

**70th**  
**ANNUAL REPORT**  
**2014-2015**

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**Shreno Limited**

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## SHRENO LIMITED

### **Board of Directors**

Mr. Chirayu R. Amin  
Chairman

Mrs. Malika C. Amin  
Director

Ms. Yera R. Amin  
Director

Mr. Nitin Bhave  
Whole-time Director

Mr. C. R. Mukherjee  
Director

Mr. Mayur Jadeja  
Director

### **Company Secretary**

Ms. Manisha Kathed

### **Chief Financial Officer**

Mr. Nilesh Mistry  
(Appointed w.e.f. 11<sup>th</sup> August, 2014)

### **Statutory Auditors**

K. C. Mehta & Co.  
Chartered Accountants  
2<sup>nd</sup> Floor, Meghdhanush  
Beside Landmark Building  
Race Course Circle,  
Vadodara - 390 007

### **Bankers**

Bank of Baroda  
HDFC Bank Limited  
Yes Bank Limited  
RBL Bank Limited  
IndusInd Bank Limited

### **Registered Office**

Alembic Road, Vadodara - 390 003  
CIN : U26100GJ1944PLC000345  
Tel : (0265) 2280550  
Fax : (0265) 2282506  
E-mail : shreno.investors@alembic.co.in  
Website : www.shreno.com

### **Registrar and Transfer Agent**

M/s. Link Intime India Pvt. Ltd.  
B-102-103 Shangrila Complex,  
1st Floor, Nr. Radhakrishna Char Rasta, Akota,  
Vadodara - 390 020  
Phone : 0265 2356573 / 2356794 / 2356796  
Fax : 0265 2356791  
Email : vadodara@linkintime.co.in

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## NOTICE

Notice is hereby given that the 70<sup>th</sup> Annual General Meeting of the Members of Shreno Limited will be held at "Sanskriti", Alembic Corporate Conference Center, Opp. Pragati Sahakari Bank Limited, Alembic Colony, Vadodara - 390 003, on Friday, the 21<sup>st</sup> August, 2015 at 12.30 p.m. to transact the following business:

### ORDINARY BUSINESS

1. To receive, consider and adopt the Audited Financial Statements of the Company for the year ended 31<sup>st</sup> March, 2015 including Balance Sheet as at 31<sup>st</sup> March, 2015, the Statement of Profit and Loss and the Cash Flow Statement for the year ended on that date and the Reports of the Board of Directors and Auditors thereon.
2. To appoint a Director in place of Mr. Chirayu R. Amin (DIN: 00242549), who retires by rotation and being eligible, offers himself for re-appointment.
3. To ratify appointment of M/s. K. C. Mehta & Co., Chartered Accountants (FRN: 106237W) as Statutory Auditors of the Company in accordance with the resolution passed by the members at the 69<sup>th</sup> Annual General Meeting held on 11<sup>th</sup> August, 2014 and to authorize the Board of Directors to fix their remuneration.

### SPECIAL BUSINESS

4. **To consider and if thought fit, to pass, with or without modification(s), the following Resolution as an Ordinary Resolution:**

#### **Ratification of Remuneration to the Cost Auditor for the F. Y. 2014-15:**

**"RESOLVED THAT** pursuant to the provisions of Section 148 and other applicable provisions, if any, of the Companies Act, 2013 read with the Companies (Audit and Auditors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force), the remuneration payable to Mr. H. R. Kapadia, Cost Accountant (FRN: 100067) appointed by the Board of Directors of the Company to conduct the audit of the cost records of the Company for the financial year 2014-15 amounting to ₹ 0.25 Lac excluding service tax, travelling and other out-of-pocket expenses incurred by him in connection with the aforesaid audit, be and is hereby ratified and confirmed."

5. **To consider and if thought fit, to pass, with or without modification(s), the following Resolution as an Ordinary Resolution:**

#### **Ratification of Remuneration to the Cost Auditor for the F. Y. 2015-16:**

**"RESOLVED THAT** pursuant to the provisions of Section 148 and other applicable provisions, if any, of the Companies Act, 2013 read with the Companies (Audit and Auditors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force), the remuneration payable to M/s Santosh Jejurkar & Associates, Cost Accountant (FRN: 102697) appointed by the Board of Directors of the Company to conduct the audit of the cost records of the Company for the financial year 2015-16 amounting to ₹ 0.40 Lac excluding service tax, travelling and other out-of-pocket expenses incurred by him in connection with the aforesaid audit be and is hereby ratified and confirmed."

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

#### **Approval to the remuneration of Mr. Nitin Bhave, Whole-time Director of the Company for the year 2014-15 and for the remaining tenure of his appointment:**

**"RESOLVED THAT** pursuant to the provisions of Section 197 of the Companies Act, 2013 read with Schedule V and other applicable provisions, if any, of the Companies Act, 2013 ("the Act") and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, subject to such other approvals, if any as may be required, approval of the members, be and is hereby accorded to confirm/ratify the payment of remuneration paid to Mr. Nitin Bhave, (DIN: 00516421) Whole-time Director of the Company, within the limits as approved by the Shareholders at their 68<sup>th</sup> Annual General Meeting held on 26<sup>th</sup> December, 2013, amounting to ₹ 105.04 lacs, for the financial year ended 31<sup>st</sup> March, 2015 and for the remuneration to be paid for the remaining tenure of this appointment i.e. up to 30<sup>th</sup> September, 2015.

**RESOLVED FURTHER THAT** subject to the provisions of Sections 196, 197, 198, 203 read with Schedule V and other applicable provisions, if any, of the Companies Act, 2013, approval of the members, be and is hereby accorded to revision in terms of remuneration of Mr. Nitin Bhave w.e.f. 1<sup>st</sup> April, 2015 for the remaining period of his appointment upto 30<sup>th</sup> September, 2015, for payment of remuneration provided that the total remuneration payable to him shall not exceed overall ceiling of 11% of net profits, stipulated under Section 197 of the Companies Act, 2013.

**RESOLVED FURTHER THAT** the Board of Directors or Chief Financial Officer or Company Secretary of the Company, be and are hereby severally authorized to do all such acts, deeds, matters and things as may be considered necessary to give effect to this Resolution.”

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

**Re-appointment of Mr. Nitin Bhawe as Whole-time Director of the Company:**

“**RESOLVED THAT** pursuant to the provisions of Sections 196, 197, 198 read with Schedule V and other applicable provisions, if any, of the Companies Act, 2013 and subject to such other necessary approvals, as may be required, the consent of the members of the Company, be and is hereby accorded to re-appoint Mr. Nitin V Bhawe (DIN: 00516421) as Whole-time Director of the Company, not liable to retire by rotation, for a period of 3 years w.e.f. 1<sup>st</sup> October, 2015 at such remuneration and on terms and remuneration as set out hereunder, with liberty and authority to the Board of Directors to alter and vary remuneration from time to time within permissible limits of the Act, and as may be agreed between the Board of Directors and Mr. Nitin Bhawe.

**1. Term of Appointment:** 3 years from 1<sup>st</sup> October, 2015 to 30<sup>th</sup> September, 2018.

**2. Remuneration:**

Subject to the ceiling prescribed by provisions of Companies Act, 2013 (including any statutory modification(s) or re-enactment thereof), the following remuneration shall be payable to Mr. Nitin Bhawe as Whole-Time Director:

Basic Salary, Perquisites and other allowance/benefits up to maximum CTC of ₹ 200 lacs per annum or such higher amount as may be decided by the Board of Directors of the Company, from time to time.

The total remuneration payable to him shall not exceed overall ceiling of 11% of net profits, stipulated under Section 197 of the Companies Act, 2013.

**3. Perquisites and Allowances:**

- a) House Rent Allowance as per the rules of the Company.
- b) Leave Travel Concession for self and family as per rules of the Company.
- c) Medical Reimbursement, Medical Insurance and Personal Accident Insurance, as per rules of the Company.
- d) Conveyance: As per rules of the Company.
- e) Free Telephone Facility at the residence and/or office as per rules of the Company.
- f) Contribution to Provident Fund, Superannuation Fund and payment of gratuity as per rules of the Company.
- g) Leave: As per rules of the Company.
- h) Other perquisites, allowances, benefits and amenities as per the service Rules of the Company as applicable from time to time.

**RESOLVED FURTHER THAT** the Board of Directors be and are hereby authorized to increase, vary or amend the remuneration including salary, allowances, perquisites and benefits, minimum remuneration and other terms of his appointment, from time to time, as deemed expedient or necessary.

**RESOLVED FURTHER THAT** in the event of loss or inadequacy of profits in any financial year, the Company shall pay in respect of such financial year, the remuneration paid for immediately preceding financial year as minimum remuneration by way of salary, allowances, perquisites and other benefits, subject to the provisions of Schedule V of the Act and subject to necessary approvals, if any.

**RESOLVED FURTHER THAT** the Board of Directors of the Company be and is hereby authorized to do all acts, deeds and things, necessary and expedient to give effect to this resolution.”

**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. A person can act as a proxy on behalf of members not exceeding fifty and holding in the aggregate not more than ten percent of the total share capital of the Company carrying voting rights. A member holding more than ten percent of the total share capital of the Company carrying voting rights may appoint a single person as proxy, provided such person shall not act as a proxy for any other person or shareholder.**
3. The Proxy form duly completed must reach the Registered Office of the Company not later than forty-eight hours before the time of commencement of the meeting.
4. The Register of Members of the Company will remain closed from Friday, 14<sup>th</sup> August, 2015 to Friday, 21<sup>st</sup> August, 2015 (both days inclusive).

5. All documents referred to in the Notice are open for inspection at the Registered Office of the Company between 11.00 a.m. and 1.00 p.m. on any working day except Saturdays and holidays up to the date of 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 Pvt. Limited, B-102 & 103, Shangrila Complex, First Floor, Opp. HDFC Bank, Near Radhakrishna Char Rasta, Akota, Vadodara - 390020 Tel:(0265) 2356573, 2356794 Fax:(0265) 2356791 Email ID: vadodara@linkintime.co.in. The Shareholders are requested to send their communication to the aforesaid address in future.
7. The Company has designated an exclusive Email ID called shreno.investors@alembic.co.in for redressal of Shareholders'/Investors' complaints/grievances. In case you have any queries/complaints or grievances, then please write to us at the above E-mail address.
8. Updation of Email ID: The Shareholders are requested to intimate their Email ID to the Company or update their Email registered with Depository Participants, if the same is changed.
9. **Voting through electronic means:**

Pursuant to the provisions of Section 108 of the Companies Act, 2013 and Rule 20 of the Companies (Management and Administration) Rules, 2014, as amended by the Companies (Management and Administration) Amendment Rules, 2015, the Company is pleased to provide its members the facility to exercise their right to vote by electronic means. The facility of casting votes using an electronic voting system from a place other than the AGM venue ('remote e-voting') will be provided to the members by Central Depository Services (India) Limited (CDSL).

The Company is providing facility for voting by electronic means and the business may be transacted through such electronic voting. The facility for voting through ballot paper shall also be made available at the meeting and members attending the meeting who have not already cast their vote by remote e-voting shall be able to exercise their right at the meeting. The members who have cast their vote by remote e-voting prior to the meeting may also attend the meeting but shall not be entitled to cast their vote again.

**A. The 'Step by Step' procedure and instructions for casting your vote electronically are as under:**

- i. The e-voting period begins on 18<sup>th</sup> August, 2015 (9:00 a.m.) and ends on 20<sup>th</sup> August, 2015 (5:00 p.m.). During this period shareholders of the Company, holding shares either in physical form or in dematerialized form, as at the cut-off date of 14<sup>th</sup> August, 2015, may cast their vote electronically. Any person, who acquires shares of the Company and becomes member of the Company after dispatch of the notice and holding share as on 14<sup>th</sup> August, 2015, may obtain the login ID and password by standing request at helpdesk.evoting@cdslindia.com. The e-voting module shall be disabled by CDSL for voting after 20<sup>th</sup> August, 2015 (5.00 p.m.)
- ii. Open your web browser during the voting period and log on to the e-voting website [www.evotingindia.com](http://www.evotingindia.com).
- iii. Next click on "Shareholders" tab to cast your votes.
- iv. Now Enter your User ID  
For CDSL: 16 digits beneficiary ID.  
For NSDL: 8 Character DP ID followed by Digits Client ID,  
Members holding shares in Physical Form should enter Folio Number registered with the Company.
- v. Next enter the Image Verification as displayed and Click on Login.
- vi. If you are holding shares in demat form and had logged on to [www.evotingindia.com](http://www.evotingindia.com) and voted on an earlier voting of any company, then your existing password is to be used.
- vii. If you are a first time user follow the steps given below:

PAN	<p>Enter your 10 digits alpha-numeric PAN issued by Income Tax Department when prompted by the system while e-voting (applicable for both demat shareholders as well as physical shareholders)</p> <p>Members who have not updated their PAN with the Company/Depository Participant are requested to use the first two letters of their name and the 8 digits of the sequence number in the PAN Field. The Sequence Number is printed on address label/ sticker affixed on back page of the Annual Report.</p> <p>In case the sequence number is less than 8 digits enter the applicable number of O's before the number after the first two characters of the name in CAPITAL letters. E.g. If your name is Ramesh Kumar with sequence number 1 then enter RA00000001 in the PAN field.</p>
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DOB#	Enter the date of birth as recorded in your demat account or in the Company records for the said demat account or folio in ddirnm/yyyy format.
Dividend Bank Details#	Enter your dividend bank details as recorded in your demat account or in the Company records for the said demat account or folio.

# please enter DOB or Dividend Bank Details in order to login. If the details are not recorded with the depository or member, please enter the member ID/folio no. in the Dividend Bank details field as mentioned in instruction (iv).

- viii. After entering these details appropriately, click on "SUBMIT" tab.
- ix. Members holding shares in physical form will then reach directly to the Company selection screen. However, members holding shares in demat form will now reach 'Password Creation' menu wherein they are required to mandatorily change their login password in the new password field. Kindly note that this password can be used by the Demat holders for voting for resolutions of any other Company on which they are eligible to vote, provided that such company opts for e-voting through CDSL platform. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.
- x. Click on the EVSN (150528003) for the Company (Shreno Limited) on which you choose to vote.
- xi. On the voting page, you will see Resolution Description and against the same the option "YES/NO", for voting. Select the option YES or NO as desired. The option YES implies that you assent to the Resolution and option NO implies that you dissent to the Resolution.
- xii. Click on the "Resolutions File Link" if you wish to view the entire Resolutions.
- xiii. After selecting the resolution you have decided to vote on, click on "SUBMIT". A confirmation box will be displayed. If you wish to confirm your vote, click on "OK" else to change your vote, click on "CANCEL" and accordingly modify your vote.
- xiv. Once you "CONFIRM" your vote on the resolution, you will not be allowed to modify your vote.
- xv. You can also take out print of the voting done by you by clicking on "Click here to print" option on the Voting page.
- xvi. If Demat account holder has forgotten the password then enter the User ID and the image verification code and click on Forgot Password & enter the details as prompted by the system.
- xvii. Note for Non - Individual Shareholders and Custodians.
- Non-individual shareholders (i.e. other than individuals, HUF, NRI etc.) and Custodian are required to log on to [www.evotingindia.com](http://www.evotingindia.com) and register themselves as Corporates.
  - A scanned copy of Registration Form bearing the stamp and sign of the entity should be emailed to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com)
  - After receiving the login details a compliance user should be created using the admin login and password. The Compliance user would be able to link the account(s) for which they wish to vote on.
  - The list of accounts should be mailed to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com) and on approval of the accounts they would be able to cast their vote.
  - A scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of custodian, if any, should be uploaded in PDF format in the system for the scrutinizer to verify the same.
  - In case you have any queries or issues regarding e-voting, you may refer the Frequently Asked Questions (FAQs) and e-voting manual available at [www.evotingindia.com](http://www.evotingindia.com) under help section or write an email to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com)
- xviii. Mr. Sushil Samdani, Partner, M/s. Samdani Shah & Associates, Practising Company Secretaries, Vadodara has been appointed as the Scrutinizer for conducting the e-voting process.

Regd. Off.: Alembic Road,  
Vadodara - 390 003  
Date : 11<sup>th</sup> May, 2015  
CIN : U26100GJ1944PLC000345  
Tel : 0265- 2280550, Fax : 0265-2282506  
Website : [www.shreno.com](http://www.shreno.com)  
Email : [shreno.investors@alembic.co.in](mailto:shreno.investors@alembic.co.in)

**On behalf of the Board of Directors,**

**Manisha Kathed**  
Company Secretary

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**Explanatory Statement as required under Section 102 of the Companies Act, 2013****Item No. 4**

The Ministry of Corporate Affairs has notified the Companies (Cost Records and Audit) Rules, 2014 on 30<sup>th</sup> June, 2014 and further has notified amendments to the Companies (Cost Records and Audit) Rules, 2014. Pursuant to the said amendments, the Real Estate division of the Company is required to maintain Cost Records and also required to get its Cost Records audited from a qualified Cost Accountant for the financial year 2014-15. Accordingly, on the recommendation of Audit Committee, the Board of Directors of the Company at their meeting held on 10<sup>th</sup> March, 2015, approved the appointment and remuneration of Mr. H. R. Kapadia, Cost Accountant, to conduct the audit of the cost records of the Company for the financial year ended 31<sup>st</sup> March, 2015.

In terms of the provisions of Section 148 of the Companies Act, 2013 read with the Companies (Audit and Auditors) Rules, 2014 (the Rules), the remuneration payable to Cost Auditor is to be ratified by the Members of the Company.

As the notice of the previous Annual General Meeting was circulated to the Members prior to the notification of the Companies (Cost Records and Audit) Rules, 2014, the remuneration of cost auditor for the previous financial year 2014-15 is now proposed to be ratified at this Annual General Meeting.

Accordingly, the Members are requested to ratify the remuneration payable to the Cost Auditor for the financial year 2014-15 as set out in the resolution for aforesaid services to be rendered by him.

The Board of Directors recommends passing of the Ordinary Resolution as set out at Item No. 4 of the Notice.

None of the Directors, Key Managerial Personnel and relatives thereof has any concern or interest, financial or otherwise in the resolution at Item No. 4 of the Notice.

**Item No. 5**

M/s. Santosh Jejurkar & Associates, Cost Accountant has been appointed by the Board of Directors of the Company at the recommendation of the Audit Committee to conduct the audit of the cost records of the Company for the Real Estate and Engineering division for the financial year 2015-16.

In terms of the provisions of Section 148 of the Companies Act, 2013 read with the Companies (Audit and Auditors) Rules, 2014 (the Rules), the remuneration payable to Cost Auditor is to be ratified by the Members of the Company.

Accordingly, the Members are requested to ratify the remuneration payable to the Cost Auditor for the financial year 2015-16 as set out in the resolution for aforesaid services to be rendered by him.

The Board of Directors recommends passing of the Ordinary Resolution as set out at Item No. 5 of the Notice.

None of the Directors, Key Managerial Personnel and relatives thereof has any concern or interest, financial or otherwise in the resolution at Item No. 5 of the Notice.

**Item No. 6**

Mr. Nitin Bhawe was appointed as the Whole-Time Director of the Company with effect from 1<sup>st</sup> October, 2012 for a period of 3 years in accordance with the provisions of Section 198, 269, 309 read with Schedule XIII of the Companies Act, 1956. The aforesaid provisions have been replaced w.e.f. 1<sup>st</sup> April, 2014 by Section 197 of the Companies Act, 2013 read with schedule V thereof. The Ministry of Corporate Affairs vide General Circular No. 07/2015 dated 10<sup>th</sup> April, 2015 clarified that managerial personnel of listed companies and their subsidiaries may continue to receive remuneration for the remaining term of their appointment in accordance with terms and conditions approved by company as per relevant provisions of Schedule XIII of the Companies Act, 1956, even if the part of his/her tenure falls after 1<sup>st</sup> April, 2014. The said circular does not refer to unlisted companies and hence as a matter of abundant caution, the Company proposes to obtain approval from members by way of Special Resolution for the remuneration paid to Mr. Nitin Bhawe for the financial year 2014-15 and the remuneration payable for the remaining tenure of his appointment in accordance with the provisions of Section II (A) of Part II of Schedule V of the Companies Act, 2013.

The Nomination and Remuneration Committee have recommended and the Board of Directors have unanimously approved the aforesaid remuneration at their respective meetings held on 11<sup>th</sup> May, 2015 and the Board recommends the approval of the Special Resolution by the shareholders.

None of the Directors, Key Managerial Personnel or their relative except Mr. Nitin Bhawe has any concern or interest, financial or otherwise in the resolution at Item No. 6 of the Notice.

**Item No. 7**

Mr. Nitin Bhawe was appointed as the Whole-Time Director of the Company for a period of three years with effect from 1<sup>st</sup> October, 2012 to 30<sup>th</sup> September, 2015 by the Board of Directors of the Company, on the recommendation of the Remuneration Committee (now known as Nomination and Remuneration Committee) pursuant to the provisions of Sections 269, 309, 198 and other applicable provisions of the Companies Act, 1956.

Keeping in view the contribution made by Mr. Nitin Bhawe, the Board of Directors of the Company, on the recommendation of the Nomination and Remuneration Committee have recommended the re-appointment of Mr. Nitin Bhawe for a period of three (3) years w.e.f. 1<sup>st</sup> October, 2015.

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Disclosure as required under Schedule V to the Companies Act, 2013 is given hereunder.

**General Information:**

- a) Nature of Industry: The Company operates in mainly four businesses viz. Glassware, Real Estate, Engineering solutions and Charter Aviation.
- b) Date or expected date of commencement of commercial production: The Company started its operations in the year 1944.
- c) In case of new companies, expected date of commencement of activities as per project approved by financial institutions appearing in the prospectus: N.A.
- d) Financial performance based on given indicators: (₹ in lacs)

	Current Year	Previous Year
Total Revenue	13,258.11	13,774.89
Profit / (Loss) after Tax	507.91	(285.08)

- e) Foreign investments or collaborations, if any: There are no foreign investments or collaborations.

**Information about the appointee:**

- (1) Background details:

Mr. Nitin Bhave is a Post Graduate and has over two decades of experience in the fields of Purchase, Project Management, General Administration of various business including Software, Glass, Manufacturing, Engineering etc.

- (2) Past remuneration:

The past remuneration of Mr. Nitin Bhave for the financial year 2014-15 was ₹ 105.04 lacs.

- (3) Recognition or awards: Not applicable

- (4) Job profile and his suitability:

Mr. Nitin Bhave plays a major role in providing thought leadership and strategic inputs to the Company in addition to helping shape new business and driving the strategic program in the Company.

- (5) Remuneration proposed:

As mentioned in the Special Resolution in respect of Item No. 7.

- (6) Comparative remuneration profile with respect to industry, size of the company, profile of the position and person (in case of expatriates the relevant details would be with respect to the country of his origin):

The remuneration proposed is comparative as per the industry trends.

- (7) Pecuniary relationship directly or indirectly with the company, or relationship with the managerial personnel, if any:

Mr. Nitin Bhave has no pecuniary relationship directly or indirectly with the Company or with any managerial personnel except to the extent of his remuneration.

**Other Information:**

The Company has recorded a subdued performance during the year 2014-15. The Glassware business is facing stiff competition from domestic as well as international competitors and the Company is taking steps to improve the profitability. The Engineering business is on a small scale as compared to the Glassware business and is generating profits. The Company has launched its second real estate project at Bengaluru and is at the initial construction phase.

The Company has been making necessary efforts to improve its performance and has been aggressively pursuing and implementing its strategies, including re-furbishing of furnace for the glass division, launch of new project in residential division and overall cost reduction initiatives. The results of these initiatives are likely to be felt in the coming years.

The re-furbished glass furnace will be operational from the mid of 2015 and should help the glass division improve the productivity leading to better profits. The engineering division has obtained some orders for the next financial year so as to enable the plant operate at optimum capacity and productivity. The real estate division has also launched a new residential project at Bengaluru with target completion period of 36-42 months. All these initiatives should lead to better profitability for the ensuing years.

Your Directors proposed the Special Resolution for your approval.

None of the Directors, Key Managerial Personnel or their relatives except Mr. Nitin Bhave has any concern or interest, financial or otherwise in the resolution.

Regd. Off.: Alembic Road,

Vadodara - 390 003

Date : 11<sup>th</sup> May, 2015

CIN : U26100GJ1944PLC000345

Tel : 0265- 2280550, Fax : 0265-2282506

Website : www.shreno.com

Email : shreno.investors@alembic.co.in

**On behalf of the Board of Directors,**

**Manisha Kathed**  
Company Secretary



## BOARD'S REPORT

Dear Members,

Your Directors have pleasure in presenting their Seventieth Annual Report together with the Audited Statement of Accounts for the year ended on 31<sup>st</sup> March, 2015.

**1. Financial Summary and Highlights:**

(₹ in Lacs)

Particulars	Year ended on 31 <sup>st</sup> March, 2015	Year ended on 31 <sup>st</sup> March, 2014
<b>Profit for the year before providing for Depreciation, Interest &amp; Tax</b>	<b>2,045.67</b>	1,470.65
<b><u>Deducting therefrom:</u></b>		
- Interest	<b>781.92</b>	1,013.32
- Depreciation/ Amortisation	<b>752.83</b>	739.74
<b>Profit Before Tax</b>	<b>510.92</b>	(282.41)
Less:		
Provision for Current Tax	-	-
Provision for Wealth Tax	<b>3.00</b>	2.25
(Excess)/Short Provision of tax in respect of earlier years	<b>0.01</b>	0.42
<b>Net Profit after Tax</b>	<b>507.91</b>	(285.08)
<b><u>Adding thereto:</u></b>		
Balance brought forward from last year	<b>(1,823.54)</b>	(1,538.47)
Less:		
Depreciation	<b>23.84</b>	-
<b>Surplus / (Deficit) carried to Balance Sheet</b>	<b>(1,339.47)</b>	(1,823.54)

**2. Dividend:**

In view of inadequate profit, your Directors do not recommend any dividend for the year ended on 31<sup>st</sup> March, 2015.

**3. Operations and State of affairs of the Company:**

The total income for the year ended on 31<sup>st</sup> March, 2015 was ₹ 13,264.96 Lacs as compared to ₹ 13,702.34 Lacs for the previous financial year ended on 31<sup>st</sup> March, 2014. The Profit before Depreciation, Interest & Tax was ₹ 2,189.20 Lacs for the year under review as compared to profit of ₹ 1,470.65 Lacs for the previous year. The Net profit after tax for the year was ₹ 507.91 Lacs as compared to the Net loss of ₹ 285.08 Lacs during previous year.

**4. Subsidiaries, Associates and Joint Ventures:**

AGI Developers Limited & Quick Flight Limited are subsidiaries of the Company. Sierra Investments Limited and Alembic Exports Limited are Associate Companies.

As required under Rule 8(1) of the Companies (Accounts) Rules, 2014, the Board's Report has been prepared on standalone financial statements and a report on performance and financial position of each of the subsidiaries and associates included in the consolidated financial statements is included in the financial statements.

In accordance with third proviso of Section 136(1) of the Companies Act, 2013, the Annual Report of the Company, containing therein its standalone and the consolidated financial statements has been placed on the website of the Company, www.shreno.com. Further, as per fourth proviso of the said section, audited annual accounts of each of the subsidiary companies have also been placed on the website of the Company www.shreno.com. Shareholders interested in obtaining a copy of the audited annual accounts of the subsidiary companies may write to the Company Secretary at the Company's registered office.

