



**26th Annual Report
2010 - 2011**



SHIRPUR GOLD REFINERY LIMITED

State of the art Refining Facilities

- **SGRL-India's Largest and Technologically Advanced Gold Refinery**
- **SGRL-India's only state of the art Indigenous facility**
Proudly "Indian Gold"
- **SGRL Operationally poised and geographically located for efficient volumes**
- **We give back to Mother Nature MORE than we draw from it**
PIONEERING GREEN STANDARDS IN GOLD



SHIRPUR GOLD REFINERY LIMITED

CORPORATE INFORMATION

BOARD OF DIRECTORS : Mr. Amit Goenka (w.e.f. 26.04.2011)
Mr. V. K. Agarawal
Mr. Anish Goel
Mr. Sriprakash Goenka
Mr. Himanshu Mody (up to 26.04.2011)
Mr. Sanjay Gupta (up to 15.05.2010)

**HEAD-FINANCE &
COMPANY SECRETARY** : Mr. Ashish Pandey

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

BANKERS : Punjab National Bank
ICICI Bank

**REGISTRAR & SHARE
TRANSFER AGENTS** : 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.

REGISTERED OFFICE : Refinery Site, Shirpur, Dist. Dhule,
Maharashtra – 425 405.

CORPORATE OFFICE : 135, Continental Building,
Dr. A. B. Road, Worli,
Mumbai – 400 018.



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IMPORTANT COMMUNICATION TO MEMBERS

The Ministry of Corporate Affairs, Govt. of India has taken a “**Green Initiative in the Corporate Governance**” by allowing paperless compliance by the companies and has issued circular Nos. 17/2011 dated 21-4-2011 and 18/2011 dated 29-4-2011 stating that service of notice / documents including Annual Report can be sent by electronic mode to its members. To support this Green initiative of the Government in full measure, members who has not registered their e-mail addresses so far, are requested to register their e-mail addresses and changes therein from time to time along with their name, address and Folio No./Client Id No., in respect of their shareholding with :

- i) The Registrar and Share Transfer Agents Viz. Sharepro Services (India) Pvt. Ltd. for shares held in physical form and;
- ii) The concerned Depository Participants in respect of shares held in electronic / demat mode

Upon registration of e-mail address(es), the Company would send Notices / Documents including Annual Report via electronic mode.

In cases any Member opts / insist for physical copies of above documents, the same would be sent to him by post free of cost at the address registered with the Company.

REGISTRATION FORM FOR RECEIVING DOCUMENTS IN ELECTRONIC MODE

M/s. Sharepro Services (India) Pvt. Ltd.,
Unit : Shirpur Gold Refinery Limited
 13 A-B, Samhita Warehousing Complex,
 Sakinaka Telephone Exchange Lane,
 Off. Andheri Kurla Road, Sakinaka,
 Andheri (East)
 Mumbai – 400 072.

I/We is/ are member/s of **M/s. Shirpur Gold Refinery Limited** and hereby exercise my/our option to receive the documents such as Notices / Circulars / Documents including Annual Reports etc. in electronic mode pursuant to the circular Nos. 17/ 2011 dated 21-4-2011 and 18/2011 dated 29-4-2011 by the Ministry of Corporate Affairs, Govt. of India. Please register my following e-mail ID in your records for sending communication through electronic mode.

Name of First Member _____

Joint Holder – 1 _____

Joint Holder – 2 _____

e-mail id for registration _____

Date : **Signature (1st holder)** _____

Regd. Folio/Client Id No. _____



NOTICE

Notice is hereby given that the **26th 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 Monday, the 29th Day of August, 2011 at 4.30 p.m. to transact the following businesses:

ORDINARY BUSINESS :

1. To consider and adopt the Audited Balance Sheet as at March 31, 2011, 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. Sriprakash Goenka, 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. Amit Goenka, who was appointed by the Board of Directors as an Additional Director of the Company with effect from April 26, 2011 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."

By order of the Board
For **Shirpur Gold Refinery Limited**

Place : Mumbai
Dated : July 6, 2011

Ashish Pandey
Head – Finance & Company Secretary

NOTES :

1. A member entitled to attend and vote at the meeting is entitled to appoint a proxy to attend and vote 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 business 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 at the meeting.

6. The Register of Members and Share Transfer Books of the Company will remain closed from Monday, August 22, 2011 to Monday, August 29, 2011 (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 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 PURSUANT TO SECTION 173(2) OF THE COMPANIES ACT, 1956

Item No. 4

Mr. Amit Goenka was appointed on 26th April, 2011 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. Amit Goenka vacate his office at the conclusion of this Annual General Meeting. Due notice under Section 257 of the Act has been received from a member proposing appointment of Mr. Amit Goenka as Director of the Company, liable to retire by rotation.

