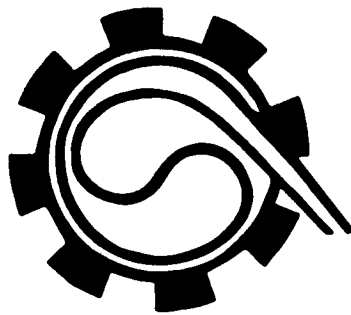


# 13th Annual Report 2005-2006

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# SHRENO LTD.

(Formerly known as Shreno Investment & Finance Limited)

## SHRENO LIMITED

(Formerly known as Shreno Investment & Finance Limited)

### Board of Directors:-

Mr. R K Baheti

*Chairman*

Mr. Pranav Amin

Mr. A M Kamdar

Mr. Nitin Bhawe

*Whole-time Director*

Mr. Sitansh Magia

*Upto 08.12.2005*

### Secretary:-

Miss Neha Shah

### Statutory Auditors:-

M/s Pravin Doshi & Co.

Chartered Accountants

Vadodara

### Bankers:-

Bank of Baroda, Vadodara

Union Bank of India, Vadodara

### Registered Office:-

Alembic Road

Vadodara - 390 003

### Factory:-

3/23-24 Industrial Estate

Vadodara - 390 016

**SHRENO LIMITED****NOTICE**

The Thirteenth Annual General Meeting of the Members of Shreno Limited will be held on Monday, the 31<sup>st</sup> day of July 2006, at 11.30 a m at " Sanskruti" , Alembic Corporate Conference Center, Opp. Pragati Sahakari Bank Limited , Alembic Colony, Vadodara- 390 003 to transact the following business:

**ORDINARY BUSINESS :**

1. To receive and adopt the Audited Balance Sheet and Profit & Loss Account of the Company for the year ended on 31<sup>st</sup> March, 2006 and the Report of the Directors and Auditors thereon.

To appoint a Director in place of Mr. R. K. Baheti, who retires by rotation and is eligible for re-appointment.

To appoint Auditors and to fix their remuneration.

**SPECIAL BUSINESS :**

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

"RESOLVED THAT Mr. Pranav Amin, who was appointed as a Director of the Company on 07-June-2005 in the casual vacancy caused by the resignation of Director Mr. N. R. Shah, and who vacates his office at this Annual General Meeting under Section 262 of the Companies Act, 1956, but who is eligible for re-appointment and in respect of whom the Company has received a notice under Section 257 of the Companies Act, 1956, from a member proposing his appointment as a Director of the Company, be and is hereby appointed as a Director of the Company liable to retire by rotation."

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

"RESOLVED THAT pursuant to Section 94 and other applicable provisions of the Companies Act, 1956, the Authorized Capital of the Company be classified from Rs. 26,00,00,000/- ( Rupees Twenty Six Crores) divided into 70,00,000 (Seventy lacs) Equity Shares of Rs. 10/- each, 5,00,000 (Five lacs) Equity Shares of Rs. 100/- each and 14,00,000 (Fourteen Lacs) Preference Shares of Rs. 100/- each to Rs. 26,00,00,000/- (Rupees Twenty Six Crores) divided into 70,00,000 (Seventy Lacs) Equity Shares of Rs. 10/- each, 12,00,000 (Twelve lacs) Equity shares of Rs. 100/- each and 7,00,000 (Seven Lacs) Preference Shares of Rs. 100/- each."

6. To consider and, if thought fit, to pass with or without modifications the following resolution as a Special Resolution:

"RESOLVED THAT the existing Clause – V of the Memorandum of Association of the Company relating to Share Capital be substituted by the following Clause :

- V. The Authorized Capital of the Company is Rs. 26,00,00,000/- (Rupees Twenty Six Crores) divided into 70,00,000 (Seventy Lacs) Equity Shares of Rs. 10/- each, 12,00,000 (Twelve lacs) Equity shares of Rs. 100/- each and 7,00,000 (Seven Lacs) Preference Shares of Rs. 100/- each with a power to increase or reduce the Capital of the Company or to divide the shares in the capital for the time being into several classes and to attach thereto respectively such preferential, deferred, qualified or special rights, privileges or conditions as may be determined by or in accordance with the Articles of Association of the Company and to vary, modify or abrogate any such rights, privileges or conditions in such manner as may for the time being, be provided by the Articles of Association of the Company."