**5. Directors:**

In accordance with the provisions of the Companies Act, 2013 and the Articles of Association of the Company, Mr. Chirayu R. Amin (DIN:00242549), Director of the Company, will retire by rotation at the ensuing Annual General Meeting and is eligible for re-appointment. Mr. Nitin Bhawe (00516421) Whole-Time Director, of the Company has been re-appointed as the Whole-Time Director for a period of 3 years w.e.f. 1<sup>st</sup> October, 2015, subject to approval at the Annual General Meeting.

**6. Key Managerial Personnel:**

Mr. Nitin Bhave, Whole-Time Director, Mr. Nilesh Mistry, Chief Financial Officer (CFO) and Ms. Manisha Kathed Company Secretary are Key Managerial Personnel of the Company.

Mr. Nilesh Mistry was re-designated as CFO of the Company w.e.f 11<sup>th</sup> August, 2014.

**7. Meetings of the Board:**

Seven (7) Board Meetings were held during the financial year ended 31<sup>st</sup> March, 2015 on the following dates: 2<sup>nd</sup> May, 2014, 11<sup>th</sup> August, 2014, 2<sup>nd</sup> October, 2014, 5<sup>th</sup> November, 2014, 18<sup>th</sup> December, 2014, 4<sup>th</sup> February, 2015 and 10<sup>th</sup> March, 2015.

**8. Independent Directors:**

The Independent Directors of the Company have given the declaration to the Company that they meet the criteria of independence as prescribed under sub-section (6) of Section 149 of the Companies Act, 2013.

**9. Performance Evaluation:**

Pursuant to the provisions of the Companies Act, 2013, the Board has carried out the annual performance evaluation of the Directors individually as well as evaluation of the working of the Board and of the Committees of the Board, by way of individual and collective feedback from Directors.

The below given were the Evaluation Criteria:

**(a) For Non-Executive and Independent Directors:**

- Knowledge and Skills
- Professional conduct
- Duties, Role and functions

**(b) For Executive Directors:**

- Performance as Team Leader/Member.
- Evaluating Business Opportunity and analysis of Risk Reward Scenarios
- Key set Goals/KRA and Achievements
- Professional Conduct, Integrity
- Sharing of Information with the Board

The Directors expressed their satisfaction with the evaluation process.

**10. Audit Committee:**

The Audit Committee consists of Mr. Mayur Jadeja and Mr. C. R Mukherjee, Independent Directors and Ms. Yera R. Amin, Non-Executive Promoter Director. Mr. Mayur Jadeja is the Chairman of the Committee. The Committee interalia reviews the Internal Control System and reports of Internal Auditors and compliance of various regulations. The Committee also reviews at length the Financial Statements before they are placed before the Board.

**11. Vigil Mechanism:**

Pursuant to the provisions of section 177(9) & (10) of the Companies Act, 2013 a Vigil Mechanism or 'Whistle Blower Policy' for directors, employees and others stakeholders to report genuine concerns has been established. The same is also uploaded on the website of the Company.

<http://www.shreno.com/Shreno-Whistle%20Blower%20Policy.pdf>

**12. Internal Control Systems:**

The Company's internal control procedures which includes internal financial controls, ensure compliance with various policies, practices and statutes in keeping with the organization's pace of growth and increasing complexity of operations. The internal auditor team carries out extensive audits throughout the year across all locations and across all functional areas and submits its reports to the Audit Committee of the Board of Directors.

**13. Corporate Social Responsibility:**

In compliance with requirements of Section 135 of the Companies Act, 2013, the Company has laid down a Corporate Social Responsibility (CSR) Policy. The composition of the Committee comprises of Mr. Chirayu R. Amin (Chairman), Mr. C. R. Mukherjee and Mr. Mayur Jadeja.

The Company has an average net loss of 2.61 crores during the three immediately preceding financial year. Therefore, the Company was not required to contribute towards CSR for the financial year 2014-15.

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#### 14. Policy on Nomination and Remuneration:

In compliance with requirements of Section 178 of the Companies Act, 2013, the Company has laid down a Nomination and remuneration committee (NRC) Policy. The composition of the Committee comprises of Mr. Mayur Jadeja (Chairman), Mr. C. R. Mukherjee and Mr. Chirayu R. Amin.

The contents of Nomination and Remuneration Policy of the Company prepared in accordance with the provisions of Section 178 of the Companies Act, 2013 are provided hereunder.

- **Policy on Directors' Appointment and Remuneration**

##### 1.1 Appointment criteria and qualifications

- (a) A person who is proposed to be appointed as Director of the Company should be eligible to be appointed as Director and must hold Director Identification Number issued by the Central Government and possess such qualification, expertise and experience as prescribed under the Act.
- (b) Without prejudice to generality of the above, a person who is proposed to be appointed as an Independent Director shall also be subject to compliance of provisions of section 149(6).
- (c) KMP or Senior Management personnel shall have adequate qualification, expertise and experience in the relevant field for which the appointment is proposed to be made.
- (d) The Committee has discretion to decide whether qualification, expertise and experience possessed by a person is sufficient / satisfactory for the concerned position.

##### 1.2 Term / Tenure

- (a) Managing Director/Whole-time Director/Manager (Managerial Personnel):

The Company shall appoint or re-appoint any person as its Managerial Personnel for a term not exceeding five years at a time. No re-appointment shall be made earlier than one year before the expiry of term.

- (b) Independent Director:

- An Independent Director shall hold office for a term up to five consecutive years on the Board of the Company and will be eligible for re-appointment on passing of a special resolution by the Company and disclosure of such appointment in the Board's report.
- No Independent Director shall hold office for more than two consecutive terms, but such Independent Director shall be eligible for appointment after expiry of three years of ceasing to become an Independent Director. Provided that an Independent Director shall not, during the said period of three years, be appointed in or be associated with the Company in any other capacity, either directly or indirectly.

##### 1.3 Evaluation

The Committee shall carry out evaluation of performance of every Director, KMP and Senior Management Personnel at such interval as deemed fit.

##### 1.4 Removal

The Committee may recommend the Board for removal of a Director, KMP or Senior Management Personnel for reasons recorded in writing. The Procedure for removal of any Director shall be as per the provisions of the Act in this regard.

##### 1.5 Retirement

The Director, KMP and Senior Management Personnel shall retire as per the applicable provisions of the Act and the prevailing policy of the Company. The Company will have the discretion to retain the Director, KMP, Senior Management Personnel in the same position/ remuneration or otherwise even after attaining the retirement age, for the benefit of the Company.

##### 2.1 Remuneration Policy

- (a) The remuneration / compensation / commission etc. to the Managerial Personnel will be determined by the Committee and recommended to the Board for approval which shall be subject to the prior/post approval of the shareholders of the Company and Central Government, wherever required.
- (b) The remuneration and commission to be paid to the Managerial Personnel shall be in accordance with the percentage / slabs / conditions as per the provisions of the Act.

- (c) Increments to the existing remuneration / compensation structure may be recommended by the Committee to the Board which should be within the limits approved by the Shareholders in the case of Managerial Personnel.
- (d) Where any insurance is taken by the Company on behalf of its Managerial Personnel, Chief Executive Officer, Chief Financial Officer, the Company Secretary and any other employees for indemnifying them against any liability, the premium paid on such insurance shall not be treated as part of the remuneration payable to any such personnel. Provided that if such person is proved to be guilty, the premium paid on such insurance shall be treated as part of the remuneration.

## **2.2 Remuneration to Managerial Personnel, KMP, Senior Management Personnel and Other Employees**

### **(a) Fixed pay**

The Managerial Personnel shall be eligible for a monthly remuneration as may be approved by the Board on the recommendation of the Committee in accordance with the provisions of the Companies Act, 2013 and rules made thereunder for the time being in force. The breakup of the pay scale and quantum of perquisites including, employer's contribution to P.F, pension scheme, medical expenses, club fees, other non-monetary benefits etc. shall be decided and approved by the Board on the recommendation of the Committee and approved by the shareholders and Central Government, wherever required.

### **(b) Variable Pay**

The Managerial Personnel shall be eligible to a performance linked incentives as may be determined by the Board from time to time.

### **(c) Commission**

The Managerial Personnel may be paid commission if approved by the shareholders. The shareholders may authorise the Board to declare commission to be paid to any Managerial Personnel of the Board.

### **(d) Minimum Remuneration**

If, in any financial year, the Company has no profits or its profits are inadequate, the Company shall pay remuneration to its Managerial Personnel in accordance with the provisions of Schedule V of the Companies Act, 2013 and if it is not able to comply with such provisions, with the previous approval of the Central Government.

### **(e) Provisions for excess remuneration**

If any Managerial Personnel draws or receives, directly or indirectly by way of remuneration any such sums in excess of the limits prescribed under the Act or without the prior sanction of the Central Government, where required, he / she shall refund such sums to the Company and until such sum is refunded, hold it in trust for the Company. The Company shall not waive recovery of such sum refundable to it unless permitted by the Central Government.

- (f) The remuneration to Company Secretary, CFO, Senior Management Personnel and other employees shall be governed by the HR Policy of the company.

## **2.3 Remuneration to Non- Executive / Independent Director**

### **(a) Remuneration**

The remuneration shall be in accordance with the provisions of the Companies Act, 2013 and rules made thereunder for the time being in force.

### **(b) Sitting Fees**

The Non- Executive / Independent Director may receive fees for attending meetings of the Company. Provided that the amount of such fees shall not exceed ₹ 1 Lac per meeting of the Board or Committee or such amount as may be prescribed under the Act. Additionally the Non-Executive Directors shall be reimbursed traveling and incidental expenses incurred for attending the meeting.

### **(c) Commission**

Commission may be paid within the monetary limit approved by shareholders, subject to the limit not exceeding 1% of the profits of the Company computed as per the applicable provisions of the Act.

### **(d) Stock Options**

An Independent Director shall not be entitled to any stock option of the Company.

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**15. Related Party Transactions:**

There are no material related party transactions which are not in ordinary course of business or which are not on arm's length basis and hence there is no information to be provided as required under section 134(3)(h) of the Companies Act, 2013 read with Rule 8(2) of the Companies (Accounts) Rules, 2014.

**16. Fixed Deposits:**

During the year under review, the Company has not accepted/renewed any deposits.

**17. Loans, Guarantee or Investments:**

Details of Loans granted, Guarantees given and Investments made during the year under review, covered under the provisions of Section 186 of the Companies Act, 2013 are given as Annexure A.

**18. Auditors:****(a) Statutory Auditors:**

In compliance with the Companies (Audit and Auditors) Rules, 2014, M/s. K. C. Mehta & Co., Chartered Accountants, has been appointed as Statutory Auditors of the Company till the conclusion of Annual General Meeting for the F. Y. 2016-17, as approved by the members at their 69<sup>th</sup> Annual General Meeting held on 11<sup>th</sup> August, 2014.

Further, pursuant to the requirement of Section 139 of the Companies Act, 2013, the appointment of Statutory Auditors is to be ratified by the members at every Annual General Meeting. Members are requested to ratify their appointment for the F. Y. 2015-16.

**(b) Secretarial Auditors:**

The Board of Directors of the Company appointed M/s. Samdani Shah & Associates, Practising Company Secretaries, Vadodara, to conduct Secretarial Audit for the F.Y. 2015-16.

The Secretarial Audit Report of M/s. Samdani Shah & Associates, Practising Company Secretaries for the financial year ended 31<sup>st</sup> March, 2015, is annexed as Annexure B.

**(c) Cost Auditors:**

M/s. Santosh Jejurkar & Associates, Cost Accountant, Vadodara, Cost Auditor of the Company have been appointed as Cost Auditor conducting audit of the cost accounts maintained by the Company relating to Real Estate and Engineering business for the F.Y. 2015-16.

**(d) Internal Auditors:**

The Board of Directors has appointed M/s V. H. Gandhi & Co., Chartered Accountants as Internal Auditors of the Company for the Financial Year 2015-16.

There is no qualification, reservation, adverse remark or disclaimer by the Statutory Auditors in their report or by the Secretarial Auditor in their Secretarial Audit Report and hence no explanation or comments of the Board is required in this matter.

The Company has in place a mechanism to identify, assess, monitor and mitigate various risks to key business objectives. Major risks identified by the businesses and functions are systematically addressed through mitigating actions on a continuing basis. These are discussed at the meetings of the Audit Committee and the Board of Directors of the Company.

**19. Directors' Responsibility Statement:**

In terms of the provisions of Companies Act, 2013, the Directors state that:

- (a) in preparation of the annual accounts for the financial year ended 31<sup>st</sup> March, 2015, the applicable accounting standards have been followed along with proper explanation relating to material departures;
  - (b) the directors had selected such accounting policies as listed in Note Y to the financial statements and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give true and fair view of the state of affairs of the Company at the end of the financial year as on 31<sup>st</sup> March, 2015 and of the profit of the Company for that period;
  - (c) the directors had taken proper and sufficient care for 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;
  - (d) the directors had prepared the annual accounts on a going concern basis; and
-

- (e) the directors had laid down internal financial controls to be followed by the company and that such internal financial controls are adequate and were operating effectively;
- (f) the directors had devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

**20. Changes in Share Capital:**

During the year under review, the Company made an offer for issue of 45,04,152; 1% Optionally Convertible Preference Shares (OCPS) of ₹ 400/- each to the Equity shareholders of the company on Rights basis in the ratio of 1:1. The Company had called for ₹ 20/- per OCPS from the members along with the offer for subscription for allotment. However, considering the market situation and non-requirement of funds in near future, the Company decided to utilize its reserves to pay up the unpaid amounts of OCPS. Consequently, the paid up Share Capital of the Company has increased to ₹ 237.21 Crores.

**21. Material Changes:**

There has been no change in the nature of business of the Company.

**22. Extracts of Annual Return:**

The extract of Annual Return required under section 134(3)(a) of the Companies Act, 2013 read with Rule 12(1) of the Companies (Management and Administration) Rules, 2014, forms part of this report as Annexure C.

**23. Conservation of Energy, Technology Absorption, Foreign Exchange earnings and outgo:**

The information required under section 134(3)(m) of the Companies Act, 2013 read with Rule 8(3) of the Companies (Accounts) Rules, 2014, is annexed herewith as Annexure D.

**24. Particulars of employees:**

Pursuant to Rule 5(2) and 5(3) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, a statement showing the name and other particulars of the employees drawing remuneration in excess of the limits set out in the said rule are provided in the Annual Report as Annexure E.

Regd. Off.: Alembic Road,  
Vadodara - 390 003  
Date : 11<sup>th</sup> May, 2015  
CIN : U26100GJ1944PLC000345  
Tel : 0265- 2280550, Fax : 0265-2282506  
Website : www.shreno.com  
Email : shreno.investors@alembic.co.in

**On behalf of the Board of Directors,**

**Chirayu R. Amin**  
Chairman

## Annexure A

## Particulars of loans, guarantee or Investments made by the Company:

(₹ in Lacs)

Nature of Transaction (whether loan/ guarantee/ investments)	Date of making loans, giving guarantee or making investments	Name and address of the person or body corporate to whom it is made or given or whose securities have been acquired	Amount	Purpose of loan/guarantee/ investments
Investments in liquid scheme of Mutual Funds	09.05.2014	Reliance Mutual Fund (Reliance Liquid Fund -Treasury Plan – Direct Plan Daily Dividend Option) & H Block, 1st Floor, Dhirubhai Ambani Knowledge City, Koparkhairne, Navi Mumbai - 400 710	400.00	Temporary parking of surplus funds
--do--	15.05.2014	Reliance Mutual Fund (Reliance Money Manager Fund-Direct Plan Daily Dividend Plan) & H Block, 1st Floor, Dhirubhai Ambani Knowledge City, Koparkhairne, Navi Mumbai - 400 710	400.43	--do--
--do--	22.05.2014	Reliance Mutual Fund (Reliance Liquid Fund -Treasury Plan – Direct Plan Daily Dividend Option) & H Block, 1st Floor, Dhirubhai Ambani Knowledge City, Koparkhairne, Navi Mumbai - 400 710	120.00	--do--
--do--	23.05.2014	Reliance Mutual Fund (Reliance Money Manager Fund-Direct Plan Daily Dividend Plan) & H Block, 1st Floor, Dhirubhai Ambani Knowledge City, Koparkhairne, Navi Mumbai - 400 710	120.00	--do--
--do--	27.05.2014	Reliance Mutual Fund (Reliance Liquid Fund -Treasury Plan – Direct Plan Daily Dividend Option) & H Block, 1st Floor, Dhirubhai Ambani Knowledge City, Koparkhairne, Navi Mumbai - 400 710	200.00	--do--
--do--	28.05.2014	Reliance Mutual Fund (Reliance Money Manager Fund-Direct Plan Daily Dividend Plan) & H Block, 1st Floor, Dhirubhai Ambani Knowledge City, Koparkhairne, Navi Mumbai - 400 710	200.03	--do--
--do--	04.06.2014	Reliance Mutual Fund (Reliance Liquid Fund -Treasury Plan – Direct Plan Daily Dividend Option) & H Block, 1st Floor, Dhirubhai Ambani Knowledge City, Koparkhairne, Navi Mumbai - 400 710	280.00	--do--
--do--	05.06.2014	Reliance Mutual Fund (Reliance Money Manager Fund-Direct Plan Daily Dividend Plan) & H Block, 1st Floor, Dhirubhai Ambani Knowledge City, Koparkhairne, Navi Mumbai - 400 710	280.00	--do--

Note: The above stated investments are gross investments and are not net of redemptions made by the Company.

**Form MR-3  
SECRETARIAL AUDIT REPORT**

**For the financial year ended 31<sup>st</sup> March, 2015**

*[Pursuant to section 204(1) of the Companies Act, 2013 and Rule No. 9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014]*

To,  
The Members,  
Shreno Limited

We have conducted the Secretarial Audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by Shreno Limited (the company). Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate/statutory compliances and expressing our opinion thereon.

Based on our verification of the Company's Books, Papers, Minute Books, Forms and Returns filed and other records maintained by the company and also the information provided by the company, its officers, agents and authorized representatives during the conduct of Secretarial Audit, we hereby report that in our opinion, the company has, during the audit period covering the Financial Year ended on March 31, 2015, complied with the statutory provisions listed hereunder and also that the company has proper Board-Processes and Compliance-Mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

We have examined the Books, Papers and Minute Books, Forms and Returns filed and other records maintained by the Company for the Financial Year ended on March 31, 2015, according to the provisions of:

- i. The Companies Act, 2013 (the Act) and the rules made there under;
- ii. The Securities Contracts (Regulation) Act, 1956 (SCRA) and the rules made there under;
- iii. The Depositories Act, 1996 and the Regulations and Bye-laws framed there under;
- iv. Foreign Exchange Management Act, 1999 and the rules and regulations made there under to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings;
- v. The Factories Act, 1948;
- vi. Industrial (Development & Regulations) Act, 1951;
- vii. The Child Labour (Prohibition and Regulation) Act, 1986;
- viii. The Contract Labour (Regulation and Abolition) Act, 1970;
- ix. Industrial Employment (Standing Orders) Act, 1946;
- x. The Payment of Wages Act, 1936;
- xi. The Minimum Wages Act, 1948;
- xii. The Payment of Gratuity Act, 1972;
- xiii. Employees Provident Funds & Miscellaneous Provisions Act, 1952;
- xiv. The Payment of Bonus Act, 1965;
- xv. The Maternity Benefits Act, 1961;
- xvi. The Air (Prevention & Control of Pollution) Act, 1981;
- xvii. The Water(Prevention and Control of Pollution)Act,1974;

We have not examined the Secretarial Standards issued by The Institute of Company Secretaries of India as these were not notified up to the period of this report.



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During the period under review the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, etc. mentioned above.

We further report that the Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act.

Adequate notice is given to all the Directors to schedule the Board Meetings, Agenda and detailed notes on Agenda were sent at least seven days in advance and a system exists for seeking and obtaining further information and clarification on the Agenda items before the meeting and for meaningful participation at the meeting.

Majority decision is carried through while the dissenting members' views are captured and recorded as part of the minutes.

We further report that there are adequate systems and processes in the company commensurate with the size and operations of the company to monitor and ensure compliance with all the applicable laws, rules, regulations and guidelines.

We further report that during the audit period there were no instances of;

1. Redemption / buy-back of securities.
2. Merger / amalgamation / reconstruction, etc.
3. Foreign Technical Collaborations.

However, the Company during the financial year under the review has issued 1% Optionally Convertible Preference Shares (OCPS) to the existing Equity shareholder at Par on Right Basis in the ratio of 1:1.

Sd/-

**S. Samdani**

Partner

Samdani Shah & Asso.

Company Secretaries

FCS # 3677 CP# 2863

Vadodara,

11<sup>th</sup> May, 2015

## FORM NO. MGT - 9

## EXTRACT OF ANNUAL RETURN

as on the financial year ended on 31st March, 2015

[Pursuant to section 92(3) of the Companies Act, 2013 and rule 12(1) of the Companies (Management and Administration) Rules, 2014]

I. Registration and other details	
CIN	U26100GJ1944PLC000345
Registration Date	19 <sup>th</sup> December, 1944
Name of the Company	Shreno Limited
Category / Sub-Category of the Company	Company having Share Capital
Address of the Registered Office and contact details	Alembic Road, Vadodara - 390003 Tel No.: 0265-2280550
Whether listed company	No
Name, address and contact details of Registrar and Transfer Agent, if any	M/s. Link Intime India Private Limited, 1st Floor, Near Radhakrishna Char Rasta, Akota, Vadodara - 390003, India, Tel: +91 265 2356573, 2356794, Fax: +91 265 2356791

II. Principal Business Activities of the Company		
All the Business Activities contributing 10% or more of the total turnover of the Company shall be stated:		
Name and Description of main Products / Services	NIC Code of the Product / Service	% to total turnover of the Company
Glass	3719199 & 3719399	45.70
Engineering	4393200 & 4491399	21.65
Real Estate/ Construction	99531129	29.57

III. Particulars of holding, Subsidiary and Associate Companies				
Name and address of the Company	CIN / GLN	Holding/ Subsidiary/ Associate	% of shares held	Applicable Section
Quick Flight Limited	U21098GJ2007PLC074270	Subsidiary	100%	2(87)
AGI Developers Limited	U45102GJ2004PLC044463	Subsidiary	100%	2(87)
Sierra Investments Limited	U70109GJ1988PLC044681	Associate	43.31%	2(6)
Alembic Exports Limited	U51100GJ1994PLC021552	Associate	25%	2(6)

## IV. SHARE HOLDING PATTERN (Equity Share Capital Breakup as percentage of Total Equity)

## i) Category-wise Share Holding

Category of Shareholders	No. of Shares held at the beginning of the year				No. of Shares held at the end of the year				% Change during year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
A. Promoters									
(1) Indian									
(a) Individual/HUF	2,37,669	2,68,983	5,06,652	11.25	2,37,669	2,68,983	5,06,652	11.25	-
(b) Central Govt	-	-	-	-	-	-	-	-	-
(c) State Govt (s)	-	-	-	-	-	-	-	-	-

Category of Shareholders	No. of Shares held at the beginning of the year				No. of Shares held at the end of the year				% Change during year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
(d) Bodies Corp.	15,85,023	21,76,572	37,61,595	83.51	15,85,023	21,76,572	37,61,595	83.51	-
(e) Banks / FI	-	-	-	-	-	-	-	-	-
(f) Any Other....	-	-	-	-	-	-	-	-	-
Sub-total (A) (1):-	18,22,692	24,45,555	42,68,247	94.76	18,22,692	24,45,555	42,68,247	94.76	-
(2) Foreign	-	-	-	-	-	-	-	-	-
(a) NRI Individuals	-	-	-	-	-	-	-	-	-
(b) Other Individuals	-	-	-	-	-	-	-	-	-
(c) Bodies Corp.	-	-	-	-	-	-	-	-	-
(d) Banks / FI	-	-	-	-	-	-	-	-	-
(e) Any Other....	-	-	-	-	-	-	-	-	-
Sub-total (A) (2):-	-	-	-	-	-	-	-	-	-
Total shareholding of Promoter (A) = (A)(1)+(A)(2)	18,22,692	24,45,555	42,68,247	94.76	18,22,692	24,45,555	42,68,247	94.76	-
B. Public Shareholding									
(1) Institutions	-	-	-	-	-	-	-	-	-
(a) Mutual Funds	-	-	-	-	-	-	-	-	-
(b) Banks / FI	27	1,062	1,089	0.02	27	1,062	1,089	0.02	-
(c) Central Govt	-	-	-	-	-	-	-	-	-
(d) State Govt(s)	-	-	-	-	-	-	-	-	-
(e) Venture Capital Funds	-	-	-	-	-	-	-	-	-
(f) Insurance Companies	-	-	-	-	-	-	-	-	-
(g) FIIs	-	-	-	-	-	-	-	-	-
(h) Foreign Venture Capital Funds	-	-	-	-	-	-	-	-	-
(i) Others (specify)	-	-	-	-	-	-	-	-	-
Sub-total (B)(1):-	27	1,062	1,089	0.02	27	1,062	1,089	0.02	-
(2) Non institutions									
a) Bodies Corp.									
i) Indian	4,734	660	5,394	0.12	4,963	660	5,623	0.12	-
ii) Overseas	-	-	-	-	-	-	-	-	-
b) Individuals	-	-	-	-	-	-	-	-	-
i) Individual shareholders holding nominal share capital uptoRs. 1 lakh	1,15,742	72,040	1,87,782	4.17	1,17,541	70,883	1,88,424	4.18	0.01

**SHRENO LIMITED**

Category of Shareholders	No. of Shares held at the beginning of the year				No. of Shares held at the end of the year				% Change during year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
ii) Individual shareholders holding nominal share capital in excess of Rs 1 lakh	37,989	-	37,989	0.27	36,953	-	36,953	0.26	(0.01)
iii) Others (specify)	-	-	-	-	-	-	-	-	-
Non Resident Indians	1,788	576	2,364	0.05	1,962	576	2,538	0.06	-
Clearing Members	1,287	-	1,287	0.03	1,278	-	1,278	0.03	-
Sub-total (B)(2):-	1,61,540	73,276	2,34,816	5.21	1,62,697	72,119	2,34,816	5.21	-
Total Public Shareholding (B)=(B)(1)+(B)(2)	1,61,567	74,338	2,35,905	5.24	1,62,724	73,181	2,35,905	5.24	-
C. Shares held by Custodian for GDRs & ADRs	-	-	-	-	-	-	-	-	-
Grand Total (A+B+C)	19,84,259	25,19,893	45,04,152	100.00	19,85,416	25,18,736	45,04,152	100.00	-

**(ii) Shareholding of Promoters**
**Details of Shareholding of Promoters**

Sr. No.	Shareholders Name	Shareholding at the beginning of the year			Shareholding at the end of the year			% change in shareholding during the year
		No. of Shares	% of total shares of the Company	% of Shares Pledged / encumbered to total shares	No. of Shares	% of total shares of the Company	% of Shares Pledged / encumbered to total shares	
1	Mr. Chirayu R. Amin	2,18,988	4.86	-	2,18,988	4.86	-	Nil
2	Mrs. Maliika C. Amin	1,71,462	3.81	-	1,71,462	3.81	-	Nil
3	Ms. Yera R. Amin	23,181	0.51	-	23,181	0.51	-	Nil

**Details of Shareholding of persons and entities of promoter Group**

Shareholders Name	Shareholding at the beginning of the year			Shareholding at the end of the year			% change in shareholding during the year
	No. of Shares	% of total shares of the Company	% of Shares Pledged / encumbered to total shares	No. of Shares	% of total shares of the Company	% of Shares Pledged / encumbered to total shares	
Nirayu Private Limited	15,97,143	35.46	-	15,97,143	35.46	-	Nil
Sierra Investments Limited	9,70,842	21.55	-	9,70,842	21.55	-	Nil

Alembic Limited	7,62,549	16.93	-	7,62,549	16.93	-	Nil
Whitefield Chemtech Private Limited	3,19,002	7.08	-	3,19,002	7.08	-	Nil
Paushak Limited	99,999	2.22	-	99,999	2.22	-	Nil
Mr. Shaunak C. Amin	30,405	0.68	-	30,405	0.68	-	Nil
Mr. Udit C. Amin	18,465	0.41	-	18,465	0.41	-	Nil
Mr. Pranav C. Amin	18,402	0.41	-	18,402	0.41	-	Nil
Ujjwal Vidyalyaya	12,000	0.27	-	12,000	0.27	-	Nil
Mrs. Jyoti Suresh Patel	5,382	0.12	-	5,382	0.12	-	Nil
Ms. Ninochaka A. Kothari	4,500	0.1	-	4,500	0.1	-	Nil
Mrs. Shreya R. Mukharji	4,500	0.1	-	4,500	0.1	-	Nil
Ms. Reshma Patel	3,888	0.09	-	3,888	0.09	-	Nil
Mr. Vivaan Suresh Patel	3,879	0.09	-	3,879	0.09	-	Nil
Mr. Utkarsh A Kothari	2,700	0.06	-	2,700	0.06	-	Nil
Ms. Tuisha R. Mukharji	300	0.01	-	300	0.01	-	Nil
Ms. Palomi R. Mukharji	300	0.01	-	300	0.01	-	Nil
Ms. Nirati R Mukharji	300	0.01	-	300	0.01	-	Nil
Vidyandhi Trust	30	0	-	30	0	-	Nil
Uday Education Society	30	0	-	30	0	-	Nil

**iii) Change in Promoters' Shareholding (Please specify, if there is no change)**

SI No.		Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of Shares	% of total shares of the Company	No. of Shares	% of total shares of the Company
i.	At the beginning of the year	42,68,247	94.76	42,68,247	94.76
ii.	Datewise Increase/Decrease in Promoters Shareholding during the year specifying the reasons for increase/ decrease (e.g. allotment/ transfer / bonus/ sweat equity etc):	No change during the year			
iii.	At the end of the year	42,68,247	94.76	42,68,247	94.76

**(iv) Shareholding Pattern of top ten Shareholders (other than Directors, promoters and Holders of GDRs and ADRs):**

SI No.	For Each of the Top 10 Shareholders	Shareholding at the beginning of the year		*Cumulative Shareholding during the year	
		No. of Shares	% of total shares of the Company	No. of Shares	% of total shares of the Company
	At the beginning/ end of the year				
1	Nirayu Private Limited	15,97,143	35.46	15,97,143	35.46
2	Sierra Investments Limited	9,70,842	21.55	9,70,842	21.55

## SHRENO LIMITED

SI No.	For Each of the Top 10 Shareholders	Shareholding at the beginning of the year		*Cumulative Shareholding during the year	
		No. of Shares	% of total shares of the Company	No. of Shares	% of total shares of the Company
	At the beginning/ end of the year				
3	Alembic Limited	7,62,549	16.93	7,62,549	16.93
4	Whitefield Chemtech Private Limited	3,19,002	7.08	3,19,002	7.08
5	Paushak Limited	99,999	2.22	99,999	2.22
6	Mr. Shaunak Amin	30,405	0.68	30,405	0.68
7	Mr. Udit C Amin	18,465	0.41	18,465	0.41
8	Mr. Pranav C Amin	18,402	0.41	18,402	0.41
9	Ujjwal Vidyalaya	12,000	0.27	12,000	0.27
10	Dipak Kanayalal Shah	8,136	0.18	8,136	0.18

\*There is no change in the shareholding of the persons during the year.

