



29th ANNUAL REPORT
2013 - 14

SHIRPUR GOLD REFINERY LIMITED

SHIRPUR GOLD REFINERY LIMITED

(An ISO 9001:2008 company)

CORPORATE INFORMATION

BOARD OF DIRECTORS

Amit Goenka

Non- Executive Chairman

V. K. Agarawal

Non-Executive Director

Anish Goel

Independent Director

Manoj Agarwal

Independent Director

KEY MANAGERIAL PERSONNEL

Subhash Pareek

Manager

Hemangi Patil

Company Secretary

Archita Kothari

Chief Financial Officer

BANKERS

Punjab National Bank Ltd.

AXIS Bank Ltd.

ING Vysya Bank Ltd

Bank of Maharashtra

State Bank of India Ltd.

OFFICES**Registered**

Refinery Site, Shirpur, Dist. Dhule,

Maharashtra – 425 405

Corporate

5 A, Trishla Premises,

122, Sheikh Memon Street,

Mumbai - 400 002

www.shirpurgold.com

E-mail: sgri@shirpurgold.com

AUDITORS

M/s. B. S. Sharma and Co.,

Chartered Accountants

303, Guruprabha Apartments,

507-508, Sundernagar,

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

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NOTICE

Notice is hereby given that the **29th Annual General Meeting** of the Members of **Shirpur Gold Refinery Limited** will be held on Wednesday, 27th August, 2014 at 2.30 p.m. at the Registered Office of the Company at Refinery Site, Shirpur - 425 405, Dist. Dhule, Maharashtra to transact the following business :

ORDINARY BUSINESS :

1. To receive, consider and adopt the Audited Financial Statements of the Company - on a standalone and consolidated basis, for the financial year ended 31st March, 2014 including the Balance Sheet as at 31st March, 2014, the Statement of Profit & Loss for the financial year ended on that date, and the Reports of the Auditors and Directors thereon.
2. To appoint a Director in place of Mr. Amit Goenka (DIN:00017707), who retires by rotation at this Annual General Meeting and being eligible has offered himself for re-appointment.
3. To re-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 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 pursuant to the provisions of Sections 149, 152 read with Schedule IV and all other applicable provisions of the Companies Act, 2013 and the Companies (Appointment and Qualification of Directors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force), Mr. Anish Goel (DIN: 00552332), Independent Director of the Company, who was earlier appointed as a Director liable to retire by rotation, be and is hereby appointed as an Independent Director not liable to retire by rotation for a period upto March 31, 2019."

5. 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 149, 152 read with Schedule IV and all other applicable provisions of the Companies Act, 2013 and the Companies (Appointment and Qualification of Directors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force) Mr. Manoj Agarwal (DIN 00773999), Independent Director of the Company, who was earlier appointed as a Director liable to retire by rotation, be and is hereby appointed as an Independent Director not liable to retire by rotation for a period upto March 31, 2019."

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

"RESOLVED THAT in supersession of the resolution passed by the Members under Section 293(1)(d) of the Companies Act, 1956 on November 30, 2010 and pursuant to Section 180(1)(c) of the Companies Act, 2013 and the rules made thereunder (including any statutory modification(s) or re-enactment thereof for the time being in force), the Board of Directors of the Company (the term shall include any Board Committee duly authorised by the Board) be and is hereby authorised to raise or borrow from time to time such sum or sums as they may deem appropriate for the purposes of the company notwithstanding that the monies already borrowed and the monies to be borrowed (apart from temporary loans obtained from company's bankers in the ordinary course of business) will exceed the paid-up capital and free reserves of the company. Provided

that the total amount upto which monies may be raised or borrowed by the Board of Directors shall not exceed the aggregate of the paid up capital and free reserves of the company by more than ₹ 2,000 crores (Rupees Two Thousand Crores only) at any point of time.”

