

62nd  
ANNUAL REPORT  
2006-2007

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Shreno Limited

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(Formerly known as Alembic Glass Industries Limited)

**SHRENO LIMITED**

(Formerly known as Alembic Glass Industries Limited)

**BOARD OF  
DIRECTORS**

: Mr. Chirayu R. Amin - Chairman  
Mrs. Malika C. Amin  
Ms. Yera R. Amin  
Mr. Surendra J. Patel  
Dr. Gannath R. Dholakia  
Mr. Rasesh Shah - Director & Secretary

**AUDITORS**

: M/s. K. S. Aiyar & Co.,  
Chartered Accountants,  
F-7, Laxmi Mills,  
Shakti Mills Lane, (Off Dr. E. Moses Road),  
Mahalaxmi, Mumbai 400 011.

**BANKERS**

: HDFC Bank  
Bank of Baroda

**REGD. OFFICE**

: Alembic Road, Vadodara-390 003.

**REGISTRAR &  
TRANSFER AGENTS**

: M/s. Intime Spectrum Registry Limited  
308, 1st Floor, Jaldhara Complex,  
Opp. Manisha Society,  
Off. Old Padra Road,  
Vadodara - 390 015.

**SHRENO LIMITED**

(Formerly known as Alembic Glass Industries Limited)

**NOTICE**

NOTICE is hereby given that the Sixty-Second Annual General Meeting of **Shreno Limited** (Formerly known as Alembic Glass Industries Limited) will be held at "Sanskriti", Alembic Corporate Conference Center, Opp. Pragati Sahakari Bank Limited, Alembic Colony, Vadodara-390 003, on **Wednesday the 13<sup>th</sup> February, 2007 at 4:00 p.m.** to transact the following business:

**ORDINARY BUSINESS:**

1. To receive, consider and adopt the audited Balance Sheet as at 30<sup>th</sup> September, 2007 and the Profit & Loss Account of the Company for eighteen months period ended on that date, and the Report of the Directors and Auditors thereon.
2. To appoint a Director in place of Mr. C. R. Amin, who retires by rotation, and being eligible, offers himself for re-appointment.
3. To appoint a Director in place of Mr. S. J. Patel, who retires by rotation, and being eligible, offers himself for re-appointment.
4. To appoint M/s. K. C. Mehta & Co., Chartered Accountants, Vadodara as Auditors of the Company to hold office from the conclusion of this meeting until the conclusion of the next Annual General Meeting in place of retiring Auditors M/s. K. S. Aiyar & Co., Chartered Accountants, Mumbai, who have expressed their unwillingness to be re-appointed, and to fix their remuneration. A notice as per Section 224(1)(b) of the Companies Act, 1956 has been received from the present Auditors expressing their unwillingness to be re-appointed.

**SPECIAL BUSINESS:**

5. To consider and if thought fit, to pass with or without modification(s), the following resolution as **Special Resolution**:  
"RESOLVED THAT pursuant to the provisions of Section 17 of the Companies Act, 1956, the Objects Clause of the Memorandum of Association of the Company be and is hereby altered by insertion of Clauses 3D to 3E, as mentioned below after existing Clause 3C:

3D. To provide all chartered aviation services both for commercial and non-commercial purposes in India and business of chartering, hiring and leasing aircrafts.

3E. To enter into arrangements for rendering/obtaining technical services and/or technical collaboration with individuals, firms or bodies whether in India or outside to train or pay for training in India or abroad of any of the company's employees or any other persons in the interest and for furtherance of company's business.

RESOLVED FURTHER THAT approval pursuant to Section 149 (2A) of the Companies Act, 1956, be and is hereby accorded to the Company for commencing and carrying on the business in the Aviation and allied industries in terms of Clauses 3D to 3E of the Memorandum of Association of the Company specified in the above."

