

REDEFINING GOLD GROWTH

27th Annual Report
2011-2012



Shirpur Gold Refinery Limited



SHIRPUR GOLD REFINERY LIMITED

CORPORATE INFORMATION

BOARD OF DIRECTORS	:	Mr. Amit Goenka Mr. V. K. Agarawal Mr. Anish Goel Mr. Sriprakash Goenka Late Hemendra N. Shah Mr. Manoj Agarwal	<i>Director</i> <i>Director</i> <i>Independent Director</i> <i>Independent Director</i> <i>(Upto 9th May 2012)</i> <i>Independent Director</i> <i>(From 9th May 2012 till 12th May 2012)</i> <i>(From 28th June 2012)</i>
MANAGER	:	Mr. Milind Pradhan	
COMPANY SECRETARY	:	Ms. Hemangi Patil	
AUDITORS	:	M/s. B. S. Sharma & Co. <i>Chartered Accountants</i> 303, Guruprabha Apartments, 507-508, Sundernagar, Senapati Bapat Road, Dadar (West), Mumbai – 400 028.	
BANKERS	:	Punjab National Bank Ltd. AXIS Bank Ltd. State Bank of India Ltd. Union Bank Ltd. ICICI Bank Ltd. HDFC Bank Ltd.	
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	:	5A, Trishla Premises, 122, Sheikh Memon Street, Zaveri Bazar, Mumbai - 400 002.	



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NOTICE

Notice is hereby given that the **27th Annual General Meeting** of the Members of **Shirpur Gold Refinery Limited** will be held on Thursday, 6th September, 2012 at 2.30 p.m. at the registered office of the Company at Refinery Site, Shirpur, Dist. Dhule, Maharashtra - 425 405 to transact the following business:

ORDINARY BUSINESS :

1. To consider and adopt the audited Statement of Profit and Loss of the Company for the year ended on 31st March, 2012 and the Balance Sheet as at that date together with the report of the Auditors' and Directors' thereon.
2. To appoint a Director in place of Mr. V. K. Agarawal, who retires by rotation, and being eligible, offers himself for re-appointment.
3. To appoint M/s. B. S. Sharma & Co., Chartered Accountants, Mumbai, having Firm Registration No. 128249W, as the Statutory Auditors of the Company to hold 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, the following resolution as an Ordinary Resolution:**

"RESOLVED THAT Mr. Manoj Agarwal, who was appointed by the Board of Directors as an Additional Director of the Company with effect from June 28, 2012 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, the following resolution as a Special Resolution.**

"RESOLVED THAT pursuant to the provisions of Section 31 and other applicable provisions, if any, of the Companies Act, 1956 (including any amendment or re-enactment thereof), the existing Articles of Association of the Company be and is hereby amended and/or altered in the manner and to the extent as set out below :

1. **Insertion of a new Article 13A after Article 13 as follows:**

Article 13A : ISSUE OF SWEAT EQUITY SHARES:

The Company may exercise the powers of issuing sweat equity shares conferred by Section 79A of the Act of a class of shares already issued, subject to the following conditions:

- (i) the issue of sweat equity shares is authorised by a special resolution passed by the company in the general meeting;
- (ii) the resolution specifies the number of shares, their value and the class or classes of directors or employees to whom such equity shares to be issued;
- (iii) not less than one year has as at the date of issue, elapsed since the date on which the company was entitled to commence business;
- (iv) the sweat equity shares are issued in accordance with the regulations made by the Securities and Exchange Board of India in this behalf.

2. **Substitution of Article 82 with insertion of a new Article 82A and 82B after Article 81**

Article 82A – REMUNERATION OF DIRECTORS

- 82A.** The Board of Directors may allow and pay to any Director who for the time being is resident out of the place at which any Meeting of the Board of Directors may be held and who shall come to that place for the purpose of attending such meeting such sum as the Directors may consider fair and reasonable for his expenses in connection with his attending the meeting in addition to his remuneration. If any Director, being willing, is appointed to an executive office either whole time or part time or is called upon to perform extra services or to make any



special exertions for any of the purposes of the Company then, subject to Sections 198, 309, 310 and 314 of the Act, the Board may remunerate such Director either by a fixed sum or by a percentage of profits or otherwise and such remuneration may be either in addition to or in substitution for any other remuneration to which he may be entitled to.

Article 82B – SITTING FEES TO DIRECTORS

82B. Each Director may be paid out of the funds of the company by way of sitting fee such sum as the Board may fix upto such amount as may be prescribed, from time to time under the applicable provision of the Companies Act, 1956. The said sitting fees shall be payable per meeting of the Board or any Committee thereof attended by the Director/ Member.

In addition to the sitting fee, the Directors may be paid all traveling, hotel and other expenses properly incurred by them in attending and returning from meetings of the Board of Directors or any Committee thereof or General Meetings of the Company.

