

**64th
ANNUAL REPORT
2008-2009**



Shreno Limited

SHRENO 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. C. Mehta & Co.,
Chartered Accountants,
2nd Floor, Meghdhanush,
Beside Landmark Building,
Race Course Circle,
Vadodara - 390 007.

BANKERS

: HDFC Bank
Bank of Baroda

REGD. OFFICE

: Alembic Road, Vadodara-390 003.

**REGISTRAR &
TRANSFER AGENTS**

: M/s. Link Intime India Private Limited
308, 1st Floor, Jaldhara Complex,
Opp. Manisha Society,
Off. Old Padra Road,
Vadodara - 390 015
Tel.: (0265) 2250241 / 3249857
Email: vadodara@linkintime.co.in

NOTICE

NOTICE is hereby given that the Sixty-Forth Annual General Meeting of **Shreno Limited** will be held at "Sanskriti", Alembic Corporate Conference Center, Opp. Pragati Sahakari Bank Limited, Alembic Colony, Vadodara-390 003, on **Wednesday the 9th September, 2009 at 4.00 p.m.** to transact the following business:

ORDINARY BUSINESS :

1. To receive, consider and adopt the audited Balance Sheet as at 31st March, 2009 and the Profit & Loss Account of the Company for the year ended on that date, and the Report of the Directors and Auditors thereon.
2. To appoint a Director in place of Ms. Y. R. Amin, who retires by rotation and being eligible, offers herself for re-appointment.
3. To appoint a Director in place of Mr. Rasesh Shah, who retires by rotation and being eligible, offers himself for re-appointment.
4. To appoint Auditors and to fix their remuneration.

SPECIAL BUSINESS :**To transact the following business as special business**

5. To consider and if thought fit, to pass with or without modification(s), the following resolution as **Ordinary Resolution**:
 "RESOLVED THAT subject to the provision of Sections 198, 269, 309 and 310 read with Schedule XIII and other applicable provisions, if any, of the Companies Act, 1956, (including any statutory modifications or re-enactment thereof for the time being in force) approval of the Company be and is hereby accorded to the appointment of Mr. Rasesh Shah as Whole time Director of the Company for a period of five years from 23rd July, 2009, on the remuneration and on such terms and conditions as recommended by the Board of Directors in their meeting held on 23rd July, 2009 and set out in explanatory statement attached hereto with liberty and authority to the Board of Directors to alter and vary the terms and conditions of the said appointment from time to time within the scope of Schedule XIII of the Companies Act, 1956, or any amendments thereto or any re-enactment thereof and as may be agreed to between the Board of Directors and Mr. Rasesh Shah.

FURTHER RESOLVED THAT in the event of loss or inadequacy of profit in any financial year, the Company shall pay to Mr. Rasesh Shah, in respect of such financial year, remuneration by way of salary, allowances, perquisites and other benefits as the Board of Directors may deem fit, subject to the limits prescribed herein and in Schedule XIII of the Companies Act, 1956.

FURTHER RESOLVED THAT the Board of Directors of the Company be and is hereby authorized to take such steps as may be necessary, desirable or expedient to give effect to this resolution."

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 31 of the Companies Act, 1956, the Articles of Association of the Company be altered in the following manner

Article 131 of the Articles of Association of the Company be and is hereby substituted by following Article:

"The Directors shall provide a common seal for the purpose of the Company and shall have the power from time to time to destroy the same and substitute a new seal in lieu thereof and shall provide for the safe custody of the seal for the time being and the seal shall never be used except by the authority of Directors or committee of Directors previously given. Every deed or other instrument to which the seal of the Company is required to be affixed, shall unless the same is executed by a duly constituted attorney of the Company, be signed by any one of the official authorized by the Board for the purpose, provided nevertheless that the certificates of shares or debentures may be sealed and signed in the manner as provided in Article 14."

