

# REDEFINING GOLD GROWTH

27th Annual Report  
2011-2012



Shirpur Gold Refinery Limited



# SHIRPUR GOLD REFINERY LIMITED

## CORPORATE INFORMATION

<b>BOARD OF DIRECTORS</b>	:	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 9<sup>th</sup> May 2012)</i> <i>Independent Director</i> <i>(From 9<sup>th</sup> May 2012 till 12<sup>th</sup> May 2012)</i> <i>(From 28<sup>th</sup> June 2012)</i>
<b>MANAGER</b>	:	Mr. Milind Pradhan	
<b>COMPANY SECRETARY</b>	:	Ms. Hemangi Patil	
<b>AUDITORS</b>	:	M/s. B. S. Sharma & Co. <i>Chartered Accountants</i> 303, Guruprabha Apartments, 507-508, Sundernagar, Senapati Bapat Road, Dadar (West), Mumbai – 400 028.	
<b>BANKERS</b>	:	Punjab National Bank Ltd. AXIS Bank Ltd. State Bank of India Ltd. Union Bank Ltd. ICICI Bank Ltd. HDFC Bank Ltd.	
<b>REGISTRAR &amp; SHARE TRANSFER AGENTS</b>	:	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.	
<b>REGISTERED OFFICE</b>	:	Refinery Site, Shirpur, Dist. Dhule, Maharashtra – 425 405.	
<b>CORPORATE OFFICE</b>	:	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, 6<sup>th</sup> 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 31<sup>st</sup> 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 : 28<sup>th</sup> 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, 31<sup>st</sup> August 2012 to Thursday, 6<sup>th</sup> 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 : 28<sup>th</sup> 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 27<sup>th</sup> 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
<b>Total Revenue</b>	<b>25590.55</b>	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
<b>Profit/ (Loss) before Tax</b>	<b>(158.56)</b>	(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)
<b>Balance Carried To Balance Sheet</b>	<b>(464.58)</b>	(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 31<sup>st</sup> 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. Agarawal 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. Agarawal 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 9<sup>th</sup> 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 9<sup>th</sup> May, 2012. However, the office of Directorship of Mr. Hemendra N. Shah was vacated due to his untimely death on 12<sup>th</sup> May, 2012.

Mr. Manoj Agarwal was appointed as an Additional Director, with effect from 28<sup>th</sup> 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 : 28<sup>th</sup> 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 : 28<sup>th</sup> June 2012

**Amit Goenka**  
*Chairman*

**Form A for disclosure of particulars with respect to conservation of Energy**

	2011 - 12 Total	2010 - 11 Total
<b>I. POWER AND FUEL CONSUMPTION :</b>		
1. <b>Electricity :</b>		
<b>a) Purchased Units</b> ( KWH in Thousands )	<b>4,74,207</b>	343,823
Total amount ( ₹ In Millions )	<b>4.39</b>	3.08
Rate/Unit (₹)	<b>9.26</b>	8.15
<b>b) Own Generation :</b>		
i) Through D G Power Plan		
Units ( KWH in Thousands )	<b>Nil</b>	Nil
Fuel Cost / Unit (₹)	<b>Nil</b>	Nil
ii) Through Diesel Generator		
Units ( KWH in Thousands )	<b>4.424</b>	Nil
Fuel Cost / Unit (₹)	<b>23.48</b>	Nil
iii) Through Steam Turbine		
Generated by Coal/Oil		
Units ( KWH in Thousands )	<b>Nil</b>	Nil
Fuel Cost / Unit (₹)	<b>Nil</b>	Nil
2. <b>Coal :</b>		
Quantity in M.T.	<b>Nil</b>	Nil
Total Cost (₹ In Millions)	<b>Nil</b>	Nil
Average Rate (₹/M.T.)	<b>Nil</b>	Nil
3. <b>Furnace Oil :</b>		
Quantity in K. Ltrs.	<b>Nil</b>	Nil
Total Cost (₹ In Millions)	<b>Nil</b>	Nil
Average Rate (₹/M.T.)	<b>Nil</b>	Nil
4. <b>Others</b>		
Quantity in M.T.	<b>Nil</b>	Nil
Total Cost (₹ In Millions)	<b>Nil</b>	Nil
Average Rate (₹/M.T.)	<b>Nil</b>	Nil

## CORPORATE GOVERNANCE REPORT

### CORPORATE GOVERNANCE PHILOSOPHY

Corporate Governance Philosophy of Shirpur Gold Refinery Limited stems from its belief that the Company's business strategy, plans and decisions should be consistent with the welfare of all its stakeholders, including shareholders. Good Corporate Governance practices enable a Company to attract financial and human capital and leverage these resources to maximize long-term shareholder value, while preserving the interests of multiple stakeholders, including the society at large. Corporate Governance at Shirpur Gold is founded upon 4 pillars of Core Values viz, Transparency, Integrity, Honesty and Accountability.

