

**67th
ANNUAL REPORT
2011-2012**

Shreno Limited

SHRENO LIMITED

**BOARD OF
DIRECTORS**

: Mr. Chirayu R. Amin - Chairman
Mrs. Malika C. Amin
Ms. Yera R. Amin
Mr. Mayur Jadeja
Mr. C. R. Mukherjee
Mr. Rasesh Shah - Whole-time 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
ING Vysya Bank

REGD. OFFICE

: Alembic Road, Vadodara - 390 003.

**REGISTRAR &
TRANSFER AGENTS**

: M/s. Link Intime India Private Limited
B-102 & 103, Shangrila Complex,
First Floor, Near Radhakrishna Char Rasta,
Akota, Vadodara - 390020
Tel: (0265) 2356573, 2356794
Fax: (0265) 2356791
Email: vadodara@linkintime.co.in

NOTICE

NOTICE is hereby given that the Sixty-Seventh 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 Thursday, the 27th September, 2012 at 4:30 p.m. to transact the following business:

ORDINARY BUSINESS:

1. To receive, consider and adopt the Audited Balance Sheet as at 31st March, 2012, Statement of Profit & Loss and Cash Flow Statement of the Company for the year ended on that date, and the Reports 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. C. R. Amin, 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 modifications the following resolution as an Ordinary Resolution:
"RESOLVED THAT Mr. Mayur Jadeja, who was appointed as an Additional Director of the Company on 6th January, 2012 and who vacates his office at this Annual General Meeting and in respect of whom a notice under section 257 of the Companies Act, 1956 has been received, proposing his candidature for appointment as Director, be and is hereby appointed as the Director of the Company liable to retire by rotation."

6. To consider and, if thought fit, to pass with or without modifications the following resolution as an Ordinary Resolution:
"RESOLVED THAT Mr. C. R. Mukherjee, who was appointed as an Additional Director of the Company on 30th March, 2012 and who vacates his office at this Annual General Meeting and in respect of whom a notice under section 257 of the Companies Act, 1956 has been received, proposing his candidature for appointment as Director, be and is hereby appointed as the Director of the Company liable to retire by rotation."

7. To consider and, if thought fit, to pass with or without modifications the following resolution as an Ordinary Resolution:
"RESOLVED THAT pursuant to the provisions of Section 16, 94 and other applicable provisions, if any, of the Companies Act, 1956 the Authorised Share Capital of the Company be increased from ₹ 39,00,00,000/- (Rupees Thirty Nine Crores only) consisting 20,00,000 (Twenty Lacs) Equity Shares of ₹ 100/- (Rupees One Hundred) each and 19,00,000 (Nineteen Lacs) Preference Shares of ₹100/- (Rupees One Hundred) each to ₹ 65,00,00,000/- (Rupees Sixty Five Crores only) consisting 46,00,000 (Forty Six Lacs) Equity Shares of ₹ 100/- (Rupees One Hundred) each and 19,00,000 (Nineteen Lacs) Preference Shares of ₹100/- (Rupees One Hundred) each.

RESOLVED FURTHER 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 Share Capital of the Company is ₹ 65,00,00,000/- (Rupees Sixty Five Crores only) consisting of 46,00,000 (Forty Six Lacs) Equity Shares of ₹ 100/- (Rupees One Hundred only) each and 19,00,000 (Nineteen Lacs) Preference Shares of ₹ 100/- (Rupees One Hundred only) each."

RESOLVED FURTHER THAT any of the Directors of the Company and the Company Secretary be and is hereby severally authorised to file prescribed forms with Registrar of Companies, Gujarat (Ministry of Corporate Affairs) and to do all other acts, deeds, matters and things, as may be necessary, for this purpose."

8. To consider and, if thought fit, to pass with or without modifications the following resolution as an Special Resolution:
"RESOLVED THAT pursuant to provisions of section 31 and other applicable provisions, if any, of the Companies Act, 1956, Article 145-C of the Articles of Association of the Company be and is hereby altered and replaced with following:

'145-C (1) The Company in General Meeting may, upon the recommendation of the Board, resolve:

- (a) that it is desirable to capitalise any part of the amount for the time being standing to the credit of the Company's reserve accounts (including the Revaluation Reserve created on revaluation of fixed assets or any other assets, reserves created on restructuring, merger or demerger and capital reserves) or to the credit of the profit and loss account or otherwise available for distribution, and

