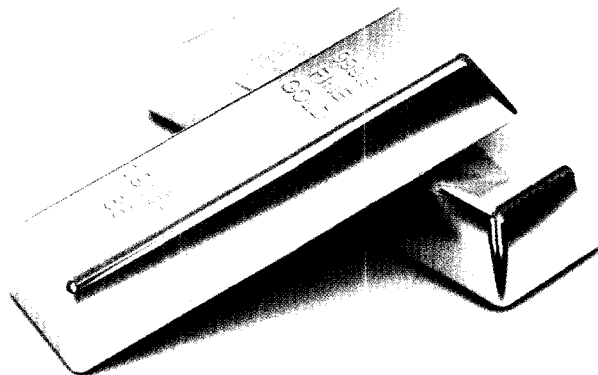




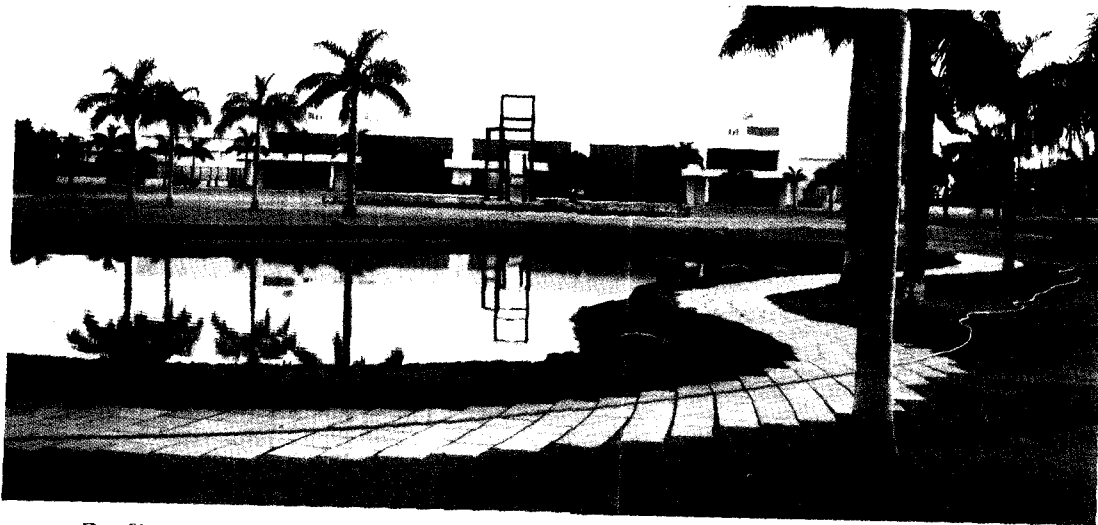
2009 - 10
25TH ANNUAL REPORT



SHIRPUR GOLD REFINERY LIMITED
PLOT NO. 1, SHIRPUR, DIST. NAGPUR, M.S. 465 112
INDIA



SHIRPUR GOLD
REFINERY LIMITED



Refinery

SHIRPUR GOLD REFINERY LIMITED

Registered office: Refinery Site, Shirpur, Dist. Dhule, Maharashtra - 425 405.
Corporate office: 135, Continental Building, Dr. A. B. Road, Worli, Mumbai - 400 018.

BOARD OF DIRECTORS

Mr. Himanshu Mody
Mr. V. K. Agarawal
Mr. Sanjay Gupta (up to 15th May, 2010)
Mr. Anish Goel
Mr. Sriprakash Goenka

COMPANY SECRETARY

Mr. Dhaval Ashar

AUDITORS

M/s. B. S. Sharma & Co.,
Chartered Accountants
303, Guruprabha Apartments, 507-508, Sundernagar,
Senapati Bapat Road, Dadar (w),
Mumbai - 400 028.

BANKERS

Punjab National Bank
ICICI Bank Ltd.
IDBI Bank Ltd.
HDFC Bank Ltd

REGISTRAR AND SHARE TRANSFER AGENT

Sharepro Services (India) Private Limited
13 AB, Samhita Warehousing Complex,
2nd Floor, Sakinaka Telephone Exchange Lane,
Off Andheri-Kurla Road, Sakinaka,
Andheri (East), Mumbai – 400 072.