6. To consider and if thought fit, to pass with or without modification(s), the following resolution as **Special Resolution**:  
"RESOLVED THAT pursuant to Section 314 and any other applicable provisions, if any, of the Companies Act, 1956, the consent of the Company, be and is hereby accorded to the holding and continuing to hold an office or place of profit under the Company by Mrs. S. R. Mukherjee, relative of Mr. C. R. Amin, Mrs. M. C. Amin and Ms. Y. R. Amin, Directors, who is appointed by the Board of Directors as a Management Consultant on consultancy fees of Rs. 50,000/- per month for a period of 3 years w.e.f. 1<sup>st</sup> May, 2007."

**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 Proxy form duly completed must reach the Registered Office of the Company not later than forty-eight hours before the time of holding the meeting.
3. The Explanatory Statement as required under Section 173 of the Companies Act, 1956 is enclosed herewith.
4. The Register of Members of the Company will remain close from Monday, the 4<sup>th</sup> February, 2007 to Wednesday, the 13<sup>th</sup> February, 2007 (both days inclusive).
5. All documents referred to in the Notice and the Explanatory Statement are open for inspection at the Registered Office of the Company between 10.30 a.m. and 12.30 p.m. on any working day upto the date of Annual General Meeting.
6. **The entire work related to share registry is handed over to Company's R & T Agents, M/s. Intime Spectrum Registry Limited, 308, First Floor, Jaldhara Complex, Opp. Manisha Society, Off. Old Padra Road, Vadodara-390 015. [Tel: (0265) 2250241, 3249857 Fax: (0265) 2250246 Email: [vadodara@intimespectrum.com](mailto:vadodara@intimespectrum.com).] Shareholders are requested to send their communications to the aforesaid address in future.**

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**Explanatory Statement as required under Section 173 of the Companies Act, 1956****Item No. 5**

The Object Clause of the Company provides for carrying on the activities for manufacturing and marketing of glass-ware items and providing engineering solutions. Your Company proposes to include in the Object Clause certain enabling clauses which would allow the Company to carry on activities in the aviation and related industries.

Amendment in the Object Clause of the Company for insertion of such Objects requires approval of the members of the Company, by way of a Special Resolution, in accordance with the provisions of Section 17 of the Companies Act, 1956. Accordingly, to comply with the above provisions, the consent and approval of the shareholders is being sought.

Yours Directors, therefore, recommend the said resolution at Item No. 5 for your approval.

None of the directors is, in any way, concerned or interested in the said resolution.

**Item No. 6**

Mrs. S. R. Mukherjee is a graduate and has rich experience in business management. Taking into consideration her knowledge and vast experience, she was appointed as Management Consultant of the Company w.e.f. 1<sup>st</sup> May, 2004 for a period of three years at a retainership fees of Rs. 35,000/- (Rupees Thirty Five Thousand only) per month. Considering the valuable contribution made by Mrs. S. R. Mukherjee, the Board of Directors recommends the shareholders to accord their consent to Mrs. S. R. Mukherjee for her continuing to hold the office or place of profit under the Company as a management consultant at a retainership fees of Rs. 50,000/- (Rupees Fifty Thousand only) per month w.e.f. 1<sup>st</sup> May, 2007 for a period of three years.

Mr. C. R. Amin, Mrs. M. C. Amin and Ms. Y. R. Amin are relatives of Mrs. S. R. Mukherjee and hence, Mrs. S. R. Mukherjee is deemed to hold an office or place of profit under Section 314 of the Companies Act, 1956. Therefore, approval of the members of the Company by Special Resolution is required.

Mr. C. R. Amin, Mrs. M. C. Amin and Ms. Y. R. Amin, being relatives, are deemed to be concerned or interested in the said resolution. None of the other Directors is concerned or interested in the resolution.

Registered Office:  
Alembic Road,  
Vadodara-390 003  
Dated: 13<sup>th</sup> December, 2007

By Order of the Board

Rasesh Shah  
Company Secretary

**SHRENO LIMITED**

(Formerly known as Alembic Glass Industries Limited)

**DIRECTORS' REPORT**

To  
The Members,

Your Directors submit their Sixty-Second Report with Annual Accounts for the period ended on 30<sup>th</sup> September, 2007.

