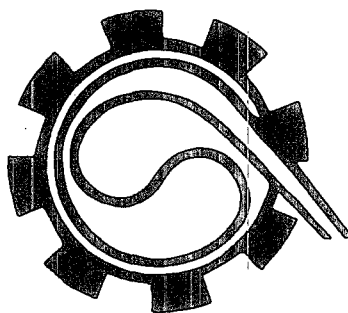


42nd Annual Report 2003-2004

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SHRENO LTD.

SHRENO LIMITED

DIRECTORS

SHRI CHIRAYU R. AMIN
SHRI PRANAV C. AMIN
SHRI RAMANLAL M. KAPADIA

Chairman

AUDITORS

MESSRS DALAL & SHAH,
CHARTERED ACCOUNTANTS.
712, ATMA HOUSE,
OPP. Old Reserve Bank of India,
Ashram Road,
Ahmedabad - 380 009.

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**

Notice is hereby given that the forty-second annual general meeting of the members of M/s. Shreno Limited will be held on Friday, the 26th day of November, 2004 at 4.00 p.m. at 'Sanskriti', Alembic Corporate Conference Centre, Alembic Colony, Alembic Road, Vadodara- 390 003 to transact the following business:

Ordinary Business:

1. To receive and to adopt the audited Balance Sheet as at 31st March, 2004, the Profit and Loss Account for the year ended on that date and the Reports of the Board of Directors and Auditors thereon along with Schedules and Secretarial Compliance Certificate as annexed hereto.
2. To appoint a Director in place of Shri C. R. Amin, who retires by rotation and is eligible for re-appointment.
3. To appoint Auditors and to fix their remuneration.

Special Business:

4. To consider and, if thought fit, to pass, with or without modification(s), the following resolution as a Special Resolution:

SPECIAL RESOLUTION

"RESOLVED THAT pursuant to Section 314(1B) of the Companies Act, 1956 or any other provisions of the statutory enactment, if any, consent of the Company be and is hereby accorded to hold and continue to hold an office or place of profit under the Company by Smt. Shreya Mukherjee, relative of Shri Chirayu R. Amin, Director, who is appointed by the Board of Directors in their meeting held on 19th April, 2004 as a Management Consultant on Consultancy fees of Rs. 35,000/- per month for a period of 3 years w.e.f. 1st May, 2004 or such further period on such terms and conditions as may be decided by the Board of Directors."

5. To consider and, if thought fit, to pass, with or without modification(s), the following resolution as a Special Resolution :

"RESOLVED THAT pursuant to Section 372A and other applicable provisions, if any, of the Companies Act, 1956, (the "Act") and also subject to the requisite permission(s) /consent(s) of appropriate authorities, where required, consent of the Company be and is hereby granted to the Board of Directors of the Company (hereinafter referred to as "The Board") and/or a duly authorised Committee thereof for the time being exercising the powers conferred by the Board (hereinafter referred to as "The Committee") to give any loan, to make investments in shares, money market instruments, units , debentures, bonds, commercial papers, other securities, call / inter-corporate loans/ deposits, etc., to provide any guarantee or security in connection with loans made by any other person to, or to any other person by, any body corporate and to acquire by way of subscription, purchase or otherwise the securities of any other body corporate exceeding any or all the percentages prescribed under Section 372A of the Act and the provisos thereto, provided however, that the maximum amount of loans to be given to, investments to be made in securities, inter-corporate loans/deposits, etc. of or guarantees/securities to be provided to, together with the amount of existing loans, investments, guarantees/ securities etc. shall not exceed Rs. 25 crores (Rupees Twenty-five crores only), on such terms and conditions as the Board may deem fit.

RESOLVED FURTHER THAT the Board/Committee be and is hereby authorised to determine the manner and amount which it shall give as loan, inter-corporate loans/deposits, etc., provide as guarantee/security and invest in the securities of various companies within the above mentioned limits and to do all such acts, deeds, matters and things for giving effect to this resolution including any change(s), amendment(s) or modification(s) thereto from time to time as it may deem fit."

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. PROXY, IN ORDER TO BE VALID, MUST BE DEPOSITED NOT LESS THAN 48 HOURS BEFORE THE SCHEDULED TIME OF MEETING.
2. The member desirous to appoint proxy may write to the Registered Office of the Company for proxy form at least 48 hours before the scheduled time of meeting.

