



A new era of branded gold



**AGEE GOLD REFINERS LTD.**

A n n u a l   R e p o r t   2 0 0 0 - 2 0 0 1



## Dear Stakeholders,

It has truly been a landmark year for all of us.

Your Company has successfully fulfilled its commitment to the nation by setting up India's first Gold Refinery to the international standard. The 1,40,000 sq. ft. plant and development of 50 acres of plant site as also the Shirpur airport were all completed in a record time span of just 12 months.

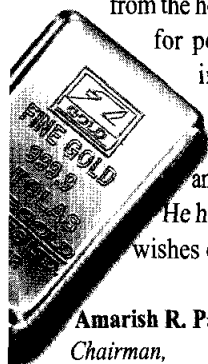
Inaugurated by Shri Vilasrao Deshmukh, Hon'ble Chief Minister of Maharashtra on the auspicious day of Gudi Padwa, 26th March 2001, the Refinery is poised to tap into the huge demand for gold and silver.

The Refinery is now operative with all plant and equipment installed, supported by world-class facilities and state-of-the-art technology. Market acceptability trials and supply chain development have been successfully completed. E-connectivity is also being completed. The roll-out for both gold and silver will commence on a national grid. India's bullion industry will soon move over from commodity to brand.

As some of you are aware, mid-way through the year we had to bid adieu to our erstwhile Chairman, Shri Dilip Kumar who has resigned from the helm of various companies

for personal reasons. We are indeed grateful to Shri Dilip Kumar for his distinguished presence and his valued contributions.

He has assured us that his best wishes continue with us.

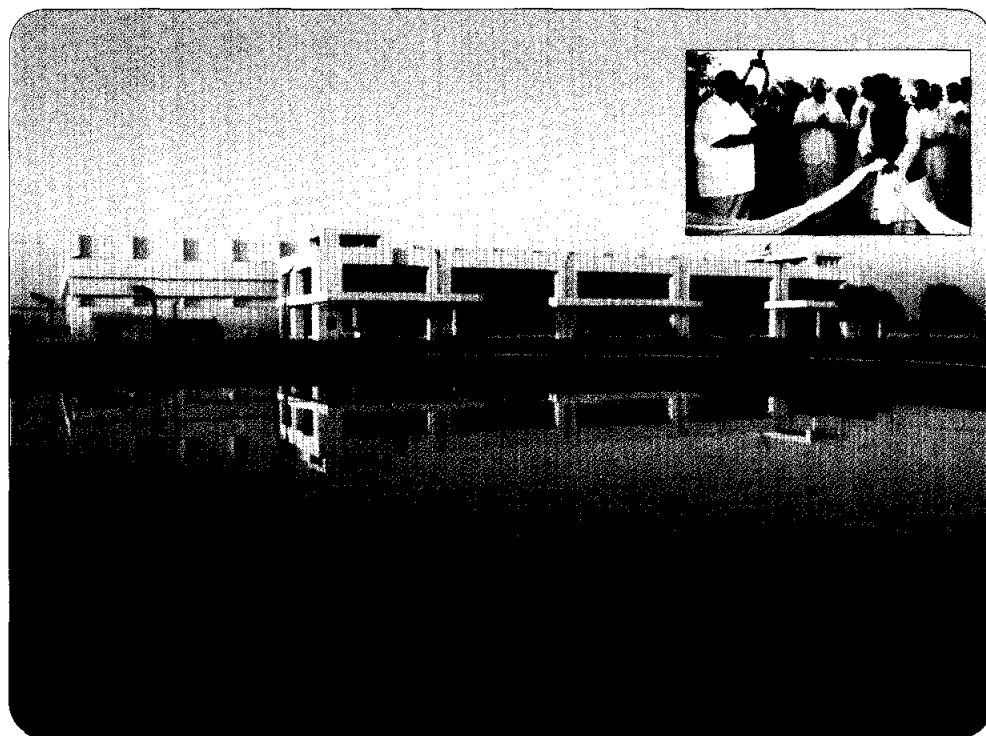


**Amarish R. Patel,**  
Chairman,

Agee Gold Refiners Limited



*VIP presence at the inauguration of the Agee Gold Refinery*



*The Golden milestone: Shri Vilasrao Deshmukh, Hon'ble Chief Minister of Maharashtra unties the knot to inaugurate India's first Gold Refinery to the international standard*



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## **AGEE GOLD REFINERS LIMITED**

### **BOARD OF DIRECTORS**

<b>Amarish Patel</b>	: Chairman
<b>Mukesh Patel</b>	: Vice Chairman
<b>N. Dwarkanath</b>	: Managing Director
<b>Vipin Malik</b>	: Director
<b>Prakash Mehta</b>	: Director
<b>Surinder Pathania</b>	: Director
<b>Bhupesh Patel</b>	: Director
<b>Sanjay Gupta</b>	: Executive Director

