	933	1,094
Term Loan from Banks are secured by first charge on land and building of the Company ( Other Than property at Village Khativali Dist Thane ) and first charge on plant and machinery . Also guranteeted by promoter Directors .	2,150	2,299
Unsecured Loans from Bank / NBFCs	-	137
Term Loan from Others ( Secured by Car)	5	31
	<b>3,088</b>	<b>3,561</b>

**Note 13 :- Other Financial Liabilities (Non-Current)**

<b>Particulars</b>		
Deferred Liabilities	8	8

**Note 14 :- Deferred Tax Liabilities (NET)**

<b>Particulars</b>		
<b>Deferred Tax Liabilities:</b>		
Depreciation Difference	20	60
<b>Net Deferred Tax Liability</b>	<b>20</b>	<b>60</b>

**Note 15 :- Current Borrowings**

Demand Loan from Banks secured by First charge on Inventories and trade receivable of the Company . There also secured by first charge on Land and Building situated at Village Khativali Dist Thane and second charge on other Fixed assets of the Company	2,568	2,683
Factoring Obligations	487	629
	<b>3,055</b>	<b>3,312</b>

**Note 16 :- Trade Payables**

Trade Payable outstanding for less than a year	3,614	2,637
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Trade creditors include the MSME Creditors Rs. 4,40,01,749.70 (LY Rs 1,82,69,322/-) Out of this amount outstanding for more then 45 days as on 31-3-2022 is Rs. NIL (94,91,929/-) Payments made to MSME creditors during the year were within the appointed date.

Aging Schedule given in Annexure II

**Note 17 :- Other Financial Liabilities**

Current Maturities of Long Term Debt	370	689
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**Note 18 :- Other Current Liabilities**

Interest Accrued	10	9
Others	125	127
	<b>135</b>	<b>136</b>

**Note 19 :- Provisions**

For Employee Benefits	219	216
Provision for Tax	316	96
	<b>535</b>	<b>312</b>

**Note 20 :- Other Income**

Export Incentive/Draw back	139	107
Interest Received	32	27
Rent Received	2	2
	<b>173</b>	<b>136</b>

**Note 21 :- Cost of Material Consumed**

Exchange Flucutation	(46)	(9)
Raw Materials	17,204	12,009
Carrage Inward	54	194
	<b>17,212</b>	<b>12,194</b>

**Note 22 :- Employee Benefit Expenses**

PF and Other Funds	133	121
Salaries and Wages	1,668	1,551
Staff Welfare Expenses	68	53
	<b>1,869</b>	<b>1,725</b>

**Note 23 :- Finance Cost**

Interest	523	601
Other Finanace Cost	590	401
	<b>1,113</b>	<b>1,002</b>

**Note 24 :- Other Expenses**

Administrative Expenses	197	165
Commission Paid	16	22
Discount / Rebates	(0)	2
Drawings and Designs	28	35
Insurance	31	41
Job Charges	79	38
Other Expenses	16	17
Freight and Forwarding	603	490
Rates and Taxes	45	53
Rent	18	16
Repairs Buildings	41	32
Repairs Machinery	144	139
Repairs Others	45	45
Statutory Audit fees	11	11
	<b>1,274</b>	<b>1,106</b>

**Note 25 :- Contingent Liabilities**

Guarantees for Customs Duty	450	450
Export obligations under EPCG scheme	72	72

**Note 26 :- Ram Material Consumption**

<b>Value</b>		
Imported	2,843	4,214
Indigenous	14,315	7,795
<b>Total</b>	<b>17,158</b>	<b>12,009</b>
<b>Percentage</b>		
Imported	17%	35%
Indigenous	83%	65%
<b>Total</b>	<b>100%</b>	<b>100%</b>

**Note 27 :- Related Party Disclosures**

<b>I. Controlling Companies</b>	<b>NIL</b>	<b>NIL</b>
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## II. List of Related Parties

Fibre Foils Limited	Related Party	Related Party
Sansha Systems Limited	Related Party	Related Party
Shetron Enterprise Private Limited	Related Party	Related Party
Bunts Properties Private Limited	Related Party	Related Party
Mr.D.S.Shetty	Key Management Personnel	Key Management Personnel
Mr.Kartik Nayak	Key Management Personnel	Key Management Personnel
Mr.Praveen Mally	Key Management Personnel	Key Management Personnel