FURTHER RESOLVED THAT for the purpose of giving effect to this resolution the Board be and is hereby authorized to do all such acts, deeds and things as the Board may in its absolute discretion consider necessary, proper, desirable or appropriate for giving effect to the abovesaid alterations of Article of Association and to settle any question, difficulty or doubt that may arise in this regard in such manner as the Board may deem fit and proper in its absolute discretion to be most beneficial to the Company."

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 Register of Members of the Company will remain close from Wednesday, the 2nd September, 2009 to Wednesday, the 9th September, 2009 (both days inclusive).

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4. The Explanatory Statement setting out all material facts concerning items 5 and 6 as required under Section 173 of the Companies Act, 1956 is annexed hereto.
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 up to the date of the Annual General Meeting.
6. All the work related to share-registry in terms of both - physical and electronic are being conducted by Company's R&T Agents M/s. Link Intime India Private Limited, 308, 1st Floor, Jaldhara Complex, Opp. Manisha Society, Off. Old Padra Road, Vadodara – 390 015. Tel: (0265) 2250241, 3249857, Telefax: (0265) 2250246 Email: vadodara@linkintime.co.in. The Shareholders are requested to send their communication to the aforesaid address.

Registered Office:
 Alembic Road,
 Vadodara-390 003.
 Dated: 23rd July, 2009

By Order of the Board

Rasesh Shah
 Company Secretary

Explanatory Statement as required under Section 173 of the Companies Act, 1956

Item No. 5

Mr. Rasesh Shah was appointed as Director of the Company on 10th January, 2006. The Board of Directors of the Company considered it expedient to appoint him as a Whole time Director for a period of 5 years w.e.f. 23rd July, 2009 subject to the approval of shareholders. Mr. Rasesh Shah is commerce graduate and law graduate. He is also an Associate member of Institute of Company Secretaries of India and Institute of Cost and Works Accountants of India with experience in Secretarial and Accounts.

The remuneration, terms and conditions of his reappointment are set out hereunder:

1. Period of reappointment as Whole time Director :

5 years from 23rd July, 2009.

2. Remuneration :

Salary - Upto maximum of Rs. 12 lacs per annum or such higher amount as may be decided by the Board of Directors from time to time.

Perquisites, allowances and others:

- a) HRA, Kit Allowance, Transport Allowance upto a maximum of Rs. 15 lacs per annum as per the rules and policy of the Company from time to time.
- b) Contribution to Provident fund, Superannuation fund and payment of gratuity as per the rules of the Company.
- c) Reimbursement of Medical Expenses & LTC as per the rules of the Company.
- d) Other perquisites, allowances, benefits and amenities as per the service rules of the Company as applicable from time to time.

3. Minimum Remuneration :

Further, the total remuneration, as well as the minimum remuneration, in the event of loss or inadequacy of profit in any financial year, payable to Mr. Rasesh Shah, as Whole time Director by the Company will be in accordance with the provisions of Sections 198, 269, 309 and 310 read with Schedule XIII and other applicable provisions, if any, of the Companies Act, 1956.

The above may be treated as an abstract of the terms and conditions of the appointment of Mr. Rasesh Shah as a Whole time Director, pursuant to Section 302 of the Companies Act, 1956.

Mr. Rasesh Shah's appointment, terms and conditions and remuneration are within the scope of Schedule XIII of the Companies Act, 1956 and requires approval of the members in the General Meeting and hence this ordinary resolution for your approval. The Directors recommend the resolution for approval.

None of the Directors, except Mr. Rasesh Shah, is deemed to be concerned or interested in this resolution.

Item No. 6

Presently all the documents where the common seal of the company is required to be affixed, are being executed by any one of the Directors of the Company and countersigned by any one of the authorized official of the Company duly authorized by the Board of Directors for the purpose. The execution of documents gets delayed sometimes, when the concerned director is not available. This affects the business decisions of the Company.

In order to do the speedy execution of documents as also to do the business transactions smoothly, it has been proposed to authorise any one official of the Company, duly authorized by the Board of Directors, to execute such documents on behalf of the Company and such official may or may not be a Director of the Company.