3. Substitution of existing Article 113 with the following:

Article 113 – CUSTODY OF SEAL

113. The Board shall provide a Common Seal for the purposes of the Company and shall have power from time to time to destroy the same and substitute a new seal in lieu thereof, and the board shall provide for the safe custody of the seal for the time being, and the seal shall be used by or under the authority of the Board or any Board Committee or Executive Committee constituted by the Board.

Every deed or other instrument, to which the seal of the Company is required to be affixed, shall be executed either by a Director or Company Secretary or any person authorised by the Board or Board Committee or Executive Committee constituted by the Board."

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

Place : Mumbai
Dated : 28th June, 2012

Hemangi Patil
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 the proxy need not be a member of the Company. Proxies in order to be effective must be deposited with the Company not less than 48 hours before the commencement of the Meeting.
2. 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.
3. The Explanatory Statements pursuant to Section 173(2) of the Companies Act, 1956 in respect of Special businesses are annexed herewith.
4. The Register of Members and Share Transfer books of the Company will remain closed from Friday, 31st August 2012 to Thursday, 6th September, 2012 (both days inclusive) for the purpose of Annual General Meeting.
5. Queries on accounts and operations of the Company, if any, may be sent to the Company Secretary at the corporate office, seven days in advance of the meeting so as to enable the Management to keep the information ready at the meeting.

6. As required under Clause 49 of the Listing Agreement, relevant information in respect of the Directors seeking appointment/ re-appointment at the Annual General Meeting is given in the Report on Corporate Governance, which forms part of the Annual Report.
7. Members who hold their shares in dematerialized form are requested to write their Client ID and DP ID number and those who hold shares in physical form are requested to write their Folio Number in the attendance slip for attending the meeting.
8. Members are requested to notify immediately about any change in their address/ mandate/ bank details to their Depository Participant (DP) in respect of their shareholding in Demat mode and in respect of their physical shareholding to the Company's Registrar and Share Transfer Agents, M/s Sharepro Services (India) Private Limited, at 13AB, Samhita Warehousing Complex, 2nd Floor, Sakinaka Telephone Exchange Lane, Off Andheri-Kurla Road, Sakinaka, Andheri (East), Mumbai – 400 072.
9. Under Section 109A of the Companies Act, 1956, members are entitled to make nomination in respect of shares held by them in physical mode. Members desirous of making nominations are requested to send their request in Form 2B to the Company's Registrar and Share Transfer Agents at above addresses.

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

Item No. 4

Mr. Manoj Agarwal was appointed on 28th June, 2012 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. Manoj Agarwal 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. Manoj Agarwal as Director of the Company, liable to retire by rotation.

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

Item No. 5

The Board of Directors have approved the amendments/alterations in the Articles of Association of the Company subject to approval of the members in the General Meeting.

Currently the Articles of Association of the Company does not have any provision for issuance of Sweat Equity Shares allowed under Companies Act, 1956. Further Article 82 & 113 of Articles of Association relating to Custody of Common Seal and Remuneration to Directors were unclear. In view of the foregoing to facilitate issuance of Sweat Equity, if any in future and also to give clarity to existing Article 82 & 113, it is proposed to alter the Articles of Association of the Company by inserting new Article 13A and substituting existing Articles 82 & 113 as proposed in the resolution.

As per Section 31 of the Companies Act, 1956, any alteration to Articles of Association of the Company shall be subject to approval of members by way of Special Resolution.

The Board recommends the Special resolution as set out in Item No. 5 for the Member's approval.

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

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

Hemangi Patil
Company Secretary

Place : Mumbai

Dated : 28th June 2012

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 27th Annual Report of the Company together with Audited Statement of Accounts for the year ended March 31, 2012.

FINANCIAL PERFORMANCE*(₹ in Millions)*

Particulars	For the year ended	
	31st March, 2012	31st March, 2011
Revenue from Operations	25546.97	1980.00
Other Revenue	43.58	17.36
Total Revenue	25590.55	1997.36
Total Expenses	25444.89	2043.30
Operating Profit/ (Loss)	145.66	(45.94)
Finance Cost	140.11	23.91
Depreciation	162.84	163.48
Amortisation Expenses	1.27	1.27
Profit/ (Loss) before Tax	(158.56)	(234.60)
Deferred Tax Assets	16.99	13.02
Profit / (Loss) after Tax	(141.57)	(221.58)
Balance Brought Forward from Previous Year	(323.01)	(101.43)
Balance Carried To Balance Sheet	(464.58)	(323.01)

DIVIDEND

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

TURNOVER & PROFITS

The Directors inform you that during the financial year ended 31st March 2012, the sales increased from ₹ 1980 Millions to ₹25546.97 Millions showing a substantial increase of 1190.25% over previous year. Your Company has seen the turnaround during this year and has registered operating profit of ₹145.66 Millions as against operating loss of ₹45.94 Millions in the previous year. The Loss before tax stood at ₹ 158.56 Millions as against ₹ 234.60 Millions in the previous year which shows a reduction in loss by 32.41%.

