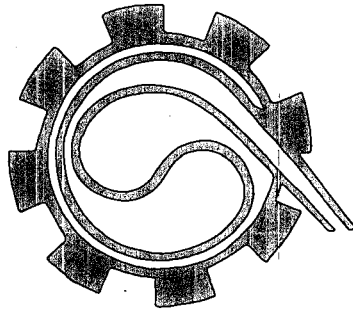


41st Annual Report 2002-2003

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SHRENO LTD.

SHRENO LIMITED

DIRECTORS

SHRI CHIRAYU R. AMIN
SHRI PRANAV C. AMIN
SHRI RAVJIBHAI S. PATEL
SHRI GIRISH R. AMIN
SHRI SIDDHARTH C. PATEL
SHRI DATTATRAY C. PRADHAN
SHRI RAMANLAL M. KAPADIA

Chairman

AUDITORS

MESSRS DALAL & SHAH,
CHARTERED ACCOUNTANTS.
L/2, Bhavana Apartments,
Narayan Nagar Road,
Paldi,
Ahmedabad-380 007.

BANKERS

BANK OF BARODA

REGD. OFFICE

ALEMBIC ROAD,
VADODARA-390 003.

FACTORY

3/23-24 & 4/22-23, INDUSTRIAL ESTATE,
VADODARA-390 016

SHRENO LIMITED

NOTICE is hereby given that forty first Annual General Meeting of the members SHRENO LIMITED will be held at "Sanskriti". Alembic Corporate Conference Centre, Opp. Pragati Sahakari Bank Ltd., Alembic Colony, Vadodara 390 003 on Wednesday, the 24th September, 2003 at 11.30 a.m. to transact the following Ordinary Business.

1. To receive, consider and adopt the Audited Balance Sheet as at 31st March, 2003, the Profit & Loss Account for the year ended on that date and the Report of the Board of Directors and Auditors thereon.
2. To declare Dividend on Equity Shares.
3. To appoint a Director in place of Shri D. C. Pradhan, who retires by rotation and is being eligible for re-appointment.
4. To appoint a Director in place of Shri R. M. Kapadia, who retires by rotation and is eligible for re-appointment.
5. To appoint Auditors and to fix their remuneration.

Regd. Office :
Alembic Road,
Vadodara - 390 003.
Dated : 25th June, 2003.

By Order of the Board,
C. R. Amin
Chairman

Notes :

1. Any member entitled to attend and vote is entitled to appoint a proxy to attend and vote instead of himself and such proxy need not be a member of the company.
2. The Dividend when sanctioned will be made payable on or after 29th September, 2003, to those members whose names stands on the Register of Members of the Company on 24th September, 2003. Members are requested to notify promptly any change in their registered address.

SHRENO LIMITED**DIRECTORS' REPORT**

To The Members,

The Directors have pleasure in submitting their Forty first Report together with the Statement of Accounts for the year ended 31st March, 2003.

1. FINANCIAL RESULTS :

	2002-2003	2001-2002
	Rs.	Rs.
Profit for the year, before charging Depreciation and Provision for Taxation, amounts to	1,18,66,841	99,88,740
Deducting therefrom :		
Depreciation	26,82,844	58,38,944
Provision for Taxation	49,50,000	24,50,000
Net Profit for the year	42,33,997	16,99,796
Adding thereto :		
Balance brought forward from last year's Account	12,46,130	14,60,755
Provision no longer required	11,260	1,28,032
Excess provision in respect of earlier year	3,01,640	-
	57,93,027	32,88,583
Less : Expenses in respect of previous year	20,137	48,933
Taxation in respect of earlier year	2,42,316	-
The amount available for appropriation	55,30,574	32,39,650
Your Directors recommend the following appropriations :		
Proposed Dividend	18,23,520	18,23,520
Corporate Dividend Tax on above	2,33,639	-
General Reserve	5,00,000	1,70,000
Balance carried to Balance Sheet	29,73,415	12,46,130
	55,30,574	32,39,650

2. DIVIDEND :

Your Directors recommend dividend for the year ended 31st March, 2003 @ 20% amounting to Rs. 18,23,520/-.