On behalf of the Board of Directors

Registered Office :
Alembic Road
Vadodara 390 003
Dated: 27th October 2004

C. R. Amin
Chairman

SHRENO LIMITED**Explanatory Statement pursuant to section 173 of the companies act, 1956:****Item No. 4**

Ms. S. R. Mukherjee is a graduate. She has rich experience in business management. Taking into consideration the knowledge and vast experience of Ms. S. R. Mukherjee, she has been appointed as Management Consultant of the Company with effect from 1/05/2004.

As a Management Consultant, she has been drawing retainership fees of Rs. 35,000/- (Rupees Thirty five Thousands only) per month and the period of retainership will be for three years i.e. from 1st May, 2004 to 30th April, 2007 which may be extended further on mutual terms and conditions subject to compliance of Section 314 of the Companies Act, 1956.

Since Ms. S. R. Mukherjee is a relative of Shri C. R. Amin, Director of the Company, she is deemed to hold an Office or Place of Profit under the Company under Section 314 of the Companies Act, 1956 and therefore, approval of the Company by Special Resolution is required under Section 314 of the Companies Act, 1956. The Board of Directors recommends the shareholders to accord their consent to Ms. S. R. Mukherjee for her continuing to hold the office or place of profit under the Company as Management Consultant.

Shri C. R. Amin, being relative, is concerned or interested in the said resolution. None of the other Directors is concerned or interested in the resolution.

Item No. 5 :

The Company has been prudently investing its funds in various instruments, bonds, shares and securities including by way of loans to or deposits with various bodies corporate. According to Section 372A of the Companies Act, 1956 ("The Act"), giving of any loan, making of investments or providing of guarantee /security in connection with any loan in excess of 60 per cent of the paid-up share capital and free reserves, or 100 per cent of the free reserves, whichever is more, requires prior approval of the shareholders.

Since the Company's aggregate investments proposed to be made may exceed the limits prescribed under the provisions of Section 372 A of the Act during the financial year, this resolution is proposed for approval of the shareholders so as to enable the Board of Directors of the Company ("the Board") or its Committee to effectively and prudently invest such surplus funds. The Board shall ensure prudent judgement and ensure that adequate safeguards are taken while advancing such loans, deposits, investments, etc. so as to protect the interest of the Company and its shareholders.

Details of investments proposed to be made are given below:

Nature of investment 1	Objectives 2	Sources of funds 3	Limit 4	Terms 5
Investments in call / inter-corporate loans/ debentures, bonds, commercial papers, money market instruments, units, shares and other securities etc. and providing of guarantee/ security of/to various companies viz. Alembic Limited, Alembic Glass Industries Limited, Sierra Investments Limited, Darshak Limited, Whitefield Chemtech Private Limited, Whitefield Medicare Private Limited, Shreno Investment and Finance Limited, Nirayu Private Limited, Paraan Limited, Purak Vinimay Limited, Ujjwal Limited, PSU Chemicals Private Limited and various banks, financial institutions or mutual funds floated by them or such other private mutual funds.	Optimal utilisation of surplus funds	Internal accruals / Existing bank deposits / proceeds from new issue(s)	Not exceeding Rs. 25 crores	Investments be made on terms beneficial to the Company in the circumstances from time to time, read with the provisions of Section 372A of the Act, as outlined herein above.

The Directors of the Company are deemed to be interested in case if the loans /investments etc. are likely to be made in the companies in which they are directors and/or shareholders. The Directors recommend this resolution.

Registered Office :
Alembic Road
Vadodra 390 003
Dated: 27th October 2004

On behalf of the Board of Directors

C. R. Amin
Chairman

SHRENOLIMITED**DIRECTORS' REPORT**

To

The Members,

Your Directors have pleasure in submitting their Forty-second Report together with the Statement of Accounts for the year ended 31st March, 2004.