### **COMPANY SECRETARY**

**V. A. Vakharia**

### **AUDITORS**

**M/s. Utpal Bhayani & Co.**  
Chartered Accountants

### **BANKERS**

**Global Trust Bank Ltd.**

**Bank of Punjab Ltd.**

**The Jammu & Kashmir Bank Ltd.**

**The Shirpur Peoples Co-op Bank Ltd.**

### **REGISTRARS & TRANSFER AGENTS**

**Sharepro Services**

Satam Industrial Estate, 3rd Floor, Above Bank of Baroda, Cardinal Gracious Road,  
Chakala, Andheri (East), Mumbai - 400 099

### **REGISTERED OFFICE**

4A, Vikas Centre, 104, S.V. Road, Santacruz (West), Mumbai - 400 054.

### **REFINERY**

Shirpur, Dist. Dhulia, Maharashtra



## AGEE GOLD REFINERS LIMITED

Regd. Off : 4-A, Vikas Centre, 104, S.V. Road, Santacruz (West), Mumbai - 400 054  
Tel.: 611 6400 / 611 1666 - Fax 611 6705

Notice is hereby given that the Sixteenth Annual General Meeting of the members of AGEE GOLD REFINERS LIMITED will be held on Saturday, 29th September 2001 at 12:30 p.m. at its Registered Office at 4-A, Vikas Centre, 104, S.V. Road, Santacruz (West), Mumbai - 400 054, to transact the following business :

### ORDINARY BUSINESS

1. To receive, consider and adopt the Audited Balance Sheet as at 31st March 2001 and the Profit and Loss Account for the year ended on that date and the Report of the Directors' and the Auditors' thereon.
2. To appoint a Director in place of Mr. Bhupesh R. Patel, who retires by rotation and being eligible, offers himself for re-appointment.
3. To appoint a Director in place of Mr. Prakash V. Mehta who retires by rotation and being eligible, offers himself for re-appointment.
4. To appoint Auditors to hold office from the conclusion of this meeting until the conclusion of the next Annual General Meeting and to fix their remuneration.

### SPECIAL BUSINESS

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

"Resolved that pursuant to provisions of the Section 31 and other applicable provisions if any, of the Companies Act, 1956, the Articles of Association of the Company be and are hereby amended, altered and or substituted in the manner specified below:

- (a) The following new Article 9A under the marginal note "Buy-back of shares or other specified securities" be inserted after the existing Article 9.

"Buy-back of Shares and other specified securities:

"Subject to and in compliance of the requirements of Section 77A, 77AA, 77B and any other applicable provisions of the Companies Act, 1956 or corresponding provisions of any re-enactment thereof and any Rules and Regulations that may be prescribed by the Central Government, the Securities and Exchange Board of India (SEBI) or any other appropriate authority in this regard, the Company, in a General Meeting may, upon the recommendation of the Board, at any time and from time to time, by a Special Resolution authorise buy-back of any part of the share capital of the Company fully paid-up on that date".



**(b) Remuneration of Directors**

*In Article No.82 of the Articles of Association of the Company*

- (i) in the third and fourth lines, the amount of Rs. 2500/- (Rs. Two Thousand Five Hundred) be deleted and substituted by the amount Rs. 5000/- (Rs. Five Thousand)
- (ii) in the sixth line, to add the words “or any committee of the Directors” after the words “Board of Directors”

6. To declare the result of the Special Resolution for shifting of the Registered office from 4A, Vikas Centre , 104 S.V. Road, Santacruz (W), Mumbai 400 054 to the Company’s refinery site at Shirpur, Dist. Dhulia, Maharashtra for which the member’s approval has been sought by POSTAL BALLOT vide a separate notice alongwith explanatory statement dated 31st July, 2001 issued to the members.

By Order of the Board

**For AGEE GOLD REFINERS LIMITED**

Mumbai  
10th August, 2001

**V. A. VAKHARIA**  
Company Secretary

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## NOTES :

1. A MEMBER ENTITLED TO ATTEND AND VOTE IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF AND A PROXY NEED NOT BE A MEMBER.
2. The Explanatory Statement, pursuant to Section 173(2) of the Companies Act, 1956, is attached to the Notice.
3. Members are requested to notify the change of address to our Registrar and Transfer Agent M/s. Sharepro Services at Satam Industrial Estate, 3rd Floor, Above Bank of Baroda, Cardinal Gracious Road, Chakala, Andheri (East), Mumbai - 400 099.
4. The Register of Members and Share Transfer Books of the Company will remain closed from Tuesday 18th September, 2001 to Saturday 29th September, 2001 (both days inclusive).
5. Members desiring any information about accounts at the Meeting are requested to write to the Company at least 7 days in advance of the Annual General Meeting.
6. All the documents referred to in the accompanying Notice and the Explanatory Statement thereto, shall be kept open for inspection by the members, at the Registered Office of the Company, on all working days between 11.00 a.m. and 1.00 p.m. up to and including the day of the Annual General Meeting.
7. Members who hold shares in Dematerialised Form are requested to bring their Client ID and DP ID Numbers for easy identification of attendance at the meeting.