25TH ANNUAL GENERAL MEETING

Day: Tuesday
Date : 30th November, 2010
Time: 11.00 a.m.
Venue : Refinery Site, Shirpur, Dist. Dhule, Maharashtra - 425 405

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NOTICE

NOTICE is hereby given that the 25th Annual General Meeting of the Members of Shirpur Gold Refinery Limited will be held at the registered office of the Company at Refinery Site, Shirpur, Dist. Dhule, Maharashtra – 425 405 on Tuesday, the 30th Day of November, 2010 at 11.00 a.m. to transact the following businesses:

ORDINARY BUSINESS:

1. To consider and adopt the Audited Balance Sheet as at March 31, 2010, the Profit and Loss Account of the Company for the year ended on that date and the Reports of the Directors and Auditors thereon.
2. To appoint a Director in place of Mr. Anish Goel, who retires by rotation at this meeting and being eligible, offers himself for re-appointment.
3. To appoint M/s. B. S. Sharma & Co., Chartered Accountants, Mumbai, as the Statutory Auditors of the Company to hold such office from the conclusion of this meeting until the conclusion of the next Annual General Meeting at a remuneration to be determined by the Board of Directors of the Company.

SPECIAL BUSINESS:

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

“**RESOLVED THAT** Mr. Himanshu Mody, who was appointed by the Board of Directors as an Additional Director of the Company with effect from January 18, 2010 and who holds office up to the date of this Annual General Meeting in terms of Section 260 of the Companies Act, 1956 ('Act') and in respect of whom the Company has received a notice in writing from a member under Section 257 of the Act proposing his candidature for the office of Director of the Company, be and is hereby appointed a Director of the Company, liable to retire by rotation.”

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

“**RESOLVED THAT** Mr. V. K. Agarawal, who was appointed by the Board of Directors as an Additional Director of the Company with effect from January 18, 2010 and who holds office up to the date of this Annual General Meeting in terms of Section 260 of the Companies Act, 1956 ('Act') and in respect of whom the Company has received a notice in writing from a member under Section 257 of the Act proposing his candidature for the office of Director of the Company, be and is hereby appointed a Director of the Company, liable to retire by rotation.”

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

“**RESOLVED THAT** in supersession of resolution passed at the Extra-ordinary General Meeting held on May 15, 2000 and pursuant to the provisions of Section 293(1)(d) and other applicable provisions, if any, of the Companies Act, 1956 (including any statutory modification or re-enactment thereof for the time being in force), consent of the members of the Company be and is hereby accorded to the Board of Directors of the Company for borrowing, fund based or non-fund based, from time to time for the purpose of the Company's business any sum or sums of money as it may deem proper, notwithstanding that the moneys to be so borrowed together with the money already borrowed by the Company, if any, (apart from temporary loans obtained from the Company's banker in the ordinary course of business) may exceed the aggregate for the time being of the paid-up capital of the Company and its free reserves, if any, that is to say, reserve not set apart for any specific purpose provided that such borrowings (apart from temporary loans obtained from the Company's bankers in the ordinary course of business) shall not exceed Rs. 20,00,00,00,000/- (Rupees Two Thousand Crores Only) outstanding at any one time and that for the implementation of this resolution the board may act through any directors thereof or any other person duly authorized by the board in that behalf.”

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

“RESOLVED THAT in supersession of resolution passed at the Extra-ordinary General Meeting held on May 15, 2000 and pursuant to the provisions of Section 293(1)(a) and other applicable provisions, if any, of the Companies Act, 1956 (including any statutory modification or re-enactment thereof for the time being in force), the consent of the Company be and is hereby accorded in terms of Section 293 (1) (a) and other applicable provisions, if any, of the Companies Act, 1956 (including any statutory modification or re-enactment thereof for the time being in force) to the Board of Directors of the Company to mortgage and/or charge all or any part of the immovable and/or movable properties/assets of the Company wherever situated, both present and future, of every nature and kind whatsoever and/or creating a floating charge on all or any of the immovable and/or movable properties/assets of the Company and/or the whole or substantially the whole of the undertaking of the Company to or in favour of any Bank(s), Financial Institution(s), Company(ies) or other organizations or institutions or trustees in order to secure the borrowings/ loans/ other financial assistance of a sum not exceeding Rs. 20,00,00,00,000/- (Rupees Two Thousand Crores Only) outstanding at any one time advanced/ to be advanced by such lending agencies together with interest at the respective agreed rates, compound/ additional interest, commitment charges, premium on pre-payment or on redemption, costs, charges, expenses and all other monies payable by the Company in respect of the said borrowings.