## III. Transactions with related parties

Sales	1	4
Purchases	21	14
Rent Paid	1	2
Payment to Key Management Personnel	206	203
<b>Status of outstanding Balances</b>		
Amount Receivable	1,314	1,344
Amount Payable	644	644

### Notes 28 :- LC Obligations

Letters of Credit and Guarantee established and bills discounted	<b>4,087</b>	<b>3,755</b>
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### Notes 29 :- Value of Import (CIF) / Exports (FOB)

Raw Materials	2,537	3,533
Components and Spare parts	151	34
FOB Value of Exports	4,553	4,836
Expenditure in Foreign Currency	16	-

### Note 30 :- Segment Disclosure

The company is exclusively engaged in the business of "Metal Packaging" products primarily in India. As per Ind AS 108 "Operating Segments" specified under Section 133 of the Companies Act 2013, there are no reportable or operating or geographical segments applicable to the company.

### Note 31:- Income Taxes (Ind AS 12)

(i) Reconciliation of Effective Tax Rate - Not Applicable

#### Applicable tax rate

Effect of Adjustment of unabsorbed depreciation and losses - Nil

Effective Tax Rate 28.60 %

#### (ii) Disclosures relating to deferred Taxes are given in Note No 14

There are no uncertain tax treatments excepts departmental appeals which are likely to be decided in favour of the company.

### Note 32 :- Classification of Financial assets and Financial liabilities and Fair Value measurements

All Financial assets and Financial liabilities are classified at amortised cost except Deferred Sales Tax Liability and Loan from Related Parties which are designated upon initial recognition as fair value through profit and loss. Fair value of these two liabilities are very close to their carrying amounts on account of likely maturities in short term.

The fair value of other financial assets and financial liabilities at the time of initial recognition was close to the transaction values and the Long term investments are carried at cost. Board is of the opinion that such assets will have a value on realization in the ordinary course of business at least equal to the amount at which they are stated in the Accounts.

**Note 33 :- Financial Risk Management Objectives.**

The company's financial instruments are subject to Credit Risk, Foreign currency risk and Liquidity risk. The company does not envisage market risk as the company does not have financial assets and liabilities that are subject to change in values due to change in market prices. The company does not also have interest rate risk as the company has fixed contractual interest rates for all its financial assets and liabilities, wherever applicable.

The company's foreign currency risk are mainly for the imports. The company manages this risk by entering into forward contracts and thus quantifying its final liability. The company does not envisage any foreign currency risk on its exports, as the rupee value of its exports exposures have always shown a gain on final settlement.

The company's credit risk relate to credit sales to its customer. The company manages this risk by customer appraisal process before accepting an order from a new customer. The track record of the company in realising its debts so far has been very good. Some customer orders are against LCs. Hence the company has not made any provision for doubtful debts.

The company's liquidity risks are quite low as it has working capital arrangements with Banks and manages the funds through daily cash flow statements. The promoters have adequate resources to bring in funds to manage the temporary liquidity risks.

**The details of maturities of significant financial liabilities are as follows as on 31st March 2022**

PARTICULARS	MORE THAN 5 YEAR
Term Loan	1263.00
Other financial Liabilities	933.00

**The details of maturities of significant financial liabilities are as follows as on 31<sup>st</sup> March 2021**

PARTICULARS	MORE THAN 5 YEAR
Term Loan	1308.00
Other financial Liabilities	1094.00

The additional quantitative data in this regard is not necessary as the data given in the Balance Sheet itself reflect the risk adjusted values.

**Note 34 :- Assets held for disposal**

The Company identified certain assets to be disposed off as a disposal group consisting of a piece of land, Naroska machine, certain dies and tools, LPG storage tank, transformer and certain Non-Current Advances and receivables as on 31-3-2017 after that date some of these assets were disposed off. The remaining assets were valued at net realisable value determined on the basis of reports of the technical experts of the Company.

**Note 35 :- Capital Management**

The company does not include interest bearing debt as a part of Capital for the purpose of Capital Management. The company aims to reduce the debt and reduce cost and thereby increasing the shareholder value.

**Note 36 :- Leased Assets**

All assets under lease are for a period of less than 12 months and as such option under Ind AS 116 is used to account the same as operating leases.