### v) Shareholding of Directors and Key Managerial Personnel

SI No.		Shareholding at the beginning of the year		*Cumulative Shareholding during the year	
		No. of Shares	% of total shares of the Company	No. of Shares	% of total shares of the Company
	At the beginning/end of the year				
1	Mr. Chirayu R. Amin	2,18,988	4.86	2,18,988	4.86
2	Mrs. Malika C. Amin	1,71,462	3.81	1,71,462	3.81
3	Ms. Yera R. Amin	23,181	0.51	23,181	0.51
4	Mr. Nitin Bhawe (Whole-Time Director)	-	-	-	-
5	Mr. C. R. Mukherjee	-	-	-	-
6	Mr. Mayur Jadeja	-	-	-	-
7	Ms. Manisha Kathed (CS)	-	-	-	-
8	Mr. Nilesh Mistry (CFO)	-	-	-	-

\*There is no change in the shareholding of the persons during the year.

### V. INDEBTEDNESS

Indebtedness of the Company including interest outstanding/accrued but not due for payment

(₹ in Lacs)

	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
<b>Indebtedness at the beginning of the financial year (01.04.2014)</b>				
i) Principal Amount	2,165.70	6,500.00	-	8,665.70
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	-	-	-	-
<b>Total (i+ii+iii)</b>	<b>2,165.70</b>	<b>6,500.00</b>	<b>-</b>	<b>8,665.70</b>
<b>Change in Indebtedness during the financial year</b>				
· Addition	3,100.00	8,500.00	-	11,600.00
· Reduction	1,165.70	13,000.00	-	14,165.70
<b>Net Change</b>	<b>1,934.30</b>	<b>-4,500.00</b>	<b>-</b>	<b>-2,565.70</b>

	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
<b>Indebtedness at the end of the financial year (31.03.2015)</b>			-	
i) Principal Amount	4,100.00	2,000.00	-	6,100.00
ii) Interest due but not paid	-	-	-	
iii) Interest accrued but not due	-	-	-	
<b>Total (i+ii+iii)</b>	<b>4,100.00</b>	<b>2,000.00</b>	-	<b>6,100.00</b>

**VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL****A. Remuneration to Managing Director, Whole-time Directors and/or Manager:**

(₹ in Lacs)

Sl. No.	Particulars of Remuneration	Name of MD/WTD/ Manager		Total Amount
		Nitin Bhawe		
	Gross salary			
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	99.62		99.62
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	-		-
	(c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961	-		-
	Stock Option	-		-
	Sweat Equity	-		-
	Commission - as % of profit	-		-
	Others, please specify	-		-
	Total	99.62		99.62
	Ceiling as per the Act	67.00		67.00

**B. Remuneration to other directors:****Independent Directors**

(₹ in Lacs)

Sl. No.	Particulars of Remuneration	Name of Directors		Total Amount
		Mr. Mayur Jadeja	Mr. C. R. Mukherjee	
i.	• Fee for attending board / committee meetings	0.77	0.73	1.50
ii.	• Commission	-	-	-
iii.	• Others, please specify	-	-	-

**Other Non-Executive Directors**

(₹ in Lacs)

Sl. No.	Particulars of Remuneration	Name of Directors			Total Amount
		Mr. Chirayu Amin	Mrs. Malika Amin	Ms. Yera Amin	
i.	• Fee for attending board / committee meetings	0.77	0.55	0.75	2.07
ii.	• Commission	-	-	-	-
iii.	• Others, please specify	-	-	-	-

## C. Remuneration to Key Managerial Personnel other than MD/MANAGER/WTD

(₹ in Lacs)

Sl. No.	Particulars of Remuneration	Key Managerial Personnel		Total Amount
		Manisha Kathed CS	Nilesh Mistry CFO	
1.	Gross salary (a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961 (b) Value of perquisites u/s 17(2) income -tax Act, 1961 (c) Profits in lieu of salary under section 17(3) Income tax Act, 1961	3.83	10.11	13.94
		-	-	-
2	Stock Option	-	-	-
3	Sweat Equity	-	-	-
4	Commission - as % of profit	-	-	-
5	Others, please specify	-	-	-
	Total	3.83	10.11	13.94

**Note:** The above stated figures for remuneration are extracted from Form 16 of the individual Managerial Personnel for the F.Y. 2014-15, whereas the figures for the Managerial Personnel and Key Managerial Personnel in the Financial Statements are prepared on the basis of accrual Accounting principle and hence are not comparable.

## VII. PENALTIES / PUNISHMENT/ COMPOUNDING OF OFFENCES:

Type	Section of The Companies Act	Brief Description	Details of Penalty / Punishment/ Compounding fees imposed	Authority [RD / NCLT/ COURT]	Appeal made, if any (give Details)
<b>A. Company</b>					
Penalty			None		
Punishment					
Compounding					
<b>B. Directors</b>					
Penalty			None		
Punishment					
Compounding					
<b>C. Other Officers in default</b>					
Penalty			None		
Punishment					
Compounding					



## Annexure - D

Information required under section 134(3)(m) of the Companies Act, 2013 read with Rule 8(3) of the Companies (Accounts) Rules, 2014 pertaining to Conservation of energy, Technology Absorption, Foreign Exchange earnings and outgo

**(A) Conservation of Energy**

- (i) Steps taken or impact on conservation of energy:
- Rebuilding the furnace with adoption of basic change in its design to save the energy consumed per kg of glass melting.
- (ii) Steps taken for utilising alternate sources of energy:
- Integrating all the furnace operation with PLC /SCADA based automatic control panel.
- (iii) Capital Investment on energy conservation equipments:
- Adopting new combustion system for molten glass conditioning (distributor and forehearth).

**(B) Technology Absorption:**

- (i) Efforts made towards technology absorption:
- Replacing manual handling of hot glass cullet with automatic cullet conveying system.
  - Replacing Manual quality sorting system by automatic sorter machine.
  - Installing the magenatic separator for lime stone and dolomite to improve the glass quality.
- (ii) Benefits derived like product improvement, cost reduction, product development or import substitution:
- Specific output of molten glass will increase from 4.5 kg to 5.25 kg per SCM of natural gas.
  - New combustion system for glass melting and conditioning will reduced the energy cost and improve the productivity.
  - Automatic quality sorter will improve the final product quality and reduce the manpower cost of quality inspection.
  - Automatic hot cullet handling system will improve the glass quality and reduce the manpower cost of cullet handling.
- (iii) Information regarding technology imported, during the last 3 years: Nil
- (iv) Expenditure incurred on Research and Development: Nil

**(C) Foreign exchange earnings and Outgo:**

The Foreign Exchange earned in terms of actual inflows during the year and the Foreign Exchange outgo during the year in terms of actual outflows.

(₹ in Lacs)

For the period ended on 31st March	2015	2014
Income		
Export (FOB basis)	1455.99	393.70
Expenditure		
Raw Materials (CIF basis)	58.24	82.52
Components and Spare parts (CIF basis)	1.20	4.99
Professional and Consultancy fees	71.05	70.72
Others	125.39	378.91

## Annexure E

Information as per Rule 5(2) and (3) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 forming part of the Board's Report for the year ended on 31<sup>st</sup> March, 2015

Sr. No.	Name of Employee	Designation	Remuneration (₹ in Lac)	Nature of Employment Permanent/ Otherwise	Qualification	Experience (Yrs.)	Date of commencement of Employment	Age (Yrs.)	Last Employment held before joining the Company	% of Equity shares held (required only for non-directors)
(a) Employed for whole of the year under review and were in receipt of remuneration at a rate which is aggregate, was not less than ₹ 60 lac p.a.										
1	Mr. Nitin Bhawe	Whole-time Director	120	Permanent	M.A.	23	1 <sup>st</sup> October, 2012	51	Vice President Alembic Pharmaceutical Limited	Nil
(b) Employed for a part of the year under review and were in receipt of remuneration at a rate which in the aggregate, was not less than ₹ 5 Lacs per month. - N.A.										
(c) Employed for which of the year or part of the year under review, were in receipt of remuneration in that year which, in aggregate, or as the case may be, at a rate which, in the aggregate, is in excess of that drawn by the managing director or whole-time director or manager and holds by himself or along with his spouse and dependent children, not less than 2% of the equity shares of the Company : N.A.										

Note: 1. Gross remuneration received as shown in the statement includes Salary, Commission, Allowances, Employer's contribution to Provident Fund and superannuation Scheme.

## INDEPENDENT AUDITORS' REPORT

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### To the Members of Shreno Limited

#### Report on the Standalone Financial Statements

We have audited the accompanying standalone financial statements of **SHRENO LIMITED** ("the Company"), which comprise the Balance Sheet as at 31st March 2015, the Statement of Profit and Loss, the Cash Flow Statement for the year then ended, and a summary of the significant accounting policies and other explanatory information.

#### Management's Responsibility for the Standalone Financial Statements

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these standalone financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

#### Auditor's Responsibility

Our responsibility is to express an opinion on these standalone financial statements based on our audit.

We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder.

We conducted our audit in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on whether the Company has in place an adequate internal financial controls system over financial reporting and the operating effectiveness of such controls. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the standalone financial statements.

#### Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at 31<sup>st</sup> March, 2015 and its profit and its cash flows for the year ended on that date.

#### Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2015 ("the Order") issued by the Central Government of India in terms of sub-section (11) of Section 143 of the Act, we give in the Annexure a statement on the matters specified in paragraphs 3 and 4 of the Order.
2. As required by section 143(3) of the Act, we report that:
  - a. we have sought and 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 it appears from our examination of those books;
  - c. the Balance Sheet, the Statement of Profit and loss, and the Cash Flow Statement dealt with by this Report are in agreement with the books of accounts;

- d. in our opinion, the aforesaid standalone financial statements comply with the Accounting Standards specified under section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014;
- e. on the basis of the written representations received from the directors as on March 31, 2015, and taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2015, from being appointed as a director in terms of Section 164(2) of the Act.
- f. With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
  - i. The Company has disclosed the impact of pending litigations on its financial position in its financial statements – Refer Note Y(B) (2) to the financial statements;
  - ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses;
  - iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company.

**For K. C. Mehta & Co.**  
**Chartered Accountants**  
**Firm's Registration No. 106237W**

**Vishal P. Doshi**  
**Partner**  
**Membership No. 101533**

**Place: Vadodara**

**Date: 11<sup>th</sup> May, 2015**

## **ANNEXURE TO THE INDEPENDENT AUDITORS' REPORT**

The annexure referred to in our Independent Auditors' report to the members of **Shreno Limited**. ("the Company") on the standalone financial statements for the year ended 31<sup>st</sup> March, 2015, we report that:

- i. (a) In our opinion, the Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets. However item wise value in respect of assets other than land, buildings and vehicles acquired prior to 1968 are not available.
- (b) The Company has a regular program of physical verification of fixed assets which, in our opinion is reasonable. The assets which were to be covered as per the said program have been physically verified by the management during the year. According to the information and explanations given to us, no material discrepancies were noticed on such verification.
- ii. (a) The inventory has been physically verified by the Management during the year. In our opinion, the frequency of verification is reasonable.
- (b) In our opinion and according to the information and explanations given to us, the procedures of physical verification of inventory followed by the management are reasonable and adequate in relation to the size of the Company and the nature of its business.
- (c) In our opinion, the Company is maintaining proper records of inventory. The discrepancies noticed on verification between the physical stock and the book records were not material.
- iii. In our opinion and according to the information and explanations given to us, the Company has not granted any loans, secured or unsecured to companies, firms or other parties covered in the register maintained under section 189 of the Companies Act, 2013 and therefore, the provisions of clause (iii) of the Order are not applicable to the Company.
- iv. In our opinion and according to the information and explanations given to us, there is an adequate internal control system commensurate with the size of the Company and nature of its business with regard to purchase of inventories and fixed assets and sale of goods and services. Further on the basis of our examination and according to the information and explanations given to us, we have neither come across nor have been informed of any instance of major weaknesses in the aforesaid internal control system.
- v. In our opinion and according to the information and explanations given to us, the Company has not accepted any deposits during the year from the public within the meaning of provisions of section 73 to 76 of the Companies Act,

2013 and the rules framed there under and therefore, the provisions of clause (v) of the Order are not applicable to the Company.

- vi. We have broadly reviewed the books of account maintained by the company pursuant to the order of the Central Government for maintenance of cost records under sub-section (1) of section 148 of the Companies Act, 2013 and are of the opinion that prima facie the prescribed records have been made and maintained. We have, however, not made a detailed examination of the records with a view to determining whether they are accurate or complete.
- vii. (a) In our opinion and according to the information and explanations given to us, the Company has been regular in depositing with appropriate authorities undisputed statutory dues, including provident fund, employee's state insurance, income-tax, sales-tax, wealth tax, service tax, duty of customs, duty of excise, value added tax, cess and any other statutory dues applicable to it. Further, no undisputed amounts payable in respect of income tax, sales tax, wealth tax, service tax, duty of customs, duty of excise, value added tax, cess and other statutory dues were in arrears, as at 31st March, 2015 for a period of more than six months from the date they become payable.
- (b) According to the information and explanations given to us, there are no disputed dues in respect of sales tax, service tax, wealth tax, duty of excise, value added tax and cess which have not been deposited. The followings are the particulars of Income tax and duty of customs as at 31st March, 2015 which have not been deposited on account of dispute:

Nature of Statute	Nature of the disputed dues	Amount (₹ in Lacs)	Period to which the amount relates	Forum where disputes are pending
Custom Act, 1962	Custom	0.30	Jan'06 to Dec'08	Assistant Commissioner (Custom)
	Custom	0.43	Jan'04 to Dec'07	Assistant Commissioner (Custom)
	Custom	1757.38	2010-11	Commissioner(Custom)
Income Tax Act, 1961	Income Tax	4.39	A.Y.2010-11	Commissioner Income Tax (Appeal)
	Income Tax	0.36	A.Y.2011-12	Income Tax Appellate Tribunal
	Income Tax	228.14	A.Y.2012-13	Commissioner Income Tax (Appeal)

- (c) There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the company
- viii. In our opinion, the Company's accumulated losses are less than fifty percent of its net worth and it has not incurred cash losses during the financial year covered by our audit and also in the immediately preceding financial year.
- ix. In our opinion and according to the information and explanations given to us, the Company has not defaulted in repayment of dues to bank. The Company has not borrowed from financial institutions and has not issued any debentures.
- x. In our opinion and according to the information and explanations given to us, the Company has not given any guarantee for loans taken by others from banks and financial institutions and therefore, the provisions of clause (x) of the Order are not applicable to the Company.
- xi. In our opinion and according to the information and explanations given to us, the term loans have been applied for the purpose for which they were raised.
- xii. In our opinion and according to information and explanations given to us, no fraud on or by the Company has been noticed or reported during the course of our audit.

**For K. C. Mehta & Co.**  
**Chartered Accountants**  
**Firm's Registration No: 106237W**

**Vishal P. Doshi**  
**Partner**  
**Membership No. 101533**

**Place: Vadodara**

**Date: 11<sup>th</sup> May, 2015**

## SHRENO LIMITED

BALANCE SHEET AS AT 31<sup>ST</sup> MARCH, 2015

(₹ in Lacs)

Particulars	Note No.	As at 31 <sup>st</sup> March, 2015	As at 31 <sup>st</sup> March, 2014
<b>I. EQUITY AND LIABILITIES</b>			
<b>(1) Shareholders' Funds</b>			
(a) Share Capital	A	23,720.76	5,704.15
(b) Reserves and Surplus	B	4,199.48	20,831.19
<b>(2) Non-Current Liabilities</b>			
(a) Long-term borrowings	C	2,325.00	1,000.00
(b) Other Long term liabilities	D	867.22	886.72
(c) Long term provisions	E	84.87	92.26
<b>(3) Current Liabilities</b>			
(a) Short-term borrowings	F	4,452.51	7,620.84
(b) Trade payables		1,663.13	2,047.75
(c) Other current liabilities	G	6,402.80	4,565.34
(d) Short-term provisions	H	94.33	41.82
<b>Total</b>		<b>43,810.10</b>	<b>42,790.07</b>
<b>II. ASSETS</b>			
<b>(1) Non-current assets</b>			
(a) Fixed assets	I		
(i) Tangible assets		6,630.18	6,938.40
(ii) Intangible assets		812.91	1,138.07
(iii) Capital work-in-progress		1,097.31	529.75
(b) Non-current investments	J	2,379.60	2,444.60
(c) Long term loans and advances	K	209.33	240.67
<b>(2) Current assets</b>			
(a) Inventories	L	28,547.38	26,804.91
(b) Trade receivables	M	609.88	1,336.62
(c) Cash and Bank Balances	N	393.05	935.98
(d) Short-term loans and advances	O	3,129.85	2,420.90
(e) Other current assets	P	0.61	0.17
<b>Total</b>		<b>43,810.10</b>	<b>42,790.07</b>
<b>Summary of Significant Accounting Policies and Other Notes to Financial Statement</b>	Y		

As per our report of even date attached

**For K. C. Mehta & Co.**

Chartered Accountants

**Vishal P. Doshi**

Partner

Membership No. 101533

Vadodara

Date : 11<sup>th</sup> May, 2015

For and on behalf of Board

**Chirayu Amin**

Chairman

**Malika Amin****C. R. Mukherjee****Mayur Jadeja**

Director

**Nitin Bhawe**

Whole-time Director

**Nilesh Mistry**

CFO

**Manisha Kathed**

Company Secretary

Vadodara

Date : 11<sup>th</sup> May, 2015

STATEMENT OF PROFIT & LOSS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH 2015 (₹ in Lacs)

Particulars	Note No.	For the Year ended on 31 <sup>st</sup> March, 2015	For the Year ended on 31 <sup>st</sup> March, 2014
<b>I. Revenue from operations</b>	<b>Q</b>	<b>13,258.11</b>	13,774.89
Less : Excise		<u>763.46</u>	<u>756.81</u>
		<b>12,494.65</b>	13,018.08
<b>II. Other Income</b>	<b>R</b>	<b>770.31</b>	684.26
<b>III. Total Revenue (I +II)</b>		<b>13,264.96</b>	13,702.34
<b>IV. Expenses:</b>			
Construction Expenses	<b>S</b>	<b>2,491.37</b>	3,722.81
Cost of materials consumed	<b>T</b>	<b>1,609.82</b>	1,861.05
Changes in inventories of Finished Goods, WIP and stock in trade	<b>U</b>	<b>910.68</b>	(233.20)
Employee Benefit Expense	<b>V</b>	<b>2,447.04</b>	2,277.45
Other expenses	<b>W</b>	<b>3,760.38</b>	4,603.58
Financial costs	<b>X</b>	<b>781.92</b>	1,013.32
Depreciation / Amortisation	<b>I</b>	<b>752.83</b>	739.74
<b>Total Expenses</b>		<b>12,754.05</b>	13,984.75
<b>V. Profit/ (Loss) Before Tax (III-IV)</b>		<b>510.92</b>	(282.41)
<b>VI. Tax expense:</b>			
Current tax		-	-
Wealth Tax		<b>3.00</b>	2.25
Tax Adjustments for earlier years		<b>0.01</b>	0.42
<b>VII. Profit/(Loss) for the year (V-VI)</b>		<b>507.91</b>	(285.08)
<b>VIII. Earning per equity share: (Face Value ₹ 100/-)</b>			
(1) Basic EPS		<b>8.40</b>	(9.13)
(2) Diluted EPS		<b>7.67</b>	(9.13)
<b>Summary of Significant Accounting Policies and Other Notes to Financial Statement</b>	<b>Y</b>		

As per our report of even date attached

**For K. C. Mehta & Co.**

Chartered Accountants

**Vishal P. Doshi**

Partner

Membership No. 101533

Vadodara

Date : 11<sup>th</sup> May, 2015

For and on behalf of Board

**Chirayu Amin**

Chairman

**Malika Amin****C. R. Mukherjee****Mayur Jadeja**

Director

**Nitin Bhawe**

Whole-time Director

**Nilesh Mistry**

CFO

**Manisha Kathed**

Company Secretary

Vadodara

Date : 11<sup>th</sup> May, 2015

CASH FLOW STATEMENT FOR THE YEAR ENDED ON 31<sup>ST</sup> MARCH, 2015

(₹ in Lacs)

Particulars	For the Year ended on 31 <sup>ST</sup> March, 2015	For the Year ended on 31 <sup>ST</sup> March, 2014
<b>A CASH FLOW FROM OPERATING ACTIVITIES:</b>		
Profit/(Loss) before tax from Continuing Operations	510.92	(282.41)
<b>Non-Cash adjustment to reconcile profit before tax to net cash flows</b>		
Depreciation / Amortisation from continuing operation	752.83	739.74
Provision for Doubtful Debts	56.37	0.45
Bad debts written off	30.74	5.20
Financial charges Charged to Statement of Profit & loss	747.02	944.10
Profit on sale of Fixed Assets	(9.44)	(97.16)
Interest Received	(63.90)	(2.55)
Dividend Received	(618.24)	(504.30)
<b>Operating profit before changes in working capital</b>	<b>1,406.31</b>	<b>803.07</b>
<b>Movements in working capital changes</b>		
Increase\decrease) in Trade Payables and Other Payables	869.14	151.94
(Increase)\decrease in Trade receivables	639.63	112.57
(Increase)\decrease in Inventories	(1,571.65)	(1,503.52)
(Increase)\decrease in loans & advances	(833.95)	(352.12)
<b>Net Cash flow from (used in) Operations</b>	<b>509.48</b>	<b>(788.07)</b>
Direct Taxes Paid (Net of Refunds)	152.00	(110.39)
<b>NET CASH FLOW FROM / (USED IN) OPERATING ACTIVITIES (A)</b>	<b>661.48</b>	<b>(898.46)</b>
<b>B CASH FLOW FROM INVESTING ACTIVITIES :</b>		
Purchase of fixed assets, including intangible assets & CWIP	(766.45)	(524.32)
Proceeds from sale of fixed assets	62.51	130.17
Proceeds from sale of Investments	1,065.00	-
Purchase of Investments	(1,000.00)	-
Interest Received	63.90	2.55
Dividend Received	618.24	504.30
<b>NET CASH FLOW FROM / (USED IN) INVESTING ACTIVITIES (B)</b>	<b>43.20</b>	<b>112.70</b>



CASH FLOW STATEMENT FOR THE YEAR ENDED ON 31<sup>st</sup> MARCH, 2015

(₹ in Lacs)

Particulars	For the Year ended on 31 <sup>st</sup> March, 2015	For the Year ended on 31 <sup>st</sup> March, 2014
<b>C CASH FLOW FROM FINANCIAL ACTIVITIES:</b>		
Proceeds from long-term borrowings	3,100.00	-
Repayments of long term borrowings	(1,165.70)	(1,166.80)
Proceeds from short-term borrowings	1,331.68	4,475.41
Repayments of short term borrowings	(4,500.00)	(15.00)
Payment of Dividend & DDT	-	(286.64)
Redemption of Preference Share Capital	-	(700.00)
Proceeds from Issue of Optionally Convertible Preference Share Capital	900.83	-
Interest paid	(915.32)	(944.10)
<b>NET CASH FLOW FROM / (USED IN) FINANCIAL ACTIVITIES (C)</b>	<b>(1,248.51)</b>	<b>1,362.87</b>
<b>Net increase / (decrease) in Cash &amp; Cash equivalents (A+B+C)</b>	<b>(543.83)</b>	577.11
Cash & Cash equivalents as at the beginning of the year	924.50	347.38
<b>Cash &amp; Cash equivalents as at the year end</b>	<b>380.67</b>	<b>924.50</b>

**Notes:****1 Cash and Cash equivalents comprise:**

Cash in hand	6.75	5.80
Balance with Scheduled and Other banks	373.92	918.70
<b>Cash &amp; Cash equivalents as at the year end</b>	<b>380.67</b>	<b>924.50</b>

2 The above Cash Flow has been prepared under the 'Indirect Method' as set out in the Accounting Standard 3 (AS - 3) Cash Flow Statement.