- (b) that such sum be accordingly set free for distribution in the manner specified in clause (2) amongst the Members who would have been entitled thereto, if distributed by way of dividend and in the same proportion.
 - (2) The sum aforesaid shall not be paid in cash but shall be applied, subject to the provisions contained in clause (3) either in or towards;
 - (a) paying up any amount for the time being unpaid on any Shares held by such Members respectively, or
 - (b) paying up in full unissued Shares of the Company to be allocated and distributed, credited as fully paid up, to and amongst Members in the proportion aforesaid, or
 - (c) partly in the way specified in sub clause (a) and partly in that specified in sub-clause(b)
 - (3) A security premium account and capital redemption reserve account may, for the purpose of this Article, be applied in the paying up of unissued Shares to be issued to Members of the Company as fully paid bonus shares.
 - (4) For the purpose of giving effect to any such resolution the Directors may settle any difficulty which may arise in regard to the distribution or payment as aforesaid as they think expedient and in particular they may issue fractional certificates and may fix the value for distribution of any specific assets and may determine that cash payments be made to any member on the footing of the value so fixed and may vest any such cash, shares, debentures, debenture stock, bonds or other obligation in trustees upon such trusts for the persons entitled thereto as may seem expedient to the Directors and generally may make such arrangement for the acceptance, allotment and sale of such shares, debentures, debenture stock, bonds or other obligations and fractional certificates or otherwise as they may think fit.
 - (5) If and whenever any shares become held by any member in fraction, the Directors may subject to the provisions of the Act and these Articles and to the direction of the Company in general meeting, if any, sell these shares which members hold in fractions for the best price reasonable obtainable and shall pay and distribute to and amongst the members entitled to such shares in due proportion the net proceeds of the sale thereof. For the purpose of giving effect to any such sale, the Directors may authorise any person to transfer the shares sold to the purchaser thereof comprised in any such transfer and he shall not be bound to see to the application of the purchase money nor shall his title to the shares be affected by any irregularity or invalidity in the proceedings in reference to the sale.' "
9. To consider and, if thought fit, to pass with or without modifications the following resolution as an Ordinary Resolution:
- "RESOLVED THAT** pursuant to the applicable provisions of the Companies Act, 1956 and Article 145-C of the Articles of Association (as amended from time to time) of the Company and such other approvals, permissions and sanctions as may be necessary and subject further to such terms, conditions, alterations, modifications, changes and variations as may be specified while according such approvals which the Board of Directors of the Company be and is hereby authorized to accept, if it thinks fit, the Company be and is hereby authorized to capitalise upto ₹ 30,02,76,800/- out of Capital Reserve and Securities Premium Account and transferred to Share Capital Account towards issue and allotment of equity shares not exceeding 30,02,768 equity shares of ₹ 100/- each, as bonus shares credited as fully paid-up, to members of company holding equity shares of ₹ 100/- each whose names stand in the register of members of the company on such date as the directors may determine, in that behalf in the proportion of 2 (Two) new fully paid-up equity shares of ₹ 100/- each for every 1 (One) Equity Share of ₹ 100/- each, held as on the record and that the bonus shares so issued and allotted be treated for all purposes as an increase of the nominal amount of the Equity Capital of the Company held by each such member/person and not as income and that the said Equity Shares be issued and allotted, inter-alia, on the following terms and conditions:
- (a) The new Equity Shares of ₹ 100/- each to be issued and allotted as Bonus Shares shall be subject to the Memorandum and Articles of Association of the Company and shall rank pari-passu in all respects and carry the same rights as the then existing Equity Shares of the Company, notwithstanding the date or dates of allotment thereof, including entitlement to payment of dividend, if declared, for the financial year in which the same are allotted.
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- (b) No letters of Allotment shall be issued for the Bonus Shares and the Share Certificates in respect thereof shall be delivered within 3 months from the date of their allotment, except that the new equity bonus shares will be credited to the demat account of the allottees, who are holding the existing equity shares in electronic form as on the record date so determined by the Board for the purpose.
- (c) The issue and allotment of fully paid-up new Equity Shares as Bonus Shares to the extent that they relate to non-residents shall be subject to approval of the Reserve Bank of India under the Foreign Exchange Management Act, 1999 (including any statutory modification(s) or re-eneactment thereof for the time being in force).
- (d) For the purpose of giving effect to this resolution, the Board / Committee formed by the Board of Directors for the purpose, be and is hereby authorized to do all such acts, deeds, matters and things whatsoever including settling any question, doubt or difficulties that may arise with regard to or in relation to the issue or allotment of the bonus shares and to accept on behalf of the Company, any conditions, modifications, alterations, changes, variations in this regard as prescribed by the statutory authorities and which the Board / Committee of the Board in its discretion thinks fit and proper.

RESOLVED FURTHER THAT the Board be and is hereby authorized to do all such acts, deeds, matters and things as may in its sole and absolute discretion, deem necessary, expedient, usual or proper and to settle any question, doubt or difficulty that may arise with regard to the issue and allotment of Bonus Shares as aforesaid or any other matter incidental or consequential thereto."