### BOARD OF DIRECTORS

#### Composition & Category of Directors

Your Company is in strict compliance of Board composition requirements of the Listing Agreement. The strength of the Board of Directors during 2011-12 was 4 (four). The composition of the Board complies with the requirements of minimum number of independent Directors and non-executive Directors. All the Directors comply with the ceiling for holding maximum number of Directorship and committee positions under various statutes. None of the Directors on the Board is a Member of more than 10 Committees and Chairman of more than 5 Committees {as specified in Clause 49(C)(ii)} across all the Companies in which he is a Director. The Board reviews and approves strategy and oversees the actions and performance of the management to ensure that the long-term objective of enhancing stakeholder's value is met.

#### Composition of the Board as on March 31, 2012

Category of Directors	No. of Directors	% to total No. of Directors
Executive Director	0	0.00
Non-Executive Independent Directors	2	50.00
Other Non-Executive Directors	2	50.00
<b>Total</b>	<b>4</b>	<b>100.00</b>

During financial year 2012-13, upon resignation of Mr. Sriprakash Goenka with effect from May 9, 2012, Mr. Hemendra N. Shah was appointed as an Additional Director in the category of Non-Executive Independent Director. The office of Directorship of Mr. Hemendra N Shah was vacated due to his untimely death on May 12, 2012.

Mr. Manoj Agarwal was appointed as an Additional Director in the category of Non-Executive Independent Director with effect from June 28, 2012. Consequently as on date of this report, your Board comprises of 4 Members including 2 Independent Directors.

Independent Directors provide an annual certification to the Board confirming satisfaction of the conditions of their being independent as laid down in Clause 49 of the Listing Agreement.

#### Board Meetings and procedures

During the financial year under review, seven (7) meetings of the Board were held on April 26, 2011, July 6, 2011, July 29, 2011, September 21, 2011, October 21, 2011, November 15, 2011 and February 10, 2012. In compliance with Clause 49 of the Listing Agreement, the gap between two Board meetings did not exceed four months

Particulars of Directors, their attendance at the Annual General Meeting and Board Meetings held during the financial year 2011-12 and also their other directorships in Public Companies (excluding Foreign Companies and Section 25 Companies) & Membership/ Chairmanship of Audit & Share Transfer Committees of other Companies as at March 31, 2012 Your Company is in strict compliance of Board composition requirements of the Listing Agreement. The Composition of the Board as at March 31, 2012 is as under:



Name of Director	Category	Attendance at		No. of Directorships of other Public Companies	No. of Memberships/ Chairmanship of other Board Committees
		Board Meetings (7 meetings)	26 <sup>th</sup> AGM held on 29.08.2011		
Mr. Amit Goenka	Promoter non-executive Non-Independent	4	Yes	7	1
Mr. V. K. Agarawal	Non-Executive Non-Independent	7	Yes	-	-
Mr. Anish Goel	Non-Executive Independent	7	No	-	-
Mr. Sriprakash Goenka	Non-Executive Independent	7	No	-	-

Schedule of the Board meetings for each year are decided well in advance by the Board of Directors. Board meetings are held at the Corporate office at Mumbai. The agenda along with the explanatory notes are sent to the Directors well in advance to enable them to take informed decisions. The Head- Finance & Accounts is normally invited to the Board meetings to provide necessary insights into the working of the Company and for discussing corporate strategies. All relevant information required to be placed before the Board of Directors as per Clause 49 of the Listing Agreement, are considered and taken on record/ approved by the Board.

The Board periodically reviews compliance reports of various laws and regulations applicable to the Company.