1. Financial Highlights:

Particulars	2003-04	2002-03
The Profit Before Depreciation and Tax	1,96,93,844	1,18,66,840
Less:		
Depreciation	(24,98,835)	(26,82,844)
Provision for Tax	-	(45,45,868)
The Profit After Tax for the year	1,71,95,009	46,38,128
Add:		
Balance brought forward from the previous year	33,78,330	12,46,130
Provision no longer required	20,000	12,044
Excess provision in respect of earlier years	2,10,687	3,01,640
	2,08,04,026	61,97,942
Less:		
Expenses in respect of previous year	(1,71,376)	(20,137)
Taxation in respect of earlier year	-	(2,42,316)
AMOUNT AVAILABLE FOR APPROPRIATION	2,06,32,650	59,35,489
Appropriation therefrom:		
Proposed Dividend on Equity Shares	-	18,23,520
Corporate Tax on Proposed Dividend	-	2,33,639
General Reserves	-	5,00,000
Balance carried to Balance Sheet	2,06,32,650	33,78,330
TOTAL APPROPRIATIONS MADE	2,06,32,650	59,35,489

2. Dividend :

Considering future requirements of funds, your Directors do not recommend dividend for this year under review.

3. Operations :

The Company has made total income of Rs. 1260.50 lacs as compared to Rs. 1154.15 lacs during the previous year registering a growth of 9%. The Net Profit stood at Rs. 171.95 lacs as against Rs. 46.38 lacs for the previous year. The Company has developed various engineering products like Vertical separator machine, Push Bar Stacker with stability bar having PLC control, Zero Back lash Neckring Mechanism, etc during the year.

4. Issue of Preference Shares :

Pursuant to the special resolution passed in the extra-ordinary general meeting held during the year, the Board has allotted 7,00,000 5% Redeemable Non-convertible Preference Shares of Rs. 100/- each to meet part requirement of Business Development needs and its investment activities.

5. Amalgamation of the Company with Shreno Investment & Finance Limited :

The amalgamation of the Company with Shreno Investment & Finance Limited is in process. The Scheme of Amalgamation w.e.f Appointed Date of 01.04.2003 has been approved by the company's shareholders and creditors in the court-convened meetings of members and creditors, respectively, and petition has been filed with the Gujarat High Court for its approval which is awaited and thus the Amalgamation though applicable from the appointed date i.e 1.04.2003, however shall be operative from the effective date meaning last of the dates on which

SHRENO LIMITED

the actions/approvals or orders as specified in the Scheme are obtained and/or filed. Once the approval of the High Court is received and other legal formalities are completed, then amalgamation will be effective and all the Assets, Liabilities and Reserves of the Company shall be transferred to Shreno Investment & Finance Limited. Pending approvals and sanction of the scheme from the High Court, Company's Accounts for the year ended on 31.03.2004 have been prepared on stand-alone basis. Considering the accumulated losses, unabsorbed depreciation, etc. of Shreno Investment & Finance Ltd., the Company has not made provision for current tax and deferred tax as advised by the tax consultants of the Company. The Company has sufficient reserves to meet the tax liability arising in the event the merger is not approved by the High Court.

6. Particulars of Employees :

The Company had no employee drawing remuneration in excess of the limit prescribed under Section 217(2A) of the Companies Act, 1956 during the year under review.

7. Conservation of Energy, Technology Absorption and Foreign Exchange Earnings and Outgo :

Information pursuant to Section 217 (1)(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 Annexure – A to this Report.

8. Fixed Deposits :

The Fixed deposits including those from Shareholders of the Company as on 31st March, 2004 amounting to Rs.93,88,000/-. Out of these, deposits aggregating to Rs.2,77,000/- from 25 depositors have not been renewed on due dates. Deposits of Rs.1,03,000/- has since been repaid or renewed at the option of 13 depositors and for balance of Rs.1,74,000/- from 12 depositors, no instruction have been received so far.

9. Directors :

Under Section 256 of the Companies Act, 1956, Shri C. R. Amin retires by rotation, and being eligible, offers himself for re-appointment.

10. Audit Committee :

Consequent to issue and allotment of 7,00,000 5% Redeemable Non-convertible Preference Shares of Rs. 100/- each to Burnham Holding Limited, Mauritius in June 2004, the paid up capital of the Company has been increased over Rs. 5,00,00,000. Hence the Board has constituted Audit Committee comprising Shri C.R. Amin, Shri P.C. Amin and R.M. Kapadia, Directors of the Company to deal with the matters as specified in the section 292A of the Companies Act, 1956.