Brief profile and other details of Mr. Amit Goenka 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. Amit Goenka, is concerned or interested in this resolution.

By order of the Board
For **Shirpur Gold Refinery Limited**

Place : Mumbai
Dated : July 6, 2011

Ashish Pandey
Head – Finance & Company Secretary



DIRECTORS' REPORT

To

The Members of

SHIRPUR GOLD REFINERY LIMITED

Your Directors take pleasure in presenting the Twenty Six Annual Report of the Company together with Audited Statement of Accounts for the year ended March 31, 2011.

FINANCIAL PERFORMANCE*(figures in ` in '000)*

Particulars	For the year ended 31 st March, 2011	For the year ended 31 st March, 2010
Sales	1980004	—
Other Income	17361	22988
Total Income	1997365	22988
Total Expenses	2043303	13980
Operating Profit/ (Loss)	(45938)	9008
Less : Finance Cost	23910	20
Less : Depreciation	163482	164308
Less : Prior Period Expenses	—	454
Less : Preliminary Expenses written off	1266	—
Profit/ (Loss) before Tax	(234596)	(155774)
Provision for Taxation (Net)	—	—
Add : Deferred Tax Assets	13015	54343
Profit / (Loss) after Tax	(221581)	(101431)
Add : Balance Brought Forward from Previous Year	(101431)	—
Balance Carried To Balance Sheet	(323012)	(101431)

BUSINESS OVERVIEW

Business operations of your Company were re-started on 15th July, 2010. Your company's product viz., Gold Bars, was well received in the market in Maharashtra and has resulted in a turnover of ` 198 Crores till the year end. However, due to initial costs of such re-start of operations, overheads, competitive market, wide fluctuations in the international gold prices and thin margins on the finished Gold bars resulted in a operating loss of ` 4.59 Crores. The products of your company meet the stringent quality and weightment parameters. Despite fluctuating and rising prices, the demand for gold continues to be rising, except for an intermittent sluggish uptake, since it is considered as the best investment and has customs and traditional values in Indian societies. Considering the Gold consumption, your company has already entered Gujarat and has planned to spread its marketing network throughout India.

FUTURE OUTLOOK**Mining ventures**

India has been the top importer of gold for several years and the Indian government is concerned over its over-dependence on imports for its bullion needs. India is estimated to have 14,000 tonnes of gold reserves which should be accelerated by 20,000 tonnes in next three years. A new legislation on mining is soon going to be in place as India plans to implement the same which is aimed to help increase the mining sector's contribution to its economy. The new laws will play a major part in doubling the amount contributed by the mining industry, which includes Gold mining firms – to a minimum of four percent in five years' time.

With the positive indication of the Government towards mining sector and to achieve economies of scale in our business, the Company has set in motion efforts to locate, evaluate and if viable, take up mining ventures as a backward integration to its refining operations. Your Company is seeking an opportunity to have Gold Mine in India as well as in foreign countries, primarily African region, which is known for its gold deposits. After due assessment of the mines and on finding its prospective nature, such mining projects would be in place.

Minting Line

India has seen a paradigm shift in gold consumption from traditional jewellery to investment demand of coins and bars. The growth for the last few years has been exponential with the figure reaching approx. 35 tons.

Your Company being in the business of refining and fabrication of bars sees this opportunity as logical expansion of its existing product lines by setting up a minting facility. The state of the art minting facility being set up would be able to fabricate / mint coins of world standards. Your Company sees this addition of product line as a huge potential for growth for the coming at least five years and is well placed to take advantage of this emerging and growing market. Your Company has plans of minting coins to cater to the need of markets across the country with products of all sizes and denominations.

Jewellery

The jewellery industry occupies an important position in the Indian economy. It is a leading foreign exchange earner, as well as one of the fastest growing industries in the country. Gold jewellery forms around 80 per cent of the Indian jewellery market, with the balance comprising fabricated studded jewellery that includes diamond and gemstone studded jewellery. A predominant portion of the gold jewellery manufactured in India is consumed in the domestic market. Jewellery is one of the fastest growing sectors in the Indian economy with an annual growth rate of approximately 15 per cent. The Indian jewellery market is one of the largest in the world, with a market size of \$13 billion. It is second only to the US market of \$ 40 billion and is followed by China at \$11 billion.