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

Place : Mumbai
Date : 23rd May 2014

Hemangi Patil
Company Secretary

Registered Office:

Refinery Site, Shirpur, Dist. Dhule,
Maharashtra - 425 405
CIN : L51900MH1984PLC034501
E mail: hemangi.patil@shirpurgold.com

NOTES:

1. A member entitled to attend and vote at the meeting may appoint a proxy to attend and vote on a poll on his/her behalf. A proxy need not be a member of the Company. A person can act as proxy on behalf of not exceeding fifty Members and holding in the aggregate not more than 10% of the total Paid-up Share Capital of the Company. Any Member holding more than 10% of the total Paid-up Share Capital of the Company may appoint a single person as proxy and in such a case, the said person shall not act as proxy for any other person or member. The instrument appointing proxy should, however, be deposited at the Registered Office of the Company not less than 48 hours before the commencement of the Meeting.
2. Explanatory Statement pursuant to Section 102 of the Companies Act, 2013, relating to the Special Business to be transacted at the Annual General Meeting is annexed.
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 113 of the Companies Act, 2013, authorising their representative to attend and vote at the Annual General Meeting.
4. Relevant information, pursuant to Clause 49 of the Listing Agreement with Stock Exchanges, in respect of the Directors recommended by the Board for re-appointment at the Annual General Meeting forms part of the Report on Corporate Governance in the Annual Report.
5. Members who are holding Company's shares in dematerialized mode are requested to bring details of their Beneficiary Account Number for identification.
6. Queries on accounts and operations of the Company, if any, may be sent at least seven days before the AGM to the Company Secretary at the corporate office of the Company or by email at hemangi.patil@shirpurgold.com so as to enable the management to keep the information ready at the meeting.
7. Copy of the Annual Report for 2013-14 is being sent by e-mail to all the members whose email address is registered with the Company/Depository Participants(s) for communication. For members who have not registered their email address, physical copies of the Annual Report for financial year 2013 - 14 is being sent in permitted mode. The Annual Report may also be accessed on the Company's Website www.shirpurgold.com
8. Members are requested to notify immediately about any change in their address / e-mail address /dividend 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 Agent, M/s Sharepro Services (India) Pvt. Ltd., at 13AB, Samhita Warehousing Complex, Second Floor, Sakinaka Telephone Exchange Lane, Off Andheri Kurla Road, Sakinaka, Andheri (East), Mumbai-400 072 and/or at 912, Raheja Centre, Free Press Journal Road, Nariman Point, Mumbai-400 021. Shareholders holding Equity Shares of the Company in physical form may register their email address with the Registrar and Share Transfer agent of the Company to receive all communications by the Company including Annual Report and Notice of

Meeting(s) by email, by sending appropriate communication on sharepro@shareproservices.com.

9. E-voting

In compliance with Clause 35B of the Listing Agreement entered into with the Stock Exchanges and Section 108 of the Companies Act, 2013 and Companies (Management and Administration) Rules, 2014, the Company is pleased to provide members facility to exercise their right to vote at the 29th Annual General Meeting (AGM) by electronic means and all the business may be transacted through e-voting Services provided by Central Depository Services (India) Limited (CDSL).

The e-voting period for all items of business contained in this Notice shall commence from Thursday, the 21st August, 2014 at 9.00 a.m. and will end on Saturday, the 23rd August, 2014 at 6.00 p.m. During this period, equity shareholders of the Company holding shares either in physical form or in dematerialised form as on the cutoff date of 28th July, 2014, may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter. Once the vote on a resolution is cast by any Member, he/she shall not be allowed to change it subsequently.

The voting rights of Members shall be in proportion to their equity shareholding in the paid up equity share capital of the Company as on 28th July, 2014.

10. The Company has appointed Mr. Vishal Manseta (CP No. 8981), Practising Company Secretary to act as Scrutiniser to conduct the e-voting in a fair and transparent manner. The Scrutiniser shall within a period of not exceeding 3 working days from the conclusion of voting period, shall unblock the votes in presence of two witnesses, who are not in employment of the Company and after scrutinising such votes received shall make a Scrutiniser's Report of the votes cast in favor or against or invalid votes in connection with the resolution(s) mentioned in the Notice of the Meeting and submit the same forthwith to the Company.

11. The Results of e-voting shall be declared at the AGM of the Company and the results along with Scrutiniser's report shall be placed on the website of the Company thereafter and shall also be communicated to the Stock Exchanges. The Resolutions shall be deemed to be passed, if approved, on the date of AGM.