**Note 37:- Ratio**

Ratios required as per schedule III are given in Annexure III

**Note 38:- ADDITIONAL INFORMATION TO THE FINANCIAL STATEMENTS**

Disclosure in relation to undisclosed income

The Company does not have any such transaction which is not recorded in the books of accounts that has been surrendered or disclosed as income during the year ended March 31, 2022 and March 31, 2021 in the tax assessments under the Income Tax Act, 1961 (such as, search or survey or any other relevant provisions of the Income Tax Act, 1961)



#### **Details of Benami Property held**

The Company does not have any Benami property, where any proceeding has been initiated or pending against the Company during the year ended March 31, 2022 and March 31, 2021 for holding any Benami property.

#### **Details of Crypto Currency or Virtual Currency**

The Company has not traded or invested in Crypto currency or Virtual Currency during the year ended March 31, 2022 and March 31, 2021

#### **Utilisation of Borrowed Fund & Share Premium**

The Company has not received any fund from any person(s) or entity(ies), including foreign entities (Funding Party) with the understanding (whether recorded in writing or otherwise) that the Company shall: (a) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding party (Ultimate Beneficiaries) or (b) provide any guarantee, security or the like on behalf of the ultimate beneficiaries.

The Company has not advanced or lent or invested funds to any other person(s) or entity(ies), including foreign entities (Intermediaries) with the understanding that the Intermediary shall: (a) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company (Ultimate Beneficiaries) or (b) provide any guarantee, security or the like to or on behalf of the ultimate beneficiaries.

#### **Borrowing secured against Current Assets:**

##### **As per note 15**

#### **Additional disclosures relating to the requirement of revised Schedule III**

#### **Loans or advances (repayable on demand or without specifying any terms or period of repayment) to specified persons:**

During the year ended March 31, 2022 the Company did not provide any Loans or advances which remains outstanding (repayable on demand or without specifying any terms or period of repayment) to a persons (NIL as on March 31, 2021).

#### **Relationship with Struck Companies**

The Company did not have any transaction with companies struck off during the year ended March 31 2022 and also for the year ended March 31, 2021.

The Company does not have any charges or satisfaction which is yet to be registered with ROC beyond the statutory period. In the event of the creation of the charges above, the said charges would be registered with ROC, Bengaluru within the statutory period.

The Company has complied with the number of layers prescribed under clause (87) of section 2 of the Companies Act, 2013 read with Companies (Restriction on number of Layers) Rules 2017.

#### **Estimation of uncertainties relating to the global health pandemic from COVID-19**

The Company has taken into account all the possible impacts of COVID-19 in preparation of these financial statements, including but not limited to its assessment of liquidity and going concern assumption, the recover ability of receivables, intangible assets, cash and cash equivalent and investments. The Company has carried out this assessment based on available internal and external sources of information up to the date of approval of theses financial statements and believes that the impact of COVID-19 is not material to these financial statements and expects to recover the carrying amount of its assets. The Company will continue to monitor future economic conditions and its consequent impact on the business operations, given the uncertain nature of the pandemic.

The Company has taken into account all the possible impacts of COVID-19 in preparation of these financial statements, including but not limited to its assessment of liquidity and going concern assumption, the recoverability of receivables, intangible assets, cash and cash equivalent and investments. The Company has carried out this assessment based on available internal and external sources of information up to the date of approval of theses financial statements and believes that the impact of COVID-19 is not material to these financial statements and expects to recover the carrying amount of its assets. The Company will continue to monitor future economic conditions and its consequent impact on the business operations, given the uncertain nature of the pandemic.

**Note 39 :- General**

Previous years' figures are regrouped/reclassified to conform to current year's classification.

**ANNEXTURE I OF NOTES TO ACCOUNTS 7****Trade Receivables Ageing Schedule****Amount Rs. in Lakhs**

Particulars	Outstanding for following periods from date of payment					Total
	Less than 6 months	6 months - 1 year	1-2 years	2-3 years	More than 3 years	
(i) Undisputed Trade receivables - considered good	2847	NIL	NIL	NIL	NIL	2847
(ii) Undisputed Trade receivables - which have significant increase in credit risk	NIL	NIL	NIL	NIL	NIL	NIL
(iii) Undisputed Trade receivables - credit impaired	NIL	NIL	NIL	NIL	NIL	NIL
(iv) Disputed Trade receivables - considered good	NIL	NIL	NIL	NIL	NIL	NIL
(v) Disputed Trade receivables which have significant increase in credit risk	NIL	NIL	NIL	NIL	NIL	NIL
(vi) Disputed Trade receivables - credit impaired	NIL	NIL	NIL	NIL	NIL	NIL