3 Previous year figures have been regrouped wherever necessary

As per our report of even date attached

**For K. C. Mehta & Co.**

Chartered Accountants

**Vishal P. Doshi**

Partner

Membership No. 101533

Vadodara

Date : 11<sup>th</sup> May, 2015

For and on behalf of Board

**Chirayu Amin**

Chairman

**Malika Amin**

**C. R. Mukherjee**

**Mayur Jadeja**

**Nitin Bhawe**

**Nilesh Mistry**

**Manisha Kathed**

} Director

Whole-time Director

CFO

Company Secretary

Vadodara

Date : 11<sup>th</sup> May, 2015

## NOTES TO FINANCIAL STATEMENTS

(₹ in Lacs)

	As at 31 <sup>st</sup> March, 2015	As at 31 <sup>st</sup> March, 2014
<b>A. SHARE CAPITAL</b>		
<b>(a) Shares authorized:</b>		
<b>1. Equity Share Capital</b>		
47,50,000 Equity shares of ₹ 100/- each	4,750.00	4,750.00
<b>2. Preference Share Capital*</b>		
12,00,000 (P.Y. 19,00,000) Preference shares of ₹ 100/- each	1,200.00	1,900.00
45,12,500 (P.Y. NIL) Preference shares of ₹ 400/- each	18,050.00	-
	<u>24,000.00</u>	<u>6,650.00</u>
* Preference share capital has been reclassified by passing special resolution in Extra Ordinary General Meeting dated 5th November,2014.		
<b>(b) Shares issued, subscribed and fully paid :</b>		
<b>1. Equity Share Capital</b>		
45,04,152 Equity Shares of ₹ 100/- each Fully-Paid	4,504.15	4,504.15
	<u>4,504.15</u>	<u>4,504.15</u>
<b>2. Preference Share Capital</b>		
<b>Class (I)</b>		
12,00,000 9% Cumulative Redeemable Non-Convertible Preference Shares of ₹ 100/- each	1,200.00	1,200.00
<b>Class (II)</b>		
45,04,152 (P.Y. Nil)1% Cumulative Optionally Cumulative Optionally Convertible Preference Shares of ₹ 400/- each	18,016.61	-
	<u>19,216.61</u>	<u>1,200.00</u>
	<u>23,720.76</u>	<u>5,704.15</u>
<b>(c) Reconciliation of the number of shares outstanding at the beginning and at the end of the reporting period :</b>		

(₹ in Lacs)

EQUITY SHARES	No. of Shares	Share Capital
As at 1st April, 2013	4,504,152	4,504.15
Additions/(Reductions)		
As at 31st March,2014	4,504,152	4,504.15
As at 1st April, 2014	4,504,152	4,504.15
Additions/(Reductions)	-	-
As at 31st March, 2015	4,504,152	4,504.15

(₹ in Lacs)

PREFERENCE SHARES	Class (I)		Class (II)	
	No. of Shares	Share Capital	No. of Shares	Share Capital
As at 1st April, 2013	1,200,000	1,200.00	-	-
Additions/(Reductions)	-	-	-	-
As at 31st March,2014	1,200,000	1,200.00	-	-
As at 1st April, 2014	1,200,000	1,200.00	-	-
Additions/(Reductions)	-	-	4,504,152	18,016.61
As at 31st March, 2015	1,200,000	1,200.00	4,504,152	18,016.61

## NOTES TO FINANCIAL STATEMENTS

(₹ in Lacs)

**(d) The rights, preferences and restrictions including restrictions on the distribution of dividends and the repayment of capital:****1. Equity Share Capital**

The company is having only one class of Equity shares i.e. Ordinary Equity carrying a nominal value of ₹ 100/- each. Every holder of the equity share of the Company is entitled to one vote per share held.

In the event of liquidation of the Company, the equity shareholders will be entitled to receive remaining assets of the Company after the distribution / repayment of all Trade Payables and Preference Shareholders. The distribution to the equity shareholders will be in proportion of the number of shares held by each shareholder

The declaration of dividend, if any on the equity shares shall be in Indian Rupees. Dividend, if any, would be proposed by the Board of Directors subject to approval of the shareholders at the ensuing Annual General Meeting.

**2. Preference Share Capital**

The company is having two series of Preference shares

- (i) 9% Cumulative Redeemable Non-Convertible Preference Shares of ₹ 100/- each  
Date of Redemption: 26th September, 2016
- (ii) 1% Cumulative Optionally Convertible Preference Shares (OPCS) of ₹ 400/- each \*  
Redemption / Conversion upto: 17th December, 2019

In the event of liquidation of the Company, the preference shareholders will be entitled to receive their capital contribution in the Company after the distribution / repayment of all Trade payables but before distribution to equity shareholders. The distribution to the preference shareholders will be in proportion of the number of shares held by each shareholder.

The Preference Shareholders shall be paid dividend at the rate of dividend fixed as per the terms and conditions of issue and amendments thereto, subject to recommendation of the same by the Board of Directors and approval of the shareholders at the ensuing Annual General Meeting. Such Dividend shall however be paid in preference to the dividend recommended for equity shareholders.

\*The OCPS shall be optionally convertible into Equity Shares of the Company in the ratio of 1 Equity Share of ₹ 100 each for every 3 Fully paid OCPS of ₹ 400 each, unless decided by the Board of Directors to convert at an early date, at the end of 5 years from date of allotment.

**(e) Shares in the company held by each shareholder holding more than 5 % shares specifying the no. of shares held:****1. Equity Share Capital**

		31 <sup>st</sup> March, 2015		31 <sup>st</sup> March, 2014	
		Numbers	% held	Numbers	% held
1.	Nirayu Private Limited	1,597,143	35.46%	1,597,143	35.46%
2.	Sierra Investments Limited	970,842	21.55%	970,842	21.55%
3.	Alembic Limited	762,549	16.93%	762,549	16.93%
4.	Whitefield Chemtech Private Limited	319,002	7.08%	319,002	7.08%

**2. Preference Share Capital****Class (I)**

		31 <sup>st</sup> March, 2015		31 <sup>st</sup> March, 2014	
		Numbers	% held	Numbers	% held
1.	Sierra Investments Limited	545,000	45.42%	545,000	45.42%
2.	Nirayu Private Limited	455,000	37.92%	455,000	37.92%
3.	Whitefield Chemtech Private Limited	180,000	15.00%	180,000	15.00%

**Class (II)**

		31 <sup>st</sup> March, 2015		31 <sup>st</sup> March, 2014	
		Numbers	% held	Numbers	% held
1.	Nirayu Private Limited	1,597,143	35.46%	-	-
2.	Sierra Investments Limited	970,842	21.55%	-	-
3.	Alembic Limited	762,549	16.93%	-	-
4.	Whitefield Chemtech Private Limited	319,002	7.08%	-	-

## NOTES TO FINANCIAL STATEMENTS

(₹ in Lacs)

**(f) Shares allotted as fully paid up (During 5 years preceding March 31, 2015)**

- (i) In the year 2012-13 The Company has allotted 30,02,768 Equity shares as fully paid up bonus shares by capitalization of security premium ₹ 330.22 lacs and capital reserve ₹ 2672.55 lacs.
- (ii) In the year 2014-15 the Company has allotted 45,04,152 Optionally Convertible Preference Shares as fully paid up right shares pursuant to contracts without payment being received in cash ₹ 380 per share.

	As at 31 <sup>st</sup> March, 2015	As at 31 <sup>st</sup> March, 2014
<b>B. RESERVES AND SURPLUS:</b>		
<b>GENERAL RESERVE</b>		
As per last balance sheet	5,242.91	5,942.91
Less : Transfer to Capital Redemption Reserve	-	(700.00)
Less : Utilised for making partly paid (₹ 20) 1% Cumulative Optionally Convertible Preference Share to fully paid (₹ 400)	(424.90)	-
Add : Transfer from Capital Redemption Reserve	700.00	-
	<u>5,518.01</u>	<u>5,242.91</u>
<b>CAPITAL REDEMPTION RESERVE</b>		
As per last balance sheet	700.00	-
Add : Transfer from General Reserve	-	700.00
Add : Transfer to General Reserve	(700.00)	-
	<u>-</u>	<u>700.00</u>
<b>CAPITAL RESERVE</b>		
As per last balance sheet	16,690.88	-
Add : Addition during the year on conversion of land from fixed assets to inventory (Refer Note No. I(2))	-	16,690.88
Less : Utilised for making party paid (₹ 20) 1% Cumulative Optionally Convertible Preference Share to fully paid (₹ 400)	16,690.88	-
	<u>-</u>	<u>16,690.88</u>
<b>SECURITIES PREMIUM ACCOUNT</b>		
As per last balance sheet	20.94	20.94
	<u>20.94</u>	<u>20.94</u>
<b>SURPLUS IN THE STATEMENT OF PROFIT &amp; LOSS</b>		
Opening Balance	(1,823.54)	(1,538.47)
Add : Net Profit/(Loss) for the year	507.91	(285.08)
Less : Depreciation (Refer Note No. Y(B)(11))	23.84	-
<b>Net Surplus / (Deficit) in the statement of profit and loss</b>	<u>(1,339.47)</u>	<u>(1,823.54)</u>
<b>Total Reserves and Surplus</b>	<u>4,199.48</u>	<u>20,831.19</u>
<b>C. LONG-TERM BORROWINGS:</b>		
<b>Term loans (Secured)</b>		
From Banks	-	1,000.00
From Financial Institution	2,325.00	-
	<u>2,325.00</u>	<u>1,000.00</u>

## NOTES TO FINANCIAL STATEMENTS

(₹ in Lacs)

Note:

## a) Terms of Borrowing

Details of lender & Rate of Interest	Maturity Date	No. of Installments*	Amt. of Inst. ₹ Lacs	Current Maturity ₹ Lacs
YES Bank Ltd. - 11.5%	25-Mar-16	4	250	1,000.00
TATA Capital Financial Services Ltd.-11.5%	31-Mar-19	16	193.75	775.00

\* No. of Equated Quarterly Installments outstanding as on the balance sheet date

## b) Nature of Security

- i) **YES Bank Ltd.** - Pari-passu charge on moveable fixed assets to the extent of 1.4 times of outstanding loan.
- ii) **TATA Capital Financial Services Ltd.** - Mortgage over inventory of flats located at Shangri-La Project, Vadodara to the extent 1.5 times of outstanding loan.

	As at 31 <sup>st</sup> March, 2015	As at 31 <sup>st</sup> March, 2014
<b>D. OTHER LONG TERM LIABILITIES:</b>		
Security deposit	17.22	36.72
Option Deposit (Refer Note No. L)	<u>850.00</u>	<u>850.00</u>
	<u>867.22</u>	<u>886.72</u>
<b>E. LONG-TERM PROVISION:</b>		
<b>Provision for employee benefits</b>		
Leave Encashment	84.87	87.78
Gratuity	<u>0.00</u>	<u>4.48</u>
	<u>84.87</u>	<u>92.26</u>
<b>F. SHORT-TERM BORROWINGS:</b>		
<b>Loans repayable on Demand</b>		
<b>From Banks</b>		
<b>Secured</b>		
<b>Working Capital facilities</b>	2,452.51	1,120.84
Secured by hypothecation of stock & book debt. In case of Yes Bank Ltd. over and above hypothecation, second Charge on movable plant and machinery.		
<b>Unsecured</b>	<u>2,000.00</u>	<u>6,500.00</u>
	<u>4,452.51</u>	<u>7,620.84</u>
<b>G. OTHER CURRENT LIABILITIES:</b>		
a) Current maturities of long-term debt (Refer Note No. C)	1,775.00	1,165.70
b) Trade Deposit	163.48	213.08
c) Other Liabilities :		
Advance received from customer	2,754.34	1,291.59
Government Dues	148.64	125.37
Others Liabilities	1,561.34	1,769.55
Unpaid Interest	<u>-</u>	<u>0.05</u>
	<u>6,402.80</u>	<u>4,565.34</u>
<b>H. SHORT-TERM PROVISIONS:</b>		
<b>a) Provision for employee benefits</b>		
Leave Encashment	5.91	7.51
Gratuity	85.42	32.06
<b>b) Others</b>		
Provision for Wealth Tax	<u>3.00</u>	<u>2.25</u>
	<u>94.33</u>	<u>41.82</u>

**SHRENO LIMITED**  
**NOTES TO FINANCIAL STATEMENTS**

(₹ in Lacs)

**I. FIXED ASSETS:**

Particulars	Gross Block			Depreciation / Amortisation			Net Block		
	AS ON 01.04.2014	Additions / Adjustments	Deductions/ Adjustments	AS ON 31.03.2015	AS ON 01.04.2014	During the Year	Deduction / Adjustment*	AS ON 31.03.2015	AS ON 31.03.2014
<b>Tangible Assets</b>									
Freehold Land	827.06	-	-	827.06	-	-	-	827.06	827.06
Buildings	2,891.38	189.58	-	3,080.96	833.33	116.64	(18.13)	2,112.86	2,058.05
Employees' Quarters	28.69	-	-	28.69	26.15	0.03	(0.20)	2.32	2.54
Plant & Machinery	6,806.44	1.27	828.34	5,979.37	3,758.26	229.17	775.37	2,767.31	3,048.18
Furniture & Fixture	79.68	6.02	-	85.70	64.02	5.11	(0.15)	16.42	15.66
Office Machinery	68.63	2.01	8.94	61.71	43.04	10.97	3.47	11.17	25.59
Learjet 45 Aircraft	1,166.60	-	-	1,166.60	231.29	59.82	-	875.49	935.31
Vehicles	129.03	-	-	129.03	103.03	8.45	-	17.55	26.00
<b>TOTAL</b>	<b>11,997.51</b>	<b>198.89</b>	<b>837.28</b>	<b>11,359.12</b>	<b>5,059.11</b>	<b>430.19</b>	<b>760.36</b>	<b>6,630.18</b>	<b>6,938.40</b>
Previous Year	11,542.15	526.91	71.54	11,997.51	4,681.28	444.74	66.90	6,938.40	
<b>Intangible Assets</b>									
Trade Mark	1.00	-	-	1.00	1.00	-	-	1.00	-
Goodwill	1,625.82	-	-	1,625.82	487.75	325.16	-	812.91	1,138.07
<b>TOTAL</b>	<b>1,626.82</b>	<b>-</b>	<b>-</b>	<b>1,626.82</b>	<b>488.75</b>	<b>325.16</b>	<b>-</b>	<b>813.91</b>	<b>1,138.07</b>
Previous Year	1,626.82	-	-	1,626.82	163.58	325.16	-	488.75	1,138.07

\* Refer Note no Y (B) (11)

Note:-

- 1) Free hold Land includes ₹ 2.32 lacs being cost of shares in Baroda Industrial Development Corporation, Baroda, required to be compulsorily acquired by plot holders as part of purchase consideration, under an arrangement.
- 2) Last Year the Company has converted a part of Land as Stock-in-trade with a view to exploit it as part of its Real Estate Business. The conversion has been done at fair market value of ₹ 16692.52 Lacs for the land based on the report from approved valuer. The revaluation surplus has been credited to the Capital reserve account. Accordingly, the said land has been part of Work in process Real Estate and shown as reduction from fixed assets.
- 3) Certain godowns / premises which were earlier used for Company own operations have now been given on lease as the Company does not have immediate usage of these premises. These godowns / premises continue to be included in the fixed assets of the Company.

## NOTES TO FINANCIAL STATEMENTS

(₹ in Lacs)

	As at 31 <sup>st</sup> March, 2015	As at 31 <sup>st</sup> March, 2014
<b>J. NON-CURRENT INVESTMENTS :</b>		
<b><u>Long Term Investments - Others</u></b>		
<b><u>Investment in Subsidiary</u></b>		
<b>Equity Instruments Unquoted</b>		
• 50,000 equity shares of ₹ 10/- each fully paid up in AGI Developers Limited	5.00	5.00
• 10,00,000 equity shares of ₹ 1 each fully paid up in Quick Flight Limited	10.01	10.01
<b><u>Investment in Associates</u></b>		
<b>Equity Instruments Quoted</b>		
• 1,83,68,780 Equity Shares of ₹ 2/- each fully paid up in Alembic Pharmaceuticals Limited	1,395.76	1,395.76
• 3,67,37,560 Equity Shares of ₹ 2/- each fully paid up in Alembic Limited	665.32	665.32
• 2,37,369 Equity Shares of ₹ 10/- each fully paid up in Paushak Limited	94.15	94.15
<b>Equity Instruments Unquoted</b>		
• 1,638 Equity Shares of ₹ 100/- each fully paid up in Nirayu Pvt Limited	4.10	4.10
• 2,300 Equity shares of ₹ 10/- each fully paid up in Whitefield Chemtech Pvt Ltd.	0.02	0.02
• 250 equity shares of ₹ 100/- each fully paid up in Prima Crushing Pvt.Ltd.	0.25	0.25
Less : Provision for Diminution in value of Investments	(0.25)	(0.25)
• 12,500 equity shares of ₹ 10/- each fully paid up in Alembic Export Limited	1.25	1.25
• 12,61,700 equity shares of ₹ 10/- each fully paid up in Sierra Investments Limited	194.96	194.96
• 10,350 equity shares of ₹ 10/- each fully paid up in Purak Vinamay Ltd.	1.04	1.04
Less: Provision for Diminution in value of Investments	(1.04)	(1.04)
<b>Debentures Unquoted</b>		
• NIL (PY: 6,500) Optionally Fully Convertible Debentures of ₹ 100/- each fully paid up in Nirayu Pvt Limited	-	65.00
<b><u>Investment in Others</u></b>		
<b>Equity Instruments Quoted</b>		
• 148 Equity shares of ₹ 5/- each fully paid up in ONGC Limited	0.08	0.08
<b>Equity Instruments Unquoted</b>		
• 20 equity shares of ₹ 100/- each fully paid in Prakash Publication Limited	0.02	0.02
Less : Provision for Diminution in value of Investments	(0.02)	(0.02)
• 100 equity shares of ₹ 100/- each fully paid up in Alembic Employees Co.Op.Supply Soc.Ltd.	0.01	0.01
• 200 equity shares of ₹ 25/- each fully paid up in Cooperative Bank of Baroda Ltd	0.05	0.05
• 80,030 equity shares of ₹ 10/-each fully paid in Pragati Sahakari Bank Ltd	8.00	8.00
• 120 equity shares of ₹ 100/- each fully paid up in Gujarat Small Industries Corpn.Ltd	0.12	0.12
• 77 equity shares of ₹ 1000/- each fully paid up in Baroda Industrial Development Corpn.Ltd	0.77	0.77
	<b>2379.60</b>	<b>2444.60</b>
Aggregate book value of unquoted investments	1,620.05	1,685.05
Aggregate book value of quoted investments	759.55	759.55
Aggregate market value of quoted investments	96,855.52	59,036.21
Aggregate value of diminution in value of investments	1.31	1.31

## NOTES TO FINANCIAL STATEMENTS

(₹ in Lacs)

	As at 31 <sup>st</sup> March, 2015	As at 31 <sup>st</sup> March, 2014
<b>K. <u>LONG-TERM LOANS AND ADVANCES : ( UNSECURED, CONSIDERED GOOD)</u></b>		
a) Capital Advances - To Related Party	47.08	42.11
- To Others	100.00	135.00
b) Security Deposits	62.25	63.56
	<b>209.33</b>	<b>240.67</b>
<b>The details of Capital Advance given to Related party is as under:</b>		
<b>Name of Party</b>	<b>Relationship</b>	
Alembic Limited	Associate	
	47.08	42.11
<b>L. <u>INVENTORIES :</u></b>		
a) Raw Materials	605.23	590.86
b) Packing Materials	645.67	327.39
c) Stores & Spares	172.91	159.64
d) Work-in-Progress -Engineering	651.25	1,029.80
e) Stock in trade -Glassware	226.67	306.48
f) Finished goods	1,489.95	1,975.15
g) Real Estate - Stock in trade*	12,325.45	675.00
- Work-in-Progress	12,430.25	21,740.58
	<b>28,547.38</b>	<b>26,804.91</b>
<b>Finished Goods</b>		
Glassware	1,489.88	1,975.08
Others**	0.07	0.07
	<b>1,489.95</b>	<b>1,975.15</b>
* As per the option agreement dated 21 <sup>st</sup> June, 2013 between the Company and Investor, the Company has received a deposit of ₹ 850 lacs and has restricted its right to sale /develop/ transfer / mortgage / offer as security / encumber or create any right on land admeasuring 6070 sq.mtr (Book Value ₹ 675 lacs) located at Bangalore.		
** None of the items individually account for more than 10% of Total Value of Finished Goods.		
<b>M. <u>TRADE RECEIVABLES (UNSECURED):</u></b>		
<b>(a) Over Six months from the due date</b>		
Considered good		
From Others	86.56	134.11
Considered doubtful		
From Others	186.29	129.92
Less : Provision for doubtful debts	186.29	129.92
	<b>86.56</b>	<b>134.11</b>
<b>(b) Others</b>		
Considered good		
From Related party	152.45	152.11
From Others	370.87	1,050.40
	<b>609.88</b>	<b>1,336.62</b>



## NOTES TO FINANCIAL STATEMENTS

(₹ in Lacs)

	As at 31 <sup>st</sup> March, 2015	As at 31 <sup>st</sup> March, 2014
<b>The details of Trade Receivables from Related party is as under:</b>		
<b>Name of Party</b>	<b>Relationship</b>	
Alembic Limited	Associate	6.34
Alembic Pharmaceuticals Limited	Associate	83.79
Paushak Ltd.	Associate	61.98
	<b>152.45</b>	<b>152.11</b>
<b>N. CASH AND BANK BALANCES:</b>		
<b>Cash and Cash equivalents</b>		
(a) Balances with banks in Current Account	373.92	918.70
(b) Cash on hand	6.75	5.80
<b>Other Bank Balances</b>		
Deposits with bank Earmarked	12.38	11.49
	<b>393.05</b>	<b>935.98</b>
<b>O. SHORT-TERM LOANS AND ADVANCES (UNSECURED, CONSIDERED GOOD):</b>		
<b>a) Loans and advances to related parties:</b>		
Related Parties	-	38.83
<b>b) Others</b>		
1) Advance to Suppliers	1,895.66	1,418.32
2) Advance to Employees	7.28	5.74
3) Balance with Govt departments	735.61	386.73
4) Prepaid expenses	15.78	25.40
5) Deposit	1.74	2.80
6) Advance Income Tax (Net of Provision)	385.98	540.99
7) Others	87.80	2.10
	<b>3,129.85</b>	<b>2,420.90</b>
<b>The details of Loans &amp; Advances to related party is as under:</b>		
<b>Name of Party</b>	<b>Relationship</b>	
Sierra Investments Limited	Associate	38.83
	-	38.83
<b>P. OTHER CURRENT ASSETS:</b>		
Interest accrued but not due	0.61	0.17
	<b>0.61</b>	<b>0.17</b>

## NOTES TO FINANCIAL STATEMENTS

(₹ in Lacs)

	For the year ended on 31 <sup>st</sup> March, 2015	For the year ended on 31 <sup>st</sup> March, 2014
<b>Q. REVENUE FROM OPERATIONS :</b>		
<b>a) Sale of products</b>		
- Domestic	7,366.10	7,781.32
- Exports	1,472.27	384.57
	<u>8,838.37</u>	<u>8,165.89</u>
<b>Sale of products (Domestic)</b>		
Glassware		
- Manufactured	5,835.33	6,323.72
- Trading	96.86	250.46
Engineering goods	1,433.91	1,207.14
	<u>7,366.10</u>	<u>7,781.32</u>
<b>Sale of products (Export)</b>		
Glassware	126.43	80.36
Engineering goods	1,345.84	304.21
	<u>1,472.27</u>	<u>384.57</u>
<b>b) Revenue from Services</b>		
- Works Contracts	90.43	165.16
- Construction Revenue	3,730.09	4,895.58
- Chartering Revenue	302.51	203.00
	<u>4,123.03</u>	<u>5,263.74</u>
<b>c) Revenue from other Operation</b>		
- Rent	189.91	241.15
- Other Operating Income	100.43	103.80
- Export Incentives	6.38	0.31
	<u>296.72</u>	<u>345.26</u>
<b>Total (a + b +c)</b>	<u>13,258.11</u>	<u>13,774.89</u>
<b>R. OTHER INCOME :</b>		
Dividend	618.24	504.30
Interest	63.90	2.55
Rent	63.59	49.08
Exchange Gain (Net)	10.96	26.70
Profit on sales of assets (Net)	9.44	97.16
Other Non Operating Income	4.19	4.47
	<u>770.31</u>	<u>684.26</u>
<b>S. CONSTRUCTION EXPENSES:</b>		
<b>Expenses during the year</b>		
Land	-	16,692.52
Direct Construction Expenses	3,097.84	4,472.72
Administrative Expense	744.76	178.43
Advertisement and Publicity Expenses	388.50	98.48
Legal & Professional Expenses	600.38	384.01
	<u>4,831.49</u>	<u>21,826.16</u>

## NOTES TO FINANCIAL STATEMENTS

(₹ in Lacs)

	For the year ended on 31 <sup>st</sup> March, 2015	For the year ended on 31 <sup>st</sup> March, 2014
<b>Change in Inventory</b>		
Opening - Work-in-Progress	21,740.58	3,637.23
- Stock-in-trade	675.00	675.00
Less: Closing - Work-in-Progress	12,430.25	21,740.58
- Stock-in-trade	12,325.45	675.00
	<u>(2,340.12)</u>	<u>(18,103.35)</u>
	<u>2,491.37</u>	<u>3,722.81</u>
<b>T. <u>COST OF MATERIAL CONSUMED :</u></b>		
Inventory at the beginning of the year	590.86	715.43
Add : Purchases	1,624.18	1,736.49
	<u>2,215.05</u>	<u>2,451.92</u>
Less : Inventory at the end of the year	605.23	590.86
	<u>1,609.82</u>	<u>1,861.05</u>
<b><u>Details of Material Consumed</u></b>		
<b>Glass Division</b>		
- Soda Ash	291.18	377.94
- Lime Powder	25.55	36.21
- Quartz Sand	109.16	152.85
- Others*	140.13	164.47
TOTAL	<u>566.02</u>	<u>731.48</u>
<b>Engineering Division</b>		
- Iron & Steel Casting, Plates, Rods, etc.	400.16	553.07
- Others*	643.64	576.50
TOTAL	<u>1,043.80</u>	<u>1,129.58</u>
	<u>1,609.82</u>	<u>1,861.05</u>
*None of the items individually account for more than 10% of total consumption		
<b>U. <u>CHANGES IN INVENTORIES OF FINISHED GOODS, WORK IN PROGRESS :</u></b>		
Inventory at the beginning of the year		
Work in Process	1,029.80	533.43
Finished Goods	2,281.63	2,550.07
	<u>(a) 3,311.43</u>	<u>3,083.50</u>
Inventory at the end of the year		
Work in Process	651.25	1,029.80
Finished Goods	1,716.62	2,281.63
	<u>(b) 2,367.86</u>	<u>3,311.43</u>
	<u>(a-b) 943.57</u>	<u>(227.93)</u>
Add: Excise Duty Payable on Finished Goods:		
Opening Stock	198.64	203.91
Closing Stock	165.75	198.64
	<u>(32.89)</u>	<u>(5.27)</u>
	<u>910.68</u>	<u>(233.20)</u>



## ACCOMPANYING NOTES TO THE FINANCIAL STATEMENTS

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### NOTE NO. Y

#### A) SIGNIFICANT ACCOUNTING POLICIES

a) Basis of Preparation of Financial Statements:

The financial statements are prepared under the historical cost convention in accordance with the generally accepted accounting principles in India. The applicable mandatory Accounting Standards specified under Section 133 of the Companies Act, 2013 read with Rule 7 of the Companies (Accounts) Rule, 2014 of India have been followed in preparation of these financial statements.

b) Use of Estimates:

The preparation of financial statements requires the management to make estimates and assumptions that affect the reported amount of assets and liabilities and disclosure of contingent liabilities as at the date of the financial statements and the reported amount of revenues and expenses during the reporting period. Management believes that these estimates and assumptions are reasonable and prudent. However, actual results could differ from estimates. Differences between the actual results and the estimates are recognised in the period in which the same are known/materialised.

c) Revenue recognition:

i) Sales and Services

Revenue from sale of goods and services is recognised when the significant risks and rewards in respect of ownership of products are transferred to the buyer by the Company inclusive of Excise duty net of VAT/ Sales Tax/Service Tax. In case of Aviation business Operating Income is recognised on flow basis i.e. when the service is rendered.

ii) Revenue from Real Estate Projects is recognized based on sold areas as per the percentage completion method. The stage of completion is determined as per the proportion of the cost of construction and development actually incurred till reporting date and the total estimated cost of construction and development of the project. The total estimated cost of the project are estimated based on the technical and other estimated of saleable areas, costs, etc. The estimated costs are revised periodically by the management. The effect of such changes to estimates is recognized in the period when such changes are determined

iii) Interest Income

Interest on investments is booked on a time proportion basis taking into account the amounts invested and the rate of interest.

iv) Dividend Income

Dividend income is recognised when the right to receive payment is established.

v) Export Incentive

Export incentives are accrued in the year when the right to receive credit is established in respect of exports made and are accounted to the extent there is no significant uncertainty about the measurability and ultimate realization/ utilization of such benefits/ duty credit.

vi) Other Income

Other income is recognized on accrual basis except when realisation of such income is uncertain.

vii) Insurance and other claims are recognised only when it is reasonably certain that the ultimate collection will be made.

d) Fixed Assets:

Fixed Assets are stated at cost, net of tax/duty credit, if any, after reducing accumulated depreciation until the date of the Balance Sheet. Direct cost are capitalised until the asset are ready for use and include financial cost relating to any borrowing attributable to acquisition.