12. The instructions and process for e-voting are as under:

- Open your web browser during the voting period and log on to the e-voting website www.evotingindia.co.in
- Now click on 'Shareholders' tab to cast your votes
- Now, select the 'Electronic Voting Sequence Number (EVSN)' along with 'Shirpur Gold Refinery Limited' from the drop down menu and click on 'SUBMIT'
- Now Enter your User ID (For CDSL: 16 digits beneficiary ID, For NSDL: 8 Character DP ID followed by 8 Digits Client ID, Members holding shares in Physical Form should enter Folio Number registered with the Company and then enter the Captcha Code as displayed) and Click on Login.
- If you are holding shares in Demat form and had logged on to www.evotingindia.co.in and casted your vote earlier for EVSN of any company, then your existing password is to be used. If you are a first time user follow the steps given below.
- Now, fill up the following details in the appropriate boxes:

PAN*	Enter your 10 digit alpha-numeric *PAN issued by Income Tax Department (in Capital) (Applicable for both demat shareholders as well as physical shareholders)
DOB#	Enter the Date of Birth as recorded in your demat account or in the Company records for the said demat account or folio in dd/mm/yyyy format.
Dividend Bank Details#	Enter the Dividend Bank Details as recorded in your demat account or in the Company records for the said demat account or folio.

* Members who have not updated their PAN with the Company/Depository Participant are requested to use the first two letters of their name and Demat Account /folio number in the PAN field.

Please enter any one of the details in order to login. In case either of the details are not recorded with the depository, please enter number of shares held in the Dividend Bank details field.

- After entering these details appropriately, click on 'SUBMIT'.
- Shareholders holding Equity shares in Physical form will then reach directly to the EVSN selection screen. However Equity Shareholders holding shares in Demat form will now reach 'Password Change'

menu wherein they are required to mandatorily enter their login password in the new password field. Kindly note that this password is also to be used by the Demat holders for voting for resolution of any other Company on which they are eligible to vote, provided that Company opts for e-voting through CDSL platform. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.

- Equity Shareholders holding shares in physical form can use these details only for e-voting on the resolutions contained in this Notice.
 - Click on the relevant EVSN on which you choose to vote.
 - On the voting page, you will see Description of Resolution(s) and option for voting Yes/No for voting. Select the option yes or no as desired. The option 'YES' implies that you assent to the resolution & 'NO' implies that you dissent to the resolution.
 - Click on the Resolution file link if you wish to view the entire Notice.
 - After selecting the resolution you have decided to vote on, click on 'SUBMIT'. A confirmation box will be displayed. If you wish to confirm your vote, click on 'OK', else to change your vote, click on 'CANCEL' and accordingly modify your vote.
 - Once you 'CONFIRM' your vote on the resolution, you will not be allowed to modify your vote.
 - You can also take out print of the voting done by you by clicking on 'Click here to print' option on the Voting page.
 - If Demat account holder has forgotten the changed password then enter the User ID and Captcha Code click on Forgot password & enter the details as prompted by the system.
 - Institutional Equity Shareholders (i.e. other than individuals, HUF, NRI etc) are required to log on <https://www.evotingindia.co.in> and register themselves as Corporates. After receiving the login details they have to link the account(s) which they wish to vote on and then cast their vote. They should upload a scanned copy of the Board Resolution and Power of Attorney which they have issued in favour of the Custodian, if any, in PDF format in the system for the scrutiniser to verify the same.
 - In case you have any queries or issues regarding e-voting, you may refer the Frequently Asked Questions and e-voting manual available at www.evotingindia.co.in under help section or write an email to CDSL on helpdesk.evoting@cdslindia.com or to the Company Secretary of the Company on hemangi.patil@shirpurgold.com
13. Relevant documents referred to in the accompanying Notice and the Statement are open for inspection by the members at the Registered Office of the Company on all working days, except Saturdays, during business hours up to the date of the Meeting.
14. The Register of Members and the Share Transfer Books of the Company will remain closed from Wednesday, 20th August 2014 to Wednesday, 27th August 2014 (both days inclusive) for the purpose of Annual General Meeting.
15. Members holding shares in single name and physical form are advised to make nomination in respect of their shareholding in the Company. The nomination form will be made available on request to the Company's Registrar and Share Transfer Agent.

EXPLANATORY STATEMENT IN RESPECT OF THE SPECIAL BUSINESS PURSUANT TO SECTION 102(1) OF THE COMPANIES ACT, 2013

Item Nos. 4 and 5

Mr. Anish Goel and Mr. Manoj Agarwal are Independent Directors of the Company and have held the positions as such for more than 5 (five) years and 2 (two) years respectively.

The Securities and Exchange Board of India (SEBI) has amended Clause 49 of the Listing Agreement inter alia stipulating the conditions for the appointment of independent directors by a listed company.