**1. FINANCIAL RESULTS :**

Particulars	Period ended 30 <sup>th</sup> Sept., 2007 18 Months	(Rs. in lacs) Year ended 31 <sup>st</sup> March, 2006 12 Months
<b>Profit / (Loss) for the year before providing for Depreciation, Interest, Tax &amp; Non-recurring item</b>	<b>1641.14</b>	<b>(314.17)</b>
Deducting therefrom :		
- Interest	<b>874.15</b>	<b>32.10</b>
- Depreciation	<b>379.39</b>	<b>214.79</b>
<b>Profit/(Loss) Before Non-Recurring Item</b>	<b>387.60</b>	<b>(561.06)</b>
Less: Interest payable to ONGC	<b>3731.86</b>	<b>-</b>
<b>Profit/(Loss) Before Deferred Tax</b>	<b>(3344.26)</b>	<b>(561.06)</b>
Less: Provision for Deferred Tax	<b>355.95</b>	<b>(145.62)</b>
<b>Profit/(Loss) Before Tax</b>	<b>(3700.21)</b>	<b>(415.44)</b>
Less:		
Provision for Wealth Tax	<b>2.87</b>	<b>2.87</b>
Provision for Current Tax/Fringe Benefit Tax	<b>6.00</b>	<b>7.00</b>
Excess/Short Provision of tax in respect of earlier years	<b>24.95</b>	<b>(1.07)</b>
<b>Net Profit/(Loss) after Tax and Non-recurring item</b>	<b>(3684.13)</b>	<b>(424.24)</b>
Adding thereto:		
Balance brought forward from last year	<b>(338.95)</b>	<b>85.29</b>
Balance of P & L A/Cs. Transferred from erstwhile Shreno Limited	<b>182.57</b>	<b>-</b>
<b>Surplus/(Deficit) carried to Balance Sheet</b>	<b>(3840.51)</b>	<b>(338.95)</b>

The figures for the period ended on 30<sup>th</sup> September, 2007 are not comparable with the figures for the year ended on 31<sup>st</sup> March, 2006, due to the reasons mentioned below.

The Company had upon obtaining the requisite permissions from the Registrar of Companies, Gujarat extended the current financial year of the Company commencing from 1<sup>st</sup> April, 2006 and ending on 31<sup>st</sup> March, 2007 upto 30<sup>th</sup> September, 2007 i.e. the financial year is for a period of 18 months from 1<sup>st</sup> April, 2006 to 30<sup>th</sup> September, 2007.

During the period, erstwhile Shreno Limited was merged with the Company. The appointed date of the Scheme of Amalgamation of erstwhile Shreno Limited with the Company was 1<sup>st</sup> April, 2006. The figures for the financial period ended on 30<sup>th</sup> September, 2007 include the figures of erstwhile Shreno Limited which is amalgamated with the Company.

**2. OPERATIONS:**

The Total Income for the period ended 30<sup>th</sup> September, 2007 were Rs. 105.05 crores as compared to Rs. 52.25 crores for the previous year. The profit before Depreciation, Interest, Tax & Non-recurring Item was Rs. 16.41 crores for the period under review as compared to loss of Rs. 3.14 crores for the previous year. The Net Loss after tax for the period was Rs. 36.84 crores as compared to the Net Loss of Rs. 4.24 crores during previous year. In view of losses, your Directors do not recommend dividend for the period ended on 30<sup>th</sup> September, 2007.

**3. SUBSIDIARY COMPANY:**

The information of the subsidiary company, as required under section 212 of the Companies Act, 1956, are annexed hereto.