Your Directors recommend the Special Resolution for your approval.

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

Registered Office:
Alembic Road,
Vadodara-390 003.
Dated: 23rd July, 2009

By Order of the Board

Rasesh Shah
Company Secretary



SHRENO LIMITED**DIRECTORS' REPORT**

To

The Members,

Your Directors submit their Sixty-Forth Report with Annual Accounts for the year ended on 31st March, 2009.

1. FINANCIAL RESULTS :

Particulars	Year ended on 31 st March 2009	(Rs. in lacs) Period ended on 31 st March, 2008
	12 Months	6 Months
Profit / (Loss) for the year before providing for Depreciation, Interest, Tax & Non-recurring item	1535.05	326.91
Deducting therefrom:		
- Interest	1032.64	381.11
- Depreciation	239.20	113.29
Profit/(Loss) Before Tax	263.21	(167.49)
Less :		
Provision for Current Tax	-	-
Provision for Fringe Benefit Tax	6.80	4.25
Provision for Wealth Tax	3.66	3.72
Excess/Short Provision of tax in respect of earlier year	9.18	(4.97)
Net Profit / (Loss) after Tax and Non-recurring item	243.57	(170.49)
Adding thereto :		
Balance brought forward from last year	(4,011.00)	(3,840.51)
Surplus / (Deficit) carried to Balance Sheet	(3,767.43)	(4,011.00)

The figures for the year ended on 31st March, 2009 are not comparable with the figures for the period ended on 31st March, 2008. The Current financial year is for a period of twelve months, commencing from 1st April, 2008 to 31st March, 2009. Whereas, the previous financial year was for a period of six months, commencing from 1st October, 2007 to 31st March, 2008.

2. OPERATIONS :

The total income for the period ended on 31st March, 2009 was Rs. 115.35 crores as compared to Rs. 44.55 crores for the previous financial year (6 months period) ended on 31st March, 2008. The Profit before Depreciation, Interest, Tax & Non-recurring Item was Rs. 15.35 crores for the period under review as compared to Profit of Rs. 3.27 crores for the previous financial year. The Net Profit after tax for the period was Rs. 2.44 crores as compared to the Net Loss of Rs. 1.70 crores during previous financial year.

In view of carried forward losses, your Directors do not recommend dividend for the period ended on 31st March, 2009.

3. SUBSIDIARY COMPANY :

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

4. 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.

5. DIRECTORS :

Ms. Y. R. Amin and Mr. Rasesh Shah 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.

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 the Annexure - A to the Report.

7. 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. 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.

8. AUDITORS :

M/s. K. C. Mehta & Co., the Company's Auditors, will retire at the conclusion of the ensuing Annual General Meeting and are eligible for re-appointment as Auditors. Members are requested to re-appoint them and fix their remuneration.

9. 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 – R' 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 31st March, 2009 and of the profit 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

Vadodara, 5th May, 2009

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Chirayu R. Amin
Chairman

SHRENO LIMITED**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 :

Glass Division :

The Company's ongoing study to identify and implement energy saving systems, resulted into following measures:

1. Installed F.R.P. transparent sheet on roof for natural day light and cut down lighting power at various areas like Packing, Batch House, Godowns and Decorating areas.
2. Stopped pump at certain machines for cutting oil system by use of natural gravity of over-head water Tanks.
3. On mould cooling blower's main duct, pressure sensor and control with AC drive installed to get proper air pressure. For machines, which requires more air we installed in house fabricated blower. We also used energy saving grease in plunger block.
4. Installed separate compressor for batch house processes, work shop, mould shop to reduce line losses.
5. Changed higher rating motor to lower rating for certain machines.
6. Re-started compressors on certain machines after repairing their parts like heads, crank shaft, lubricating pump etc.

Engineering Division :

Energy conservation is a priority area for the company and focus is on identifying and controlling the losses in the manufacturing process. Preventive maintenance and optimal utilization of machines are being practised.