RESOLVED FURTHER THAT for the purpose of giving effect to this resolution, any one Director of the Company be and is hereby authorized to finalise, settle and execute such documents, deeds, writings, papers, agreements and other documents as may be required and do all such acts, deeds, matters and things, as it may in its absolute discretion deem necessary, proper or desirable for the aforesaid purpose.”

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

“RESOLVED THAT pursuant to the provisions of Sections 198, 269, 387 read with Schedule XIII and other applicable provisions, if any, of the Companies Act, 1956 (including any statutory modification or re-enactment thereof for the time being in force) and subject to all such approvals, as may be required, the consent of the Company be and is hereby accorded to the appointment of Mr. Milind Pradhan as the Manager of the Company for a period of three years commencing from October 14, 2010 on the following terms of remuneration, with liberty to the Board to alter and vary the same within the maximum limits.

1. Basic Salary: The Basic Salary shall be Rs. 62,500/- per month, with the authority to the Board of Directors to determine any merit based increase from time to time within the scale of Rs. 75,000/- to Rs. 1,00,000/- per month. The merit based annual increment will happen in the month of April every year.
2. Perquisites and Allowances:
 - (i) House Rent Allowance of Rs. 25,000/- per month with such increase as may be determined by the Board, subject to a ceiling of 50% of Basic Salary as per rules of the Company
 - (ii) Personnel Allowance of Rs. 12,300/- per month with such increase as may be determined by the Board, subject to a ceiling of 20% of Basic Salary
 - (iii) Other allowances includes children education, medical, meal and leave travel which shall be as per the rules of the Company.
 - (iv) Company's contribution to provident fund, gratuity and leave encashment as per the rules of the Company.
3. Provision of car with driver for use in relation to Company's business and telephone at residence will not be considered as perquisites. Personal long distance calls on telephone and use of car for private purpose shall be billed by the Company.

RESOLVED FURTHER THAT the above shall be the minimum remuneration payable to Mr. Milind Pradhan in any financial year during the currency of tenure of his services when the Company has inadequate profits or incurs losses.

RESOLVED FURTHER THAT the Board of Directors of the Company be and is hereby authorized to do all such acts, deeds, matters and things and take all such steps as may be necessary, proper or expedient to give effect to this resolution and to make the necessary applications for approval to the prescribed authorities."

By order of the Board
For Shirpur Gold Refinery Limited

Place : Mumbai
Date : October 14, 2010

Dhaval Ashar
Company Secretary

Registered Office:

Refinery Site, Shirpur,
Dist. Dhule, Maharashtra - 425 405.

NOTES:

1. **A member entitled to attend and vote at the meeting is entitled to appoint a proxy to attend and vote on a poll instead of himself and a proxy need not be a member of the Company.**

Proxies, in order to be effective, must be received at the Registered Office of the Company not less than 48 hours before the commencement of the Annual General Meeting.

2. Explanatory Statement pursuant to Section 173(2) of the Companies Act, 1956, in respect of special businesses to be transacted at the Annual General Meeting is annexed herewith.
3. Corporate Members are requested to send to the Registered Office of the Company, a duly certified copy of the Board Resolution, pursuant to Section 187 of the Companies Act, 1956, authorizing their representative to attend and vote at the Annual General Meeting.
4. Additional information, pursuant to Clause 49 of the Listing Agreement with Stock Exchanges, on Directors recommended by the Board for appointment/re-appointment at the Annual General Meeting forms part of the Report on Corporate Governance in the Annual Report.
5. Members/Proxies should bring their Attendance Slips along with copy of the Annual Report to the meeting.
6. The Register of Members and Share Transfer Books of the Company will remain closed from November 23, 2010 to November 30, 2010 (both days inclusive).
7. Members desiring any information on accounts and operations of the Company, if any, may be sent to the Company seven days in advance of the meeting so as to enable the Management to keep the information ready at the meeting.
8. Members who are holding Company's shares in dematerialised form are requested to bring details of their Depository Account Number for identification.
9. Members holding equity shares in physical form are requested to notify the change of address/dividend mandate, if any, to the Company's Registrar and Share Transfer Agent, Sharepro Services (India) Private Limited, 13AB, Samhita Warehousing Complex, Second Floor, Sakinaka Telephone Exchange Lane, Off Andheri-Kurla Road, Sakinaka, Andheri (East), Mumbai - 400 072.
10. Under Section 109A of the Companies Act, 1956, shareholders are entitled to make nomination in respect of shares held by them in physical form. Shareholders desirous of making nominations are requested to send their requests in Form No. 2B in duplicate (which will be made available on request) to M/s. Sharepro Services (India) Pvt. Ltd.