It is proposed to appoint Mr. Anish Goel and Mr. Manoj Agarwal as Independent Directors, not liable to retire by rotation under Section 149 of the Act and Clause 49 of the Listing Agreement to hold office for 5 (five) years for a term up to March 31, 2019.

Mr. Anish Goel and Mr. Manoj Agarwal are not disqualified from being appointed as Directors in terms of Section 164 of the Act and have given their consent to act as Directors.

The Company has received declarations from Mr. Anish Goel and Mr. Manoj Agarwal that they meet with the criteria of independence as prescribed both under sub-section (6) of Section 149 of the Act and under Clause 49 of the Listing Agreement.

In the opinion of the Board, Mr. Anish Goel and Mr. Manoj Agarwal fulfill the conditions for appointment as Independent Directors as specified in the Act and the Listing Agreement. Mr. Anish Goel and Mr. Manoj Agarwal are independent of the management.

Brief resume of Mr. Anish Goel and Mr. Manoj Agarwal, nature of their expertise in specific functional areas and names of companies in which they hold directorships and memberships / chairmanships of Board Committees, shareholding and relationships between directors inter-se as stipulated under Clause 49 of the Listing Agreement with the Stock Exchanges, are provided in the Corporate Governance Report forming part of the Annual Report.

This Statement may also be regarded as a disclosure under Clause 49 of the Listing Agreement with the Stock Exchanges.

None of the Directors and /or Key Managerial Personnel of the Company or their relatives, except Mr. Anish Goel and Mr. Manoj Agarwal (whose appointments are proposed in resolution no. 4 & 5) are in any way concerned or interested in the resolutions.

Your Board recommends the Ordinary Resolutions set out at Item Nos. 4 and 5 of the Notice for approval by the shareholders.

Item No. 6

In compliance with Section 293(1)(d) of the Companies Act, 1956, Members of the Company had on November 30, 2010 authorised the Board of Directors to borrow in excess of paid-up capital and reserves upto an amount not exceeding ₹ 2,000 Crores. Consequent to repeal of Section 293(1)(d) of the Companies Act, 1956 and provision of Section 180(1)(c) of the Companies Act, 2013 coming into effect from September 12, 2013 and in accordance with clarification issued by the Ministry of Corporate Affairs vide circular no. 04/2014 dated March 25, 2014, the Ordinary Resolution passed by the Members on November 30, 2010 will be valid till September 11, 2014.

In view of the above, and to facilitate funding needs of enhanced business operations of the company, it is recommended that your Board be authorised to borrow from time to time amounts which shall not exceed the aggregate of the paid up capital and free reserves of the Company by more than ₹ 2,000 Crores at any point in time.

As per Section 180(1)(c) of the Companies Act, 2013, the Board of Directors can borrow in excess of paid-up capital and reserves of the Company subject to approval of the Members by way of Special Resolution.

None of the Directors and Key Managerial Personnel of the Company or their relatives is concerned or interested, financial or otherwise, in the resolution set out at Item No. 6.

Your Board recommends the Special Resolution as set out in Item No. 6 for the approval of the members.

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

Place : Mumbai
Date : 23rd May 2014

Hemangi Patil
Company Secretary

Registered Office:

Refinery Site, Shirpur,
Dist. Dhule, Maharashtra - 425 405
CIN : L51900MH1984PLC034501
E mail: hemangi.patil@shirpurgold.com

DIRECTORS' REPORT

To

The Members of

Your Directors take pleasure in presenting the 29th Annual Report of your Company together with Audited Statement of Accounts for the year ended 31st March 2014.

RESPONSIBILITY STATEMENT

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

- (i) in the preparation of the Financial Statements for the year ended March 31, 2014, 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 profit of the Company for the financial year ended March 31, 2014;
- (iii) they have taken proper and sufficient care to the best of their knowledge and ability for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956. They confirm that there are adequate systems and controls for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities; and
- (iv) they have prepared the Annual Financial Statements on a going concern basis.

FINANCIAL PERFORMANCE

The financial performance of operations of your Company during the Financial Year 2013-14 is summarized in the following table:

(₹ Millions)

Particulars	For the year ended	
	31 st March 2014	31 st March 2013
Total Revenue	17,442.57	40,486.71
Total Expenses	16,871.82	39,992.07
Operating Profit	570.75	494.64
Finance Cost	343.86	313.57
Depreciation and Amortisation Expenses	163.78	163.40
Profit before Tax	63.11	17.67
Deferred Tax Assets	(5.11)	5.13
Profit after Tax	58.00	22.80

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.