- (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 like:

1. High pressure screw compressor in place of reciprocating compressors to fulfill future plant requirements and for energy saving.
2. Separate mould cooling blower for individual machines for higher production and for energy saving.
3. High efficient oil ring vacuum pump in place of water ring vacuum pump for energy saving.
4. Smooth and stable supply of compressed air to each machine.
5. Centralize system of shear lub / cooling.

- (c) Impact of measures taken at (a) & (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. 12 (b), (c) (d) & (e) of Schedule - R of the 'Notes on Accounts' for detail in this regard.

SHRENO LIMITED**FORM 'A' - Form for disclosure of particulars with respect to conservation of energy****Power and Fuel Consumption**

	2008-09 (12 months)	2007-08 (6 months)
1. Electricity		
(a) Purchased units in lacs :	89.80	33.76
Total amounts (Rs. in lacs)	314.32	118.17
Average Rate (Rs. per Unit)	3.50	3.50
(b) Own generation :		
(i) Through diesel generator :		
Units (KWH) in lacs	0.047	0.36
Unit per liter of diesel oil	2.44	2.38
Cost (Rs. / Unit)	15.11	17.19
(ii) Through Gas Generator :		
Units (KWH) in lacs	3.31	0.35
Unit per m ³ of Natural Gas	2.04	2.48
Cost (Rs./ Unit)	3.00	3.90
(iii) Through steam generator :		
Unit	NIL	NIL
Cost	NIL	NIL
2. Coal	NIL	NIL
3. Furnace	NIL	NIL
4. Others / internal generation :		
Natural gas (cubic meters in lacs)	169.79	87.39
Total amount		
(Rs. per 1000 Cubic meters) (in lacs.)	584.82	449.76
Average rate (Rs. per 1000 cubic- Meters)	5,589.94	5,146.10
Consumption per unit of production:		
(For Glass Division Only)		
Electricity unit per Metric ton	373.67	309.60
Gas cubic meters per Metric ton	417.70	431.57
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.		

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) Installation of High power magnets at different locations for iron reduction in glass.
 - ii) Optimization of decolorizers for better control in glass colour.
 - iii) Optimization of Batch composition to reduce cost.
 - iv) Installation of glass level probe in furnace.
- (b) Specific areas in which R & D carried out by Engineering Division :

During the year, the Company has developed and implemented :

 - i) Fire polisher with loader / unloader.
 - ii) Hydraulic System for Agitator.
2. (a) Benefits derived as a result of the above R & D by Glass Division :
 - i) Reduction in Glass Iron content & Variation in Glass colour.
 - ii) Reduction in loss due to glass defects.
 - iii) No complaint for glass colour & clarity from Market since last one year.
 - iv) Control of glass level variation.
- (b) Benefits derived as a result of the above R & D by Engineering Division:
 - i) Productivity Enhancement.
 - ii) Improvement in operational efficiency.

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3. Future plan of action :

The Glass Division has the following plans:

- i) . Changing from Manual to Automatic process control in Batch House for improving glass quality & efficiency.
- ii) Transferring Quartz processing in Batch House & stopping old crushing plant.
- iii) Development of glass colour monitoring & controlling System in laboratory by UV visible spectrophotometer.
- iv) Extension of furnace life.
- v) Development of new products as per company's future plan.

The Engineering Division has taken up jobs for Development of electronic control mechanism for I.S. Machines.

4. Expenditure on R & D :

	<u>2008-2009</u>	<u>2007-2008</u>
	(Rs. In Lacs)	(Rs. In Lacs)
i) Capital	1.50	8.00
ii) Recurring	<u>1.00</u>	<u>2.50</u>
Total	2.50	10.50
Total R & D expenditure as a		
Percentage of total turnover	0.02%	0.21%

(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) Improved methodology for Batch Preparation and new systems development for raw material iron reduction.
- ii) Established norms for regular checking & control of major process parameters.
- iii) Manual controlling of batch & cullet feeding ratio with help of automatic glass level control system in furnace.
- iv) Increased production by electrical boosting in the furnace.

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