## EXPLANATORY, STATEMENT PURSUANT TO SECTION 173(2) OF THE COMPANIES ACT, 1956

### Item No. 5(i)

Pursuant to Sections 77A, 77AA and 77B introduced vide the Companies (Amendment) Act, 1999, effective 31st October, 1998, it is permissible for the companies to buy-back their own shares, involving a financial outlay of up to 25% of the paid up capital and free reserves, provided such buy-back in any financial year does not exceed 25% of the total paid up capital in that financial year.

The Resolution at Item No. 5(i) is being proposed for the limited purpose of amending the Articles of Association and to have an enabling provision, so that, if and when, the Company takes a decision in future to buy-back its own shares, the absence of such an enabling provision in the Articles of Association does not become an impediment to such a decision.

A copy of the Memorandum and Articles of Association of the Company will be available for inspection by the Shareholders at the Registered Office of the Company on all working days between 11.00 a.m. to 1 p.m up to and including the date of this meeting.



No Director is interested or concerned in this Resolution and the Board recommends the Special Resolution at Item No.5(i) for approval of members.

**Item No. 5(ii)**

As per Rule 10B of the Companies (Central Government's) General Rules & Forms, 1956 as amended w.e.f. 1-4-2000 vide GRS 58(E) dated 17th January, 2000, the amount of remuneration by way of fee for each meeting of the Board of Directors or Committee thereof, shall not exceed the sum of Rs. Five Thousand. Accordingly it is proposed that the relevant Articles of Association providing for payment of sitting fees be altered to reflect increase in the limit as above The Special Resolution at item No. 5(ii) is proposed pursuant to Section 31 of the Companies Act, 1956.

Mr. Amarish Patel, Mr. Mukesh Patel, Mr. Vipin Malik, Mr. Prakash Mehta, Mr. Surinder Pathania and Mr. Bhupesh Patel, the Non-Executive Directors of the Company may be considered as interested in the Special Resolution.

A copy of the Memorandum and Articles of Association of the Company will be available for inspection by the Shareholders at the Registered Office of the Company on all working days between 11.00 a.m. to 1.00 p.m up to and including the day of the meeting.

**Item No. 6**

The Company has issued a separate notice with explanatory statement dated 31st July, 2001 for special resolution to be passed by the members by Postal Ballot under The Companies (passing of resolution by Postal Ballot) Rules, 2001 read with Section 192A of the Companies Act, 1956 and other provisions, if any, of the Companies Act, 1956 for shifting the Registered Office to Agee Gold Refiners Ltd. Refinery Site, Shirpur, Dist. Dhulia, Maharashtra.

Under the rules referred above, the result of Postal Ballot is to be announced in the Annual General Meeting to be held on 29th Septmeber, 2001.

By Order of the Board  
**For AGEE GOLD REFINERS LIMITED**

**V. A. VAKHARIA**  
Company Secretary

Mumbai  
10th August, 2001



## AGEE GOLD REFINERS LIMITED

### DIRECTORS' REPORT

#### To the Members of AGEE GOLD REFINERS LIMITED

Your Directors have pleasure in presenting the Sixteenth Annual Report together with the Audited Statement of Accounts for the year ended 31st March, 2001.

FINANCIAL RESULTS	31.03.2001	31.03.2000
Gross profit before interest & depreciation	5,03,00,577	8,90,95,745
Less : Interest	(76,36,985)	(10,80,000)
Depreciation	-	(1,09,090)
Profit Before Tax	4,26,63,592	8,79,06,655
Less : Provision for taxation	-	-
Profit (Loss) after tax	4,26,63,592	8,79,06,655
Balance of previous year	5,01,12,407	(3,77,94,248)
Balance carried forward in Balance Sheet	9,27,75,999	5,01,12,407

### FINANCIAL RESULTS

During the year under review, your Company has recorded Gross Income of Rs. 525.15 lacs [Previous Year Rs. 9,031.50 lacs] and a net profit of Rs. 426.64 lacs [Previous Year Rs. 879.07 lacs]

### DIVIDEND

After considering the profits, and to conserve resources, your Directors think it prudent not to declare dividend for the year under consideration.