#### **BRIEF PROFILE OF DIRECTORS PROPOSED TO BE APPOINTED/ RE- APPOINTED AT THE ENSUING ANNUAL GENERAL MEETING**

**V. K. Agarawal**, 39, is Non-Executive Director of the Company. He holds a Bachelor of Commerce (Hons) degree from Calcutta University. He holds a Post Graduate Diploma in Business Management degree from Narsee Monjee Institute of Management Studies, Mumbai. Further he has also completed Senior Management programme from IIM, Calcutta. He is also a qualified Chartered Accountant, Company Secretary and Costs and Works Accountant. Mr. Agarawal has an aggregate work experience of 18 years including handling the business operations, strategy, merger & acquisition, accounts, finance, banking and operations.

Mr. Agarawal neither holds any equity shares of the Company nor hold Directorship in any other Public Limited Company.

**Manoj Agarwal**, 44, is Non-Executive Independent Director of the Company. He holds a Bachelor of Commerce degree from Delhi University. He has an Entrepreneurial background. Mr. Agarwal is Director and Member of Super Dynic Clothing Private Limited, a Company engaged in the business of Home Textile, since 20 years. Apart from textile business, Mr. Agarwal also has keen interest in Steel business. He is an active member of renowned charitable institute Pranami Seva Samiti, Delhi.

Mr. Agarwal neither holds any equity shares of the Company nor hold Directorship in any other Public Limited Company.

#### **CODE OF CONDUCT**

The Board of Directors of the Company has approved and adopted Code of Conduct for Members of the Board and Senior Management of the Company. The Code is circulated to all the members of the Board and senior management personnel and the compliance of the same is affirmed by them annually. The Code has been posted on Company's website viz. [www.shirpurgold.net](http://www.shirpurgold.net)

A declaration affirming compliance with the Code of Conduct by the members of the Board and senior management is given below:

**Declaration**

I confirm that the Company has obtained from all Directors and Senior Management of the Company their affirmation of compliance with the Code of Conduct for Members of the Board and Senior Management of the Company for the financial year ended March 31, 2012.

Milind Pradhan  
Manager  
Shirpur, May 9, 2012

**BOARD COMMITTEES**

Your Board has constituted various Board and Executive Management Committees for smooth and efficient operation of day-to-day business of the Company. Apart from Audit Committee, Remuneration Committee and Share Transfer & Investors Grievances Committee, your Board has constituted a Finance Committee, for approving financing facilities sanctioned to the Company from time to time and banking arrangements. Your Board has provided for detailed guidelines on constitution, quorum, scope and procedures to be followed by these Committees. Minutes of the proceedings of each meeting of the Committee's held between two Board meetings are circulated to the Board Members along with agenda papers and taken on record by the Board at its meetings. Relevant particulars of Audit Committee, Remuneration Committee and Share Transfer and Investors Grievances Committee are as detailed hereunder.

**Audit Committee**Terms of reference

The role and powers of the Audit Committee is as set out in Clause 49 of the Listing Agreement(s) with Stock Exchanges and Section 292A of the Companies Act, 1956. The terms of reference of the Audit Committee broadly includes:

- Oversight of Company's financial reporting process and disclosure of its financial information.
- Review with the management, quarterly and annual financial statements.
- Review of related party transactions.
- Review Company's financial and risk management policies.
- Review with the management, external and internal auditors, adequacy of internal control systems.
- Recommend to the Board the appointment, re-appointment and removal of the statutory auditor and fixation of their remuneration.
- Discussion with statutory auditors about the nature and scope of audit as well as post audit discussion to ascertain any area of concern and internal control weaknesses observed by the statutory auditors.
- Discussion of Internal Audit Reports with internal auditors and significant findings and follow-up thereon and in particular internal control weaknesses.

Constitution

The Audit Committee comprises of two (2) Independent Directors as on 31st March 2012 and is chaired by Mr. Anish Goel, an Independent Director. During the year under review, Audit Committee met for five (5) times on April 26, 2011; July 06, 2011, July 29, 2011; November 15, 2011 and February 10, 2012.

The details of composition of the Audit Committee, which complies with the requirements of Section 292A of the Companies Act, 1956 and Clause 49 of the Listing Agreement(s), along with attendance of the Committee members at the meetings held during financial year 2011-12 are as detailed hereunder:

<b>Name and Designation of Committee Member</b>	<b>Category</b>	<b>No. of Meetings attended during the year under review</b>
Mr. Anish Goel, Chairman	Non-Executive- Independent	5
Mr. Sriprakash Goenka, Member	Non-Executive- Independent	5
Mr. Amit Goenka, Member	Promoter Non-executive	3

Due to other pre-occupations, Mr. Sriprakash Goenka resigned from the Board of Directors of the Company, with effect from May 9, 2012.