**4. AMALGAMATION OF ERSTWHILE SHRENO LIMITED WITH THE COMPANY:**

The Equity Shareholders of the Company had approved the Scheme of Amalgamation of erstwhile Shreno Limited with the Company at their meeting held on 17<sup>th</sup> April, 2006. The Hon'ble High Court of Gujarat had approved the Scheme of Amalgamation of erstwhile Shreno Ltd. with the Company vide its order dated 21<sup>st</sup> July, 2006. The said order became effective on 31<sup>st</sup> August, 2006 on being filed with the Registrar of Companies, Gujarat.

**SHRENOLIMITED**

(Formerly known as Alembic Glass Industries Limited)

The name of the Company has been changed from Alembic Glass Industries Limited to Shreno Limited pursuant to the fresh certificate of incorporation issued by the Registrar of Companies, Gujarat changing the name of the Company w.e.f. on 19th September, 2006.

Pursuant to the Scheme of Amalgamation, the Company has allotted 10,42,316 equity shares of Rs.100 each to the equity shareholders of erstwhile Shreno Ltd. on 3rd October, 2006 in the ratio of 1 equity shares of Rs.100 each for every 6 equity shares of Rs.10 each held by them in erstwhile Shreno Ltd.

**5. DE-LISTING OF EQUITY SHARES OF THE COMPANY FROM BOMBAY STOCK EXCHANGE LIMITED:**

In accordance with the Scheme of Amalgamation of erstwhile Shreno Limited with the Company, the Promoters' group companies, M/s. Nirayu Private Limited and M/s. Sierra Investments Limited had made a Public Announcement under the SEBI Delisting Guidelines to acquire the shares held by the public shareholders. The entire process for tendering shares under the Delisting Offer was completed on 28th September, 2006. Subsequently, the Company made an application for delisting of equity shares of the Company from the Bombay Stock Exchange Limited (BSE). Pursuant to the delisting application, the equity shares of the Company have been delisted from BSE w.e.f. 8th January, 2007.

Pursuant to SEBI Delisting Guidelines, the Promoters' group companies, M/s. Nirayu Private Limited and M/s. Sierra Investments Limited had given a Final Exit Option to all the remaining public shareholders to tender their shares at the Exit Price of Rs. 1,742/- per equity share.

**6. ONGC GAS PRICE MATTERS:**

The Company finally made a settlement with ONGC for settlement of all its pre 1987 dues and post 1987 dues at Rs.33.00 crores and Rs. 12.80 crores respective on lumpsum basis. The Company had already provided the amount of Rs.8.12 Crores in its books during previous year ending 31st March, 2005 for pre 1987 dues. The balance amount of Rs.24.88 crores for pre 1987 dues and the entire amount of Rs. 12.80 crores for post 1987 dues has been charged as expense in the period ended 30<sup>th</sup> September, 2007.

**7. BIFR MATTER:**

The Company applied to BIFR for de-registration of the company after its networth became positive on amalgamation of erstwhile Shreno Ltd. w.e.f. 1<sup>st</sup> April, 2006. Pursuant to the application, the Company was de-registered by BIFR vide its order dated 10<sup>th</sup> November, 2006.

**8. EXTENSION OF FINANCIAL YEAR:**

The net worth of the Company had been severely affected due to the extra ordinary liability which crystallized upon settlement of the long-pending issue with ONGC for the Gas Liability Case in March, 2007. Your Board thought it fit to take corrective actions and substantially improve the net worth of the Company in the same financial year. With this in mind, the Company sought approval from the Registrar of Companies, Gujarat for extension of the current financial year upto 30<sup>th</sup> September, 2007 to enable it to raise further capital and net worth and also extension of time to hold Annual General Meeting. Accordingly, the Registrar of Companies, Gujarat granted its approval for extension of financial year upto 30<sup>th</sup> September, 2007 and to hold the Annual General Meeting on or before 15<sup>th</sup> March, 2008.

**9. FIXED DEPOSITS:**

During the year under review, the Company has not accepted/renewed any Fixed Deposits in terms of Section 58A of the Companies Act, 1956. During the year, no amount was required to be transferred to the 'Investors Education & Protection Fund' as provided under Section 205C of the Companies Act, 1956.