**ANNEXTURE II OF NOTES TO ACCOUNTS 16****Trade Payables Ageing Schedule****Amount Rs. in Lakhs**

Particulars	Outstanding for following periods from date of payment				Total
	Less than 1 year	1-2 years	2-3- years	More than 3 years	
(i) MSME	1	0	0	0	1
(ii) Others	43	0.63			43.63
(iii) Disputed Dues - MSME					
(iv) Disputed Dues - Others					



## Ratios

The ratios for the years ended March 31, 2022 and March 31, 2021 are as follows :

Particulars	Numerator	Denominator	As at March 31,		Variance
			2022	2021	
Current ratio	Current assets	Current liabilities	1.42	1.42	0.01
Debt - Equity ratio	Total Debt	Shareholders equity	1.46	1.90	-0.44
Debt service coverage ratio	Earnings available for debt service	Debt service	1.13	0.77	0.36
Return on Equity (ROE) %	Net profits after taxes	Average shareholders equity	11.60	-5.39	6.22
Trade receivables	Revenue	Average trade receivables turnover ratio	8.16	6.13	2.02
Trade payables turnover ratio	Purchases of services and other expenses	Average trade payables	6.53	6.13	0.40
Net capital turnover ratio	Revenue	Working capital	7.45	5.19	2.26
Net profit ratio %	Net profit	Revenue	2.16	-1.27	0.89
Return on Capital Employed %	Earning before interest and taxes	Capital employed	16.22	7.12	9.10
Return on Investment	Income generated from investments	Time weighted average investments	NA	NA	NA





## **SIGNIFICANT ACCOUNTING POLICIES**

### **1. Significant Accounting Policies Statement of Compliance**

These financial statements have been prepared in accordance with Indian Accounting Standards (Ind AS) notified under Section 133 of the Companies Act, 2013. The financial statements have also been prepared in accordance with the relevant presentation requirements of the Companies Act, 2013. The Company adopted Ind AS from 1st April, 2017.

Up to the year ended 31st March, 2017, the Company prepared its financial statements in accordance with the requirements of previous Generally Accepted Accounting Principles (GAAP), which includes Standards notified under the Companies (Accounting Standards) Rules, 2006. These are the Company's first Ind AS financial statements.

The date of transition to Ind AS is 1st April, 2017. Details of the exceptions and optional exemptions availed by the Company and principal adjustments along with related reconciliations are detailed in Note 36 Annexure

### **Basis of Preparation**

The financial statements are prepared in accordance with the historical cost convention, except for certain items that are measured at fair values, as explained in the accounting policies.

Fair Value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, regardless of whether that price is directly observable or estimated using another valuation technique. In estimating the fair value of an asset or a liability, the Company takes into account the characteristics of the asset or liability if market participants would take those characteristics into account when pricing the asset or liability at the measurement date.

Fair value for measurement and/or disclosure purposes in these financial statements is determined on such a basis, except for share-based payment transactions that are within the scope of Ind AS 102 - Share-based Payment, leasing transactions that are within the scope of Ind AS 116 - Leases, and measurements that have some similarities to fair value but are not fair value, such as net realizable value in Ind AS 2 - Inventories or value in use in Ind AS 36 - Impairment of Assets.

The preparation of financial statements in conformity with Ind AS requires management to make judgments, estimates and assumptions that affect the application of the accounting policies and the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amounts of revenues and expenses during the year. Actual results could differ from those estimates. The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimate is revised if the revision affects only that period; they are recognized in the period of the revision and future periods if the revision affects both current and future periods.

### **Operating Cycle**

All assets and liabilities have been classified as current or non-current as per the Company's normal operating cycle and other criteria set out in the Schedule III to the Companies Act, 2013 and Ind AS 1 - Presentation of Financial Statements based on the nature of products and the time between the acquisition of assets for processing and their realization in cash and cash equivalents.

### **Property, Plant and Equipment - Tangible Assets**

Property, plant and equipment are stated at cost of acquisition or construction less accumulated depreciation and impairment, if any. For this purpose, cost includes deemed cost which represents the carrying value of property, plant and equipment recognized as at 1st April, 2016 measured as per the previous GAAP Cost is inclusive of inward freight, duties and taxes and incidental expenses related to acquisition.

In respect of major projects involving construction, related pre-operational expenses form part of the value of assets capitalized. Expenses capitalized also include applicable borrowing costs for qualifying assets, if any. All up gradation / enhancements are charged off as revenue expenditure unless they bring similar significant additional benefits.