Mr. Hemendra N. Shah was appointed as Independent Director of the Company on 9th May 2012. But unfortunately he expired on 12th May 2012.

On 28th June 2012, the Company has appointed Mr. Manoj Agarwal as Non-Executive Independent Director.

He has been nominated as a member of Audit Committee and accordingly, the constitution of the Audit Committee is as under:

<b>Name and Designation of Committee Member</b>	<b>Category</b>
Mr. Anish Goel, Chairman	Non-Executive- Independent
Mr. Amit Goenka, Member	Promoter Non-executive
Mr. Manoj Agarwal, Member	Non-Executive- Independent

Audit Committee meetings are generally attended by the Head- Finance, and the Statutory Auditors of the Company. Internal Auditors have attended Audit Committee Meetings wherein the Internal Audit reports were considered by the Committee. The Company Secretary acts as the Secretary of the Audit Committee.

### **Remuneration Committee & Policy**

#### Terms of reference

The terms of reference of the Remuneration Committee, inter alia, consists of reviewing the overall compensation policy, service agreements, performance incentive and other employment conditions of managerial personnel. The recommendations of the Remuneration Committee are considered and approved by the Board of Directors, subject to the approval of the shareholders.

#### Constitution

As on 31<sup>st</sup> March 2012 the Remuneration Committee comprises of Mr. Anish Goel, Non-Executive Independent Director as Chairman and Mr. Sriprakash Goenka, Non-Executive Independent Director and Mr. Amit Goenka, Non-Executive Director as its Members. The Company Secretary is the Secretary of the Committee.

Due to other pre-occupations, Mr. Sriprakash Goenka resigned from the Board of Directors of the Company, with effect from May 9, 2012.

Mr. Hemendra N. Shah was appointed as Independent Director of the Company on 9th May 2012. But unfortunately he expired on 12th May 2012.

On 28th June 2012, the Company has appointed Mr. Manoj Agarwal as Non-Executive Independent Director. He has been nominated as a member of Remuneration Committee and accordingly, the constitution of the Remuneration Committee is as under:

<b>Name and Designation of Committee Member</b>	<b>Category</b>
Mr. Anish Goel, Chairman	Non-Executive- Independent
Mr. Amit Goenka, Member	Promoter Non-executive
Mr. Manoj Agarwal, Member	Non-Executive- Independent

No meetings of the Remuneration Committee were held during the year under review.

#### Details of Remuneration Paid

None of the Directors of the Company are paid any remuneration or sitting fee for attending meetings of the Board and/or Committee.

Mr. Milind Pradhan, Manager of the Company has been appointed on a contractual basis in terms of resolution passed by the shareholders at the 25<sup>th</sup> AGM held on 30<sup>th</sup> November 2010 for a period of three years with effect from October 14, 2010. The elements of the remuneration package of the Manager comprises of salary, perquisites and allowances comprising of house rent allowance, personnel allowance, other allowances includes children education, medical, meal and leave travel allowance, Company's contribution to provident fund, gratuity and leave encashment facilities in accordance with rules of the Company.

The details of the remuneration paid to Mr. Milind Pradhan, Manager of the Company during the year ended March 31, 2012 is as under: ₹ in millions

<b>Particulars</b>	
Salary & Allowances	1.54
Employer's Contribution to Provident Fund	0.09
<b>Total</b>	<b>1.63</b>

### **Share Transfer & Investor Grievance Committee**

#### Terms of reference

Main function of Share Transfer & Investor Grievance Committee is to strengthen investor relations. The Company Secretary, being the Compliance Officer, is entrusted with the responsibility, to specifically look into the redressal of the shareholders and investors complaints and report the same to Share Transfer & Investor Grievance Committee.

#### Constitution

The Share Transfer & Investor Grievance Committee currently comprises of Mr. Anish Goel, Non-Executive Independent Director as Chairman and Mr. Amit Goenka, Non- Executive Director and Mr. V. K. Agarawal, Non-Executive Director as Members. The Company Secretary is the Secretary of the Committee.

During the year under review the Committee met five (5) times on April 26, 2011; July 06, 2011; July 29, 2011; November 15, 2011 and February 10, 2012.