To consider and, if thought fit, to pass with or without modifications the following resolution as a Special Resolution:

"RESOLVED THAT the object clause of Memorandum of Association of the Company be and is hereby altered by deleting clauses (A) 1 to (A) 4 of the main objects of the Object clause of the Memorandum of Association of the Company and clauses (A) 5 to (A) 11 be renumbered as clause (A) 1 to (A) 7 of the main objects of the object clause."

**Regd. Office :**  
Alembic Road,  
Vadodara 390 003  
Dated: 27.06.2006

On behalf of the Board of Directors,

**R K Baheti**  
Chairman

## SHRENO LIMITED

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### NOTES :

1. **ANY MEMBER ENTITLED TO 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 Board of Directors has fixed 31.07.2006 as date of Book Closure for the purpose of records.
3. Explanatory statement setting out all the material facts concerning Item No. 04 to 07 as required under Section 173 of the Companies Act, 1956 is annexed herewith.



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**EXPLANATORY STATEMENT AS REQUIRED UNDER  
SECTION 173 OF THE COMPANIES ACT, 1956.**

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**Item No. 4**

Mr. Pranav Amin was appointed as a Director of the Company on 07-June-2005 to fill up casual vacancy caused by the resignation of Mr. N. R. Shah. His term of office ends at the ensuing Annual General Meeting as per the provisions of Section 262 of the Companies Act, 1956. Mr. Pranav Amin is eligible to be appointed as Director of the Company. The Company has received a notice in writing signifying his candidature as Director under Section 257 of the Companies Act, 1956 from a member of the Company.

Mr Pranav Amin completed B.Sc in Economics / Industrial Management at Carnegie Mellon University, Pittsburgh, P.A., USA and M.B.A in International management from Thunderbird, The American Graduate School of International Management. He has worked as Jr. financial Analyst at Dendrite Inc. He is Director of Whitefield Agrotech Pvt. Ltd. He was also a Managing Director of M/s Nirayu Private Ltd. Presently he is working as Chief Business Development Officer - API of M/s Alembic Limited. His presence on the Board has helped the Company immensely.

His appointment is proposed under section 257 of the Companies Act, 1956 and he shall be liable for retirement by rotation in normal course

Your Directors recommend the resolution for your approval.

None of the Directors, except Mr. Pranav Amin, is deemed to be concerned or interested in the resolution.

**Item Nos. 5 & 6**

The Company's present Authorized Capital is distributed between Equity Share Capital and Preference Share Capital. In view of Merger of the Company with M/s Alembic Glass Industries Ltd, the Authorized capital of the Company will get merged with that of M/s Alembic Glass Industries Ltd and the said capital will be available for issuance of shares by M/s Alembic Glass Industries Ltd to the shareholders of the Company. Therefore, the Board of Directors thought it necessary to reclassify the Authorized Capital of the Company.

As per the provisions of Section 94 of the Companies Act, 1956, the Company is required to pass an Ordinary Resolution duly approved by the Members of the Company.

Consequent upon reclassification of the Authorized Capital, the Clause V of the Memorandum of Association of the Company is also required to be amended.

Therefore, the Board of Directors recommends the ordinary and Special Resolution at item Nos. 5 and 6 respectively to be passed by the members.

None of the Directors of the Company is, in any way, concerned or interested in the proposed resolutions.

**Item No. 7**

After merger of erstwhile Shreno Ltd with the Company and consequent upon the change of name of the Company to "Shreno Ltd", the Company has ceased to be an NBFC company and has become a manufacturing Company. The Company had applied for cancellation of NBFC registration with Reserve Bank of India (RBI) and RBI cancelled the registration and directed the Company to delete clauses pertaining to NBFC Business from the main object of the object clause of the Memorandum of Association of the Company. Clauses 1 to 4 of the main objects of the object clause of Memorandum of Association of the Company are related to NBFC business of the Company and hence the said clauses are required to be deleted.

The Board of Directors recommends the Special Resolution at item No. 7 to be passed by the members.

None of the Directors of the Company is, in any way, concerned or interested in the proposed resolution.

Regd. Office :  
Alembic Road,  
Vadodara 390 003  
Dated: 27.06.2006

On behalf of the Board of Directors.

**R K Baheti**  
Chairman

**SHRENO LIMITED****DIRECTORS' REPORT**

To  
The Members,

Your Directors present the 13<sup>th</sup> Annual Report and Audited Accounts for the year ended on March 31, 2006.