**10. 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 the Annexure - A to the Report.

**11. PARTICULARS OF EMPLOYEES:**

The information required under section 217(2A) of the Companies Act, 1956, read with Companies (Particulars of Employees) Rules, 1975, forms part of this report as Annexure - B. However, as permitted by Section 219(1)(b)(iv) of the Companies Act, 1956, this Annual Report will be sent to shareholders excluding this Annexure. Any shareholder interested in obtaining the particulars may obtain it by writing to the Company Secretary of the Company.

**12. DIRECTORS:**

Mr. C. R. Amin and Mr. S. J. Patel retire by rotation at the ensuing Annual General Meeting and are eligible for re-appointment. Your Directors recommend their re-appointment in the ensuing Annual general Meeting.

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**13. AUDITORS:**

The retiring Auditors, M/s. K. S. Aiyar & Co., Chartered Accountants, Mumbai have indicated their unwillingness to be re-appointed as Statutory Auditors of the Company at the ensuing Annual General Meeting. The Company therefore proposes to appoint M/s. K. C. Mehta & Co., Chartered Accountants, Vadodara in place of the retiring Auditors.

The Board has received a confirmation from M/s. K. C. Mehta & Co., Chartered Accountants, Vadodara intimating the Company that their appointment, if made at the ensuing Annual General Meeting will be in accordance with the limit under Section 224(1B) of the Companies Act, 1956.

**14. DIRECTORS' RESPONSIBILITY STATEMENT:**

In accordance with the Companies Act, 1956, the Directors state that:

- i) in the preparation of the annual accounts for the year, the applicable accounting standards have been followed.
- ii) accounting policies as listed in the 'Schedule-Q' 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 30<sup>th</sup> September, 2007 and of the loss for the year ended on that date;
- iii) proper and sufficient care for maintenance of adequate accounting records has been taken in accordance with the provisions 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 a "going concern" basis.

On behalf of the Board of Directors

**Chirayu R. Amin**  
Chairman

Vadodara, 13<sup>th</sup> December, 2007



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**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**

## (a) The energy conservation measures taken:

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. The company has ongoing study to identify and implement energy saving system. The following are the measure taken:

1. Repairing work of NYT furnace and regenerator.
2. Installed latest technology burners.
3. Installed auto control pressure regulator on fire polisher gas line for saving the natural gas & steady outputs.
4. Modified fire polisher and installed latest burner more over constant pressure regulator is installed.
5. Installed separate compressor at crushing plant for cleaning the magnetic roller.

## (b) Additional investment and proposals if any, being implemented for reduction in consumption of energy.

The company has several plans for investment in energy saving devices and automation of energy system such as high efficient equipment etc.

## (c) Impact of measures taken at (a) &amp; (b) above for reduction for energy conservation and consequent impact on the cost of production of goods:

Electricity and gas consumption per metric ton is decreased.

(d) Total energy consumption and energy consumption per unit of production: **Form 'A' enclosed.****B. TECHNOLOGY ABSORPTION**

Efforts made in Technology absorption: **Form 'B' enclosed.**

**C. FOREIGN EXCHANGE EARNINGS AND OUTGO.**

1. Activities relating to exports: Initiatives are taken to increase exports, by developing new export markets for products and services and export plans.
2. Total Foreign Exchange used and earned:  
Please refer Note No. 14 (iii), (iv) & (vi) of Schedule – Q of the 'Notes on Accounts' for detail in this regard.