In respect of Glass Furnaces, the original cost is capitalised in the year of installation and relining expenditure incurred for such furnaces are thereafter not capitalised. However cost incurred for rebuilding /reconstruction of such furnaces are capitalised as and when they are incurred.

Capital work in progress includes the cost of fixed assets that are not yet ready for the intended use and the cost of assets not put to use before the Balance Sheet date.

e) Depreciation:

The Company has provided depreciation on Plant and Machinery other than Furnaces on straight line method basis and written down value method for all other Assets and Furnaces over the useful life of the fixed assets prescribed under Part C of Schedule II to the Companies Act, 2013. Depreciation on additions to the Fixed Assets is provided on pro-rata basis from the succeeding month in which the asset is put to use.

## ACCOMPANYING NOTES TO THE FINANCIAL STATEMENTS

f) Intangible Assets and Amortisation:

Intangible assets are recognized only if it is probable that future economic benefits that are attributable to the assets will flow to the enterprise and the cost of assets can be measured reliably. The intangible assets are recorded at cost and are carried at cost less accumulated amortization and accumulated impairment losses, if any. Intangible assets are amortized over the estimated period of benefit, not exceeding ten years.

g) Impairment of assets:

The company assesses at each Balance Sheet date whether there is any indication that an asset may be impaired. If any such indication exists, the company estimates the recoverable amount of the asset. If such recoverable amount of the asset or the recoverable amount of the cash generating unit to which the asset belongs is less than its carrying amount, the carrying amount is reduced to its recoverable amount. The reduction is treated as an impairment loss and is recognized in the Statement of Profit & Loss. If at the Balance Sheet date, there is an indication that if a previously assessed impairment loss no longer exists, the recoverable amount is reassessed and the asset is reflected at the recoverable amount.

h) Foreign Currency Transactions :

Foreign currency transactions are recorded at the rate of exchange prevailing on the date of the transactions. At the year end, all the monetary assets and liabilities denominated in foreign currency are restated at the closing exchange rates. Exchange differences resulting from the settlement of such transactions and from the translation of such monetary assets and liabilities are recognised in the Statement of Profit and Loss.

i) Inventories:

Inventories are valued at cost or net realizable value, whichever is lower. The basis of determining cost for various categories of inventories is as follows:

Inventories	Cost Formula
Raw Materials (including boughtout components)	At Weighted Average Cost
Stores, Spares and Packing Materials	At Weighted Average Cost
Work in Progress	At cost plus appropriate share of labour and manufacturing overheads
Finished Goods	At cost plus appropriate share of labour, manufacturing overheads and Excise duty thereon
Stock in trade	Glass - At landed cost Real Estate – At fair market value on the date of conversion
Construction work in progress	Construction work in progress includes value of land, constructions costs and other overheads

j) Investments:

Investments are either classified as current or long term based on the management contention at the time of purchase. Long term investments are shown at cost. However, when there is decline, other than temporary in the value of long term investment, the carrying amount is reduced to recognise the decline. Current investments are stated at lower of cost or market value.

k) Employee benefits:

a. Post-employment benefits

i) Defined Contribution plan

The Company's contribution to defined contribution plan paid/payable for the year is charged to Statement of Profit and Loss.

ii) Defined Benefit plan

The company's liabilities towards defined benefit schemes are determined using the Projected Unit Credit Method. Actuarial valuations under the Projected Unit Credit Method are carried out at the balance sheet date. Actuarial gains and losses are recognised in the Statement of Profit and Loss in the period of occurrence of such gains and losses. Past service cost is recognised immediately to the extent that the benefits are already vested and otherwise it is amortised on straight-line basis over the remaining average period until the benefits become vested.

The retirement benefit obligation recognised in the balance sheet represents the present value of the defined benefit obligation as reduced by the plan assets.

## ACCOMPANYING NOTES TO THE FINANCIAL STATEMENTS

- b. Short-term employee benefits  
Short-term employee benefits expected to be paid in exchange for the services rendered by employees are recognised undiscounted during the period employee renders services. These benefits include salary, wages, bonus and performance incentives etc.
- c. Long term employee benefits  
Compensated absences which are not expected to occur within twelve months after the end of the period in which the employee renders the related services are recognized as an actuarially determined liability at present value of the defined benefit obligation at the balance sheet date.
- l) Leases:  
Assets acquired on leases where a significant portion of the risks and rewards of ownership are retained by the lessor are classified as operating leases. Lease rentals are charged to the Statement of Profit and Loss on accrual basis. Assets leased out under operating leases are capitalized. Rental income is recognized on accrual basis over the lease term.
- m) Taxes on Income:  
The provision for taxation is ascertained on the basis of assessable profits computed in accordance with the provisions of the Income-tax Act, 1961.  
Deferred tax assets and liabilities are recognized on timing differences, being the difference between taxable income and accounting income, that originate in one period and are capable of reversal in one or more subsequent periods using tax rates that have been enacted or substantively enacted at the Balance Sheet date. Deferred tax assets, other than on unabsorbed depreciation and carried forward losses, are recognised only if there is reasonable certainty that they will be realised in the future. Deferred tax assets in respect of unabsorbed depreciation and carry forward losses are recognized if there is virtual certainty that there will be sufficient future taxable income available to realize such losses. Deferred Tax assets are reviewed at each Balance Sheet date for their realisability.
- n) Provisions, Contingent Liabilities and Contingent Assets:  
The Company recognizes a provision when there is a present obligation as a result of a past event that probably requires an outflow of resources and a reliable estimate can be made of the amount of the obligation. A disclosure for a contingent liability is made when there is a possible obligation or a present obligation that may, but probably will not, require an outflow of resources. Where there is a possible obligation or a present obligation that the likelihood of outflow of resources is remote, no provision or disclosure is made. Contingent Assets are neither recognised nor disclosed.
- o) Borrowing Costs:  
Borrowing costs that are attributable to the acquisition, construction or production of qualifying assets are capitalized as part of such assets. A qualifying asset is an asset that necessarily takes a substantial period of time to get ready for its intended use. All other borrowing costs are recognized as expense in the period in which they are incurred.

### B) NOTES TO ACCOUNTS

- Estimated amount of contract remaining to be executed and not provided for (Net of Advances) is ₹ **258.65 Lacs** (P.Y. ₹ 212.97 lacs).
- Contingent Liabilities not provided in respect of:

(₹ in Lacs)

Particulars	As at 31 <sup>st</sup> March, 2015	As at 31 <sup>st</sup> March, 2014
Custom Duty (Aviation Undertaking)	1757.38	1757.38
Sales Tax Demand in appeal	-	6.44
Income Tax	331.54	143.75
Arrears of Dividend on 9% 12,00,000 Cumulative Redeemable Non-Convertible Preference Shares of ₹ 100/- each.	810.30	702.30
Arrears of Dividend on 1% 45,04,152 Cumulative Optionally-Convertible Preference Shares of ₹ 400/- each.	12.88	-
Bank Guarantees and Letter of Credit	112.91	123.81
Claims against the company not acknowledged as debt.	5,329.22	4,594.53
Claims against company for matter relating to labour*	Amount not ascertainable	-

\* In the above matter, the company is hopeful of succeeding and as such does not expect any significant liability to crystallise.

## ACCOMPANYING NOTES TO THE FINANCIAL STATEMENTS

## 3. Segment Reporting:

The primary information as required under Accounting Standards -17 are given as per **Annexure-A**.

4. The Company is in the process of identifying the supplier, if any, covered under the Micro and Small enterprise as defined under Micro, Small and Medium Enterprise Development Act, 2006. Due to non-availability of data, the details required have not been furnished.

5. The Company has Co-Ownership Agreement for Aircraft with Alembic Pharmaceuticals Limited which hold 50% undivided interest.

The Aircraft usage expenses have been distributed with the Co-owner as decided in the Master Services Agreement. The Earning & Fixed cost has been shared by co- owner in the ratio of ownership. The annual fixed costs of operation of the Aircraft as well as reimbursed fixed expenses are credited to respective expense.

## 6. Employee Benefits:

## (i) Defined contribution plans

Company has recognised an amount of ₹ **106.25 Lacs** (P.Y ₹ 99.12 lacs) as expenses under the defined contribution plan in the Statement of Profit & Loss for the year ended 31<sup>st</sup> March, 2015.

## (ii) Defined benefit plan

Company recognises the liability towards the gratuity at each Balance Sheet date.

The Company makes annual contributions to the Employees' Group Gratuity of the LIC, a funded defined benefit plan for employees of the Company. The scheme provides for payment to vested employees as under:

## a) On Normal retirement/ early retirement/ withdrawal/resignation:

As per the provisions of Payment of Gratuity Act, 1972 with vesting period of 5 years of service.

## b) On death in service:

As per the provisions of Payment of Gratuity Act, 1972 without any vesting period.

The most recent actuarial valuation of plan assets and the present value of the defined benefit obligation for gratuity and leave encashment were carried out at 31<sup>st</sup> March, 2015 by an actuary. The present value of the defined benefit obligations and the related current service cost and past service cost, were measured using the Projected Unit Credit Method, which recognises each period of service as giving rise to additional unit of benefit entitlement and measures each unit separately to build up the final obligation.

The following table sets out the status of the gratuity plan and the amounts recognised in the Company's financial statements as at 31<sup>st</sup> March, 2015:

(₹ in lacs)

Sr. No	Particulars	Gratuity Funded	
		As on 31 <sup>st</sup> March, 2015	As on 31 <sup>st</sup> March, 2014
<b>I</b>	<b><u>Reconciliation in present value of obligations (PVO) – defined benefit obligation :</u></b>		
	PVO at the beginning of the year	<b>430.70</b>	417.87
	Current Service Cost	<b>29.33</b>	26.88
	Interest Cost	<b>37.23</b>	31.61
	Actuarial (gain) / losses	<b>45.77</b>	9.71
	Benefits paid	<b>145.78</b>	55.36
	PVO at end of the year	<b>397.24</b>	430.70
<b>II</b>	<b><u>Change in fair value of plan assets :</u></b>		
	Expected return on plan assets	<b>35.94</b>	32.76
	Expenses Deducted from Fund	<b>3.91</b>	-
	Actuarial gain/(losses)	<b>7.30</b>	1.11
	Contributions by the employer	<b>38.72</b>	72.01
	Benefits paid	<b>145.78</b>	55.36
	Fair value of plan assets at beginning of the year	<b>394.15</b>	345.86
	Fair value of plan assets at end of the year	<b>311.82</b>	394.15



## ACCOMPANYING NOTES TO THE FINANCIAL STATEMENTS

(₹ in lacs)

Sr. No	Particulars	Gratuity Funded	
		As on 31 <sup>st</sup> March, 2015	As on 31 <sup>st</sup> March, 2014
<b>III</b>	<b><u>Reconciliation of PVO and fair value of plan assets:</u></b>		
	PVO at end of period	397.24	430.70
	Fair Value of planned assets at end of year	311.82	394.15
	Unrecognised actuarial gain/ (loss)	-	-
	Funded status	(85.42)	(36.55)
	Net asset/ (liability) recognised in the balance sheet	(85.42)	(36.55)
<b>IV</b>	<b><u>Net cost for the year ended:</u></b>		
	Current Service cost	29.33	26.88
	Interest cost	37.23	31.61
	Expected return on plan assets	35.94	32.76
	Actuarial (gain) / losses	53.07	10.82
	Expenses Deducted from Fund	3.91	-
	Net cost	87.59	36.55
<b>V</b>	<b><u>Category of assets as at:</u></b>		
	Insurer Managed Funds (100%)	100%	100%
<b>VI</b>	<b><u>Actual return on the plan assets:</u></b>	28.65	31.65
<b>VII</b>	<b><u>Assumption used in accounting for the gratuity plan:</u></b>		
	Discount rate (%)	7.80%	9.10%
	Salary escalation rate (%)	4.75%	4.75%
	Expected rate of return on plan assets	8.00%	9.25%

**Experience Adjustment:**

(₹ in Lacs)

Particulars	2014-15	2013-14	2012-13	2011-12	2010-11
On Plan Liabilities	16.14	15.57	40.74	18.95	*
On Plan Assets	7.29	1.11	0.35	2.64	*

\*In absence of availability, relevant information on the experience adjustment on plan liabilities and on plan assets has not been furnished above.

7. Basic and diluted earnings per share (EPS) is calculated as under:

(₹ In Lacs)

Particulars	Year Ended 31 <sup>st</sup> March, 2015	Year Ended 31 <sup>st</sup> March, 2014
Profit/ (Loss) after tax	507.91	(285.08)
Less: Adjustment for Preference Shares Dividend & tax there on	129.59	126.35
Profit/ (Loss) attributable to Equity Shareholders	378.32	(411.43)
Weighted average number of Equity Shares	4504152	4504152
Weighted average number of Equity shares (Diluted)	4939944	4504152
Basic EPS (In ₹)	8.40	(9.13)
Diluted EPS (In ₹) (Face value per share ₹ 100/- each)	7.67	(9.13)

## ACCOMPANYING NOTES TO THE FINANCIAL STATEMENTS

## 8. Related Party Disclosures:

Disclosures as required by Accounting Standard -18 are given below:

Name of Related Parties	Nature of Relationship
1. AGI Developers Ltd.	Subsidiary
2. Quick Flight Ltd.	Subsidiary
3. Alembic Pharmaceuticals Ltd.	Associate
4. Alembic Ltd.	Associate
5. Paushak Ltd.	Associate
6. Nirayu Private Ltd.	Associate
7. Viramya Packlight Ltd.	Associate
8. Sierra Investments Ltd.	Associate
9. Rakshak Services Pvt. Ltd.	Associate
10. Mr C.R. Amin	Key Management Personnel
11. Mrs M.C. Amin	Key Management Personnel
12. Ms Y. R. Amin	Key Management Personnel
13. Mr Nitin Bhave	Key Management Personnel
14. Mr S. C. Amin	Relative of Key Management Personnel
15. Mrs Shreya Mukherjee	Relative of Key Management Personnel

(₹ in Lacs)

Nature of Transaction Name of Related Party	2014-15				2013-14			
	Subsidiary	Associate	KMP	R. KMP	Subsidiary	Associate	KMP	R. KMP
<b>Purchase of Goods</b>								
Alembic Limited		300.91				328.82		
Sierra Investments Limited		285.91				289.89		
Others	13.44	10.23			8.55			
<b>Sale of Goods</b>								
Alembic Limited		5.81				661.54		
Alembic Pharmaceuticals Ltd.		615.38				224.14		
Paushak Limited		177.71				132.58		
<b>Sale of Fixed Asset</b>								
Alembic Pharmaceuticals Ltd.						42.33		
<b>Rendering of Services</b>								
Alembic Pharmaceuticals Ltd.		737.09				735.23		
Others		24.90		6.00		2.40		
<b>Receiving of Services</b>								
Rakshak Services Private Ltd.		75.91				74.01		
Sierra Investments Limited		490.36				291.19		
Others		3.90	6.00	8.99		2.81	6.00	7.49
<b>Interest Paid</b>								
Alembic Limited						128.85		
Others						6.44		
<b>Interest Received</b>								
Nirayu Private Limited		0.65				1.95		

## ACCOMPANYING NOTES TO THE FINANCIAL STATEMENTS

(₹ in Lacs)

Nature of Transaction Name of Related Party	2014-15				2013-14			
	Subsidiary	Associate	KMP	R. KMP	Subsidiary	Associate	KMP	R. KMP
<b>Dividend Received</b>								
Alembic Pharmaceuticals Ltd.		551.06				459.22		
Others		62.23				43.86		
<b>Advance Given for Capital Asset</b>								
Alembic Limited		4.97				42.11		
<b>Deposit Taken</b>								
Alembic Limited						4,107.50		
Paushak Limited						1,050.00		
<b>Repayment of Deposit Taken</b>								
Alembic Limited						4,107.50		
Paushak Limited						200.00		
Others						15.00		
<b>Repayment of Deposit Given</b>								
Quick Flight Limited					68.73			
<b>Managerial Remuneration</b>								
Mr. Nitin Bhawe			105.04				99.10	
Others			2.02				0.47	
<b>Balance Receivable / Advance Given</b>								
Alembic Pharmaceuticals Ltd.		150.58				84.14		
Alembic Limited		47.69				48.10		
Paushak Limited		1.27				61.97		
Sierra Investments Limited		-				38.84		
Others		-						
<b>Balance Payable / Advance Taken</b>								
Alembic Limited		240.02				95.53		
Alembic Pharmaceuticals Ltd.		10.23				232.58		
Sierra Investments Limited		72.43				37.32		
Paushak Limited		850.00				850.00		
Others	11.03	7.76			0.66	6.50		

#### 9. Accounting Standard (AS-19) on Operating Leases

- (a) The Company has given certain premises under operating lease on leave and license agreement. These are generally not non-cancellable and range between eleven months to three years under leave and license and are renewable by mutual consent on mutually agreeable terms. The Company has obtained refundable interest free security deposits in accordance with the agreed terms. Rent Income is recognized in the Statement of Profit and Losses as "Rent Income" under Note –Q and R.
- (b) Lease Payments are recognized in the Statement of Profit and Loss as "Rent" under Note -W.

## ACCOMPANYING NOTES TO THE FINANCIAL STATEMENTS

## 10. Additional Details

- a) Traded goods consist of Glassware items.  
 b) Value of Imported and Indigenous consumption:

## i) Consumption of Raw Material:

(₹ in Lacs)

Particulars	2014-15		2013-14	
	Imported	2.35%	37.53	5.18%
Indigenous	97.65%	1,572.29	94.82%	1,764.66
<b>TOTAL</b>	<b>100.00%</b>	<b>1,609.82</b>	<b>100.00%</b>	<b>1,861.05</b>

## ii) Consumption of Stores and Spares:

(₹ in Lacs)

Particulars	2014-15		2013-14	
	Imported	0.42%	0.97	3.00%
Indigenous	99.58%	228.66	97.00%	242.39
<b>TOTAL</b>	<b>100.00%</b>	<b>229.63</b>	<b>100.00%</b>	<b>249.89</b>

## c) CIF Value of Imports:

(₹ in Lacs)

Particulars	2014-15	2013-14
Raw Materials	58.24	82.52
Consumables, Stores and Spares	1.20	4.99
Capital Goods	-	99.49
<b>TOTAL</b>	<b>59.44</b>	<b>187.00</b>

## d) Expenditure in Foreign currencies on account of:

(₹ in Lacs)

Particulars	2014-15	2013-14
Travelling	-	23.47
Technical Fees	69.64	1.62
Legal & Professional fees	71.05	70.72
Repairs & Maintenance	42.22	190.51
Exhibition	13.53	18.21
Others	-	45.61
<b>TOTAL</b>	<b>196.44</b>	<b>350.14</b>

## e) Earnings in Foreign currencies on account of:

(₹ in Lacs)

Particulars	2014-15	2013-14
FOB value of Exports	1455.99	315.95
Settlement claim Received	-	77.75
<b>TOTAL</b>	<b>1455.99</b>	<b>393.70</b>

## ACCOMPANYING NOTES TO THE FINANCIAL STATEMENTS

- f) Remittance in foreign currency on account of dividend:

The Company has paid dividend in respect of shares held by Non-Residents as follows.

Particulars	2014-15	2013-14
i) Number of Non Resident Shareholders	-	1
ii) Number of Preference Shares held by them	-	7,00,000
iii) Amount of Dividend Paid (₹ in Lacs)	-	245.00
iv) Year to which dividend relates	-	2008-14

11. Consequent to the enactment of the Companies Act, 2013 (the Act) and its applicability for accounting periods commencing from 1st April 2014, the Company has reassessed the remaining useful life of fixed assets in accordance with the provisions prescribed under Schedule II to the Act. In case of assets which have completed their useful life, the carrying value (net of residual value) as at 1st April 2014 amounting to ₹ 23.84 lacs has been adjusted to retained earnings and in case of other assets the carrying value (net of residual value) is being depreciated over the revised remaining useful life. The depreciation and amortisation expense charge to the statement of profit and loss for the year ended 31st March, 2015 would have been higher by ₹ 13.69 lacs had the Company continued with the previous assessment of useful life of such assets.
12. The value of realisation of Current Assets other than Fixed Assets and Non-current investments in the ordinary course of business will not be less than the value at which they are stated in the Balance Sheet.
13. The balances of Trade Receivable and Trade Payable are subject to confirmation, reconciliation and consequential adjustments, if any.
14. Additional Information pursuant to Provision of Paragraph 5 of Part II of Schedule III to the Companies Act, 2013 has been furnished to the extent applicable in view of the nature of business of the Company.
15. The company has net deferred tax assets on account of unabsorbed depreciation and business losses. In the absence of virtual certainty and convincing evidence of sufficient future taxable income, net deferred tax asset as at 31<sup>st</sup> March, 2015 is not recognised.
16. Previous year figures are regrouped, reclassified and rearranged wherever necessary.

As per our report of even date attached

**For K. C. Mehta & Co.**

Chartered Accountants

**Vishal P. Doshi**

Partner

Membership No. 101533

Vadodara

Date : 11<sup>th</sup> May, 2015

For and on behalf of Board

**Chirayu Amin**

Chairman

**Malika Amin**

**C. R. Mukherjee**

**Mayur Jadeja**

Director

**Nitin Bhawe**

Whole-time Director

**Nilesh Mistry**

CFO

**Manisha Kathed**

Company Secretary

Vadodara

Date : 11<sup>th</sup> May, 2015

## ACCOMPANYING NOTES TO THE FINANCIAL STATEMENTS

ANNEXURE A  
Segment Reporting

PARTICULARS	GLASS		ENGINEERING		REAL ESTATE		AVIATION		TOTAL	
	Mar-15	Mar-14	Mar-15	Mar-14	Mar-15	Mar-14	Mar-15	Mar-14	Mar-15	Mar-14
	(₹ in Lacs)									
<b>Revenue</b>										
Revenue from Operations	6,135.52	6,748.79	2,899.22	1,652.11	3,920.86	5,170.98	302.51	203.00	13,258.11	13,774.89
Less: Excise Duty	646.46	639.04	117.00	117.77	-	-	-	-	763.46	756.81
Sales Net	5,489.06	6,109.75	2,782.22	1,534.34	3,920.86	5,170.98	302.51	203.00	12,494.65	13,018.08
Other Income	14.43	12.62	22.29	36.49	66.11	129.10	0.34	0.08	103.17	178.29
Unallocated Other Income	-	-	-	-	-	-	-	-	667.14	505.97
Total Revenue	5,503.49	6,122.37	2,804.51	1,570.82	3,986.98	5,300.09	302.85	203.08	13,264.96	13,702.34
<b>Result</b>										
Segment Result (Profit/(Loss) before tax, interest & Non-recurring Expenses)	(158.82)	(638.29)	493.90	161.26	1,386.49	1,481.53	(115.41)	(5.23)	1,606.06	999.28
Less:										
Financial Cost	679.55	727.67	98.02	128.46	0.08	155.62	4.26	1.58	781.92	1,013.32
Depreciation	128.77	224.83	163.90	87.65	113.18	118.55	346.98	308.72	752.83	739.74
Less:										
Tax Expense									3.01	2.67
Unallocated Expenses									227.53	34.59
Add:										
Unallocated Income									667.14	505.97
<b>Net Profit/ Loss</b>	<b>(967.14)</b>	<b>(1,590.78)</b>	<b>231.88</b>	<b>(54.84)</b>	<b>1,273.23</b>	<b>1,207.37</b>	<b>(466.65)</b>	<b>(315.53)</b>	<b>507.91</b>	<b>(285.08)</b>
<b>Other Information</b>										
Segment Asset	6,563.59	6,996.68	2,463.91	3,230.72	30,075.98	27,163.81	1,834.84	2,374.97	40,938.32	39,766.18
Segment Liabilities	3,637.17	2,290.47	862.60	1,424.45	4,004.78	2,508.26	126.03	239.85	8,630.58	6,463.02
Unallocable Assets									2,871.79	3,023.90
Unallocable Liabilities									7,259.28	9,791.70
Total Capital Employed	2,926.42	4,706.22	1,601.31	1,806.27	26,071.21	24,655.56	1,708.81	2,135.12	27,920.25	26,535.36
Capital Expenditure	568.57	17.83	1.27	177.14	1.72	22.69	-	303.58	571.56	521.24
Non Cash Expenses (Other than Depreciation)	52.31	4.46	11.41	0.84	0.01	0.35	23.38	-	87.11	5.65

## INDEPENDENT AUDITORS' REPORT ON THE CONSOLIDATED FINANCIAL STATEMENTS

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### To the Members of Shreno Limited

#### Report on the Consolidated Financial Statements

We have audited the accompanying consolidated financial statements of **SHRENO LIMITED** ("the Holding Company") and its subsidiaries (the Holding company and its subsidiaries together referred to as "the Group"), and its Associates, comprising of the Consolidated Balance Sheet as at 31st March 2015, the Consolidated Statement of Profit and Loss, the Consolidated Cash Flow Statement for the year then ended, and a summary of the significant accounting policies and other explanatory information (hereinafter referred to as "the consolidated financial statements").

#### Management's Responsibility for the Consolidated Financial Statements

The Holding Company's Board of Directors is responsible for the preparation of these consolidated financial statements in terms of the requirements of the Companies Act, 2013 (hereinafter referred to as "the Act") that give a true and fair view of the consolidated financial position, consolidated financial performance and consolidated cash flows of the Group including its Associates in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014. The respective Board of Directors of the Companies included in the Group are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Group and for preventing and detecting frauds and other irregularities; the selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the consolidated financial statements by the Directors of the Holding Company, as aforesaid.