An item of property, plant and equipment is derecognized upon disposal or when no future economic benefits are expected to arise from the continued use of asset. Any gain or loss arising on the disposal or retirement of an item of property, plant and equipment is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognized in the Statement of Profit and Loss.

Depreciation of these assets commences when the assets are ready for their intended use which is generally on commissioning. Items of property, plant and equipment are depreciated in a manner that amortizes the cost (or other amount substituted for cost) of the assets after commissioning, less its residual value, over their useful lives as specified in Schedule II of the Companies Act, 2013 on Straight Line method basis. Land is not depreciated.



### **Inventories**

Inventories are stated at lower of cost and net realizable value. The cost is calculated on weighted average method. Cost comprises expenditure incurred in the normal course of business in bringing such inventories to its present location and condition and includes, where applicable, appropriate overheads based on normal level of activity. Net realizable value is the estimated selling price less estimated costs for completion and sale.

Obsolete, slow moving and defective inventories are identified from time to time and, where necessary, a provision is made for such inventories.

### **Foreign Currency Transactions**

The functional and presentation currency of the Company is Indian Rupee.

Transactions in foreign currency are accounted for at the exchange rate prevailing on the transaction date. Gains/ losses arising on settlement as also on translation of monetary items are recognized in the Statement of Profit and Loss.

### **Financial instruments, Financial assets, Financial liabilities and Equity instruments**

Financial assets and financial liabilities are recognized when the Company becomes a party to the contractual provisions of the relevant instrument and are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities measured at fair value through profit or loss) are added to or deducted from the fair value on initial recognition of financial assets or financial liabilities. Purchase or sale of financial assets that require delivery of assets within a time frame established by regulation or convention in the market place (regular way trades) are recognized on the trade date, i.e., the date when the Company commits to purchase or sell the asset.

### **Financial Assets**

**Recognition:** Financial assets include Investments, Trade receivables, Advances, Security Deposits, Cash and cash equivalents. Such assets are initially recognized at transaction price when the Company becomes party to contractual obligations. The transaction price includes transaction costs unless the asset is being fair valued through the Statement of Profit and Loss.

**Classification :** Management determines the classification of an asset at initial recognition depending on the purpose for which the assets were acquired. The subsequent measurement of financial assets depends on such classification.

Financial assets are classified as those measured at:

- (a) amortised cost, where the financial assets are held solely for collection of cash flows arising from payments of principal and/or interest.
- (b) fair value through other comprehensive income (FVTOCI), where the financial assets are held not only for collection of cash flows arising from payments of principal and interest but also from the sale of such assets. Such assets are subsequently measured at fair value, with unrealised gains and losses arising from changes in the fair value being recognized in other comprehensive income.
- (c) fair value through profit or loss (FVTPL), where the assets are managed in accordance with an approved investment strategy that triggers purchase and sale decisions based on the fair value of such assets. Such assets are subsequently measured at fair value, with unrealised gains and losses arising from changes in the fair value being recognized in the Statement of Profit and Loss in the period in which they arise.

Trade receivables, Advances, Security Deposits, Cash and cash equivalents etc. are classified for measurement at amortised cost while investments may fall under any of the aforesaid classes. However, in respect of particular investments in equity instruments that would otherwise be measured at fair value through profit or loss, an irrevocable election at initial recognition may be made to present subsequent changes in fair value through other comprehensive income.

### **Financial Liabilities**

Borrowing, trade payables and other financial liabilities are initially recognized at the value of the respective contractual obligations. They are subsequently measured at amortized cost. Any discount or premium on redemption /settlement is recognized in the Statement of Profit and Loss as finance cost over the life of the liability using the effective interest method and adjusted to the liability figure disclosed in the Balance Sheet. Deferred Tax Liability and Unsecured Loans from related parties are subsequently measured at fair value through profit or loss

Financial liabilities are derecognized when the liability is extinguished, that is, when the contractual obligation is discharged, cancelled and on expiry.

### **Revenue**

Revenue is measured at the fair value of the consideration received or receivable for goods supplied and services rendered, net of returns and discounts to customers. Revenue from the sale of goods includes excise and other duties



which the Company pays as a principal but excludes amounts collected on behalf of third parties, such as sales tax and value added tax.