EXPLANATORY STATEMENT UNDER SECTION 173(2) OF THE COMPANIES ACT, 1956.

ITEM NO. 4

Mr. Himanshu Mody was appointed on January 18, 2010, as an Additional Director of the Company in terms of Section 260 of the Companies Act, 1956 ('the Act').

Pursuant to provisions of Section 260 of the Act and the Articles of Association of the Company, Mr. Himanshu Mody vacate his office at the conclusion of this Annual General Meeting. Due notice under Section 257 of the Act has been received from member proposing appointment of Mr. Himanshu Mody as Director of the Company, liable to retire by rotation. Requisite consent has been filed by Mr. Himanshu Mody, pursuant to the provisions of Section 264(1) of the Act, to act as a Director, if appointed.

Brief profile and other details of Mr. Himanshu Mody forms part of the Corporate Governance Report.

The Board recommends the resolution as set out in Item No. 4 for the approval of the members.

None of the Directors of the Company, except Mr. Himanshu Mody, is concerned or interested in this resolution.

ITEM NO. 5

Mr. V. K. Agarawal was appointed on January 18, 2010, as an Additional Director of the Company in terms of Section 260 of the Companies Act, 1956 ('the Act').

Pursuant to provisions of Section 260 of the Act and the Articles of Association of the Company, Mr. V. K. Agarawal vacate his office at the conclusion of this Annual General Meeting. Due notice under Section 257 of the Act has been received from member proposing appointment of Mr. V. K. Agarawal as Director of the Company, liable to retire by rotation. Requisite consent has been filed by Mr. V. K. Agarawal, pursuant to the provisions of Section 264(1) of the Act, to act as a Director, if appointed.

Brief profile and other details of Mr. V. K. Agarawal forms part of the Corporate Governance Report.

The Board recommends the resolution as set out in Item No. 5 for the approval of the members.

None of the Directors of the Company, except Mr. V. K. Agarawal, is concerned or interested in this resolution.

ITEM NO. 6

Keeping in view the Company's business requirements and growth plans, the Company needs additional funds. For this purpose, the Company is desirous of raising finance, fund based or non fund based, from various Banks/ Institutions/ Corporates/ Individuals which, together with the moneys already borrowed by the Company (apart from temporary loans obtained from the Company's bankers in the ordinary course of business) may exceed the aggregate of the paid-up capital and the free reserves of the Company. Hence it is proposed to increase the maximum borrowing limits upto Rs. 20,00,00,00,000/- (Rupees Two Thousand Crores Only). Pursuant to Section 293(1)(d) of the Companies Act, 1956, the Board of Directors can not borrow more than the aggregate amount of the paid-up capital of the Company and its free reserves at any one time except with the consent of the members of the Company in a general meeting.

The Board recommends the resolution as set out in Item No. 6 for the approval of the members.

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

ITEM NO. 7

Your Company may borrow in future from banks or financial institutions for various business purposes and such borrowings may be required to be secured by way of creating mortgage or charge on assets of the Company in such form and manner as may be determined by the Board of Directors of the Company from time to time, in consultation with the lenders. The proposed borrowings are to be secured by mortgage/ charge of the immovable/ movable properties of the Company, present and future. Such mortgaging by

the Company of its immovable and movable properties in favour of lenders may tantamount to disposal and hence requires a resolution under Section 293(1)(a) of the Companies Act, 1956. Accordingly, the proposed resolution is placed before the members for their approval.

The Board recommends the resolution as set out in Item No. 7 for the approval of the members.

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

ITEM NO. 8

The Remuneration Committee and the Board of Directors of the Company at their meeting held on October 14, 2010, have subject to the approval of the members in General Meeting and such other approvals required, if any, appointed Mr. Milind Pradhan as the Manager of the Company for a period of 3 (three) years commencing from October 14, 2010 on the remuneration determined by the Remuneration Committee/ Board of Directors. Mr. Milind Pradhan, aged 46 years, Diploma in Mechanical Engineering from M. S. University, Baroda, has experience of more than 25 years in the field of Operations Management. He started his career with Jyoti Limited and worked with Groupprotech and Essel Sports Pvt. Ltd. in senior management positions. He has received training in European collaborator's factory in production and testing. He also has experience in organizing of International cricket events of BCCI and ICL.