#### Auditor's Responsibility

Our responsibility is to express an opinion on these consolidated financial statements based on our audit.

We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder.

We conducted our audit in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Holding Company's preparation of the consolidated financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on whether the Holding Company has in place an adequate internal financial controls system over financial reporting and the operating effectiveness of such controls. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Holding Company's Board of Directors, as well as evaluating the overall presentation of the consolidated financial statements.

We believe that the audit evidence obtained by us and the audit evidence obtained by the other auditors in terms of their reports referred to in the Other Matters paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on the consolidated financial statements.

#### Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid consolidated financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the consolidated state of affairs of the Group and its Associates as at 31<sup>st</sup> March, 2015, and their consolidated profit and their consolidated cash flows for the year ended on that date.

## INDEPENDENT AUDITORS' REPORT ON THE CONSOLIDATED FINANCIAL STATEMENTS

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### Other Matters

We did not audit the financial statements/financial information of one subsidiary, whose financial statements reflect total assets of ₹ 208.98 lacs as at 31<sup>st</sup> March, 2015 and total revenue of ₹ 376.77 lacs and net cash flows amounting to of ₹ 6.93 lacs for the year ended on that date, as considered in the consolidated financial statements.

The consolidated financial statements also include the Group's share of net profit of ₹ 293.60 lacs for the year ended 31<sup>st</sup> March, 2015 as considered in the consolidated financial statements, in respect of two associates, whose financial statements/financial information have not been audited by us.

The above financials statements/financial information have been audited by other auditors whose reports have been furnished to us by the Management and our opinion on the consolidated financial statements, in so far as it relates to the amounts and disclosures included in respect of such subsidiary and associates, and our report in terms of sub-sections (3) and (11) of Section 143 of the Act, in so far as it relates to the aforesaid subsidiary and associates, is based solely on the reports of the other auditors.

Our opinion on the consolidated financial statements, and our report on Other Legal and Regulatory Requirements below, is not modified in respect of the above matters with respect to our reliance on the work done and the reports of the other auditors.

### Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2015 ("the Order") issued by the Central Government of India in terms of sub-section (11) of Section 143 of the Act, based on the comments in the auditors' reports of the Holding Company, subsidiary companies and associates incorporated in India, we give in the Annexure a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.
2. As required by section 143(3) of the Act, based on our audit and on the consideration of report of the other auditors on separate financial statements of subsidiary companies and two associates, as noted in the "Other Matters" paragraph, we report that:
  - a. we have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit of the aforesaid consolidated financial statements;
  - b. in our opinion, proper books of account as required by law relating to preparation of the aforesaid consolidated financial statements have been kept so far as it appears from our examination of those books and the reports of the other auditors;
  - c. the Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss, and the Consolidated Cash Flow Statement dealt with by this Report are in agreement with the relevant books of account maintained for the purpose of preparation of the consolidated financial statements;
  - d. in our opinion, the aforesaid consolidated financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014;
  - e. On the basis of the written representations received from the directors of the Holding Company as on 31<sup>st</sup> March, 2015 taken on record by the Board of Directors of the Holding Company and the reports of the other statutory auditors of its subsidiary companies and associate companies, incorporated in India, none of the Directors of the Group's companies and its associate companies incorporated in India, is disqualified as on 31<sup>st</sup> March, 2015 from being appointed as a director in terms of Section 164 (2) of the Act.
  - f. With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
    - i. The consolidated financial statements disclose the impact of pending litigations on consolidated financial position of the Group and its associates – Refer Note Z(B)(2) to the consolidated financial statements;
    - ii. The consolidated financial statements did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses;



## INDEPENDENT AUDITORS' REPORT ON THE CONSOLIDATED FINANCIAL STATEMENTS

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- iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Holding Company, its subsidiary companies and associates.

**For K. C. Mehta & Co.**  
**Chartered Accountants**  
**Firm's Registration No. 106237W**

**Vishal P. Doshi**  
**Partner**  
**Membership No. 101533**

**Place: Vadodara**

**Date: 11<sup>th</sup> May, 2015**

### ANNEXURE TO THE INDEPENDENT AUDITORS' REPORT

(The annexure referred to in our report on the consolidated financial statements of SHRENO LIMITED ("the Holding Company") for the year ended 31<sup>st</sup> March, 2015.

As stated in Para 1 under "Report on Other Legal and Regulatory Requirements" in our Auditors' report of even date, the following statement is based on the comments in the Auditors' reports on the standalone financial statements of the Holding Company, subsidiary companies and associates.

- i. (a) The Holding Company, its subsidiary companies and associates, except one subsidiary company and an associate to whom the provisions of clause (i) of the Order are not applicable, have maintained proper records showing full particulars, including quantitative details and situation of fixed assets. However, in case of Holding Company item wise value in respect of assets other than land, buildings and vehicles acquired prior to 1968 are not available.
- (b) The Holding Company, its subsidiary companies and associates, except one subsidiary company and an associate which does not have any fixed assets, have a regular program of physical verification of fixed assets which, in our opinion and opinion of the other auditors, is reasonable. The assets which were to be covered as per the said program have been physically verified by the Management of the respective companies during the year. According to the information and explanations given to us and the other auditors, no material discrepancies were noticed on such verification.
- ii. (a) The inventory of the Holding Company, its subsidiary companies and associates have been physically verified by the Management of the respective companies during the year except one subsidiary company and an associate to whom the provisions of clause (ii) of the Order are not applicable. In our opinion and opinion of the other auditors, the frequency of verification is reasonable.
- (b) In our opinion and opinion of the other auditors and according to the information and explanations given to us and the other auditors, the procedures of physical verification of inventories followed by the Management of the respective companies are reasonable and adequate in relation to the size of the respective company and the nature of its business.
- (c) In our opinion and opinion of the other auditors, the Holding Company, its subsidiary companies and associates are maintaining proper records of inventory. The discrepancies noticed on verification between the physical stock and the book records were not material.
- iii. In our opinion and opinion of the other auditors and according to the information and explanations given to us and the other auditors, the Holding Company, its subsidiary companies and associates have not granted any loans, secured or unsecured to companies, firms or other parties covered in the register maintained under section 189 of the Companies Act, 2013 except one associate has granted interest free unsecured loan to companies covered in the register maintained under section 189 of the Companies Act, 2013.
- (a) As per the opinion of the other auditor and according to the information and explanations given to other auditor, the terms and conditions of the loan granted do not involve repayment of principal and interest and therefore; the provisions of clause (iii) (a) of the Order are not applicable to the Company.

## INDEPENDENT AUDITORS' REPORT

- (b) As per the opinion of the other auditor and according to the information and explanation given to other auditor, the loans granted by the Company are repayable on demand and therefore the question of overdue amount does not arise.
- iv. In our opinion and the opinion of the other auditors and according to the information and explanations given to us and the other auditors, there is an adequate internal control system in the Holding Company, its subsidiary companies and associates, commensurate with the size of the respective companies and the nature of their business with regard to purchase of inventories and fixed assets and sale of goods and services. Further on the basis of our examination and according to the information and explanations given to us, we have neither come across nor have been informed of any instance of major weaknesses in the aforesaid internal control system.
- v. In our opinion and opinion of the other auditors and according to the information and explanations given to us and the other auditors, the Holding Company, its subsidiary companies and associates have not accepted any deposits during the year from the public within the meaning of provisions of section 73 to 76 of the Companies Act, 2013 and the rules framed thereunder and therefore, the provisions of clause (v) of the Order are not applicable to the Holding Company, its subsidiary companies and associates.
- vi. We have broadly reviewed the books of account maintained by the Holding Company pursuant to the order of the Central Government for maintenance of cost records under sub-section (1) of section 148 of the Companies Act, 2013 and are of the opinion that prima facie the prescribed records have been made and maintained. We have, however, not made a detailed examination of the records with a view to determining whether they are accurate or complete. In case of subsidiary companies and associates, the maintenance of cost records under sub-section (1) of section 148 of the Companies Act 2013, is not applicable in view of rule 3 of the Companies (Cost Records and Audit) Amendment Rules, 2014.
- vii. (a) In our opinion and opinion of the other auditors and according to the information and explanations given to us and the other auditors, the Holding Company, its subsidiary companies and associates has been regular in depositing with appropriate authorities undisputed statutory dues, including provident fund, employee's state insurance, income-tax, sales-tax, wealth tax, service tax, duty of customs, duty of excise, value added tax, cess and any other statutory dues applicable to it. Further, no undisputed amounts payable in respect of income tax, sales tax, wealth tax, service tax, duty of customs, duty of excise, value added tax, cess and other statutory dues were in arrears, as at 31st March, 2015 for a period of more than six months from the date they become payable.
- (b) According to the information and explanations given to the statutory auditors of the Holding Company, its subsidiary companies and associates, there are no disputed dues in respect of sales tax, service tax, wealth tax, duty of excise, value added tax and cess which have not been deposited. The following are the particulars of income tax and duty of customs as at 31st March, 2015 which have not been deposited on account of dispute:

Nature of Statute	Nature of disputed dues	Amount (₹ in Lacs)	Period to which the amount relates	Forum where disputes are pending
Custom Act, 1962	Custom	0.30	Jan'06 to Dec'08	Assistant Commissioner (Custom)
	Custom	0.43	Jan'04 to Dec'07	Assistant Commissioner (Custom)
	Custom	1757.38	2010-11	Commissioner(Custom)
Income Tax Act, 1961	Income Tax	4.39	A.Y.2010-11	Commissioner Income Tax (Appeal)
	Income Tax	0.36	A.Y.2011-12	Income Tax Appellate Tribunal
	Income Tax	228.14	A.Y.2012-13	Commissioner Income Tax (Appeal)

- (c) There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Holding Company and a subsidiary company. In case of one of the subsidiary company and associates, there were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.
- viii. The Group and its associates do not have consolidated accumulated losses at the end of the financial year and have not incurred cash loss on a consolidated basis during the financial year and in the immediately preceding financial year.

**INDEPENDENT AUDITORS' REPORT**

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- ix. In our opinion and opinion of the other auditors and according to the information and explanations given to us and the other auditors, the Holding Company has not defaulted in repayment of dues to bank. The Holding Company has not borrowed from financial institutions and has not issued any debentures and the subsidiary companies and associates do not have any dues to a financial institution, bank or debenture holders.
- x. In our opinion and opinion of the other auditors and according to the information and explanations given to us and the other auditors, the Group and its associates have not given any guarantee for loans taken by others from banks and financial institutions and therefore, the provisions of clause (x) of the Order are not applicable to the Company.
- xi. In our opinion and opinion of the other auditors and according to the information and explanations given to us and the other auditors, the term loans have been applied for the purpose for which they were raised by the Holding Company. The subsidiary companies and associates do not have any term loans outstanding during the year and therefore, the provisions of clause (xi) of the Order are not applicable to the Company.
- xii. In our opinion and opinion of the other auditors and according to the information and explanations given to us and the other auditors, no fraud on or by the Group and its associates has been noticed or reported during the course of audit.

**For K. C. Mehta & Co.**  
**Chartered Accountants**  
**Firm's Registration No. 106237W**

**Vishal P. Doshi**  
**Partner**  
**Membership No. 101533**

**Place: Vadodara**

**Date: 11<sup>th</sup> May, 2015**

CONSOLIDATED BALANCE SHEET AS AT 31<sup>st</sup> MARCH, 2015

(₹ in Lacs)

Particulars	Note No.	As at 31 <sup>st</sup> March, 2015	As at 31 <sup>st</sup> March, 2014
<b>I. EQUITY AND LIABILITIES</b>			
<b>(1) Shareholders' Funds</b>			
(a) Share Capital	A	23,720.76	5,704.15
(b) Reserves and Surplus	B	6,056.64	21,838.75
<b>(2) Non-Current Liabilities</b>			
(a) Long-term borrowings	C	2,325.00	1,000.00
(b) Deferred Tax Liabilities (Net)	D	3.56	3.25
(c) Other Long term liabilities	E	867.22	886.72
(d) Long term provisions	F	86.42	92.81
<b>(3) Current Liabilities</b>			
(a) Short-term borrowings	G	4,452.51	7,620.84
(b) Trade payables		1,668.65	2,056.37
(c) Other current liabilities	H	6,407.08	4,570.13
(d) Short-term provisions	I	94.37	42.20
<b>Total</b>		<b>45,682.21</b>	<b>43,815.22</b>
<b>II. ASSETS</b>			
<b>(1) Non-current assets</b>			
(a) Goodwill on Consolidation		0.01	0.01
(b) Fixed assets	J		
(i) Tangible assets		6,676.07	6,987.62
(ii) Intangible assets		815.72	1,142.70
(iii) Capital work-in-progress		1,097.31	529.75
(c) Non-current investments	K	4,049.13	3,320.87
(d) Long term loans and advances	L	222.82	252.46
<b>(2) Current assets</b>			
(a) Inventories	M	28,563.20	26,819.16
(b) Trade receivables	N	716.53	1,394.90
(c) Cash and Bank Balances	O	410.83	946.55
(d) Short-term loans and advances	P	3,129.98	2,420.91
(e) Other current assets	Q	0.61	0.30
<b>Total</b>		<b>45,682.21</b>	<b>43,815.22</b>
<b>Summary of Significant Accounting Policies and Other Notes to Consolidated Financial Statement</b>	Z		

As per our report of even date attached

For K. C. Mehta &amp; Co.

Chartered Accountants

Vishal P. Doshi

Partner

Membership No. 101533

Vadodara

Date : 11<sup>th</sup> May, 2015

For and on behalf of Board

Chirayu Amin

Chairman

Malika Amin

C. R. Mukherjee

Mayur Jadeja

Director

Nitin Bhawe

Whole-time Director

Nilesh Mistry

CFO

Manisha Kathed

Company Secretary

Vadodara

Date : 11<sup>th</sup> May, 2015

CONSOLIDATED STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31<sup>st</sup> MARCH, 2015 (₹ in Lacs)

Particulars	Note No.	For the Year ended on 31st March, 2015	For the Year ended on 31st March, 2014
I. Revenue from operations	R	13,623.50	14,162.45
Less : Excise		763.46	756.81
		12,860.04	13,405.64
II. Other Income	S	770.64	685.65
III. Total Revenue (I +II)		13,630.67	14,091.29
IV. Expenses:			
Construction Expenses	T	2,491.37	3,722.81
Cost of materials consumed	U	1,748.79	2,013.50
Changes in inventories of Finished Goods, WIP and stock in trade	V	910.68	(233.20)
Employee Benefit Expense	W	2,539.49	2,392.01
Other expenses	X	3,805.60	4,672.78
Financial costs	Y	781.94	1,013.33
Depreciation / Amortisation	J	759.21	744.35
Total Expenses		13,037.08	14,325.58
V. Profit/ (Loss) Before Tax (III-IV)		593.59	(234.29)
VI. Tax expense:			
Current tax		26.03	11.01
Deferred Tax		0.32	3.25
Wealth Tax		3.00	2.25
Tax Adjustments for earlier years		0.01	0.42
VII. Profit/(Loss) after Tax (V-VI)		564.24	(251.21)
VIII. Share of Associate's Profit		293.60	294.78
IX. Profit after Tax and Share of Associate's Profit (VII+VIII)		857.84	43.57
X. Earning per equity share: (Face Value ₹ 100/-)			
(1) Basic EPS		16.17	(1.84)
(2) Diluted EPS		14.77	(1.84)

**Summary of Significant Accounting Policies and Other Notes to Consolidated Financial Statement** Z

As per our report of even date attached

**For K. C. Mehta & Co.**

Chartered Accountants

**Vishal P. Doshi**

Partner

Membership No. 101533

Vadodara

Date : 11<sup>th</sup> May, 2015

For and on behalf of Board

**Chirayu Amin**

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Whole-time Director

**Nilesh Mistry**

CFO

**Manisha Kathed**

Company Secretary

Vadodara

Date : 11<sup>th</sup> May, 2015

**CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED ON 31<sup>st</sup> MARCH, 2015** (₹ in Lacs)

Particulars	For the Year ended on 31 <sup>st</sup> March, 2015	For the Year ended on 31 <sup>st</sup> March, 2014
<b>A CASH FLOW FROM OPERATING ACTIVITIES:</b>		
<b>Profit/(Loss) before tax from Continuing Operations</b>	<b>593.59</b>	(234.29)
<b>Non-Cash adjustment to reconcile profit before tax to net cash flows</b>		
Depreciation / Amortisation from continuing operation	759.21	744.35
Provision for Doubtful Debts	56.37	0.45
Bad debts written off	30.74	5.20
Financial charges Charged to Statement of Profit & loss	747.02	944.10
Profit on sale of Fixed Assets	(9.44)	(97.19)
Loss on assets written off	0.30	1.10
Interest Received	(63.90)	(2.55)
Dividend Received	(618.24)	(504.30)
<b>Operating profit before changes in working capital</b>	<b>1,495.67</b>	856.87
<b>Movements in working capital changes</b>		
Increase\decrease) in Trade Payables and Other Payables	875.90	112.93
(Increase)\decrease in Trade receivables	580.89	150.13
(Increase)\decrease in Inventories	(1,573.21)	(1,478.22)
(Increase)\decrease in loans & advances	(833.23)	(351.78)
<b>Net Cash flow from (used in) Operations</b>	<b>546.02</b>	(710.08)
Direct Taxes Paid (Net of Refunds)	124.20	(132.89)
<b>NET CASH FLOW FROM / (USED IN) OPERATING ACTIVITIES (A)</b>	<b>670.23</b>	(842.97)
<b>B CASH FLOW FROM INVESTING ACTIVITIES :</b>		
Purchase of fixed assets, including intangible assets & CWIP	(767.99)	(544.95)
Proceeds from sales of fixed assets	62.51	133.12
Proceeds from sales of Invesements	1,065.00	-
Purchase of Investments	(1,000.00)	-
Interest Received	63.90	2.55
Dividend Received	618.24	504.30
<b>NET CASH FLOW FROM / (USED IN) INVESTING ACTIVITIES (B)</b>	<b>41.66</b>	95.02

CASH FLOW STATEMENT FOR THE YEAR ENDED ON 31<sup>st</sup> MARCH, 2015

(₹ in Lacs)

Particulars	For the Year ended on 31 <sup>st</sup> March, 2015	For the Year ended on 31 <sup>st</sup> March, 2014
<b>C CASH FLOW FROM FINANCIAL ACTIVITIES:</b>		
Proceeds from long-term borrowings	3,100.00	-
Repayments of long term borrowings	(1,165.70)	(1,235.53)
Proceeds from short-term borrowings	1,331.68	4,475.41
Repayments of short term borrowings	(4,500.00)	(15.00)
Payment of Dividend & DDT	-	(286.64)
Redemption of Preference Share Capital	-	(700.00)
Proceeds from Issue of Optionally Convertible Preference Share Capital	900.83	-
Interest paid	(915.32)	(944.10)
<b>NET CASH FLOW FROM / (USED IN) FINANCIAL ACTIVITIES (C)</b>	<b>(1,248.51)</b>	<b>1,294.15</b>
<b>Net increase / (decrease) in Cash &amp; Cash equivalents (A+B+C)</b>	<b>(536.62)</b>	<b>546.20</b>
Cash & Cash equivalents as at the beginning of the year	935.07	388.86
<b>Cash &amp; Cash equivalents as at the year end</b>	<b>398.45</b>	<b>935.07</b>

**Notes:****1 Cash and Cash equivalents comprise:**

Cash in hand	6.79	5.81
Balance with Scheduled and Other banks	391.66	929.26
<b>Cash &amp; Cash equivalents as at the year end</b>	<b>398.45</b>	<b>935.07</b>

2 The above Cash Flow has been prepared under the 'Indirect Method' as set out in the Accounting Standard 3 (AS - 3) Cash Flow Statement.

3 Previous year figures have been regrouped wherever necessary

As per our report of even date attached

**For K. C. Mehta & Co.**

Chartered Accountants

**Vishal P. Doshi**

Partner

Membership No. 101533

Vadodara

Date : 11<sup>th</sup> May, 2015

For and on behalf of Board

**Chirayu Amin**

Chairman

**Malika Amin**

**C. R. Mukherjee**

**Mayur Jadeja**

Director

**Nitin Bhawe**

Whole-time Director

**Nilesh Mistry**

CFO

**Manisha Kathed**

Company Secretary

Vadodara

Date : 11<sup>th</sup> May, 2015

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

(₹ in Lacs)

	As at 31st March, 2015	As at 31st March, 2014
<b>A. SHARE CAPITAL :</b>		
<b>(a) Shares authorized:</b>		
<b>1. Equity Share Capital</b>		
47,50,000 Equity shares of ₹ 100/- each	4,750.00	4,750.00
<b>2. Preference Share Capital*</b>		
12,00,000 (P.Y. 19,00,000) Preference shares of ₹ 100/- each	1,200.00	1,900.00
45,12,500 (P.Y. NIL) Preference shares of ₹ 400/- each	18,050.00	-
	<u>24,000.00</u>	<u>6,650.00</u>

\* Preference share capital has been reclassified by passing special resolution in Extra Ordinary General Meeting dated 5th November, 2014.

**(b) Shares issued, subscribed and fully paid :**

<b>1. Equity Share Capital</b>		
45,04,152 Equity Shares of ₹ 100/- each Fully-Paid	4,504.15	4,504.15
	<u>4,504.15</u>	<u>4,504.15</u>
<b>2. Preference Share Capital</b>		
<b>Class (I)</b>		
12,00,000 9% Cumulative Redeemable Non-Convertible Preference Shares of ₹ 100/- each	1,200.00	1,200.00
<b>Class (II)</b>		
45,04,152 (P.Y. Nil) 1% Cumulative Optionally Convertible Preference Shares of ₹ 400/- each	18,016.61	-
	<u>19,216.61</u>	<u>1,200.00</u>
	<u>23,720.76</u>	<u>5,704.15</u>

**(c) Reconciliation of the number of shares outstanding at the beginning and at the end of the reporting period :**

(₹ in Lacs)		
<b>EQUITY SHARES</b>	<b>No. of Shares</b>	<b>Share Capital</b>
As at 1st April, 2013	4,504,152	4,504.15
Additions/(Reductions)	-	-
As at 31st March, 2014	4,504,152	4,504.15
As at 1st April, 2014	4,504,152	4,504.15
Additions/(Reductions)	-	-
As at 31st March, 2015	4,504,152	4,504.15

(₹ in Lacs)				
<b>PREFERENCE SHARES</b>	<b>Class (I)</b>		<b>Class (II)</b>	
	<b>No. of Shares</b>	<b>Share Capital</b>	<b>No. of Shares</b>	<b>Share Capital</b>
As at 1st April, 2013	1,200,000	1,200.00	-	-
Additions/(Reductions)	-	-	-	-
As at 31st March, 2014	1,200,000	1,200.00	-	-
As at 1st April, 2014	1,200,000	1,200.00	-	-
Additions/(Reductions)	-	-	4,504,152	18,016.61
As at 31st March, 2015	1,200,000	1,200.00	4,504,152	18,016.61



## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

(₹ in Lacs)

**(d) The rights, preferences and restrictions including restrictions on the distribution of dividends and the repayment of capital:****1. Equity Share Capital**

The company is having only one class of Equity shares i.e. Ordinary Equity carrying a nominal value of ₹ 100/- each.

Every holder of the equity share of the Company is entitled to one vote per share held.

In the event of liquidation of the Company, the equity shareholders will be entitled to receive remaining assets of the Company after the distribution / repayment of all Trade Payables and Preference Shareholders. The distribution to the equity shareholders will be in proportion of the number of shares held by each shareholder.

The declaration of dividend, if any on the equity shares shall be in Indian Rupees. Dividend, if any, would be proposed by the Board of Directors subject to approval of the shareholders at the ensuing Annual General Meeting.

**2. Preference Share Capital**

The company is having two series of Preference shares

- (i) 9% Cumulative Redeemable Non-Convertible Preference Shares of ₹ 100/- each

Date of Redemption: 26<sup>th</sup> September, 2016

- (ii) 1% Cumulative Optionally Convertible Preference Shares (OPCS) of ₹ 400/- each\*

Redemption / Conversion upto: 17<sup>th</sup> December, 2019

In the event of liquidation of the Company, the preference shareholders will be entitled to receive their capital contribution in the Company after the distribution / repayment of all Trade payables but before distribution to equity shareholders. The distribution to the preference shareholders will be in proportion of the number of shares held by each shareholder.

The Preference Shareholders shall be paid dividend at the rate of dividend fixed as per the terms and conditions of issue and amendments thereto, subject to recommendation of the same by the Board of Directors and approval of the shareholders at the ensuing Annual General Meeting. Such Dividend shall however be paid in preference to the dividend recommended for equity shareholders.

\*The OPCS shall be optionally convertible into Equity Shares of the Company in the ratio of 1 Equity Share of ₹ 100 each for every 3 Fully paid OPCS of ₹ 400 each, unless decided by the Board of Directors to convert at an early date, at the end of 5 years from date of allotment.

**(e) Shares in the company held by each shareholder holding more than 5 % shares specifying the no. of shares held:****1. Equity Share Capital**

		31 <sup>st</sup> March, 2015		31 <sup>st</sup> March, 2014	
		Numbers	% held	Numbers	% held
1.	Nirayu Private Limited	1,597,143	35.46%	1,597,143	35.46%
2.	Sierra Investments Limited	970,842	21.55%	970,842	21.55%
3.	Alembic Limited	762,549	16.93%	762,549	16.93%
4.	Whitefield Chemtech Private Limited	319,002	7.08%	319,002	7.08%

**2. Preference Share Capital****Class (I)**

1.	Sierra Investments Limited	545,000	45.42%	545,000	45.42%
2.	Nirayu Private Limited	455,000	37.92%	455,000	37.92%
3.	Whitefield Chemtech Private Limited	180,000	15.00%	180,000	15.00%

**Class (II)**

1.	Nirayu Private Limited	1,597,143	35.46%	-	-
2.	Sierra Investments Limited	970,842	21.55%	-	-
3.	Alembic Limited	762,549	16.93%	-	-
4.	Whitefield Chemtech Private Limited	319,002	7.08%	-	-

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

(₹ in Lacs)

**(f) Shares allotted as fully paid up (During 5 years preceding March 31, 2015)**

- (i) In the year 2012-13 The Company has allotted 30,02,768 Equity shares as fully paid up bonus shares by capitalization of security premium ₹ 330.22 lacs and of capital reserve ₹ 2672.55 lacs.
- (ii) In the year 2014-15 the Company has allotted 45,04,152 Optionally Convertible Preference Shares as fully paid up right shares pursuant to contracts without payment being received in cash ₹ 380 per share.