3. OPERATIONS :

During the year under review, the sales including works contract amounted to Rs. 1038.69 lacs as compared to Rs. 591.54 lacs of the previous year, registering a sales growth of 76%. This is possible mainly due to aggressive marketing policy, customer satisfaction through improved quality and development of new products. Efforts were continued to keep expenses under control. Hence the Company was able to make profit before provision for taxation of Rs. 91.84 Lacs during the year under review as compared to Rs. 41.50 Lacs of the previous year.

SHRENO LIMITED**4. FIXED DEPOSITS :**

The Fixed deposits including those from Shareholders of the Company as on 31st March, 2003 amounting to Rs. 1,03,15,500/-. Out of these, deposits aggregating to Rs. 1,48,000/- from 20 depositors have not been renewed on due dates. Deposit of Rs. 51,000/- has since been repaid or renewed at the option of 14 depositors and for balance of Rs. 97,000/- from 6 depositors, no instructions have been received so far.

5. ENERGY, TECHNOLOGY AND FOREIGN EXCHANGE :

Information pursuant to Section 217 (I) (e) of the Companies Act, 1956 read with the Companies (Disclosure of Particulars in the Report of Board of Directors) Rules, 1988 is given in the Annexure "A" to the Report.

6. PARTICULARS OF EMPLOYEES :

During the year, there were no employees in respect of whom information as per Section 217(2A) of the companies Act, 1956, is required to be given in the Directors' Report.

7. DIRECTORS :

Under the Company's Articles of Association, your Directors Shri D.C. Pradhan, and Shri R.M. Kapadia, retire by rotation and are eligible for re-appointment.

8. DIRECTORS' RESPONSIBILITY STATEMENT :

Pursuant to the requirement under Section 217(2AA) of the companies Act, 1956 with respect to the Directors' Responsibility statement, it is hereby confirmed:

- i) That in the preparation of the annual accounts for the financial year ended on 31st March, 2003 the applicable accounting standards have been followed;
- ii) That accounting policies as listed in the schedule "16" to the financial statements have been selected and consistently applied and reasonable and prudent judgements have been made so as to give true and fair view of the state of affairs of the Company as on 31st March, 2003, and of the profit of the Company for the year under review;
- iii) That the Directors have taken proper and sufficient care for maintenance of adequate accounting records in accordance with the provisions of this Act so as to safeguard the assets of the Company and to prevent and detect fraud and other irregularities;
- iv) That the Directors have prepared the annual account on a 'going concern' basis.

9. AUDITORS :

You are requested to appoint auditors to hold office till the next Annual General Meeting.

On behalf of the Board of Directors
C. R. Amin
Chairman

Vadodara.
25th June, 2003.

ANNEXURE 'A' TO DIRECTORS' REPORT

Particulars required under The Companies (Disclosure of Particulars in the Report of Board of Directors) Rules, 1988.

A. Conservation of Energy :

The Company continues to give priority for conservation of energy by efficient utilisation of machines and equipments by proper and regular maintenance and minimising avoidable losses in the operations.

Total energy consumption and energy consumption per unit of production : Form 'A' enclosed.

B. Technology Absorption :

Efforts in Technology absorption : As per Form 'B' enclosed

Foreign Exchange Earnings and Outgo : As per Form 'C' enclosed.

FORM 'A'

Form for disclosure of particulars with respect to conservation of energy.

A. Power and fuel consumption :

	<u>2002-2003</u>	<u>2001-2002</u>
1. Electricity		
(a) Purchased units (in lacs)	3.99	3.29
Total amount (Rs. in lacs)	29.05	23.95
Average rate per unit Rs.	7.28	7.27
(b) Generation-through diesel generator:		
Unit / (Kwh)	9908	17224
Unit per litre of diesel oil	1.73	1.41
Cost / Unit Rs.	11.82	13.65
2. Coal	Nil	Nil
3. Furnace oil	Nil	Nil
4. Other/Internal generation	Nil	Nil

B. Consumption per unit of production :

In view of the company's activity of fabrication and manufacturing various machinery and equipments as per specifications of the customers, it is not feasible to furnish information of consumption of fuel per unit of production.