**1. Performance:**

The Company's performance during the year 2005-06 was as under :-

Particulars	Year ended on 31.03.2006 (Rs.)	Year ended on 31.03.2005 (Rs.)
Profit/(Loss ) before depreciation and tax	1,88,97,559	1,26,091
Less/(Add) Depreciation	16,28,704	23,38,769
Less/(Add) provision for taxation	(79,72,190)	(7,58,512)
Profit/(Loss) for the year	2,52,41,045	(14,54,166)

**2. Dividend :**

Your Directors do not recommend any dividend for the year.

**3. Cancellation of Registration with RBI:**

The Company has been registered with the Reserve Bank of India as an Investment Company as per Section 45IA of the Reserve Bank of India Act, 1934 under the Registration No. B.01.00468. The Company has applied for cancellation of its registration with the Reserve Bank of India as an Investment Company in view of merger of Shreno Limited – a manufacturing Company with itself. The Reserve Bank of India has cancelled the said registration and directed the Company to delete the relevant object clauses pertaining to NBFC Business from the object clause of Memorandum of Association of the Company. The necessary resolution deleting the said clauses of the Memorandum of Association have been proposed for your approval.

**4. Amalgamation of the Company with Alembic Glass Industries Ltd :**

The Scheme of Amalgamation of the Company with M/s Alembic Glass Industries Ltd has been approved by the Company's Shareholders and Creditors at the Court convened meetings of members and creditors respectively held on 17-April-2006. The appointed date for the said amalgamation is 01-April-2006. The petitions in respect of the said amalgamation has been filed with Hon'ble High Court of Gujarat for its approval. The amalgamation though applicable from the appointed date i.e 01-April-2006, will be operative from the effective date i.e. from last of the date on which the actions / approvals or orders as specified in the scheme are obtained and / or filed. Once the approval of the Hon'ble High Court of Gujarat is received and other legal formalities are completed, then the amalgamation will become effective and all the assets, liabilities and Reserves of the Company shall be transferred to M/s Alembic Glass Industries Ltd. On Scheme becoming effective, M/s Alembic Glass Industries Ltd will issue to the shareholders of Shreno Limited, 1 (one) equity share of Rs. 100/- each for every 6 (six) equity shares of Rs. 10/- each, held them in Shreno Limited on the Record Date.

**5. Operations :**

The Company has made total income of Rs. 1619.14 lacs as compared to Rs. 1311.23 lacs during the previous year. The company incurred profit of Rs. 2.52 crores as against loss of Rs. 14.54 lacs for the previous year.

**6. Energy, Technology and Foreign Exchange :**

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.

**7. Fixed Deposits :**

The Fixed deposits including those from Shareholders of the Company as on 31st March, 2006 amounting to Rs.9,63,000/-. Out of these, deposits aggregating to Rs.11,000/- from 3 depositors have not been claimed on due dates. The said deposits will be deposited in the Investors' Education & Protection Fund in due course, as per the provisions of the Companies Act, 1956, if no instructions will be received by the company.

The Company has not accepted any Public Deposits during the year. However, the deposits of the erstwhile Shreno Limited will be repaid on due dates.

**8. Particulars of employees :**

As the Company has no employee in the category specified under Section 217 (2A) of the Companies Act, 1956, the information under the said Section has not been given.

**9. Directors :**

During the year, Mr. Sitansh Magia resigned as the Director of the Company wef 08-December-2005. Mr. E. Sairam who was appointed as Director of the Company wef 08-12-2005 has also resigned from the Directorship of the Company wef 02-May-2006. The Company places on record its appreciation of valuable services and guidance rendered by Mr. Stansh Mangia and Mr. E. Sairam to the Company.

The term of office of Mr. Pranav Amin, who was appointed in casual vacancy caused on account of resignation of Mr. N. R. Shah, will expire at the ensuing Annual General Meeting. The Company has received a notice under section 257 of the Companies Act, 1956 from a member proposing him as a candidate for the office of director of the Company.

Mr. R. K. Baheti, the Director of the Company, retires by rotation and is eligible for re-appointment.

**10. Auditors:**

The term of appointment of the Auditors of the Company - M/s Pravin Doshi & Co. will expire at the ensuing Annual General Meeting and are eligible for re-appointment as Auditors. Members are requested to re-appoint them and fix their remuneration.

**11. Directors' Responsibility Statement :**

Pursuant to Section 217 (2AA) of the Companies Act, 1956 your Directors confirm the following:

- i) that in the preparation of the annual accounts, the applicable accounting standards had been followed along with proper explanation relating to material departures;
- ii) that the Directors had selected such accounting policies and applied them consistently and made judgements 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 of the Company for that period;
- iii) that the Directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities; and
- iv) that the Directors had prepared the annual accounts on a going concern basis.