	As at 31 <sup>st</sup> March, 2015	As at 31 <sup>st</sup> March, 2014
<b>B. RESERVES AND SURPLUS:</b>		
<b><u>GENERAL RESERVE</u></b>		
As per last balance sheet	5,242.91	5,942.91
Less : Transfer to Capital Redemption Reserve	-	(700.00)
Less : Utilised for making partly paid (₹ 20) 1% Cumulative Optionally Convertible Preference Share to fully paid (₹ 400)	(424.90)	-
Add : Transfer from Capital Redemption Reserve	700.00	-
	<u>5,518.01</u>	<u>5,242.91</u>
<b><u>CAPITAL REDEMPTION RESERVE</u></b>		
As per last balance sheet	700.00	-
Add : Transfer from General Reserve	-	700.00
Add : Transfer to General Reserve	(700.00)	-
	<u>-</u>	<u>700.00</u>
<b><u>CAPITAL RESERVE</u></b>		
As per last balance sheet	18,126.70	1,435.82
Add : Addition during the year on conversion of land from fixed assets to inventory (Refer Note No. J(2))	-	16,690.88
Less : Utilised for making party paid (₹ 20) 1 % Cumulative Optionally Convertible Preference Share to fully paid (₹ 400)	16,690.88	-
	<u>1,435.82</u>	<u>18,126.70</u>
<b><u>SECURITIES PREMIUM ACCOUNT</u></b>		
As per last balance sheet	20.94	20.94
	<u>20.94</u>	<u>20.94</u>
<b><u>SURPLUS IN CONSOLIDATED STATEMENT OF PROFIT &amp; LOSS</u></b>		
Opening Balance	(2,251.80)	(2,295.37)
Add : Share in consolidated Profit of Associate of earlier years *	499.67	-
Add : Net Profit/(Loss) for the year	857.84	43.57
Less : Depreciation (Refer Note No. Z (B) (10))	23.84	-
<b>Net Surplus / (Deficit) in Consolidated statement of profit and loss</b>	<u>(918.14)</u>	<u>(2,251.80)</u>
<b>Total Reserves and Surplus</b>	<u>6,056.64</u>	<u>21,838.75</u>
* Includes ₹ 247.59 Lacs on account of associate company has implemented accounting standard 23 in current year and ₹ 252.08 Lacs on account of change in terms of non convertible preference share.		
<b>C. LONG-TERM BORROWINGS:</b>		
<b><u>Term loans (Secured)</u></b>		
From Banks	-	1,000.00
From Financial Institution	2,325.00	-
	<u>2,325.00</u>	<u>1,000.00</u>

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

(₹ in Lacs)

Note:

## a) Terms of Borrowing

**Details of lender & Rate of Interest**

	<b>Maturity Date</b>	<b>No. of Installments*</b>	<b>Amt. of Inst. ₹ Lacs</b>	<b>Current Maturity ₹ Lacs</b>
YES Bank Ltd. - 11.5%	25-Mar-16	4	250.00	1,000.00
TATA Capital Financial Services Ltd. - 11.5%	31-Mar-19	16	193.75	775.00

\* No. of Equated Quarterly Installments outstanding as on the Balance Sheet date.

## b) Nature of Security

- i) **YES Bank Ltd.** - Pari-passu charge on moveable fixed assets to the extent of 1.4 times of outstanding loan.
- ii) **TATA Capital Financial Services Ltd.** - Mortgage over inventory of flats located at Shangri-La Project, Vadodara to the extent 1.5 times of outstanding loan.

	<b>As at 31<sup>st</sup> March, 2015</b>	<b>As at 31<sup>st</sup> March, 2014</b>
<b>D. DEFERRED TAX LIABILITIES (NET)</b>		
Deferred Tax liability on account of depreciation	4.33	3.82
Less: Deferred Tax Assets on 43B items	(0.77)	(0.58)
	<b>3.56</b>	<b>3.25</b>
<b>E. OTHER LONG TERM LIABILITIES:</b>		
Security deposit	17.22	36.72
Option Deposit (Refer Note No. M)	850.00	850.00
	<b>867.22</b>	<b>886.72</b>
<b>F. LONG-TERM PROVISION:</b>		
<b>Provision for employee benefits</b>		
Leave Encashment	85.50	87.78
Gratuity	0.92	5.04
	<b>86.42</b>	<b>92.81</b>
<b>G. SHORT-TERM BORROWINGS:</b>		
<b>Loans repayable on Demand</b>		
<b>From Banks</b>		
<b>Secured</b>		
<b>Working Capital facilities</b>	2,452.51	1,120.84
Secured by hypothecation of stock & book debt. In case of Yes Bank Ltd. over and above hypothecation, second Charge on movable plant and machinery.		
<b>Unsecured</b>	2,000.00	6,500.00
	<b>4,452.51</b>	<b>7,620.84</b>
<b>H. OTHER CURRENT LIABILITIES:</b>		
a) Current maturities of long-term debt (Refer Note No. C)	1,775.00	1,165.70
b) Trade Deposit	163.48	213.08
c) Other Liabilities :		
Advance received from customer	2,754.34	1,291.59
Government Dues	149.79	126.90
Others Liabilities	1,564.47	1,772.81
Unpaid Interest	-	0.05
	<b>6,407.08</b>	<b>4,570.13</b>
<b>I. SHORT-TERM PROVISIONS:</b>		
<b>a) Provision for employee benefits</b>		
Leave Encashment	5.93	7.89
Gratuity	85.44	32.06
<b>b) Others</b>		
Provision for Wealth Tax	3.00	2.25
	<b>94.37</b>	<b>42.20</b>

**SHRENO LIMITED**  
**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**

**J. FIXED ASSETS**

(₹ in Lacs)

Particulars	Gross Block			Depreciation / Amortisation			Net Block		
	AS ON 01.04.2014	Additions / Adjustments	Deductions/ Adjustments	AS ON 31.03.2015	AS ON 01.04.2014	During the Year	Deduction / Adjustment*	AS ON 31.03.2015	AS ON 31.03.2014
<b>Tangible Assets</b>									
Freehold Land	827.06	-	-	827.06	-	-	-	827.06	827.06
Buildings	2,891.38	189.58	-	3,080.96	833.33	134.77	-	968.10	2,058.05
Employees' Quarters	28.69	-	-	28.69	26.15	0.22	-	26.37	2.54
Plant & Machinery	6,857.35	2.74	828.70	6,031.39	3,763.30	232.38	775.42	3,220.26	3,094.05
Furniture & Fixture	79.71	6.10	-	85.80	64.02	5.27	-	69.29	15.69
Office Machinery	71.85	2.01	8.94	64.92	43.56	17.62	8.83	52.35	28.28
Leapjet 45 Aircraft	1,166.60	-	-	1,166.60	231.29	59.82	-	291.11	875.49
Vehicles	129.74	-	-	129.74	103.11	8.52	-	111.63	18.11
<b>TOTAL</b>	<b>12,052.38</b>	<b>200.43</b>	<b>837.64</b>	<b>11,415.17</b>	<b>5,064.76</b>	<b>458.60</b>	<b>784.26</b>	<b>4,739.10</b>	<b>6,676.07</b>
Previous Year	11,586.31	547.54	76.04	11,997.51	4,683.60	449.35	67.37	-	-
<b>Intangible Assets</b>									
Software	5.44	-	-	5.44	0.82	1.81	-	2.63	4.62
Trade Mark	1.00	-	-	1.00	1.00	-	-	1.00	-
Goodwill	1,625.82	-	-	1,625.82	487.75	325.16	-	812.91	1,138.07
<b>TOTAL</b>	<b>1,632.26</b>	<b>-</b>	<b>-</b>	<b>1,632.26</b>	<b>489.56</b>	<b>326.98</b>	<b>-</b>	<b>816.54</b>	<b>1,142.70</b>
Previous Year	1,626.82	-	-	1,626.82	163.58	325.16	-	488.75	1,138.07

\* Refer Note no Z (B) (10)

**Note:**

- 1) Free hold Land includes ₹ 2.32 lacs being cost of shares in Baroda Industrial Development Corporation, Baroda, required to be compulsorily acquired by plot holders as part of purchase consideration, under an arrangement.
- 2) Last Year the Company has converted a part of Land as Stock-in-trade with a view to exploit it as part of its Real Estate Business. The conversion has been done at fair market value of ₹ 16692.52 Lacs for the land based on the report from approved valuer. The revaluation surplus has been credited to the Capital reserve account. Accordingly, the said land has been part of Work in process Real Estate and shown as reduction from fixed assets.
- 3) Certain godowns / premises which were earlier used for Company own operations have now been given on lease as the Company does not have immediate usage of these premises. These godowns / premises continue to be included in the fixed assets of the Company.

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

(₹ in Lacs)

	As at 31 <sup>st</sup> March, 2015	As at 31 <sup>st</sup> March, 2014
<b>K. NON-CURRENT INVESTMENTS</b>		
<b><u>Investment in Associates</u></b>		
<b><u>Long Term Investments -Other</u></b>		
<b>Equity Instruments Quoted</b>		
• 1,83,68,780 Equity Shares of ₹ 2/- each fully paid up in Alembic Pharmaceuticals Limited	1,395.76	1,395.76
• 3,67,37,560 Equity Shares of ₹ 2/- each fully paid up in Alembic Limited	665.32	665.32
• 2,37,369 Equity Shares of ₹ 10/- each fully paid up in Paushak Limited	94.15	94.15
<b>Equity Instruments Unquoted</b>		
• 12,61,700 equity shares of ₹ 10/- each fully paid up in Sierra Investments Limited (Including ₹ 66.18 Lacs of Good will (net of capital reserve) arising on consolidation) Share of post acquisition profit (net of losses)	194.96	194.96
	<u>1,682.47</u>	<u>889.33</u>
	<u>1,877.43</u>	<u>1,084.29</u>
• 12,500 equity shares of ₹ 10/- each fully paid up in Alembic Export Limited (Including ₹ 0.75 Lacs Capital Reserve arising on consolidation) Share of post acquisition profit (net of losses)	1.25	1.25
	<u>2.07</u>	<u>1.94</u>
	<u>3.32</u>	<u>3.19</u>
• 1,638 Equity Shares of ₹ 100/- each fully paid up in Nirayu Pvt Limited	4.10	4.10
• 2,300 Equity shares of ₹ 10/- each fully paid up in Whitefield Chemtech Pvt Ltd.	0.02	0.02
• 250 equity shares of ₹ 100/- each fully paid up in Prima Crushing Pvt.Ltd. Less : Provision for Diminution in value of Investments	0.25 (0.25)	0.25 (0.25)
• 10,350 equity shares of ₹ 10/- each fully paid up in Purak Vinamay Ltd. Less: Provision for Diminution in value of Investments	1.04 (1.04)	1.04 (1.04)
<b>Debentures Unquoted</b>		
• NIL (PY: 6,500) Optionally Fully Convertible Debentures of ₹ 100/- each fully paid up in Nirayu Pvt Limited	-	65.00
<b><u>Investment in Others</u></b>		
<b>Equity Instruments Quoted</b>		
• 148 Equity shares of ₹ 5/- each fully paid up in ONGC Limited	0.08	0.08
<b>Equity Instruments Unquoted</b>		
• 20 equity shares of ₹ 100/- each fully paid in Prakash Publication Limited Less : Provision for Diminution in value of Investments	0.02 (0.02)	0.02 (0.02)
• 100 equity shares of ₹ 100/- each fully paid up in Alembic Employees Co.Op.Supply Soc.Ltd.	0.01	0.01
• 200 equity shares of ₹ 25/- each fully paid up in Cooperative Bank of Baroda Ltd	0.05	0.05
• 80,030 equity shares of ₹ 10/-each fully paid in Pragati Sahakari Bank Ltd	8.00	8.00
• 120 equity shares of ₹ 100/- each fully paid up in Gujarat Small Industries Corpn.Ltd	0.12	0.12
• 77 equity shares of ₹ 1000/- each fully paid up in Baroda Industrial Development Corpn.Ltd	0.77	0.77
	<u>4049.13</u>	<u>3320.87</u>

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

(₹ in Lacs)

	As at 31 <sup>st</sup> March, 2015	As at 31 <sup>st</sup> March, 2014
Aggregate book value of unquoted investments	1,620.05	1,685.05
Aggregate book value of quoted investments	759.55	759.55
Aggregate market value of quoted investments	96,855.52	59,036.21
Aggregate value of diminution in value of investments	1.31	1.31
<b>L. <u>LONG-TERM LOANS AND ADVANCES: ( UNSECURED, CONSIDERED GOOD)</u></b>		
a) Capital Advances - To Related Party	47.08	42.11
- To Others	100.00	135.00
b) Security Deposits	75.74	75.35
	<u>222.82</u>	<u>252.46</u>
<b>The details of Capital Advance given to Related party is as under:</b>		
<b>Name of Party</b>	<b>Relationship</b>	
Alembic Limited	Associate	42.11
		<u>47.08</u>
<b>M. <u>INVENTORIES</u></b>		
a) Raw Materials	621.04	605.12
b) Packing Materials	645.67	327.39
c) Stores & Spares	172.91	159.64
d) Work-in-Progress -Engineering	651.25	1,029.80
e) Stock in trade -Glassware	226.67	306.48
f) Finished goods	1,489.95	1,975.15
g) Real Estate - Stock in trade*	12,325.45	675.00
- Work-in-Progress	12,430.25	21,740.58
	<u>28,563.20</u>	<u>26,819.16</u>
<b>Finished Goods</b>		
Glassware	1,489.88	1,975.08
Others**	0.07	0.07
	<u>1,489.95</u>	<u>1,975.15</u>
* As per the option agreement dated 21 <sup>st</sup> June, 2013 between the Company and Investor, the Company has received a deposit of ₹ 850 lacs and has restricted its right to sale /develop/ transfer / mortgage/ offer as security/ encumber or create any right on land admeasuring 6070 sq.mtr (Book Value ₹ 675 lacs) located at Bangalore.		
** None of the items individually account for more than 10% of Total Value of Finished Goods.		
<b>N. <u>TRADE RECEIVABLES (UNSECURED)</u></b>		
<b>(a) Over Six months from the due date</b>		
Considered good		
From Others	89.92	134.71
Considered doubtful	-	-
From Others	186.29	129.92
Less : Provision for doubtful debts	186.29	129.92
	<u>89.92</u>	<u>134.71</u>
<b>(b) Others</b>		
Considered good		
From Related party	152.45	152.11
From Others	474.15	1,108.08
	<u>716.53</u>	<u>1,394.90</u>

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

(₹ in Lacs)

	<b>As at 31<sup>st</sup> March, 2015</b>	As at 31 <sup>st</sup> March, 2014
<b>The details of Trade Receivables from Related party is as under:</b>		
<b>Name of Party</b>	<b>Relationship</b>	
Alembic Limited	Associate	0.61
Alembic Pharmaceuticals Limited	Associate	150.58
Paushak Ltd.	Associate	1.27
		<u>152.45</u>
		6.34
		83.79
		61.98
		<u>152.11</u>
<b>O. CASH AND BANK BALANCES:</b>		
<b>Cash and Cash equivalents</b>		
(a) Balances with banks in Current Account	387.66	925.41
(b) Cash on hand	10.79	9.66
<b>Other Bank Balances</b>		
Deposits with bank Earmarked	12.38	11.49
	<u>410.83</u>	<u>946.55</u>
<b>P. SHORT-TERM LOANS AND ADVANCES (UNSECURED, CONSIDERED GOOD):</b>		
<b>a) Loans and advances to related parties:</b>		
Related Parties	-	38.83
<b>b) Others</b>		
1) Advance to Suppliers	1,895.66	1,418.32
2) Advance to Employees	7.28	5.74
3) Balance with Govt departments	735.61	386.73
4) Prepaid expenses	15.78	25.40
5) Deposit	1.74	2.80
6) Advance Income Tax (Net of Provision)	386.00	540.99
7) Others	87.91	2.11
	<u>3,129.98</u>	<u>2,420.91</u>
<b>The details of Loans &amp; Advances to related party is as under:</b>		
<b>Name of Party</b>	<b>Relationship</b>	
Sierra Investments Limited	Associate	-
		<u>38.83</u>
<b>Q. OTHER CURRENT ASSETS:</b>		
Interest accrued but not due	0.61	0.30
	<u>0.61</u>	<u>0.30</u>

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

(₹ in Lacs)

	For the year ended on 31 <sup>st</sup> March, 2015	For the year ended on 31 <sup>st</sup> March, 2014
<b>R. <u>REVENUE FROM OPERATIONS :</u></b>		
<b>a) Sale of products</b>		
- Domestic	7,724.90	8,159.39
- Exports	1,472.27	384.57
	<u>9,197.17</u>	<u>8,543.96</u>
<b>Sale of products (Domestic)</b>		
Glassware		
- Manufactured	5,835.33	6,323.72
- Trading	96.86	250.46
Packing Material	358.80	378.07
Engineering goods	1,433.91	1,207.14
	<u>7,724.90</u>	<u>8,159.39</u>
<b>Sale of products (Export)</b>		
Glassware	126.43	80.36
Engineering goods	1,345.84	304.21
	<u>1,472.27</u>	<u>384.57</u>
<b>b) Revenue from Services</b>		
- Works Contracts	90.43	165.16
- Construction Revenue	3,730.09	4,895.58
- Chartering Revenue	302.51	203.00
	<u>4,123.03</u>	<u>5,263.74</u>
<b>c) Revenue from other Operation</b>		
- Rent	189.91	241.15
- Other Operating Income	107.02	113.29
- Export Incentives	6.38	0.31
	<u>303.31</u>	<u>354.76</u>
<b>Total (a+b+c)</b>	<u><u>13,623.50</u></u>	<u><u>14,162.45</u></u>
<b>S. <u>OTHER INCOME :</u></b>		
Dividend	618.24	504.30
Interest	64.24	2.72
Rent	63.59	49.08
Exchange Gain (Net)	10.96	26.70
Profit on sales of assets (Net)	9.44	97.19
Other Non Operating Income	4.18	5.66
	<u>770.64</u>	<u>685.65</u>
<b>T. <u>CONSTRUCTION EXPENSES:</u></b>		
<b>Expenses during the year</b>		
Land	-	16,692.52
Direct Construction Expenses	3,097.84	4,472.72
Administrative Expense	744.76	178.43
Advertisement and Publicity Expenses	388.50	98.48
Legal & Professional Expenses	600.38	384.01
	<u>4,831.49</u>	<u>21,826.16</u>



## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

(₹ in Lacs)

	<u>For the year ended on 31<sup>st</sup> March, 2015</u>	<u>For the year ended on 31<sup>st</sup> March, 2014</u>
<b>Change in Inventory</b>		
Opening - Work-in-Progress	21,740.58	3,637.23
- Stock-in-trade	675.00	675.00
Less: Closing - Work-in-Progress	12,430.25	21,740.58
- Stock-in-trade	12,325.45	675.00
	<u>(2,340.12)</u>	<u>(18,103.35)</u>
	<u>2,491.37</u>	<u>3,722.81</u>
<b>U. COST OF MATERIAL CONSUMED :</b>		
Inventory at the beginning of the year	605.12	754.98
Add : Purchases	1,764.72	1,863.64
	2,369.83	2,618.62
Less : Inventory at the end of the year	621.04	605.12
	<u>1,748.79</u>	<u>2,013.50</u>
<b><u>Details of Material Consumed</u></b>		
<b>Glass Division</b>		
- Soda Ash	291.18	377.94
- Lime Powder	25.55	36.21
- Quartz Sand	109.16	152.85
- Others*	140.13	164.47
<b>TOTAL</b>	<u>566.02</u>	<u>731.48</u>
<b>Engineering Division</b>		
- Iron & Steel Casting, Plates, Rods, etc.	400.16	553.07
- Others*	643.64	576.50
<b>TOTAL</b>	<u>1,043.80</u>	<u>1,129.58</u>
<b>Packing Division</b>		
- Paper / Board	120.57	126.29
- Others*	18.40	26.15
	138.97	152.44
<b>TOTAL</b>	<u>1,748.79</u>	<u>2,013.50</u>
*None of the items individually account for more than 10% of total consumption		
<b>V. <u>CHANGES IN INVENTORIES OF FINISHED GOODS, WORK IN PROGRESS :</u></b>		
Inventory at the beginning of the year		
Work in Process	1,029.80	533.43
Finished Goods	2,281.63	2,550.07
<b>(a)</b>	<u>3,311.43</u>	<u>3,083.50</u>
Inventory at the end of the year		
Work in Process	651.25	1,029.80
Finished Goods	1,716.62	2,281.63
<b>(b)</b>	<u>2,367.86</u>	<u>3,311.43</u>
<b>(a-b)</b>	<u>943.57</u>	<u>(227.93)</u>
Add: Excise Duty Payable on Finished Goods:		
Opening Stock	198.64	203.91
Closing Stock	165.75	198.64
	<u>(32.89)</u>	<u>(5.27)</u>
	<u>910.68</u>	<u>(233.20)</u>

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

(₹ in Lacs)

	<b>For the year ended on 31<sup>st</sup> March, 2015</b>	For the year ended on 31 <sup>st</sup> March, 2014
<b>W. EMPLOYEE BENEFIT EXPENSE:</b>		
Salaries and Wages	2,221.65	2,140.16
Contribution to Provident and other funds	230.73	172.31
Staff welfare expense	87.12	79.53
	<b>2,539.49</b>	<b>2,392.01</b>
<b>X. OTHER EXPENSES:</b>		
Stores, Spares Consumed	232.20	264.53
Packing Materials Consumed	969.40	1,212.37
Power & Fuel	1,016.64	1,780.23
Repairs & Maintenance :		
Building	25.88	31.45
Machineries	235.50	155.55
Others	26.49	27.05
Job Work Charges	147.34	100.56
Insurance	34.58	35.04
Rates & Taxes	303.78	92.35
Rent	15.86	10.41
Freight and Forwarding Charges	105.58	311.61
Stationery, Postage & Subscription	39.27	37.73
Legal & Professional Fees	192.20	156.51
Payment to Auditor		
Audit fee	3.00	3.23
Tax Audit Fee	0.75	0.75
Travelling and Conveyance	155.57	145.99
Commission & Discount on Sales	0.62	50.25
Publicity Expenses	54.55	104.78
Directors' Sitting Fees & Travelling	3.66	1.05
Miscellaneous Expenses*	155.61	145.71
Provision for Doubtful Debts	56.37	0.45
Bad Debts written off	30.74	5.20
	<b>3,805.60</b>	<b>4,672.78</b>
* None of the item individually accounts for more than ₹ 1 lakh or 1% of revenue whichever is higher		
<b>Y. FINANCE COST:</b>		
Bank charges	34.92	69.23
Interest Expense	747.02	944.10
	<b>781.94</b>	<b>1,013.33</b>

## ACCOMPANYING NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

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### Note No. Z

#### A) BASIS OF CONSOLIDATION AND SIGNIFICANT ACCOUNTING POLICIES

##### a) Basis of consolidation:

The Consolidated Financial Statements consist of Shreno Ltd (“the Company”) and its subsidiary companies (collectively referred to as “the Group”). The Consolidated Financial Statements have been prepared on the following basis:

- i) The financial statements of the Company and its subsidiary companies have been consolidated on a line-by-line basis by adding together the book values of like items of assets, liabilities, income and expenses, after fully eliminating intra-group balances and intra-group transactions resulting in unrealised profits or losses as per Accounting Standard 21 – “Consolidated Financial Statements” notified by Companies (Accounting Standards) Rules, 2006.
- ii) The difference between the cost of investment in the subsidiaries and associate, and the Company’s share of net assets at the time of acquisition of shares in the subsidiaries associate is recognised in the financial statements as Goodwill or Capital Reserve as the case may be.
- iii) Minority Interest if any in the net assets of consolidated subsidiaries is identified and presented in the consolidated Balance Sheet separately from liabilities and equity of the Company’s shareholders.
- iv) Investment in associates where the Company directly or indirectly through subsidiaries holds more than 20% of equity, are accounted for using equity method as per Accounting Standard 23 – “Accounting for Investments in Associates in Consolidated Financial Statements” notified by Companies (Accounting Standards) Rules, 2006.
- v) The Company accounts for its share of post-acquisition changes in net assets of associates, after eliminating unrealised profits and losses resulting from transactions between the Company and its associates to the extent of its share, through its Statement of Profit and Loss, to the extent such change is attributable to the associates’ Statement of Profit and Loss and through its reserves for the balance based on available information.
- vi) The financial statements of the subsidiaries and associates used in the consolidation are drawn up to the same reporting date as that of the Company i.e. 31st March, 2015.

##### b) Basis of Preparation of Consolidated Financial Statements:

The consolidated financial statements are prepared under the historical cost convention in accordance with the generally accepted accounting principles in India. The applicable mandatory Accounting Standards specified under Section 133 of the Companies Act, 2013 read with Rule 7 of the Companies (Accounts) Rule, 2014 of India have been followed in preparation of these financial statements.

##### c) Use of Estimates:

The preparation of financial statements requires the management to make estimates and assumptions that affect the reported amount of assets and liabilities and disclosure of contingent liabilities as at the date of the financial statements and the reported amount of revenues and expenses during the reporting period. Management believes that these estimates and assumptions are reasonable and prudent. However, actual results could differ from estimates. Differences between the actual results and the estimates are recognised in the period in which the same are known/materialised.

##### d) Revenue recognition:

###### i) Sales and Services

Revenue from sale of goods and services is recognised when the significant risks and rewards in respect of ownership of products are transferred to the buyer by the Company inclusive of Excise duty net of VAT/ Sales Tax/Service Tax. In case of Aviation business Operating Income is recognised on flow basis i.e. when the service is rendered.

- ii) Revenue from Real Estate Projects is recognized based on sold areas as per the percentage completion method. The stage of completion is determined as per the proportion of the cost of construction and development actually incurred till reporting date and the total estimated cost of construction and development of the project. The total estimated cost of the project are estimated based on the technical and other estimated of saleable areas, costs, etc. The estimates costs are revised periodically by the management. The effect of such changes to estimates is recognized in the period when such changes are determined.

ACCOMPANYING NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

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iii) Interest Income

Interest on investments is booked on a time proportion basis taking into account the amounts invested and the rate of interest.

iv) Dividend Income

Dividend income is recognised when the right to receive payment is established.

v) Export Incentive

Export incentives are accrued in the year when the right to receive credit is established in respect of exports made and are accounted to the extent there is no significant uncertainty about the measurability and ultimate realization/ utilization of such benefits/ duty credit.

vi) Other Income

Other income is recognized on accrual basis except when realisation of such income is uncertain.

vii) Insurance and other claims are recognised only when it is reasonably certain that the ultimate collection will be made.

e) Fixed Assets:

Fixed Assets are stated at cost, net of tax/duty credit, if any, after reducing accumulated depreciation until the date of the Balance Sheet. Direct cost are capitalised until the asset are ready for use and include financial cost relating to any borrowing attributable to acquisition.

In respect of Glass Furnaces, the original cost is capitalised in the year of installation and relining expenditure incurred for such furnaces are thereafter not capitalised. However cost incurred for rebuilding /reconstruction of such furnaces are capitalised as and when they are incurred.

Capital work in progress includes the cost of fixed assets that are not yet ready for the intended use and the cost of assets not put to use before the Balance Sheet Date.

f) Depreciation:

The Company has provided depreciation on Plant and Machinery other than Furnaces on straight line method basis and written down value method for all other Assets and Furnaces over the useful life of the fixed assets prescribed under Part C of Schedule II to the Companies Act, 2013. Depreciation on additions to the Fixed Assets is provided on pro-rata basis from the succeeding month in which the asset is put to use.

g) Intangible Assets and Amortisation:

Intangible assets are recognized only if it is probable that future economic benefits that are attributable to the assets will flow to the enterprise and the cost of assets can be measured reliably. The intangible assets are recorded at cost and are carried at cost less accumulated amortization and accumulated impairment losses, if any. Intangible assets are amortized over the estimated period of benefit, not exceeding ten years.

h) Impairment of assets:

The company assesses at each Balance Sheet date whether there is any indication that an asset may be impaired. If any such indication exists, the company estimates the recoverable amount of the asset. If such recoverable amount of the asset or the recoverable amount of the cash generating unit to which the asset belongs is less than its carrying amount, the carrying amount is reduced to its recoverable amount. The reduction is treated as an impairment loss and is recognized in the Statement of Profit & Loss. If at the Balance Sheet date, there is an indication that if a previously assessed impairment loss no longer exists, the recoverable amount is reassessed and the asset is reflected at the recoverable amount.

i) Foreign Currency Transactions :

Foreign currency transactions are recorded at the rate of exchange prevailing on the date of the transactions. At the year end, all the monetary assets and liabilities denominated in foreign currency are restated at the closing exchange rates. Exchange differences resulting from the settlement of such transactions and from the translation of such monetary assets and liabilities are recognised in the Statement of Profit and Loss.

