



**BRIGHTENING  
THE FUTURE  
OF GOLD.**



## SHIRPUR GOLD REFINERY LIMITED

### CORPORATE INFORMATION

#### BOARD OF DIRECTORS

**Amit Goenka**  
*Non- Executive Chairman*

**V. K. Agarawal**  
*Non-Executive Director*

**Anish Goel**  
*Independent Director*

**Manoj Agarwal**  
*Independent Director*

**Milind Pradhan** (upto 12th October 2012)  
*Manager*

**Subhash Pareek** (from 5<sup>th</sup> November 2012)  
*Manager*

**Hemangi Patil**  
*Company Secretary*

#### AUDITORS

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

#### REGISTRAR AND 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

#### BANKERS

Punjab National Bank Ltd.  
AXIS Bank Ltd.  
ING Vysya Bank Ltd.  
Bank of Maharashtra  
State Bank of India Ltd.  
HDFC Bank Ltd.

#### OFFICES

**Registered**  
Refinery Site, Shirpur,  
Dist. Dhule,  
Maharashtra – 425 405

#### Corporate

5A, Trishla Premises,  
122, Sheikh Memon Street,  
Zaveri Bazar,  
Mumbai - 400 002

Contents	Page No.
Notice .....	02
Directors' Report.....	06
Corporate Governance Report.....	11
Management Discussion and Analysis....	23
Certification on Financial Statements.....	35
Auditors' Report.....	36
Financial Statements.....	42
Cash Flow Statement.....	44
Notes on Financial Statements.....	45
Attendance Slip and Proxy Form.....	71

## NOTICE

Notice is hereby given that the **28th Annual General Meeting** of the Members of **Shirpur Gold Refinery Limited** will be held on Monday, 23rd September, 2013 at 2.30 p.m. at the registered office of the Company at Refinery Site, Shirpur, Dist. Dhule, Maharashtra - 425405 to transact the following business :

### ORDINARY BUSINESS :

1. To consider and adopt the Audited Balance Sheet as at 31st March 2013, Statement of Profit and Loss of the Company for the year ended on that date, together with the report of the Auditors' and Directors' thereon.
2. To appoint a Director in place of Mr. Anish Goel, who retires by rotation, and being eligible, offers himself for re-appointment.
3. To appoint M/s. B. S. Sharma and 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 the following resolution, with or with modification(s), as 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) and subject to all such approvals, as may be required, approval of the Members be and is hereby accorded for appointment of Mr. Subhash Pareek as the Manager of the Company under the Companies Act, 1956, for a period of three(3) years with effect from 5<sup>th</sup> November 2012, upon the terms and conditions, as set out in the explanatory statement annexed to the Notice convening this meeting, with liberty to the Board of Directors (which terms shall be deemed to include any Committee of the Board, constituted to exercise its power including powers conferred by this resolution) to alter and/or vary the terms and conditions of the appointment and / or remuneration, subject to same not exceeding limits specified under Schedule XIII of the Companies Act, 1956 or any statutory modification(s) or re-enactment thereof."

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

Place : Mumbai  
Date : 30<sup>th</sup> May 2013

**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 Annual General 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 Statement pursuant to Section 173(2) of the Companies Act, 1956, relating to the Special Business to be transacted at the Annual General Meeting, is annexed.
4. The Register of Members and Share Transfer Books of the Company will remain closed from Monday, 16<sup>th</sup> September 2013 to Monday, 23<sup>rd</sup> September 2013 (both days inclusive) for the purpose of Annual General Meeting.
5. Members/ Proxies should bring their Attendance Slip along with copy of the Annual Report to the meeting.
6. 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.
7. Additional information pursuant to Clause 49 of the Listing Agreement, relevant information in respect of the Directors seeking re-appointment at the Annual General Meeting is given in the Report on Corporate Governance, which forms part of the Annual Report.
8. Recognizing the spirit of the Green Initiative in Corporate Governance initiated by the Ministry of Corporate Affairs, the Company will be sending Annual report and other documents/notices to shareholders to the address provided to the Depository. Shareholders are requested to register and /or update email address with the respective Depository Participant or the Company, to ensure that documents from the Company reach their preferred email address.
9. Members who are holding Company's shares in dematerialized mode are requested to bring details of their Beneficiary Account Number for identification.
10. Members are requested to register their email address and also notify immediately about any change in their address / email address / mandate / bank details to their Depository Participant in respect of their shareholding in Demat mode and in respect of their physical shareholding to the Company's Registrar and Share Transfer Agent, 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.