SHRENO LIMITED**FORM 'B'**

Form for disclosure of particulars with respect to Technology Absorption :

(a) Research & Development (R & D) :

1. Specific areas in which R & D carried out by the Company
 - (a) During the year the Company developed a complete redesigned vertical separator machine with superior material properties which gives longer life to components were developed. All parts of this machine were developed and is ready for trial.
 - (b) Company has developed Deviator Assembly and conveyor for "Olivotto" machine, Italy.
 - (c) The company has also developed an Agitated Nutch Filter.
2. Benefits derived as a result of the above R&D
 - (a) Improvement in productivity.
 - (b) Reduction in cost of manufacturing containers.
3. Future plan of action :
The Company is working on the development of 10 section Double gob and Triple gob I.S. Machine, with electronic timing system.
4. Expenditure on R & D :

	(Rs. In lacs)
(a) Capital	0.00
(b) Recurring	8.50
(c) Total	8.50
(d) Total R & D expenditure as a percentage of total turnover	0.95

(b) Technology Absorption, Adaptation and Innovation :

- 1 Efforts in brief made towards technology absorption, adaptation and innovation :
Development of electronic valve block.
- 2 Benefits derived as a result of the above efforts :
Improvement in the productivity : Import substitution therefore saving in foreign exchange.
- 3 Information regarding technology imported in last 5 year : Not applicable.

FORM 'C'

Form for disclosure of particulars with respect to foreign exchange earnings and outgo :

1. Activities relating to exports: Initiative taken to increase exports, by development of new export markets for products and services and export plans.
2. Total foreign exchange used and earned :

	(Rs. in lacs)
A. Foreign exchange used	
i) Raw materials	18.53
ii) Components and spare parts	--
iii) Capital goods	--
iv) Others	3.90
B. Foreign exchange earned	--

COMPLIANCE CERTIFICATE

To,
The Members of
M/s. Shreno Limited
Vadodara.

We have examined the registers, records, books and papers of M/s. Shreno Limited as required to be maintained under the Companies Act, 1956 (the Act) and the rules made thereunder and also the provisions contained in the Memorandum and Articles of Association of the Company for the Financial year ended on 31st March, 2003. In our opinion and to the best of our information and according to the examinations carried out by us and explanation furnished to us by the Company, its officers and agents, we certify that in respect of the aforesaid financial year :

1. The Company has kept and maintained all registers as stated in Annexure "A" to this certificate, as per the provisions and the rules made thereunder and all entries therein have been duly recorded.
2. The Company has duly filed the forms and returns as stated in Annexure "B" to this certificate, with Registrar of Companies, Regional Director, Central Government, Company Law Board or other authorities within the time prescribed under the Act and the rules made thereunder.
3. The Company is a Public Limited Company.
4. The Board of Directors duly met 4 times on 27.06.2002, 13.09.2002, 23.12.2002 and 26.03.2003 in respect of which proper notices were given and the proceedings were properly recorded and signed in the Minutes Book maintained for the purpose.
5. The Company has not closed its Register of Members during the year under review.
6. The Annual General Meeting for the financial year ended on 31st March, 2002 held on 13th September 2002 after giving due notice to the members of the Company and the resolutions passed thereat were duly recorded in the Minutes Book maintained for the purpose.
7. The Company has not held any Extra-Ordinary General Meeting during the year.
8. The Company has not advanced loan to any of its directors and/or persons or firms or companies referred in Section 295 of the Act during the year.
9. The Company has not entered into any contracts/arrangements with any party attracting the provision of Section 297 of the Act during the year.
10. The Company has maintained Register of Contract under Section 301 of the Act for contracts/arrangements made in the earlier year.
11. The Company had made appointment under Section 314 of the Act and Company has complied with the provision of the Act.
12. The Company has not received any application for issue of duplicate share certificates during the year under review.
13. The Company has :
 - i. Delivered all the certificates on lodgement thereof for transfer/transmission or any other purpose in accordance with the provision of the Act (There was no allotment of shares during the year).
 - ii. Deposited the amount of dividend declared in a separate Bank Account within five days from the date of declaration of dividend.
 - iii. Paid/posted warrants for dividend to all shareholders within the period of 30 days from the declaration of dividend and that all unclaimed/unpaid dividend has been transferred to Unpaid Dividend Account of the Company maintained with Vijaya Bank.
 - iv. Transferred the amounts in Unpaid Dividend Account which has remained unpaid/unclaimed, up to the financial year ended 31st March, 1996 to the General Revenue Account.
 - v. Duly Complied with the requirements of Section 217 of the Act.