### DIRECTORS

Shri Bhupesh R. Patel and Shri Prakash V. Mehta retire by rotation and being eligible, offer themselves for reappointment.





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## **DIRECTORS' RESPONSIBILITY STATEMENT**

Your Directors further report :

- i. That in the preparation of annual accounts, for the financial year ended 31st March, 2001, the applicable accounting standards had been followed and that there were no material departures.
- ii. That selected accounting policies were applied consistently and the Directors made judgements and estimates that are reasonable and prudent so as to give a true and g  ir view of the state of affairs of the Company as at 31st March, 2001 and of the profit of the Company for the period ended 31st March, 2001.
- iii. That they have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities.
- iv. That the annual accounts have been prepared on a 'going concern' basis.

## **PROJECT COMPLETION AND FUTURE PROSPECTS**

The year under review was a landmark for your Company. Your Directors take pleasure in informing you that your Company has successfully completed its precious metals refinery project in a record time of about one year. The culmination of unstinted efforts and support put in by all concerned has resulted in the plant being one of the best in the world. 'Zee Gold' has truly put India on the world gold map.

The plant was inaugurated on the auspicious day of 'Gudi Padwa' - 26th March, 2001, ushering in a new chapter in your company's history. The product range was well received by the market.

The installed capacity of the plant is to refine and fabricate 217 MT per annum of gold and silver respectively. Your Company is confident of achieving optimal operating capacities within the current financial year. The plant has inculcated the latest technology including environmental protection systems that meet the most stringent norms laid down globally.

The insatiable demand for gold and silver in India has been registering a healthy growth on a year-to-year basis. Over 99% of the demand hitherto has been met by imports, involving huge outflows of precious foreign exchange. Your Company has effectively addressed this niche by making available international quality, hallmarked gold and silver domestically. It has also set up a value driven and service oriented supply chain to efficiently deliver its products across the country and in the international markets.

Given the inherent strength of the project and considering good response shown by the market, your Directors are confident of better results in the coming years.

## **ISSUE OF FURTHER CAPITAL**

During the year your Company issued and allotted 50,00,000 equity shares of Rs. 10/- each on preferential basis at a premium of Rs. 152/- per share, i.e. at the issue price of Rs. 162/- to Overseas Corporate Body, M/s. C.S. Orbit Investments Ltd., Mauritius. This was approved by the shareholders in the Extra-ordinary General Meeting of the



Company held on 29th August, 2000. The said shares were admitted for dealings on Mumbai Stock Exchange on 29th January, 2001.

### **FIXED DEPOSITS**

The Company has not accepted any deposit within the meaning of Section 58A of the Companies Act, 1956 and the Rules made there under.

### **INSURANCE**

The Assets of the Company are adequately insured including raw materials and finished goods-in-transit.

### **CORPORATE GOVERNANCE**

Effective steps have been initiated to comply with the mandatory provisions of Corporate Governance as listed in Clause 49 of the Listing Agreement with the Stock Exchange where the equity shares of the Company are listed. The Clause on Corporate Governance will be applicable to your Company within the financial year 2001-2002 but not later than 31st March, 2002. Pursuant to the provisions of Section 292 A of the Companies Act, 1956 and the Listing Agreement, the Company has constituted an Audit Committee. A Shareholders/Investors Grievance Committee has also been constituted as per this agreement.

### **TECHNOLOGY ABSORPTION, CONSERVATION OF ENERGY AND FOREIGN EXCHANGE EARNINGS AND OUTGO**

During the year, the Company was engaged in setting up of project of precious metals refinery. The relevant details on the above shall be furnished in the Annual Report from the next year.

The particulars of the foreign exchange earnings and outgo during the year under review are as under :

Earnings [FOB Value of Export]	NIL
Outgo	Rs. 29.90 Lacs

### **DEMAT**

Trading in the Equity Shares of your Company has been compulsory in the dematerialized form for all shareholders w.e.f. 8th May, 2000 as per Circular dated 15th February, 2000 from Securities and Exchange Board of India [SEBI]. Your Company has achieved high level of dematerialization with 80% of the total number of Equity Shares being held in the electronic mode with both the depositories.

### **PARTICULARS OF EMPLOYEES**

There were no employees pursuant to Section 217 (2A) of the Companies Act, 1956 read with the Companies [Particulars of Employees] Rules, 1975, duly amended.

### **AUDITORS**

M/s. Utpal Bhayani & Company, Chartered Accountants, retire at the ensuing Annual General Meeting of the Company and being eligible offer themselves for reappointment as Auditors of the Company.