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 and Transfer Books of the Company will remain closed from Thursday, the 20th September, 2012 to Thursday, the 27th September, 2012 (both days inclusive).
4. All documents referred to in the Notice 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.
5. All work related to share registry in terms of both physical and electronic are being conducted by the Company's R & T Agents - M/s. Link Intime India Pvt. Ltd., B-102 & 103, Shangrila Complex, First Floor, Near Radhakrishna Char Rasta, Akota, Vadodara – 390 020 [Tel: (0265) 2356573, 2356794 Fax: (0265) 2356791 Email: vadodara@linkintime.co.in] Shareholders are requested to send their communication to the aforesaid address.

Registered Office:
Alembic Road,
Vadodara - 390 003
Dated: 13th August, 2012

By Order of the Board

C. R. Amin
Chairman

Explanatory Statement pursuant to Section 173 of the Companies Act, 1956

Item No.5

The Board of Directors had vide a resolution passed on 6th January, 2012 appointed Mr. Mayur Jadeja as an Additional Director of the Company. Mr. Mayur Jadeja has a Bachelor Degree in Economics and Post Graduate Diploma in Industrial Relations & Personal Management. He is an entrepreneur and also a Director of M/s. Ratna Nicochem Pvt. Ltd. He was a Managing committee member of the Federation of Gujarat Industries for 11 years.

The Company has received a notice under Section 257 of the Companies Act, 1956, from a member proposing his candidature for appointment as a Director, liable to retire by rotation.

Your Directors recommend the resolution for your approval.

Except Mr. Mayur Jadeja, no other Director of the Company is concerned or interested in the resolution.

Item No.6

The Board of Directors at its meeting held on 30th March, 2012 appointed Mr. C. R. Mukherjee as an Additional Director of the Company. Mr. C. R. Mukherjee has a Bachelor Degree in Science. He has experience over 35 years and possesses organisational and administrative capability. Mr. C. R. Mukherjee has considerable experience in the field of marketing management.

The Company has received a notice under Section 257 of the Companies Act, 1956, from a member proposing his candidature for appointment as a Director, liable to retire by rotation.

Your Directors recommend the resolution for your approval.

Except Mr. C. R. Mukherjee, no other Director of the Company is concerned or interested in the resolution.

Item No. 7, 8 & 9

The Board of Directors of the Company feel that due to increased scale of activities particularly in real estate business and in order to reward the shareholders, it would be expedient to capitalise the reserves and issue bonus shares. The Directors have proposed to make a bonus issue of 30,02,768 Equity shares of ₹ 100/- each fully paid up at a proportion of 2 (Two) equity share for every 1 (One) equity share held by the equity shareholders of the company as on the record date as may be decided by the Board of Directors, ranking pari passu with the existing equity shares.

The unissued portion of the existing authorised capital of the Company would be inadequate for the purpose of issue of bonus shares. In view of the same, it would be expedient to increase the Authorised Capital of the Company from the existing ₹ 39,00,00,000/- to ₹ 65,00,00,000/-.

The existing Clause No. 145 – C of the present articles of association of the Company contains provisions for capitalization of reserves and other matters. However, since the articles were drafted many years ago, the enabling provisions contained in the articles are not contemporary. Hence, the Directors have thought it fit to amend the same by replacing the existing Clause 145 – C with the text as proposed at item no. 8.

Your Directors recommend the resolutions at Item No. 7, 8 and 9 for your approval.

The Directors are deemed to be interested in the resolution to the extent of their shareholding in the Company, if any.

Registered Office:
Alembic Road,
Vadodara - 390 003
Dated: 13th August, 2012

By Order of the Board

C. R. Amin
Chairman

DIRECTORS' REPORT

To

The Members,

Your Directors submit their Sixty-Seventh Report with Audited Accounts for the year ended 31st March, 2012.

1. FINANCIAL RESULTS:

(₹ in lacs)

Particulars

Year ended on 31st March, 2012	Year ended on 31st March, 2011
573.19	812.21
Profit for the year before providing for Depreciation, Interest & Tax	
Deducting therefrom:	
- Interest	490.89
- Depreciation	266.46
Profit/(Loss) Before Tax	54.86
Less:	
Provision for Current Tax	7.00
Provision for Wealth Tax	10.00
(Excess)/Short Provision of tax in respect of earlier years	275.63
Net Profit/(Loss) after Tax	(237.77)
Adding thereto:	
Balance brought forward from last year	(1,290.96)
Surplus / (Deficit) carried to Balance Sheet	(1,528.73)

2. OPERATIONS:

The total income for the year ended on 31st March, 2012 was ₹ 130.69 crores as compared to ₹ 117.28 crores for the previous financial year ended on 31st March, 2011. The Profit before Depreciation, Interest & Tax was ₹ 5.73 crores for the year under review as compared to Profit of ₹ 8.12 crores for the previous year. The Net Loss after tax for the year was ₹ 4.20 crores as compared to the Net Loss of ₹ 2.38 crores during previous year.