No complaints / investors grievances were pending at the beginning of financial year and none were received during financial year 2011-12.

### **GENERAL BODY MEETINGS**

The 27<sup>th</sup> Annual General Meeting of the Company for the year 2011-12 will be held on Thursday, 6<sup>th</sup> September, 2012 at 2.30 p.m. at the registered office of the Company at Refinery Site, Shirpur, Dist. Dhule, Maharashtra-425 405.

The Location, date and time of the Annual General Meetings held during last 3 years along with Special Resolution(s) passed there at are as follows:

<b>Year</b>	<b>Date and Time</b>	<b>Special Resolutions passed</b>	<b>Venue</b>
2010-11	Monday, August 29, 2011, 4.30 p.m.	None	Refinery Site, Shirpur, Dist. Dhule, Maharashtra – 425 405.
2009-10	Tuesday, November 30, 2010, 11.00 a.m.	None	
2008-09	Wednesday, September 30, 2009, 2.15 p.m.	Extension of tenure of M/s. Sharepro Service (India) Pvt. Ltd. as Registrar and Transfer Agent of the Company	

The above resolution was passed with requisite majority.

No ordinary or special resolutions were passed through Postal Ballot during the financial year 2011-12. None of the resolution proposed at the ensuing Annual General Meeting needs to be passed by Postal Ballot.

### **DISCLOSURES**

There are no materially significant related party transactions, which have potential conflict with the interest of the Company at large. Transactions with related parties are disclosed in Notes to Accounts in the Annual Report.

The Company has complied with the requirements of the Stock Exchanges, SEBI and other Statutory authorities on all matters relating to capital markets during the year under review and no penalties or strictures have been imposed on the Company by any Stock Exchange, SEBI or other statutory authorities during last three years except an amount of ₹ 4,25,000/- was paid to SEBI in FY 09-10 as consent fee on account of non-compliance of previous years.

### **COMPLIANCE WITH NON-MANDATORY REQUIREMENTS**

The Company confirms that it has complied with all mandatory requirements to Clause 49 of the Listing Agreement(s).

### **MEANS OF COMMUNICATION**

The Company has promptly reported all material information including declaration of quarterly financial results, press releases etc., to all Stock Exchanges where the shares of the Company are listed. Such information is also simultaneously displayed on the Company's website [www.shirpurgold.net](http://www.shirpurgold.net). The financial results, quarterly, half yearly and annual results and other statutory information were communicated to the shareholders by





way of advertisement in a English newspaper 'Free Press Journal' and in a vernacular language newspapers 'Navshakti (Marathi)' as per the requirements of the Stock Exchanges and requisite information are filed with Stock Exchange(s) in compliance with the Listing Agreement(s).

Official news releases and presentation made to institutional investors or to the analysts, if any, are displayed on Company's website [www.shirpurgold.net](http://www.shirpurgold.net).

Management Discussion and Analysis Report forming part of this Annual Report is annexed separately.

## **GENERAL SHAREHOLDER INFORMATION**

The required information is provided in Shareholders Information Section.