Revenue from the sale of goods is recognized when significant risks and rewards of ownership have been transferred to the customer, which is mainly upon delivery, the amount of revenue can be measured reliably and recovery of the consideration is probable. Revenue from services is recognized in the periods in which the services are rendered.

#### **Dividend Distribution**

Dividends paid (including income tax thereon) is recognized in the period in which the interim dividends are approved by the Board of Directors, or in respect of the final dividend when approved by shareholders.

#### **Employee Benefits**

The Company makes contributions to both defined benefit and defined contribution schemes which are mainly administered through duly constituted and approved Trusts.

Provident Fund contributions are in the nature of defined contribution scheme. In respect of employees who are members of constituted and approved trusts, the Company recognizes contribution payable to such trusts as an expense including any shortfall in interest between the amount of interest realized by the investment and the interest payable to members at the rate declared by the Government of India. In respect of other employees, provident funds are deposited with the Government and recognized as expense.

The Company makes contribution to defined contribution pension plan. The contribution payable is recognized as an expense, when an employee renders the related service. The Company also makes contribution to defined benefit pension and gratuity plan. The cost of providing benefits under the defined benefit obligation is calculated by independent actuary using the projected unit credit method. Service costs and net interest expense or income is reflected in the Statement of Profit and Loss. Gain or Loss on account of re-measurements are recognized immediately through other comprehensive income in the period in which they occur.

The employees of the Company are entitled to compensated leave for which the Company records the liability based on actuarial valuation computed using projected unit credit method. These benefits are unfunded.

Actual disbursements made, under the Workers' Voluntary Retirement Scheme are accounted as revenue expenses.

#### **Taxes on Income**

Taxes on income comprises of current taxes and deferred taxes. Current tax in the Statement of Profit and Loss is provided as the amount of tax payable in respect of taxable income for the period using tax rates and tax laws enacted during the period, together with any adjustment to tax payable in respect of previous years.

Deferred tax is recognized on temporary differences between the carrying amounts of assets and liabilities and the amounts used for taxation purposes (tax base), at the tax rates and tax laws enacted or substantively enacted by the end of the reporting period.

Deferred tax assets are recognized for the future tax consequences to the extent it is probable that future taxable profits will be available against which the deductible temporary differences can be utilized.

Income tax, in so far as it relates to items disclosed under other comprehensive income or equity, are disclosed separately under other comprehensive income or equity, as applicable.

Deferred tax assets and liabilities are offset when there is legally enforceable right to offset current tax assets and liabilities and when the deferred tax balances related to the same taxation authority. Current tax assets and tax liabilities are offset where the entity has a legally enforceable right to offset and intends either to settle on net basis, or to realize the asset and settle the liability simultaneously.

#### **Claims**

Claims against the Company not acknowledged as debts are disclosed after a careful evaluation of the facts and legal aspects of the matter involved.

#### **Provisions**

Provisions are recognized when, as a result of a past event, the Company has a legal or constructive obligation; it is probable that an outflow of resources will be required to settle the obligation; and the amount can be reliably estimated. The amount so recognized is a best estimate of the consideration required to settle the obligation at the reporting date, taking into account the risks and uncertainties surrounding the obligation.

In an event when the time value of money is material, the provision is carried at the present value of the cash flows estimated to settle the obligation.