The Company had launched its real estate project for residential use in Vadodara in the previous year. A total of 240 units have been booked upto 31st March, 2012. However, since the project expenses upto 31st March, 2012 was less than threshold limit, no revenue or profit has been recognized.

In view of carried forward losses, your Directors do not recommend dividend for the year ended on 31st March, 2012.

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.

5. DIRECTORS:

Ms. Y. R. Amin and Mr. C. R. Amin 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. Mr. Rasesh Shah, Whole-time Director & Company Secretary has resigned from the services of the Company w.e.f. 14th September, 2012. During the year, the Board had appointed Mr. Mayur Jadeja and Mr. C. R. Mukherjee as Additional Directors of the Company. As per Section 260 of the Companies Act, 1956, they hold office of Additional Director upto the ensuing Annual General Meeting of the Company. The Company has received a notice u/s. 257 of the Companies Act, 1956 from the shareholders of the Company proposing the candidature of Mr. Mayur Jadeja and Mr. C. R. Mukherjee as Director liable to retire by rotation.

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:

During the year under review, there is no employee in respect of whom information as per Section 217(2A) of the Companies Act, 1956, read with Companies (Particulars of Employees) Rules, 1975, is required to be given in the Directors' Report.

8. AUDITORS:

M/s. K. C. Mehta & Co., Chartered Accountants, Statutory Auditors (Firm Regn. No. 106237W) 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. COST AUDITORS:

M/s. Kailash Sanklecha & Associates, Cost Accountants had been appointed as Cost Auditors of the Company for the year 2011-12.

10. 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 'Note – Z' 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, 2012 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

Place: Vadodara
Date: 13th August, 2012

Chirayu R. Amin
Chairman

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

1. Furnace was utilized with efficient capacity utilization levels.
2. Two more annealing lehrs are equipped with fuel efficient burners.
3. Modified compressed air system in order to utilize compressed air efficiently and minimizing power consumption.

(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. Installed fuel efficient latest combustion system of furnace and fore hearth.
2. Separate mould cooling blower for individual machines for higher production and for energy saving.

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

The benefit is not visible because of heat losses and very high cooling was required for furnace. Moreover, power and natural gas was utilized without any production at the time of draining of the furnace and after repairing of the same for the initial heating up.

(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 export markets for products and services.
2. Total Foreign Exchange used and earned:

The total foreign exchange used during the year was ₹ 663.14 lacs (Previous Year ₹ 541.07 lacs). The total foreign exchange earned during the year was ₹ 31.78 lacs (Previous Year ₹ 103.02 lacs).

FORM 'A'

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

Power and Fuel Consumption

	2011-12	2010-11
1. Electricity		
(a) Purchased units in lacs:	69.69	71.90
Total amount (₹ in lacs)	331.05	269.63
Average Rate (₹ per Unit)	4.75	3.75
(b) Own generation:		
(i) Through diesel generator:		
Units (KWH) in lacs	0.139	0.221
Unit per liter of diesel oil	3.16	3.36
Cost (₹ / unit)	15.88	12.54
(ii) Through Gas Generator:		
Units (KWH) in lacs	-	0.053
Unit per m3 of Natural Gas	-	1.40
Cost (₹/ Unit)	-	5.57
(iii) Through steam generator:		
Unit	-	-
Cost	-	-
2. Coal	-	-
3. Furnace	-	-
4. Others / internal generation:		
Natural gas (M3 in lacs)	81.04	172.58
Total Amount (₹ Lacs)	658.99	1331.70
Rate / Unit (₹ Per M3)	8.13	7.71
Consumption per unit of production: (For Glass Division Only)		
Electricity unit per Metric ton	485.18	461.39
Gas cubic meters per Metric ton	565.48	464.87

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 to Technology Absorption:

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

1. (a) Specific areas in which R & D carried out by Glass Division:
 - i) Efforts to reduce iron in glass cullets by modifying cullet handling system in machine hot & cold end.
 - ii) Change in glass composition for quick setting of the glass in accordance with international standards.
- (b) Specific areas in which R & D carried out by Engineering Division:
During the year the Company has developed and implemented:
 - i) Individual Section machine for glass manufacturing.
2. (a) Benefits derived as a result of the above R & D by Glass Division:
 - i) Iron content in glass maintained within narrow range of 260-280 ppm
 - ii) Increase in Luster due to low iron content & decolouriser reduction.
 - iii) Improved luster of Glass articles due to change in composition.
 - iv) Reduction in Batch Cost.