11. Auditors :

M/s. Dalal & Shah, the auditors of the Company, will retire at the conclusion of the ensuing Annual General Meeting and are eligible for re-appointment as Auditors. Members are requested to appoint them.

12. Secretarial Compliance Certificate :

Pursuant to section 383A of the Companies Act, 1956, Secretarial Compliance Certificate given by M/s. R. S. Sharma & Associates is attached herewith which forms part of this report.

13. Directors' Responsibility Statement :

The Directors confirm that:

- i) in the preparation of the annual accounts for the year, the applicable accounting standards have been followed;
- ii) accounting policies listed in the **Schedule.16** to the financial statements have been selected and consistently applied and reasonable and prudent judgements and estimates have been made so as to give a true and fair view of the state of affairs of the Company as on March 31, 2004 and of the profit of the Company for the accounting year ended on that date;
- iii) proper and sufficient care for maintenance of adequate accounting records has been taken in accordance with the provision of the Act so as to safeguard the assets of the Company and to prevent and detect fraud and other irregularities;
- iv) The annual accounts have been prepared on going concern basis.

On behalf of the Board of Directors

Date: 27th October, 2004
Place: Vadodara

C. R. AMIN
Chairman

ANNEXURE – A TO THE DIRECTORS' REPORT**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 :

Refer Form 'A'

B. Technology Absorption :

Efforts in the technology absorption : Refer Form 'B'.

C. Foreign exchange earnings and Outgo : Refer Form 'C'.**Form 'A'**

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

A. Power and Fuel consumption.		2003-04	2002-03
1. Electricity			
(a) Purchased Units (in lacs)		4.83	3.99
Total amount (Rs. in lacs)		32.53	29.05
Average rate per unit (in Rs.)		6.71	7.28
(b) Own generation through Diesel generator :			
Unit / (kwh)		7774	9908
Unit per litre of diesel oil		2.39	1.73
Cost / unit (in Rs.)		11.00	11.82
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 production.

Form 'B'

Form for disclosure of particulars with respect to technology absorption:

- (a) **Research & Development (R & D) :**
- Specific areas in which R & D carried out by the Company.
During the year, the Company has developed and implemented.
 - Vertical separator machine
 - Push Bar Stacker with stability bar having PLC control
 - Zero Back lash Neckring Mechanism
 - Benefits derived as a result of the above R & D
 - Improvement in productivity
 - Reduction in cost of manufacturing of containers
 - Machine can run with higher speed
 - Further plan of action :
The company has taken up job for development of 10 section I.S. Machine and transfer wheel.
- (b) **Technology Absorption, Adaption and innovation :**
- Efforts in brief made towards new High Performance Feeder Mechanism & 10 Section Double Gob I.S. Machine.
 - Benefits derived as a result of the above efforts :
Improvement in the productivity; import substitution. Therefore, saving in foreign exchange.
 - Information regarding technology imported in last 5 years : Not applicable.

SHRENO LIMITED**Form 'C'**

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

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 :

A. Foreign Exchange used

(Rs. in lacs)

(i) Raw materials

62.94

(ii) Components and spare parts

-

(iii) Capital Goods

-

(iv) Others

0.58

B. Foreign exchange earned

0.73

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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, 2004. 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 25.06.2003, 24.09.03, 4.11.03 and 16.01.04 in respect of which meetings, proper notices were given and the proceedings were properly recorded and signed in the Minutes Book maintained for the purpose.
5. The Company was not required and hence did not close its Register of Members during the year under review.
6. The annual general meeting for the financial year ended on 31st March, 2003 was held on 24th September 2003 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. One extra-ordinary general meeting was held on 16.12.2003 during the year 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.
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 duly complied with the provisions of Section 297 of the Act in respect of contracts made during the year.
10. The Company has made necessary entries in the register maintained under Section 301 of the Act for contracts/arrangements made in the earlier year.
11. The Company has not made any appointment to which the provisions of Section 314 (1B) of the Act are applicable.
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 provisions of the Act. (There was no allotment 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 and hence, no dividend remains unclaimed/unpaid.
 - (iv) Transferred the unpaid dividends for a period of seven years to Investors Education & Protection Fund.
 - (v) Duly complied with the requirements of Section 217 of the Act.
14. The Board of Directors of the Company is duly constituted and the appointments of directors have been duly made.