11. The 28<sup>th</sup> Annual Report circulated to the members of the Company will be made available on the Company's website at [www.shirpurgold.com](http://www.shirpurgold.com).
12. 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, in duplicate (which will be made available on request) to the Company's Registrar and Share Transfer Agent at above addresses.

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

### Item No. 4

At the meeting held on November 5, 2012, on recommendation of the Remuneration Committee, your Board had, subject to the approval of the Members, appointed Mr. Subhash Pareek as Manager of the Company under Section 269 of the Companies Act, 1956. Further based on the recommendation of the Remuneration Committee of the Company, your Board subject to the approval of the members, had approved revision in the terms & remuneration as detailed herein:

#### (1) Tenure

The appointment of Mr. Subhash Pareek as the Manager shall be for a period of 3 years commencing from 5<sup>th</sup> November 2012.

#### (2) Remuneration

##### a) Basic Salary:

The Basic Salary of Mr. Subhash Pareek shall be ₹ 33,600/- per month, with the authority to the Board of Directors to determine any performance based increase from time to time within the scale of ₹ 30,000/- to ₹ 70,000/- per month.

##### b) Perquisites & Allowances:

In addition to the basic salary payable, Mr. Pareek shall be entitled to perquisites and allowances like:

- (i) House Rent Allowance of ₹ 13,440/- 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) Personal Allowance of ₹ 15,525/- per month with such increase as may be determined by the Board, subject to a ceiling of 100% of Basic Salary as per rules of the Company;
- (iii) Other allowances including medical (subject to ceiling of ₹ 15,000/- per annum) and leave travel allowance (subject to ceiling of 10% of Basic Salary) which shall be as per the rules of the Company;
- (iv) Leave encashment as per the rules of the Company;
- (v) Annual performance bonus/ incentive and Stock Options, if any, based on the performance and other criteria as laid down or approved by the Board of Directors or Remuneration Committee, from time to time; and
- (vi) Personal long distance calls on telephone and use of car for private purpose shall be billed by the Company.

**(3) Brief profile of the appointee:**

Mr. Subhash Pareek, aged 61 years, Post Graduate in Public Administration; University of Rajasthan, has experience of 38 years in Project Management, logistics, material management, supply chain, vendor development, sourcing, management of distribution networks with some of the highly reputed organizations including Sahu Jain Group and Essel Group established credentials of handling large scale inventory and warehousing of such material at setups distributed all over India. He has an experience of handling key material which includes electronic equipment, connectivity equipment, spares, consumables etc.

He started his career with Rohtas Industries Limited and worked with Kesari Vanaspati Products, Bhawani Oil Mills, Gourav Agrotech Limited, Pearl Meta-Chem Private Limited and Pan India Network Limited, as Head - Commercial.

Since the Company has incurred loss during last financial year, the proposed remuneration payable to Mr. Subhash Pareek shall fall within the limits specified in Section II (A) of Part II of Schedule XIII of the Companies Act, 1956. The Company has complied with the conditions specified in the aforesaid Section of Schedule XIII of the Companies Act, 1956.

Your Board recommends the resolution as set out in Item No. 4 for the approval of the Members.

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**

Place : Mumbai

Date : 30<sup>th</sup> May 2013

**Registered Office:**

Refinery Site, Shirpur,

Dist. Dhule, Maharashtra - 425 405

**Hemangi Patil**  
*Company Secretary*

## DIRECTORS' REPORT

To  
The Members of  
**SHIRPUR GOLD REFINERY LIMITED**

Yours Directors take pleasure in presenting the 28<sup>th</sup> Annual Report of your Company together with Audited Financial Statements for the year ended 31<sup>st</sup> March 2013.