The remuneration payable to and the terms of appointment of Mr. Milind Pradhan as the Manager of the Company during the tenure of his appointment will comprise of salary, allowances and other perquisites being limited to Rs. 15,00,000/- per annum with authority to the Remuneration Committee/Board of Directors to alter and vary from time to time in such manner that the overall remuneration payable shall be calculated within the basic salary pay scale of Rs. 75,000/- to 1,00,000/- per month.

Mr. Milind Pradhan fulfills the conditions for eligibility contained in Part I & Part II of Schedule XIII to the Companies Act, 1956. The terms and conditions of appointment and payment of remuneration are set out in the Agreement to be entered into between the Company and Mr. Milind Pradhan. Either party may terminate the Agreement by giving three months prior notice of termination in writing to the other party.

The terms and conditions as specified in this resolution shall also be treated as an abstract of terms and conditions of his appointment and memorandum of disclosure of nature of interest or concern therein as required to be given under Section 302 of the Companies Act, 1956.

The Board recommends the resolution as set out in Item No. 8 for the approval of the members.

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

By order of the Board
For Shirpur Gold Refinery Limited

Place : Mumbai
Date : October 14, 2010

Dhaval Ashar
Company Secretary

Registered Office:
Refinery Site, Shirpur,
Dist. Dhule, Maharashtra - 425 405.

DIRECTORS' REPORT

To,
The Members of
SHIRPUR GOLD REFINERY LIMITED

Your Directors take pleasure in presenting the Twenty Fifth Annual Report of the Company together with Audited Statement of Accounts for the year ended March 31, 2010.

FINANCIAL PERFORMANCE

(figures in Rs. in '000)

Particulars	For the Year Ended March 31	
	2010	2009
Sales & Services	-	-
Other Income	22988	488
Total Income	22988	488
Total Expenses	14418	10366
Operating Profit/(Loss)	8570	(9878)
Less: Finance Cost	36	-
Less: Depreciation	164308	166262
Profit/(Loss) before Tax & Exceptional Item	(155774)	(176140)
Provision for Taxation (Net)	-	75
Deferred Tax	54343	-
Profit/(Loss) after Tax	(101431)	(176215)
Add: Balance Brought Forward from Previous Year	-	(1328895)
Balance Carried To Balance Sheet	(101431)	(1505110)

BUSINESS OVERVIEW

Shirpur Gold Refinery Limited (SGRL) is the largest gold and silver refinery in India with installed refining capacity of 217 TPA of gold and silver respectively.

Pursuant to the take over of the Company by Essel Group, necessary repairs, up-gradation of technology, renovations, replacements and services to the plant and equipment were carried out at the refinery. The Company recruited engineers, technicians and others for all critical stations. Training was provided to all workmen to perform at their optimum level. The refinery commenced its operation from July 2010. The Company would be manufacturing 100 gm and 1 kilo gold bars and hope to achieve fair business in the year 2010-11.

COMPOSITE SCHEME OF ARRANGEMENT AND AMALGAMATION

The Board of Directors of the Company at its meeting held on 15th December, 2009, had subject to requisite statutory and regulatory sanctions, approved a scheme of arrangement between Kala Kosh Auctions Private Limited and the Company and their respective shareholders and creditors under Sections 391-394 of the Companies Act, 1956. The Hon'ble Bombay High Court has sanctioned the scheme vide its order dated June 11, 2010 (in Company Scheme Petition No. 186) with the Appointed date as April 1, 2009. The said Scheme has become effective on July 20, 2010. As part of the aforesaid Scheme, Kala Kosh Auctions Private Limited (KKAPL) amalgamated with the Company and in consideration of the Amalgamation, the Company had issued and allotted on September 10, 2010, 1,35,74,702 equity shares of Rs. 10/- each to the shareholders of Kala Kosh Auctions Private Limited in the ratio of 152 fully paid equity shares of Rs.10 each of the Company for every 100 equity shares of Rs. 10 each in Kala Kosh Auctions Private Limited.

Since KKAPL was a subsidiary of Jayneer Capital P. Ltd (JCPL) the said allotment of equity shares under the scheme had increased JCPL's shareholding percentage to 72.71% thereby making the Company as its subsidiary.

Also as per the above Scheme, Authorised Capital of the Company stood automatically increased to Rs. 35,00,00,000/- (Rupees Thirty Five Crores only) divided into 3,50,00,000 equity shares of Rs. 10 each.