



SHIRPUR GOLD REFINERY LIMITED

(Formerly known as AGEE GOLD REFINERS LIMITED)

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**20TH ANNUAL REPORT
2004 - 2005**

SHIRPUR GOLD REFINERY LIMITED
(Formerly known as AGEE GOLD REFINERS LTD.)

BOARD OF DIRECTORS

Shri Chintan A. Patel	<i>Managing Director</i>
Shri Tapan M. Patel	<i>Jt. Managing Director</i>
Dr. Dinesh S. Patel	<i>Director (Resigned w.e.f. 27.6.2005)</i>
Shri Sanjay Gupta	<i>Director</i>
Shri Subhash M. Jain	<i>Director</i>

AUDITORS

M/s. Utpal Bhayani & Co.
Chartered Accountants

BANKERS

Oriental Bank of Commerce
Bank of Punjab Ltd.
The Jammu & Kashmir Bank Ltd.

REGISTRARS & TRANSFER AGENTS

Sharepro Services
Satam Estate, 3rd Floor, Above Bank of Baroda, Cardinal Gracious Road,
Chakala, Andheri (E), Mumbai - 400 099.

REGISTERED OFFICE

Refinery Site at Shirpur, Shirpur, Dist. Dhulia, Maharashtra - 425 405.

CORPORATE OFFICE

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

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NOTICE

NOTICE is hereby given that the Twentieth Annual General Meeting of the members of SHIRPUR GOLD REFINERY LIMITED will be held on Thursday, 29th September, 2005 at 02.15 P.M. at its Registered Office at Refinery Site, Shirpur, Dist. Dhulia, Maharashtra - 425 405 to transact the following business:

ORDINARY BUSINESS :

1. To receive, consider and adopt the Audited Balance Sheet as at 31st March, 2005 and the Profit and Loss Account for the year ended on that date and the Report of Directors' and the Auditors' thereon.
2. To appoint a Director in place of Shri Sanjay Gupta, who retires by rotation and being eligible, offers himself for re-appointment.
3. To appoint Auditors to hold office from the conclusive of this meeting until the conclusion of the next Annual General Meeting and to fix their remuneration.

By Order of the Board

For **SHIRPUR GOLD REFINERY LIMITED**

CHINTAN A. PATEL

Managing Director

Place: Shirpur.

Date : 31st August, 2005.

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 Register of Members and Share Transfer Books of the Company will remain closed from 23.9.2005 to 29.9.2005 (both days inclusive).
3. Members are requested to notify 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 (E), Mumbai - 400 099.
4. 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.
5. Members who hold shares in Dematerialized Form are requested to bring their Client ID and DP ID Numbers for easy identification of attendance at the meeting.

By Order of the Board

For **SHIRPUR GOLD REFINERY LIMITED**

CHINTAN A. PATEL

Managing Director

Place: Shirpur.

Date : 31st August, 2005.

DIRECTORS' REPORT

To the Members of
SHIRPUR GOLD REFINERY LIMITED

Your Directors have pleasure in presenting the Twentieth Annual Report together with the Audited Statement of Accounts for the year ended 31st March, 2005.

FINANCIAL RESULTS	31.03.2005	31.03.2004
Gross Profit/(Loss) before Interest & Depreciation	(2,05,20,623)	–
Less : Interest	17,38,27,414	19,57,808
Depreciation	18,19,39,709	–
Profit/(Loss) Before Tax	(37,62,87,746)	(19,57,808)
Less : Provision for Taxation	–	3,137
Profit/(Loss) after Tax	(37,62,87,746)	(19,54,671)
Balance of Previous Year	8,81,06,328	9,10,60,999
Balance carried forward in Balance Sheet	(28,56,36,110)	8,91,06,328

FINANCIAL RESULTS

As financially and technically advised, even in the absence of launching of commercial production, the trial run production has been treated as Sales/Turnover and the expenses incurred are booked as revenue expenses. And the "incidental expenses during construction" a part of work in progress has capitalised along with Plant & Machinery during the year. The major expenses during the year were the interest on borrowings from the banks and depreciation.

DIVIDEND

Directors do not recommend dividend for the year under consideration.

DIRECTORS

Shri Sanjay Gupta retired by rotation and being eligible offered himself for re-appointment.