## ACCOMPANYING NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

j) Inventories:

Inventories are valued at cost or net realizable value, whichever is lower. The basis of determining cost for various categories of inventories is as follows:

Inventories	Cost Formula
Raw Materials (including boughtout components)	At Weighted Average Cost
Stores, Spares and Packing Materials	At Weighted Average Cost
Work in Progress	At cost plus appropriate share of labour and manufacturing overheads
Finished Goods	At cost plus appropriate share of labour, manufacturing overheads and Excise duty thereon
Stock in trade	Glass - At landed cost Real Estate – At fair market value on the date of conversion
Construction work in progress	Construction work in progress includes value of land, constructions costs and other overheads

k) Investments:

Investments are either classified as current or long term based on the management contention at the time of purchase. Long term investments are shown at cost. However, when there is decline, other than temporary in the value of long term investment, the carrying amount is reduced to recognise the decline. Current investments are stated at lower of cost or market value.

l) Employee benefits:

a. Post-employment benefits

i) Defined Contribution plan

The Company's contribution to defined contribution plan paid/payable for the year is charged to Statement of Profit and Loss.

ii) Defined Benefit plan

The company's liabilities towards defined benefit schemes are determined using the Projected Unit Credit Method. Actuarial valuations under the Projected Unit Credit Method are carried out at the balance sheet date. Actuarial gains and losses are recognised in the Statement of Profit and Loss in the period of occurrence of such gains and losses. Past service cost is recognised immediately to the extent that the benefits are already vested and otherwise it is amortised on straight-line basis over the remaining average period until the benefits become vested.

The retirement benefit obligation recognised in the balance sheet represents the present value of the defined benefit obligation as reduced by the plan assets.

b. Short-term employee benefits

Short-term employee benefits expected to be paid in exchange for the services rendered by employees are recognised undiscounted during the period employee renders services. These benefits include salary, wages, bonus and performance incentives etc.

c. Long term employee benefits

Compensated absences which are not expected to occur within twelve months after the end of the period in which the employee renders the related services are recognized as an actuarially determined liability at present value of the defined benefit obligation at the balance sheet date.

m) Leases:

Assets acquired on leases where a significant portion of the risks and rewards of ownership are retained by the lessor are classified as operating leases. Lease rentals are charged to the Statement of Profit and Loss on accrual basis.

Assets leased out under operating leases are capitalized. Rental income is recognized on accrual basis over the lease term.

## ACCOMPANYING NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

## n) Taxes on Income:

The provision for taxation is ascertained on the basis of assessable profits computed in accordance with the provisions of the Income-tax Act, 1961.

Deferred tax assets and liabilities are recognized on timing differences, being the difference between taxable income and accounting income, that originate in one period and are capable of reversal in one or more subsequent periods using tax rates that have been enacted or substantively enacted at the Balance Sheet date. Deferred tax assets, other than on unabsorbed depreciation and carried forward losses, are recognised only if there is reasonable certainty that they will be realised in the future. Deferred tax assets in respect of unabsorbed depreciation and carry forward losses are recognized if there is virtual certainty that there will be sufficient future taxable income available to realize such losses. Deferred Tax assets are reviewed at each Balance Sheet date for their realisability.

## o) Provisions, Contingent Liabilities and Contingent Assets:

The Company recognizes a provision when there is a present obligation as a result of a past event that probably requires an outflow of resources and a reliable estimate can be made of the amount of the obligation. A disclosure for a contingent liability is made when there is a possible obligation or a present obligation that may, but probably will not, require an outflow of resources. Where there is a possible obligation or a present obligation that the likelihood of outflow of resources is remote, no provision or disclosure is made. Contingent Assets are neither recognised nor disclosed.

## p) Borrowing Costs:

Borrowing costs that are attributable to the acquisition, construction or production of qualifying assets are capitalized as part of such assets. A qualifying asset is an asset that necessarily takes a substantial period of time to get ready for its intended use. All other borrowing costs are recognized as expense in the period in which they are incurred.

## B) NOTES TO ACCOUNTS

- Estimated amount of contract remaining to be executed and not provided for (Net of Advances) is ₹ **258.65 lacs** (P.Y. ₹ 212.97 lacs).
- Contingent Liabilities not provided in respect of:

(₹ in Lacs)

Particulars	As at 31 <sup>st</sup> March, 2015	As at 31 <sup>st</sup> March, 2014
Custom Duty (Aviation Undertaking)	<b>1757.38</b>	1757.38
Sales Tax Demand in appeal	-	6.44
Income Tax	<b>331.54</b>	143.75
Arrears of Dividend on 9% 12,00,000 Cumulative Non-Convertible Preference Shares of ₹ 100/- each.	<b>810.30</b>	702.30
Arrears of Dividend on 1% 45,04,152 Cumulative Optionally-Convertible Preference Shares of ₹ 400/- each.	<b>12.88</b>	-
43.31% Share in Arrears of Dividend on 9% (P.Y 8,00,000) (Non Convertible Redeemable Preference Shares of ₹ 100/- each of Associate.)	<b>Nil</b>	252.06
Bank Guarantees and Letter of Credit	<b>112.91</b>	123.81
Claims against the company not acknowledged as debt.	<b>5,329.22</b>	4,594.53
Claims against company for matter relating to labour*	<b>Amount not ascertainable</b>	-

\* In the above matter, the company is hopeful of succeeding and as such does not expect any significant liability to crystallise.

## ACCOMPANYING NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

3. The Subsidiaries&Associate considered in the consolidated financial statements are:

Sr No	Name of Company	Subsidiary / Associate	Country of Incorporation	Proportion (%) of shareholding Year ended	
				March 31, 2015	March 31, 2014
1	AGI Developers	Subsidiary	India	100%	100%
2	Quick Flight Limited	Subsidiary	India	100%	100%
3	Sierra Investments Limited	Associate	India	43.31%	43.31%
4	Alembic Exports Limited	Associate	India	25%	25%

4. Additional Information:

Particulars	Net Assets i.e. total Assets minus total Liabilities		Share in Profit or Loss	
	As a % of consolidated Net Assets	Amount (₹ in Lacs)	As % of consolidated profit or loss	Amount (₹ in Lacs)
<b>Shreno Ltd (Parent)</b>	93.05%	27,709.02	59.21%	507.91
<b>Subsidiaries :</b>				
1. Foreign : NA	-	-	-	-
2. Indian:				
2.1 Quick Flight Ltd	0.62%	183.17	6.55%	56.22
2.2 AGI Developers Ltd	0.01%	4.45	0.01%	0.11
Minority interest in all subsidiaries	-	-	-	-
<b>Associates :</b>				
(Investment as per the equity method )				
1. Indian:				
1.1 Sierra Investments Limited	6.30%	1,877.43	34.21%	293.47
1.2 Alembic Exports Limited	0.01%	3.32	0.01%	0.13
2. Foreign : NA	-	-	-	-
<b>Total</b>	100.00%	29,777.40	100.00%	857.84

5. Segment Reporting:

The primary information as required under Accounting Standards -17 are given as per **Annexure-A**.

6. Employee Benefits

- (i) Defined contribution plans

Company has recognised an amount of ₹ **107.18 Lacs** (P.Y ₹ 100.03 lacs) as expenses under the defined contribution plan in the Statement of Profit & Loss for the year ended 31<sup>st</sup> March, 2015.

- (ii) Defined benefit plan

Company recognises the liability towards the gratuity at each Balance Sheet date.

The Company makes annual contributions to the Employees' Group Gratuity of the LIC, a funded defined benefit plan for employees of the Company. The scheme provides for payment to vested employees as under:

- a) On Normal retirement/ early retirement/ withdrawal/resignation:

As per the provisions of Payment of Gratuity Act, 1972 with vesting period of 5 years of service.

## ACCOMPANYING NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

## b) On death in service:

As per the provisions of Payment of Gratuity Act, 1972 without any vesting period.

The most recent actuarial valuation of plan assets and the present value of the defined benefit obligation for gratuity and leave encashment were carried out at 31<sup>st</sup> March, 2015 by an actuary. The present value of the defined benefit obligations and the related current service cost and past service cost, were measured using the Projected Unit Credit Method, which recognises each period of service as giving rise to additional unit of benefit entitlement and measures each unit separately to build up the final obligation.

The following table sets out the status of the gratuity plan and the amounts recognised in the Consolidated financial statements as at 31<sup>st</sup> March, 2015:

(₹ in lacs)

Sr. No	Particulars	As on 31 <sup>st</sup> March, 2015		As on 31 <sup>st</sup> March, 2014	
		Funded	Unfunded	Funded	Unfunded
I	<b>Reconciliation in present value of obligations (PVO) – defined benefit obligation :</b>				
	PVO at the beginning of the year	430.7	0.55	417.87	0.66
	Current Service Cost	29.33	0.16	26.88	0.15
	Interest Cost	37.23	0.05	31.61	0.04
	Actuarial (gain) / losses	45.77	0.18	9.71	0.07
	Benefits paid	145.78	-	55.36	0.36
	PVO at end of the year	397.24	0.94	430.7	0.55
II	<b>Change in fair value of plan assets :</b>				
	Expected return on plan assets	35.94	-	32.76	-
	Expenses Deducted from Fund	3.91	-	-	-
	Actuarial gain/(losses)	7.3	-	1.11	-
	Contributions by the employer	38.72	-	72.01	-
	Benefits paid	145.78	-	55.36	-
	Fair value of plan assets at beginning of the year	394.15	-	345.86	-
	Fair value of plan assets at end of the year	311.82	-	394.15	-
III	<b>Reconciliation of PVO and fair value of plan assets:</b>				
	PVO at end of period	397.24	-	430.7	-
	Fair Value of planned assets at end of year	311.82	-	394.15	-
	Unrecognised actuarial gain/ (loss)	-	-	-	-
	Funded status	(85.42)	-	(36.55)	-
	Net asset/ (liability) recognised in the balance sheet	(85.42)	-	(36.55)	-
IV	<b>Net cost for the year ended:</b>				
	Current Service cost	29.33	0.16	26.88	0.15
	Interest cost	37.23	0.05	31.61	0.04
	Expected return on plan assets	35.94	-	32.76	-
	Actuarial (gain) / losses	53.07	0.18	10.82	0.07
	Expenses Deducted from Fund	3.91	-	-	-
	Net cost	87.59	0.39	36.55	0.25



## ACCOMPANYING NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

(₹ in lacs)

Sr. No	Particulars	As on 31 <sup>st</sup> March, 2015		As on 31 <sup>st</sup> March, 2014	
		Funded	Unfunded	Funded	Unfunded
V	<b>Category of assets as at:</b> Insurer Managed Funds (100%)	100%	N.A	100%	N.A
VI	<b>Actual return on the plan assets</b>	28.65	N.A	31.65	N.A
VII	<b>Assumption used in accounting for the gratuity plan:</b>				
	Discount rate (%)	7.80%	7.80%	9.10%	9.10%
	Salary escalation rate (%)	4.75%	5.00%	4.75%	5.00%
	Expected rate of return on plan assets	8.00%	N.A	9.25%	N.A

7. Basic and diluted earnings per share (EPS) is calculated as under:

(₹ in Lacs)

Particulars	Year Ended 31 <sup>st</sup> March, 2015	Year Ended 31 <sup>st</sup> March, 2014
Profit/ (Loss) after tax	857.84	43.57
Less: Adjustment for Preference Shares Dividend & tax there on	129.29	126.35
Profit/ (Loss) attributable to Equity Shareholders	728.24	(82.79)
Weighted average number of Equity Shares	4504152	4504152
Weighted average number of Equity shares (Diluted)	4939944	4504152
Basic EPS (In ₹)	16.17	(1.84)
Diluted EPS (In ₹)	14.77	(1.84)
(Face value per share ₹ 100/- each)		

8. **Related Party Disclosures:**

Disclosures as required by Accounting Standard -18 are given below:

Name of Related Parties	Nature of Relationship
1. Alembic Pharmaceuticals Ltd.	Associate
2. Alembic Ltd.	Associate
3. Paushak Ltd.	Associate
4. Nirayu Private Ltd.	Associate
5. Viramya Packlight Ltd.	Associate
6. Sierra Investments Ltd.	Associate
7. Rakshak Services Pvt. Ltd.	Associate
8. Mr C.R. Amin	Key Management Personnel
9. Mrs M.C. Amin	Key Management Personnel
10. Ms Y. R. Amin	Key Management Personnel
11. Mr. P. C. Amin	Key Management Personnel
12. Mr Nitin Bhawe	Key Management Personnel
13. Mr S. C. Amin	Relative of Key Management Personnel
14. Mrs Shreya Mukherjee	Relative of Key Management Personnel

## ACCOMPANYING NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

(₹ in lacs)

Nature of Transaction Name of Related Party	2014-15			2013-14		
	Associate	KMP	R. KMP	Associate	KMP	R. KMP
<b>Purchase of Goods</b>						
Alembic Limited	300.91			328.82		
Sierra Investments Limited	285.91			289.89		
Others	10.23					
<b>Sale of Goods</b>						
Alembic Pharmaceuticals Limited	944.65			581.63		
Sierra Investments Limited	12.27			2.95		
Alembic Limited	5.81			673.57		
Paushak Limited	177.71			132.58		
<b>Sale of Fixed Asset</b>						
Alembic Pharmaceuticals Limited				42.33		
<b>Rendering of Services</b>						
Alembic Pharmaceuticals Limited	737.09			735.23		
Others	24.90		6.00	2.40		
<b>Receiving of Services</b>						
Rakshak Services Private Limited	75.91			74.01		
Sierra Investments Limited	490.36			291.19		
Others	12.72	6.00	8.99	10.42	6.00	7.49
<b>Interest Paid</b>						
Alembic Limited				128.85		
Others				6.44		
<b>Interest Received</b>						
Nirayu Private Limited	0.65			1.95		
<b>Dividend Received</b>						
Alembic Pharmaceuticals Limited	551.06			459.22		
Others	62.23			43.86		
<b>Advance Given for Capital Asset</b>						
Alembic Limited	4.97			42.11		
<b>Deposit Taken</b>						
Alembic Limited				4,107.50		
Paushak Limited				1,050.00		
<b>Repayment of Deposit Taken</b>						
Alembic Limited				4,107.50		
Paushak Limited				200.00		
Others				15.00		
<b>Managerial Remuneration</b>						
Mr. Nitin Bhave		105.04			99.10	
Others		2.11			0.47	
<b>Balance Receivable / Advance Given</b>						
Alembic Pharmaceuticals Limited	256.24			137.86		
Alembic Limited	47.69			48.83		
Paushak Limited	1.27			61.97		
Sierra Investments Limited				39.94		
<b>Balance Payable / Advance Taken</b>						
Alembic Limited	240.02			95.53		
Alembic Pharmaceuticals Limited	10.23			232.58		
Sierra Investments Limited	72.43			37.32		
Paushak Limited	850.00			850.00		
Others	7.76			6.50		

## ACCOMPANYING NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

9. Accounting Standard (AS-19) on Operating Leases
- (a) The Company has given certain premises under operating lease on leave and license agreement. These are generally not non-cancellable and range between eleven months to three years under leave and license and are renewable by mutual consent on mutually agreeable terms. The Company has obtained refundable interest free security deposits in accordance with the agreed terms. Rent Income is recognized in the Statement of Profit and Losses as "Rent Income" under Note –R and S.
- (b) Lease Payments are recognized in the Statement of Profit and Loss as "Rent" under Note - X.
10. Consequent to the enactment of the Companies Act, 2013 (the Act) and its applicability for accounting periods commencing from 1st April 2014, the Company has reassessed the remaining useful life of fixed assets in accordance with the provisions prescribed under Schedule II to the Act. In case of assets which have completed their useful life, the carrying value (net of residual value) as at 1st April 2014 amounting to ₹ 23.84 lacs has been adjusted to retained earnings and in case of other assets the carrying value (net of residual value) is being depreciated over the revised remaining useful life. The depreciation and amortisation expense charge to the statement of profit and loss for the year ended 31st March, 2015 would have been higher by ₹ 13.54 lacs had the Company continued with the previous assessment of useful life of such assets.
11. The value of realisation of Current Assets other than Fixed Assets and Non-current investments in the ordinary course of business will not be less than the value at which they are stated in the Balance Sheet.
12. Difference in Accounting policies:  
The impact of difference between the accounting policies of the Company and its group companies, which is not expected to be material are:
- In case of a subsidiary company, First in First out method of inventory valuation for raw-material is followed
  - In case of a subsidiary company, straight line method of depreciation is followed for all the assets
  - In case of an associate, written down value method of depreciation is followed for all the assets.
13. The balances of Trade Receivable and Trade Payable are subject to confirmation, reconciliation and consequential adjustments, if any.
14. The company has net deferred tax assets on account of unabsorbed depreciation and business losses. In the absence of virtual certainty and convincing evidence of sufficient future taxable income, net deferred tax asset as at 31<sup>st</sup> March, 2015 is not recognised. However, the deferred tax liability arising on account of timing differences in case of subsidiary company has been considered.
15. The Financial statement of one of the subsidiary company is audited by K.C. Mehta & Co. The Financial statements in respect of other subsidiary and associates are audited by other auditors.
16. Previous year figures are regrouped, reclassified and rearranged wherever necessary.

As per our report of even date attached

**For K. C. Mehta & Co.**

Chartered Accountants

**Vishal P. Doshi**

Partner

Membership No. 101533

Vadodara

Date : 11<sup>th</sup> May, 2015

For and on behalf of Board

**Chirayu Amin**

Chairman

**Malika Amin**

**C. R. Mukherjee**

**Mayur Jadeja**

Director

**Nitin Bhawe**

Whole-time Director

**Nilesh Mistry**

CFO

**Manisha Kathed**

Company Secretary

Vadodara

Date : 11<sup>th</sup> May, 2015

## ACCOMPANYING NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

Annexure A  
Consolidated Segment Reporting

PARTICULARS	Glass		Engineering		Real Estate		Aviation		Packing		Total	
	Mar-15	Mar-14	Mar-15	Mar-14	Mar-15	Mar-14	Mar-15	Mar-14	Mar-15	Mar-14	Mar-15	Mar-14
<b>Revenue</b>												
Revenue from Operations	6,135.52	6,748.79	2,899.22	1,652.11	3,920.86	5,170.98	302.51	203.00	365.37	387.43	13,623.49	14,162.31
Less: Excise Duty	646.46	639.04	117.00	117.77	-	-	-	-	-	-	763.46	756.81
Sales Net	5,489.06	6,109.75	2,782.22	1,534.34	3,920.86	5,170.98	302.51	203.00	365.37	387.43	12,860.02	13,405.50
Other Income	14.43	12.62	22.29	36.49	66.11	129.10	0.34	0.08	-	1.36	103.17	179.65
Unallocated Other Income	-	-	-	-	-	-	-	-	-	-	667.48	506.14
Total Revenue	5,503.49	6,122.37	2,804.51	1,570.82	3,986.98	5,300.09	302.85	203.08	365.37	388.79	13,630.67	14,091.29
<b>Result</b>												
Segment Result (Profit)/(Loss) before tax, interest & Non-recurring Expenses)	(158.82)	(638.29)	493.80	161.26	1,386.49	1,481.53	(115.41)	(5.23)	88.93	52.71	1,695.00	1,051.98
Less:												
Financial Cost	679.55	727.67	98.02	128.46	0.08	155.62	4.26	1.58	0.02	0.01	781.94	1,013.33
Depreciation	128.77	224.83	163.90	87.65	113.18	118.55	346.98	308.72	6.38	4.61	759.21	744.35
Less:												
Tax Expense											29.35	16.92
Unallocated Expenses											227.74	34.73
Add:												
Unallocated Income											667.48	506.14
<b>Net Profit/ (Loss) after Tax</b>	<b>(967.14)</b>	<b>(1,590.78)</b>	<b>231.88</b>	<b>(54.84)</b>	<b>1,273.23</b>	<b>1,207.37</b>	<b>(466.65)</b>	<b>(315.53)</b>	<b>82.54</b>	<b>48.09</b>	<b>564.24</b>	<b>(251.21)</b>
Share of Associate's Profit											293.60	294.78
<b>Net Profit/ (Loss) after Tax and Share of Associate's Profit</b>											<b>857.84</b>	<b>43.57</b>
<b>Other Information</b>												
Segment Asset	6,563.59	6,996.68	2,463.91	3,230.72	30,075.98	27,163.81	1,834.84	2,374.97	208.99	145.10	41,147.31	39,911.28
Segment Liabilities	3,637.17	2,290.47	862.60	1,424.45	4,004.78	2,508.26	126.03	239.85	25.81	18.15	8,656.39	6,481.17
Unallocable Assets											4,545.93	3,904.62
Unallocable Liabilities											7,259.44	9,791.81
Total Capital Employed	2,926.42	4,706.22	1,601.31	1,806.27	26,071.21	24,655.56	1,708.81	2,135.12	183.17	126.95	29,777.41	27,542.91
Capital Expenditure	568.57	17.83	1.27	177.14	1.72	22.69	-	303.58	1.54	20.63	573.11	541.87
Non Cash Expenses (Other than Depreciation)	52.31	4.46	11.41	0.84	0.01	0.35	23.38	-	0.30	1.08	87.42	6.72

## FORM AOC-I

(Pursuant to first proviso to sub-section (3) of Section 129 read with Rule 5 of Companies (Accounts) Rules, 2014)

Part "A": Subsidiaries		₹ in Lacs	₹ in Lacs
1	Name of the subsidiary	<b>Quick Flight Ltd.</b>	<b>AGI Developers Ltd.</b>
2	Reporting period for the subsidiary	31 <sup>st</sup> March, 2015	31 <sup>st</sup> March, 2015
3	Reporting currency and Exchange rate as on the last date of the relevant Financial year	INR	INR
4	Share capital	10.00	5.00
5	Reserves & surplus	173.17	(0.55)
6	Total assets	208.99	4.60
7	Total Liabilities	25.82	0.16
8	Investments	10.01	5.00
9	Turnover	376.78	-
10	Profit before taxation	82.54	0.14
11	Provision for taxation	26.32	0.03
12	Profit after taxation	56.22	0.11
13	Proposed Dividend	NA	NA
14	% of shareholding	100%	100%

## Notes:

- Names of subsidiaries which are yet to commence operations - NA
- Names of subsidiaries which have been liquidated or sold during the year. - NA

Part "B": Associates and Joint Ventures		₹ in Lacs	₹ in Lacs
Name of Associates		<b>Sierra Investments Ltd.</b>	<b>Alembic Export Ltd.</b>
1	Latest audited Balance Sheet Date	31 <sup>st</sup> March, 2015	31 <sup>st</sup> March, 2015
2	Shares of Associate/Joint Ventures held by the company on the year end :		
	Nos	1,261,700	12,500
	Amount of Investment in Associates	194.96	1.25
	Extend of Holding %		
3	Description of how there is significant influence	More than 20% of Holding	More than 20% of Holding
4	Reason why the associate/joint venture is not consolidated	NA	NA
5	Networth attributable to Shareholding as per latest audited Balance Sheet	1,877.43	3.32
6	Profit / Loss for the year		
	i Considered in Consolidation	293.47	0.13
	ii Not Considered in Consolidation	-	-

## Notes:

- Names of associates or joint ventures which are yet to commence operations. - NA
- Names of associates or joint ventures which have been liquidated or sold during the year. - NA

As per our report of even date attached

**For K. C. Mehta & Co.**

Chartered Accountants

**Vishal P. Doshi**

Partner

Membership No. 101533

Vadodara

Date : 11<sup>th</sup> May, 2015

For and on behalf of Board

**Chirayu Amin**

Chairman

**Malika Amin****C. R. Mukherjee****Mayur Jadeja**

Director

**Nitin Bhawe**

Whole-time Director

**Nilesh Mistry**

CFO

**Manisha Kathed**

Company Secretary

Vadodara

Date : 11<sup>th</sup> May, 2015



### Proxy Form

CIN : U26100GJ1944PLC000345  
 Name of the company : Shreno Limited  
 Registered office : Alembic Road, Vadodara - 390003, Gujarat, India.  
 Tel.: 0265-2280550 • Fax : 0265 - 2282506 • Website: www.shreno.com  
 E-mail: shreno.investors@alembic.co.in

Name of the Member (s):			
Registered Address:			
Email-ID:			
Folio No./ DP ID:		Client ID:	

I/We, being the member (s) of ..... shares of the above named company, hereby appoint

1. Name: .....  
 Address: .....  
 E-mail Id: .....  
 Signature: ....., or failing him
2. Name: .....  
 Address: .....  
 E-mail Id: .....  
 Signature: ....., or failing him
3. Name: .....  
 Address: .....  
 E-mail Id: .....  
 Signature: .....

as my/our proxy to attend and vote (on a poll) for me/us and on my/our behalf at the 70<sup>th</sup> Annual General Meeting of the Company, to be held on Friday, the 21<sup>st</sup> August, 2015 at 12.30 p.m. at "Sanskriti", Alembic Corporate Conference Center, Opp. Pragati Sahakari Bank Limited, Alembic Colony, Vadodara – 390 003 and at any adjournment thereof in respect of such resolutions as are indicated below:

Resolution No.	Resolution
<b>Ordinary Business</b>	
1	Adoption of Audited Financial Statements for the year ended 31 <sup>st</sup> March, 2015.
2	Re-appointment of Mr. Chirayu R. Amin, who retires by rotation.
3	Ratification of appointment of M/s. K. C. Mehta & Co., Chartered Accountants as Statutory Auditors of the Company.
<b>Special Business</b>	
4	Ratification of Remuneration to the Cost Auditor for the F. Y. 2014-15.
5	Ratification of Remuneration to the Cost Auditor for the F. Y. 2015-16.
6	Approval of remuneration of Mr. Nitin Bhawe, Whole-time Director of the Company.
7	Re-appointment of Mr. Nitin Bhawe as Whole-time Director of the Company.

Signed this..... day of..... 2015

Signature of Shareholder(s) \_\_\_\_\_

Signature of Proxyholder(s) \_\_\_\_\_

Notes:

1. This form of proxy in order to be effective should be duly completed and deposited at the Registered Office of the Company, not less than 48 hours before the commencement of the Meeting.
2. Please complete all details including details of member(s) before submission.

Affix Revenue Stamp of ₹ 1/-
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**SHRENO LIMITED**

CIN: U26100GJ1944PLC000345

Registered office: Alembic Road, Vadodara – 390003, Gujarat, India

Phone: 0265-2280550, 2280880 Fax: 0265-2282506

Website: www.shreno.com Email: shreno.investors@alembic.co.in

**ATTENDANCE SLIP**

(Please fill Attendance Slip and hand it over at the entrance of the Meeting Hall)

Name of the Member(s) / Proxy* (In Block Letters):	
Folio No.	
DP ID - Client ID#	
No. of Shares Held	

I hereby record my presence at the 70<sup>th</sup> Annual General Meeting of the Company held on Friday, the 21<sup>st</sup> August, 2015 at 12:30 p.m. at "Sanskriti", Alembic Corporate Conference Center, Alembic Colony, Vadodara – 390 003.

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Signature of Shareholder(s)/Proxy\***Notes:**

1. Members are requested to bring their copies of Annual Report at the AGM.
  2. \*Please strike off whichever is not applicable.
  3. \*Applicable for investors holding shares in electronic form.
-





If undelivered please return to :  
**Shreno Limited**  
Alembic Road, Vadodara 390 003.