## CASH FLOW STATEMENT FOR YEAR ENDED 31.03.2022

Particulars	As at 31 <sup>st</sup> Mar 22 ₹ in Lakhs	As at 31 <sup>st</sup> Mar 21 ₹ in Lakhs
<b>A. CASH FLOW FROM OPERATING ACTIVITIES:-</b>		
<b>NET LOSS / PROFIT BEFORE TAX.</b>	<b>672</b>	<b>(179)</b>
Adjustments for:		
Depreciation	550	547
Gratuity Expenses	(20)	(20)
Interest	1,113	1,002
Post Acquisition profit on amalgamation	-	2
<b>Operating Profit before Working Capital changes</b>	<b>2,315</b>	<b>1,352</b>
Adjustments for:		
Trade and Other receivables	(159)	(27)
Inventories	(873)	(465)
Current Liabilities and Provisions	623	(346)
Fixed Deposit for LC Margin	12	(37)
Other Non-Current Assets	40	
Other Current Assets	32	512
<b>Cash Generated from Operations</b>	<b>1,990</b>	<b>989</b>
Interest Paid	(1,113)	(1,002)
Direct Taxes Paid	(200)	-
<b>CASH FLOW BEFORE EXTRAORDINARY ITEMS</b>	<b>677</b>	<b>(13)</b>
<b>NET CASH FROM OPERATING ACTIVITIES</b>	<b>677</b>	<b>(13)</b>
<b>B. CASH FLOW FROM INVESTING ACTIVITIES:-</b>		
Purchase of Fixed Assets (including Capital Advances)	(270)	(187)
Purchase of Fixed Assets (on Amalgamation)	-	-
Purchase of Good will on Amalgamation	-	-
Sale of Investments	-	-
	(270)	(187)
<b>C. CASH FLOW FROM FINANCING ACTIVITIES:-</b>		
Change in Long Term Borrowings	(472)	225
<b>NET CASH USED IN FINANCING ACTIVITIES</b>	<b>(472)</b>	<b>225</b>
<b>NET INCREASE IN CASH AND CASH EQUIVALENTS</b>	<b>(65)</b>	<b>25</b>
<b>CASH AND CASH EQUIVALENTS AS AT (CLOSING BALANCE)</b>	<b>3</b>	<b>68</b>
<b>CASH AND CASH EQUIVALENTS AS AT (OPENING BALANCE)</b>	<b>68</b>	<b>43</b>

In terms of our report attached.

For and on behalf of the Board of Directors

As per our report of even date

For N NARESH &amp; CO

Chartered Accountants

FRN 011293S

Place : Bengaluru  
Date : 25<sup>th</sup> May, 2022DIVAKAR S SHETTY  
Executive Chairman  
DIN No. : 00432755KARTIK NAYAK  
Jt. Managing Director  
DIN No. : 00477686PRAVEEN MALLY  
Jt. Managing Director  
DIN No. : 00798354VILAS DINGRE  
Chief Financial OfficerJAGRUTI MURSENIA  
Company Secretary -(A35339)S.VENKATESAN  
Partner M.No.025859

Dear Shareholder(s),

As per the new Companies Act, 2013 every Company is required to maintain its Register of Members in new format fully updated. In view of this new requirement, we request you to provide the details as sought below duly filled and signed to our Registrar & Share Transfer Agents:

**INTEGRATED REGISTRY MANAGEMENT SERVICES PRIVATE LIMITED**

No.30, Ramana Residency, 4th Cross, Sampige Road,  
Malleswaram, Bangalore-560 003

Important note: The shareholders holding shares in demat form are requested to update their details to their Depository Participant where they have opened their Demat Account.

Dear Sir/Madam,

I/We wish to furnish the following details for updating in the Company's Register of Members pursuant to Section 88 of the Companies Act, 2013 and Rule 3(1) of the Companies (Management & Administration) Rules, 2014.

Sl. No.	Particulars	Details
1	Folio Number	
2	Name of the Shareholder(s)	
3	Father's/Mother's/Spouse Name	
4	Occupation	
5	Nationality	
6	Address of the Shareholder(s) (Please enclose address proof - self attested copy of Passport/ Driving License/ Bank Pass Book / Telephone Bill / Bank PassBook/ Aadhar Card)	
7	CIN (In case the shareholder is a Company)	
8	E-mail ID to which the documents/notices can be served electronically	
9	Whether you wish to received Annual Reports in hard copy via Speed post/ Registered Post/ Courier or soft copy via E-Mail	
10	PAN (If available) (Please enclose self attested copy)	
11	A. Bank Name	
	B. Full Address of the Bank	
	C. 9 digit account code number of the Bank & Branch appearing on the MICR cheque issued by the Bank. (Please attach the photocopy of a cheque or a blank cancelled cheque issued by your Bank for verifying the accuracy of the code number)	
	D. Account Type (SB/Current)	
	E. Bank Account Number	
	F. IFSC Code	

Place:

Date:

(Signature of the Shareholder)





[illegible]





## Notes





# **SHETRON LIMITED**

**THE NAME BEHIND THE NAMES**

**CIN : L21014KA1980PLC003842**

**Corporate Office :**

Plot A6, M.I.D.C, Road No. 5, Andheri (East)  
Mumbai - 400 093, 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, Bengaluru - 560 099, INDIA  
Telephone : +91 80 2783 2290 / 91 / 92, 080 49064300  
Fax : +91 80 2783 2293  
email : investors@shetrongroup.com

**website : [www.shetrongroup.com](http://www.shetrongroup.com)**

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**AN ISO 9001 : 2015 CERTIFIED COMPANY**

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