AUDIT COMMITTEE

Audit Committee of the Directors as on 31st March, 2005 consists of :-

- 1) Dr. Dinesh Patel - Chairman of the Committee
- 2) Shri. Sanjay Gupta - Member
- 3) Shri. Subhash Manakchand Jain - Member

DIRECTORS' RESPONSIBILITY STATEMENT

Your Directors further report :

- i. That in the preparation of Annual Accounts, for the Financial Year ended 31st March, 2005 the applicable accounting standards has been followed and that there were no material departures.
- ii. That selected accounting policies were applied consistently and the Directors made judgement and estimates, that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company as at 31st March, 2005 and of the loss of the Company for the period ended 31st March, 2005.
- 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.

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OPERATIONS & FUTURE PROSPECTS

Though your Company has put in place complete procedures/system for import of gold by arriving at an arrangement with STC, a central government undertaking and also entered into a highly workable marketing tie-up with them, the implementation of this has not moved ahead as envisaged due to the merger of Global Trust Bank, the lead Banker with Oriental Bank of Commerce. Your directors are in dialogue with the consortium leader-bank and hope that the whole procedure will be completed at the earliest so that your Company could commence commercial production and be fully operational soon.

FIXED DEPOSITS

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

CORPORATE GOVERNANCE

Pursuant to Clause 49 of Listing Agreement with the Stock Exchanges, a compliance report on Corporate Governance has been annexed as part of the Annual Report.

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

As the Company has not yet commenced Commercial Production as stated earlier, the particulars of conservation of energy, technology absorption details are not given.

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

Earnings (FOB Value of Export)	Rs. NIL
Outgo	Rs. NIL

DEMAT

Trading in the Equity Shares of your Company has been made 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 of level dematerialization with 99.11% 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.

ACKNOWLEDGEMENT

Your Directors' place on record their appreciation of the assistance and support extended by the Government Authorities, Banks and Shareholders of the Company and look forward to their continued support in future.

Your Directors also express their appreciation for the dedicated and sincere services rendered by employees of the Company.

For and on behalf of the Board

Place : Mumbai.
Dated : 27th June, 2005.

CHINTAN A. PATEL
Managing Director

REPORT ON CORPORATE GOVERNANCE

Pursuant to Clause 49 of the Listing Agreement, a Report on Corporate Governance is set out below :

Company's Philosophy on Code of Governance :

The essential elements of Corporate Governance is accountability in functioning of the Company. The Company believes that Corporate Governance should result in enhancing Corporate performance and increase in Shareholders Value.

1. Board of Directors

(A) Composition :

The Board comprises of Executive and Non-Executive Directors. The Non-Executive Directors bring independent judgment in the Board deliberations and decisions. Only the Managing Director is a Whole-time Director.

COMPOSITION OF BOARD OF DIRECTORS :

As on 31st March, 2005

Sr. No.	Name of Directors	Category	Other Directorship/ Board Committees (Numbers)	
			Directors	Committees
1	Dr. Dinesh S. Patel	Non-Executive Independent Director	5	—
2	Shri. Sanjay Gupta	Non-Executive Independent Director	4	—
3	Shri. Chintan A. Patel Managing Director	Promoter Group	6	—
4	Shri. Tapan M. Patel Jt. Managing Director	Promoter Group	3	—
5	Shri. Subhash M. Jain (w.e.f. 28-07-2003)	Non-Executive Independent Director	3	—

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NUMBER OF BOARD MEETINGS AND THE ATTENDANCE OF DIRECTORS DURING 1ST APRIL, 2004 TO 31ST MARCH, 2005

Name of Directors	Number of Board Meetings attended (out of 5 Meetings)	Attendance at last AGM Held on 28.9.2004
Shri Sanjay Gupta	4	Yes
Dr. Dinesh Patel	3	—
Shri Chintan A. Patel	4	Yes
Shri Tapan M. Patel	3	Yes
Shri Subhash M. Jain	4	Yes

(B) None of the non-executive Directors of the Company have any pecuniary relationship or transactions with the Company other than fees paid for professional services rendered by them.

2. AUDIT COMMITTEE :

TERMS OF REFERENCE AND COMPOSITION OF THE COMMITTEE

The present Audit Committee consisting of the following Directors:

Name	Category	Remarks
• Dr. Dinesh S. Patel	Non Executive Independent Director	Chairman of the Audit Committee
• Shri. Sanjay Gupta	Non Executive Independent Director	Appointed
• Shri. Subhash M. Jain	Non Executive Independent Director	Appointed

During the financial year 2004-2005, the Audit Committee met on 31st May, 2004, 27th July, 2004, 29th Sept, 2004, & 28th January, 2005.