Date : 27.06.2006

Place : Vadodara

For and on behalf of the Board of Directors  
(R K Baheti)  
Chairman

**SHRENO LIMITED****ANNEXURE-A TO THE DIRECTORS' REPORT****A. Conservation of Energy :**

The Company continues to give priority for conservation of energy by efficient utilization of machines and equipment by proper and regular maintenance and minimizing avoidable losses in the operations.

Total energy consumption and energy consumption per unit of production:

Form 'A' enclosed

**B. Technology Absorption :**

Efforts in the technology absorption : form 'B' Enclosed

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

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

**A. Power and Fuel consumption**

	2005-2006	2004-2005
<b>1. Electricity</b>		
(a) Purchased Units (in Lac)	5.18	5.63
Total amount (Rs. In lac)	32.11	32.51
Average rate per unit Rs.	6.20	5.65
(b) Own generation through Diesel generator :		
Unit / (kWh)	7,614	4,696
Unit per liter of diesel oil	3.18	2.30
Cost / unit Rs.	20.47	19.72
<b>2. Coal</b>	NIL	NIL
<b>3. Furnace Oil</b>	NIL	NIL
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 equipment's 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) :**

- (1) Specific areas in which R & D carried out by the Company.  
During the year Company has Developed and implemented.

- (a) Vertical separator machine  
(b) Push Bar Stacker with stability bar having PLC control  
(c) Zero Back lash Necking Mechanism

- (2) Benefits derived as a result of the above R & D

- (a) Improvement in productivity.  
(b) Reduction in cost of manufacturing of containers.  
(c) Machine can run with higher speed.

- (3) Further plan of action :-

The company has taken up job for development of 10 section I.S. Machine, and transfer wheel.

**(b) Technology Absorption, Adaptation and innovation :**

1. Efforts made towards technology absorption, adaption and innovation.  
2. Benefits derived as a result of the above efforts.  
Improvement in the productivity; import substitution therefore saving in exchange.  
3. Information regarding technology imported in last 5 year : Not applicable.



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**FORM 'C'**

Form for disclosure of particulars with respect to foreign exchange 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	58.99
ii)	Components and spare parts	-
iii)	Capital Goods	-
iv)	Others	1.55
B.	Foreign exchange earned	388.28

**SHRENO LIMITED****AUDITOR'S REPORT TO THE MEMBERS OF SHRENO LIMITED**

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1. We have audited the attached Balance Sheet of Shreno Limited as at 31st March, 2006 and the Profit and Loss Account of the Company for the year ended on that date annexed thereto and the Cash Flow Statement for the year ended on that date. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audit.
2. We conducted our audit in accordance with auditing standards generally accepted in India. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion. We report that:
3. As required by the Companies (Auditor's Report) Order, 2003, issued by the Company Law Board in terms of section 227(4A) of the Companies Act, 1956 and on the basis of such checks as we considered appropriate and according to the information and explanations given to us, we enclose in the Annexure a statement on the matters specified in paragraph 4 and 5 of the said Order.
4. Further to our comments in the Annexure referred to in paragraph 1 above,
  - a. we have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit;
  - b. in our opinion, proper books of account as required by law have been kept by the Company so far as appears from our examination of the books;
  - c. the Balance Sheet and the Profit and Loss Account dealt with by this report are in agreement with the books of account;
  - d. in our opinion the Profit & Loss Account and Balance Sheet dealt with by this report are in compliance with the Accounting Standards referred to in of section 211 (3C) of the Companies Act, 1956, to the extent applicable;
  - e. on the basis of the written representations received from the directors of the Company, and taken on record by the Board of Directors, we report that none of the directors is disqualified as on 31st March, 2006 from being appointed as a director in terms of clause (g) of sub-section (1) of section 274 of the Companies Act, 1956;
  - f. in our opinion and to the best of our information and according to the explanations given to us, the said accounts read together with the notes thereon give the information required by the Companies Act, 1956 in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India:
    - (i) in the case of the Balance Sheet, of the state of affairs of the Company as at 31<sup>st</sup> March, 2006;
    - (ii) in the case of the Profit and Loss Account, of the Profit of the Company for the year ended on that date
    - (iii) in the case of cash flow statement, of the cash flows for the year ended on that date.

for **PRAVIN DOSHI & CO.**

Chartered Accountants

VISHAL P DOSHI

Partner

(Membership No. 101533)

Baroda, 27<sup>th</sup> day of June, 2006.