BUSINESS OVERVIEW

Your company's products viz., Gold Bars are well established in the market. The Company has introduced new product "Gold Jewellery" which is also well accepted in domestic as well as international markets. The products

of your Company meet the stringent quality standards of purity, weighment, shape, size and aesthetic look. The efficient performance of the Company has resulted in a turnover of ₹25546.97 Millions in FY 2012. Despite fluctuating and rising prices, the demand for gold continues to rise since it is considered as the best investment and has customs and traditional values in Indian society. Considering the Gold consumption, your company has planned to spread its marketing network throughout India. During the last quarter of the financial year under review, your company has successfully started exports. As per the customs notification, the Company is also permitted to import gold dore directly from the mines which would result in cost saving.

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.

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(s) with the Stock Exchanges. Report on Corporate Governance as stipulated under the Listing Agreement(s) with Stock Exchanges as also a Management Discussion and Analysis Report forms part of the Annual Report.

Certificate from the Statutory Auditors of the Company, M/s. B. S. Sharma & Co., Chartered Accountants, Mumbai, confirming compliance with the provisions of Corporate Governance as stipulated in Clause 49, is annexed to the said Corporate Governance Report.

DIRECTORS

Mr. Amit Goenka, Mr. Anish Goel and Mr. V. K. Agarwal continue 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. V. K. Agarwal retires by rotation and being eligible, offers himself for re-appointment at the ensuing Annual General Meeting.

During the year under review, Mr. Sriprakash Goenka, resigned as Non-Executive Independent Director of your Company with effect from 9th May, 2012. Your Board places on record its deep appreciation for the contributions made by Mr. Sriprakash Goenka during his tenure as the Director of the Company.

Mr. Hemendra N. Shah was appointed as Non-Executive Independent Director with effect from 9th May, 2012. However, the office of Directorship of Mr. Hemendra N. Shah was vacated due to his untimely death on 12th May, 2012.

Mr. Manoj Agarwal was appointed as an Additional Director, with effect from 28th June 2012. Pursuant to the provisions of Section 260 of the Companies Act, 1956, Mr. Manoj Agarwal hold office up to conclusion 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. Manoj Agarwal 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.

AUDITORS & AUDITORS' REPORT

Statutory Auditors, M/s. B. S. Sharma & Co., Chartered Accountants, having Firm Registration No. 128249W, hold office untill the conclusion of the ensuing Annual General Meeting and are eligible, for re-appointment.

The Company has received communication from the Statutory Auditors confirming that their appointment if made would be within limits prescribed under Section 224(1)(b) of the Companies Act, 1956 and they are not disqualified for re-appointment within the meaning of Section 226 of the said Act.



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 Note No.35 & 36 to the Notes to the Accounts forming part of Annual Accounts.

PARTICULARS OF EMPLOYEES

There is no employee drawing the salary in excess of the limits prescribed under Section 217(2A) of the Companies Act, 1956 read with the Companies (Particulars of Employees) Rules, 1975 and hence, the information in this regard is NIL.

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 :–

- (i) in the preparation of the Annual Accounts for the year ended March 31, 2012, the applicable Accounting Standards have been followed and there are no material departures;
- (ii) 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 as at the end of the Financial year and of the loss of the Company for the financial year;
- (iii) 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
- (iv) they have prepared the Annual Accounts on a going concern basis.

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 Government Authorities, Bankers, Financial Institutions and various stake holders.

For and on behalf of the Board

Place : Mumbai
Date : 28th June 2012

Amit Goenka
Chairman

ANNEXURE – A

INFORMATION UNDER THE COMPANIES (DISCLOSURE OF PARTICULARS IN THE REPORT OF BOARD OF DIRECTORS) RULES, 1988

A. CONSERVATION OF ENERGY

1. Energy conservation measures taken :

Management has taken necessary steps for energy conservation. A separate functional team has been identified and assigned the work exclusively on energy management. Energy consumed is monitored daywise and separate energy report prepared and circulated to create awareness amongst all consumers within the refinery.

2. Form A is attached disclosing the particular with respect to conservation of energy.

B. RESEARCH & DEVELOPMENT AND TECHNOLOGY ABSORPTION, ADAPTATION & INNOVATION

During the year under review, the Company has not carried out any activities involving Research & Development and technology absorption etc. and therefore the particulars to be mentioned under this item is NIL.

For and on behalf of the Board

Place : Mumbai
Date : 28th June 2012

Amit Goenka
Chairman