The terms of reference of this Committee cover the matters specified for Audit Committee under Clause 49 of the Listing Agreements as well as in Section 292 A of the Companies Act, 1956.

3. REMUNERATION OF DIRECTORS :**A. WORKING DIRECTORS :**

Remuneration of the Managing Director and the Executive Director is considered by the Board of Directors of the Company. The terms of remuneration are approved by the Shareholders at the Annual General Meeting.

Given below are the details of payments made during 1st April, 2004 to 31st March, 2005 to the Directors of the Company.

Name of the Directors	Salary (Rs.)	Perquisites (Rs.)	Service Contract
1) Shri. Chintan A. Patel Managing Director	—	—	—
2) Shri. Tapan M. Patel Jt. Managing Director	—	—	—

B. NON EXECUTIVE DIRECTORS :

Name of the Director	Sitting Fees (Rs.)
Dr. Dinesh Patel	NIL
Shri Sanjay Gupta	NIL
Shri Chintan A. Patel	NIL
Shri Tapan M. Patel	NIL
Shri Subhash M. Jain	NIL
Total:	NIL

REMUNERATION COMMITTEE :

Matters of remuneration of the Managing Director and the Joint Managing Director are considered by the Board where the interested Managing Director and Joint Managing Director do not participate or vote. The terms are approved by the shareholders at the General Meeting. During the year, the Company has only Managing Director and no remuneration is paid to him. Therefore no separate remuneration Committee has been constituted.

4. BOARD PROCEDURE :

- A. The Company holds minimum of Four Board Meetings every year. During the Financial Year 2004-2005, Board met on 31st May, 2004, 27th July, 2004, 29th Sept, 2004 & 28th January 2005. Thus there were Four Meetings in the year ended 31st March, 2005.
- B. None of the Directors of our Company is a Member in more than 10 committees or acts as Chairman of more than five committees across all Companies in which he is a Director.

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5. MANAGEMENT :

Periodical disclosures of this requirement are made by the management from time to time. Management Discussion and Analysis report is attached.

6(A) SHAREHOLDERS :

The relevant information relating to the Directors who would be appointed/re-appointed at the ensuing Annual General Meeting to be held on 29th September, 2005 are given below :

Shri Sanjay Gupta

Shri Gupta is aged 42 years. His qualifications are B.Sc. (H), M.B.A. P.G.D. I.T(I.I.F.T). He has over 10 years experience in Precious Metals Industry. He was appointed as a Director w.e.f. 15th April, 2000 and was Executive Director till 16.04.2002. He is a Director in Aviquipo of India Ltd.

(B) SHAREHOLDERS / INVESTORS GRIEVANCE COMMITTEE

The Committee consists of following Directos :

1. Dr. Dinesh Patel, Chairman of the Committee Non-Executive Independent Director.
2. Shri Sanjay Gupta, Non-Executive Independent Director.

During the year, the Company's Registrars and Transfer Agents received no complaint and there is no investor complaint pending as on 31.03.05. Number of Share Transfer pending as on 31.03.2005 was NIL.

CORPORATE GOVERNANCE :

Details of Annual General / Extra Ordinary General Meetings :

Financial Year	General Meeting	Location	Date	Time
2003-2004	Annual General Meeting	Registered Office Refinery Site, Shirpur, Dist. Dhulia, Maharashtra.	28-09-2004	02.15 P.M.
2002-2003	Annual General Meeting	Registered Office Refinery Site, Shirpur, Dist. Dhulia, Maharashtra.	29-09-2003	12.15 P.M.
2001-2002	Annual General Meeting	Registered Office Refinery Site, Shirpur, Dist. Dhulia, Maharashtra.	20.09.2002	11.30 A.M.
2000-2001	Annual General Meeting	Registered Office 4A, Vikas Centre, S.V. Road, Santacruz, Mumbai 400 054.	29.09.2001	12.30 P.M.

No special resolution was put through Postal Ballot at the last AGM nor is any proposed for this year.

Disclosure :

The Company has generally complied with the requirements of the listing agreement with the Stock Exchanges as well as regulations and guidelines of SEBI. No penalties and strictures have been imposed by SEBI, Stock Exchanges or any statutory authorities on matters relating to capital markets during the last three years.