As forward integration plan, your Company intends to enter into the jewellery space which offers good opportunities for growth both in local and international market

Dealer Network

Your Company intends to gradually increase its foot prints across all gold consuming centers in the Country. For this purpose, a wide dealer network has to be in place in a phased manner depending on the nature of consumption of gold in different part of the Country. Keeping this in view, your Company has opened a branch office in Ahmedabad and is taking necessary steps to increase the branch offices in other parts of the Country.

DIVIDEND

In view of the losses during the year, your Directors have not recommended any dividend on Equity Shares for the year under review.

DIRECTORS

Mr. Anish Goel, Mr. Sriprakash Goenka and Mr.V.K.Agarawal continued to remain Directors of the Company. As per the provisions of the Companies Act, 1956 read with Article 89 of the Articles of Association, Mr. Sriprakash Goenka retires by rotation and being eligible, offers himself for re-appointment at the ensuing Annual General Meeting.

Mr. Himanshu Mody resigned from the Board of Directors with effect from 26.04.2011. The Board places on record its appreciation for the contributions made by Mr. Himanshu Mody during his tenure as a Director of the Company.

Mr. Amit Goenka was appointed as an Additional Director, with effect from 26.04.2011. Pursuant to the provisions of Section 260 of the Companies Act, 1956, Mr.Amit Goenka hold office only up to the date of the ensuing Annual General Meeting of the Company. The Company has received appropriate notices under Section 257 of the Companies Act, 1956 along with requisite deposits, proposing the candidature of Mr.Amit Goenka for the office of Director.

Brief Profile of the Director proposed to be appointed/re-appointed has been included in the Report on the Corporate Governance forming part of the Annual Report.

CORPORATE GOVERNANCE

Your Company is committed to maintain the highest standards of Corporate Governance. Your Directors adhere to the stipulations set out in the Listing Agreement with the Stock Exchanges.

A separate section titled 'Corporate Governance' together with the certificate from M/s. B. S. Sharma & Co., Chartered Accountants, confirming compliance with the requirements of Clause 49 of the Listing Agreement(s) with the Stock Exchanges, as also a Management Discussion and Analysis Statement, forms part of the Annual Report.

AUDITORS

M/s. B. S. Sharma & Co., Chartered Accountants, the Statutory Auditors of the Company, retire at the conclusion



of the ensuing Annual General Meeting and being eligible, offer themselves for re-appointment. The Company has received a letter from them to the effect that their re-appointment, if made, will be in accordance with the limits specified under Section 224(1B) of the Companies Act, 1956.

PUBLIC DEPOSITS

During the year under review, your Company has not accepted or renewed any deposits within the meaning of Section 58A of the Companies Act, 1956 and rules made there under.

DEMATERIALISATION OF SECURITIES

Your Company has achieved high level of dematerialization with 99.76% of the total number of Equity Shares being held in the electronic mode with both the depositories NSDL and CDSL and the transactions are being duly monitored by the Company by way of reports from appointed Registrar and Share Transfer Agents — Sharepro Services (India) Pvt. Ltd.

PARTICULARS OF EMPLOYEES

There is no employee drawing the salary in terms of Section 217(2A) of the Companies Act, 1956 read with the Companies (Particulars of Employees) Rules, 1975 and hence, no information is reported in this report.

DIRECTORS' RESPONSIBILITY STATEMENT

Pursuant to the requirement of Section 217(2AA) of the Companies Act, 1956, and based on representations received from the operating management, the Directors hereby confirm that :—

- a) in the preparation of the Annual Accounts for the year ended March 31, 2011, the applicable Accounting Standards have been followed and there are no material departures;
- b) they have selected such accounting policies in consultation with the statutory auditors and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company for the year ended March 31, 2011 and the loss of the Company for that period;
- c) 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; and
- d) they have prepared the Annual Accounts on a going concern basis.

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

I. Energy Conservation and Technology Absorption :

Details of energy conservation, technology absorption by the Company along with the information in accordance with the provisions of Section 217(1)(e) of the Companies Act, 1956 has been given in Annexure – A.

II. Foreign Exchange Earning and Outgo :

Particulars of Foreign exchange earnings and outgo during the year under review are given in Schedule 18 Note 9(VI) to the Notes to the Accounts forming part of Annual Accounts.

ACKNOWLEDGEMENTS

Your Board takes this opportunity to place on record their appreciation for the dedication and commitment of employees shown at all levels which have contributed to the success of your Company. Your Directors also express their gratitude for the valuable support and co-operation extended by various Governmental Authorities, Bankers, Financial Institutions and various stake holders.

For and on behalf of the Board

Place : Mumbai
Date : 06.07.2011

Amit Goenka
Director

V. K. Agarawal
Director