TURNOVER AND PROFITS

The year 2013-14 was one of the toughest years for the Indian economy with the GDP growth falling below 5%. The Indian Rupee weakened considerably during the year before recovering towards the end of the financial year. The Reserve Bank of India initiated measures to contain the Current Account Deficit by increasing the customs duty on gold and suspending credit on gold imports for domestic consumption.

The total revenue for the financial year under review were Rs./Millions 17,442.57 as against Rs./Millions 40,486.71 showing a decrease of 56.91% over previous financial year. Your Company has registered operating profit of Rs./Millions 570.75 as against operating profit of Rs./Millions 494.64, showing an increase of 15.39 % over the previous financial year. The Profit before tax stood at Rs./Millions 63.11 as against a profit of Rs./Millions 17.67

in the previous financial year, showing an increase of 257.16 % over the previous financial year. The Profit after tax stood at Rs./Millions 58.00 as against a profit of Rs./Millions 22.80 in the previous financial year, showing an increase of 154.39% over the previous financial year.

The Company had the most challenging time, hit by a very adverse regulatory and macro-economic environment, and managed to grow by 154.39% to Rs./Millions 35.2. Customer sentiments were affected by inflation, uncertain economic conditions and the significant movements in gold rate, which was more pronounced during the second half of 2013-14.

The Government and the Reserve Bank of India also initiated a slew of measures to contain the Current Account Deficit by increasing the customs duty on gold, discontinuation of credit on gold imports and importantly, restricting the quantity of gold imported by relating it to the quantum of gold exports. This resulted in severe supply constraints and consequently a sharp increase in gold prices in India compared to global rates as premium on gold purchased in India rose significantly.

BUSINESS OVERVIEW

Your company's products mainly Gold Bars, Gold coins and Gold Jewellery are well established in the market.

The year gone by was the most challenging one in a long time as GDP growth slowed down with inflation at a high level. The efficient performance of the Company has resulted in a turnover of Rs./Millions 17,442.57 in FY 2014. The Company recorded a 257.16% increase in PBT despite of 56.91% decrease in Revenue compared to the previous year.

SUBSIDIARIES

As on 31st March 2014, your Company had 2 wholly owned subsidiaries in Dubai and Singapore.

As the Members are aware, the Ministry of Corporate Affairs has granted general exemption to companies from complying with Section 212 (8) of the Companies Act, 1956, provided that such companies publish the Audited Consolidated Financial Statements in the Annual Report. Your Board has decided to avail the said general exemption, and accordingly, the Annual Financial Statements of the Subsidiaries for the financial year ended March 31, 2014 are not being attached with this Annual Report. Requisite financial highlights of the said subsidiary forms part of the Report. The Audited Annual Accounts and related information of the subsidiary will be made available, upon request or for inspection at the registered office, by any shareholder of the Company.

CONSOLIDATED FINANCIAL STATEMENT

In accordance with the Accounting Standard (AS) – 21 on Consolidated Financial Statements read with AS – 23 on Accounting for Investments in Associates and AS – 27 on Financial Reporting of Interests in Joint Ventures, the Audited Consolidated Financial Statements are provided in and forms part of this Annual Report.

PUBLIC DEPOSITS

Your Company has not accepted any public deposits and as such no amount on account of principal or interest on public deposits under Section 58A and Section 58AA of the Companies Act, 1956, read with Companies (Acceptance of Deposits) Rules, 1975, was outstanding as on the date of the Balance Sheet.

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. A separate detailed report on Corporate Governance together with the Statutory Auditors' Certificate on compliance is attached to this Annual Report. Management's Discussion and Analysis Report for the year under review, as stipulated under Clause 49 of the Listing Agreement with the Stock Exchanges is presented in a separate section forming part of the Annual Report.

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

CORPORATE SOCIAL RESPONSIBILITY COMMITTEE

In line with recent regulatory requirement your Board has constituted a Corporate Social Responsibility Committee, which is in process of formulating a formal CSR policy.

DIRECTORS

Mr. Amit Goenka, Mr. Anish Goel, Mr. V. K. Agarwal and Mr. Manoj Agarwal continue to remain Directors of the Company.

Mr. Amit Goenka, Non-Executive Chairman is liable to retire by rotation at the ensuing Annual General Meeting and, being eligible he has offered himself for re-appointment. Your Board has recommended his re-appointment.