### FINANCIAL PERFORMANCE

The financial performance of operations of your Company during the Financial Year 2012-13 is summarized in the following table:

Particulars	(₹Millions)	
	For the year ended	
	31 <sup>st</sup> March 2013	31 <sup>st</sup> March 2012
Total Revenue	40,486.71	25,554.27
Total Expenses	39,992.07	25,442.95
Operating Profit	494.64	111.32
Finance Cost	313.57	105.75
Depreciation and Amortisation Expenses	163.40	164.11
<b>Profit/ (Loss) before Tax</b>	<b>17.67</b>	<b>(158.56)</b>
Deferred Tax Assets	5.13	16.99
Profit / (Loss) after Tax	22.80	(141.57)
Balance Brought Forward from Previous Year	(464.58)	(323.01)
<b>Balance Carried To Balance Sheet</b>	<b>(441.78)</b>	<b>(464.58)</b>

### DIVIDEND

With a view to conserve the resources for future business requirements and expansion plans, your Directors are of view that the current year's profit be ploughed back into the operations and hence no dividend is recommended for the year under review.



## BUSINESS OVERVIEW

Your Company's products viz., Gold Bars and Gold Jewelry are well established in the market. The Company has introduced "Gold Coins" which is also well accepted in the markets. The products of your Company meet the stringent quality standards of purity, weight, shape, size and aesthetic look.

The efficient performance of the Company has resulted in a turnover of ₹/Millions 40,467.09 in FY 2013. 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.

## SUBSIDIARY COMPANIES

Your Company has been rigorously pursuing its growth plans. Your Company has already initiated positive steps in this direction and as on the date of this Report, the company has formed two wholly owned Subsidiary Companies one in Singapore on 27<sup>th</sup> February 2013 viz, Shirpur Gold Mining Company Pvt Ltd and second in Dubai on 2<sup>nd</sup> April 2013 viz, Shirpur Gold Trading, DMCC to facilitate procurement of raw material supply for the business of the Company and other related activities in precious metal trading.

## PUBLIC DEPOSITS

During the year under review, your Company has not accepted or renewed any deposits within the meaning of Section 58A and Section 58AA 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 the 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 and 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

As per the provisions of the Companies Act, 1956 read with Article 89 of the Articles of Association, Mr. Anish Goel retires by rotation and being eligible, offers himself for re-appointment at the ensuing Annual General Meeting. Your Board has recommended his re-appointment.

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.

During the year under review, Mr. Milind Pradhan, resigned from the position of Manager with effect from 12<sup>th</sup> October 2012. In compliance with Section 269 of the Companies Act, 1956, your Board has appointed Mr. Subhash Pareek as Manager of the Company for a period of three years with effect from 5<sup>th</sup> November 2012. The Proposal seeking members approval for appointment and payment of remuneration to Mr. Subhash Pareek as Manager of the Company forms part of the Notice of ensuring Annual General Meeting.

## STATUTORY AUDITORS

Statutory Auditors, M/s. B. S. Sharma and Co., Chartered Accountants, having Firm Registration No. 128249W, hold office until 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 (i) their re-appointment, if made, would be within the limits prescribed under Section 224(1B) of the Companies Act, 1956; (ii) they are not disqualified for re-appointment within the meaning of Section 226 of the said Act; and (iii) they have been provided a valid certificate from the Peer Review Board of the Institute of Chartered Accountants of India.

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

The information required u/s. 217(1)(e) of the Companies Act, 1956 read with Rule 2 of the Companies (Disclosure of Particulars in the Report of Board of Directors) Rules, 1988 is furnished hereunder :

### 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** forming part of this Annual Report.

### II. Foreign Exchange Earning and Outgo :

Particulars of Foreign exchange earnings and outgo during the year under review are given in Note No.35 and 36 to the Notes to the Accounts forming part of Financial Statements.

## PARTICULARS OF EMPLOYEES

Your Company has not employed any person whose remuneration is equal to or above the monetary limits as prescribed under Section 217(2A) of the Companies Act, 1956 read with the Companies (Particulars of Employees) Rules, 1975, as amended.

## 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 Financial Statements for the year ended 31<sup>st</sup> March 2013, the applicable Accounting Standards have been followed and there are no material departures;