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**FORM 'A':** Form for disclosure of particulars with respect to conservation of energy.**A. POWER AND FUEL CONSUMPTION**

	<b>2006-07 (18 months)</b>	<b>2005-06 (12 months)</b>
<b>1. Electricity</b>		
(a) Purchased units in lacs:	<b>111.38</b>	64.96
Total amounts (Rs. in lacs)	<b>402.70</b>	237.84
Average Rate (Rs.per Unit)	<b>3.62</b>	3.66
(b) Own generation:		
(i) Through diesel generator:		
Units (KWH) in lacs	<b>0.190</b>	0.360
Unit per liter of diesel oil	<b>2.43</b>	2.44
Cost (Rs. / unit)	<b>14.30</b>	13.53
(ii) Through Gas Generator:		
Units (KWH) in lacs	<b>16.40</b>	23.26
Unit per m <sup>3</sup> of Natural Gas	<b>2.74</b>	2.29
Cost (Rs./ Unit)	<b>3.31</b>	3.27
(iii) Through steam generator:		
Unit	<b>NIL</b>	NIL
Cost	<b>NIL</b>	NIL
<b>2. Coal</b>	<b>NIL</b>	NIL
<b>3. Furnace</b>	<b>NIL</b>	NIL
<b>4. Others / Internal Generation:</b>		
Natural gas (cubic meters in lacs)	<b>228.24</b>	202.36
Total amount		
(Rs. per 1000 Cubic meters) (in lacs.)	<b>1163.11</b>	846.45
Average rate (Rs. per 1000 cubic- Meters)	<b>5095.87</b>	4181.90
Consumption per unit of production:		
(For Glass Division Only)		
Electricity unit per Metric ton	<b>360.06</b>	399.40
Gas cubic meters per Metric ton	<b>453.37</b>	510.81

In view of the nature of the business carried on by engineering division i.e. fabrication and manufacturing of machinery and equipments as per customers' specifications, it is not feasible to furnish information on consumption of fuel per unit of production.

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**FORM 'B' : Form for disclosure of particulars with respect of Technology Absorption:****(a) Research and Development (R & D) :**

1. (a) Specific areas in which R & D carried out by Glass Division:
  - i) Different ceramic color developed for Jars and Tumblers.
  - ii) Successful Decolourisation of regular glass to get more luster (shining) and seed free glass by introducing new materials like Cerium Oxide and Zinc Selenite.
- (b) Specific areas in which R & D carried out by Engineering Division:  
During the year the Company has developed and implemented:
  - i) Vertical separator machine.
  - ii) Push Bar Stacker with stability bar having PLC control.
  - iii) Zero Back lash Necking Mechanism.
2. (a) Benefits derived as a result of the above R & D by Glass Division:
  - i) Quality of glass improved.
  - ii) Quantity of packed ton glasses increased and Improvement in Efficiency.
- (b) Benefits derived as a result of the above R & D by Engineering Division:
  - i) Improvement in productivity.
  - ii) Reduction in cost of manufacturing of containers.
3. Future plan of action:  
The Glass Division plans to develop new products and/or products having different characteristics to suit changing requirements of the market. The Engineering Division has taken up jobs for development of 10 section I.S. Machine and transfer wheel.
4. Expenditure on R & D :

	<b>2006-2007</b> <b>(Rs. In Lacs)</b> <b>(18 months)</b>	<b>2005-2006</b> <b>(Rs. In Lacs)</b> <b>(12 months)</b>
a) Capital	6.5	-
b) Recurring	22.0	19.21
c) Total	28.5	19.21
d) Total R & D expenditure as a Percentage of total turnover	<b>0.30%</b>	0.36%

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

1. Efforts in brief made towards technology absorption, adaptation and innovation :  
The Glass division has taken the following efforts;
  - i) New pressed ware technology is being developed.
  - ii) New mould metals are being developed.
 The Engineering division has made efforts towards technology absorption, adaption and innovation.
2. Benefits derived as a result of this efforts :  
Glass Division
  - i) Saving in energy inputs (Gas, Electricity and Oils).
  - ii) Longer life of moulds and better finish of final products.
 Engineering Division  
There is improvement in productivity and import substitution leading to savings in exchange.
3. Information regarding technology imported in last 5 years : Not applicable