### **SHAREHOLDERS INFORMATION**

- |  |  |
|--|--|
| <b>1 Date, Time and Venue of Shareholder's Meeting</b> | Meeting : Annual General Meeting<br>Day & Date : Thursday, 6 <sup>th</sup> September, 2012<br>Time : 02.30 p.m.<br>Venue : Registered Office at Refinery Site, Shirpur, Dist. Dhule, Maharashtra – 425 405.  |
| <b>2 Financial Year</b>                                | April 1, 2011 to March 31, 2012  |
| <b>3 Date of Book Closure</b>                          | Friday, August 31, 2012 to Thursday, September 6, 2012<br>(both days inclusive)  |
| <b>4 Registered office / Plant Location</b>            | Refinery Site, Shirpur, Dist. Dhule, Maharashtra – 425 405.<br>Tel: 02563 258002 Fax: 02563 258003<br>Website: <a href="http://www.shirpurgold.net">www.shirpurgold.net</a>  |
| <b>5 Corporate Office</b>                              | 122, Sheikh Memon Street, Zaveri Bazar, Mumbai - 400 002<br>Phone: 022 4910 6400 Fax: 022 4910 6464<br>E-mail: <a href="mailto:investorinfo@shirpurgold.com">investorinfo@shirpurgold.com</a>  |
| <b>6 Listing on Stock Exchanges</b>                    | Bombay Stock Exchange Limited (BSE)<br>National Stock Exchange of India Limited (NSE)  |
| <b>7 Stock Code</b>                                    | BSE- 512289 • NSE- AGEEGOLD -EQ.<br><b>Payment of Listing Fees:</b> Annual listing fee for the year 2012-2013 has been paid by the Company to BSE and NSE.   |
| <b>8 ISIN No.</b>                                      | INE196B01016<br><b>Payment of Depository Fees:</b> Annual Custody for the year 2012-2013 has been paid by the Company to NSDL and CDSL.  |
| <b>9 Corporate Identification No</b>                   | L51900MH1984PLC034501  |
| <b>10 Registrar &amp; Share Transfer Agent</b>         | Sharepro Services (India) Private Limited,<br>13AB, Samhita Warehousing Complex, Second Floor, Sakinaka<br>Telephone Exchange Lane, Off Andheri -Kurla Road, Sakinaka,<br>Andheri (East), Mumbai-400 072, India<br>Tel: 022 6772 0300 / 400 Fax: 022 2859 1568 / 2850 8927<br>E-Mail: <a href="mailto:sharepro@shareproservices.com">sharepro@shareproservices.com</a> |
| <b>11 Investor Relation Officer</b>                    | Ms. Hemangi Patil, Company Secretary<br>122, Sheikh Memon Street, Zaveri Bazar, Mumbai - 400 002<br>Tel: 022 4910 6000 Fax: 022 4910 6464<br>E-mail: <a href="mailto:hemangi.patil@shirpurgold.com">hemangi.patil@shirpurgold.com</a>  |

**12 Dividend**

During the year 2011-12, the Board of Directors have not recommended payment of any dividend.

**13 Change of Address**

Members holding equity share(s) in physical form are requested to notify the change of address/dividend mandate, if any, to the company's Registrar & Share Transfer Agent, at the address mentioned above.

Members holding equity share(s) in dematerialised form are requested to notify the change of address/dividend mandate, if any, to their respective Depository Participant (DP).

The MCA vide circular nos. 17/2011 and 18/2011 dated April 21, 2011 and April 29, 2011 respectively (the said Circulars) has clarified that a company will be deemed to have complied with the provisions of Section 53 and 291 (1) of the Companies Act, 1956, in case documents like notice, annual report etc are sent in electronic form to its shareholders subject to compliance with the conditions stated therein.

The Company has intimated the adoption of the said initiative to the members who hold equity shares in electronic form and whose email address have been made available to the Company by the Depositories. The Company will be sending the notice and annual report for the financial year 2011-12 in electronic form to the said members, in terms of the said circulars.

Members holding shares in electronic form but who have not registered their email address with their DP and members holding shares in physical form are requested to endeavour to register their email address with their DP/ Company, as the case may be.

Members who have registered their email address with their DP/the Company but wish to receive the said documents in physical form are requested to write to [shirpurgold@shareproservices.com](mailto:shirpurgold@shareproservices.com) duly quoting their DP ID and Client ID/Folio No., as the case may be, to enable the Company to record their decision.

Please note that a shareholder of the Company is entitled to receive on request, a copy of the said documents, free of cost in accordance with the provisions of the Companies Act, 1956.

**14 Unclaimed Shares**

Pursuant to Clause 5A of the Listing Agreement (as amended in December 2010), there were no shares lying in the suspense account which are unclaimed/undelivered.

**15 Share Transfer System**

Equity Shares sent for physical transfer or for dematerialization are generally registered and returned within a period of 15 days from the date of receipt of completed and validly executed documents.

**16 Dematerialisation of Equity Shares & Liquidity**

The Equity shares of the Company are in the list of scrips specified by SEBI to be compulsory traded in the Dematerialized form. As on March 31, 2012, 99.76% of the total issued and paid-up Equity Share capital of the company is held in Dematerialized form and the balance 0.24% is held in physical form. Entire shareholding of the promoter in the Company are held in dematerialised form.

**17 Shareholders' Correspondence**

The Company has attended to all the investors' grievances/ queries/ information requests.

The Company endeavours to reply all letters received from the shareholders within a period of 5 working days. All correspondence may please be addressed to the Registrar & Share Transfer Agent at the address given above. In case any shareholder is not satisfied with the response or do not get any response within reasonable period, they may approach the Investor Relation Officer at the address given above.

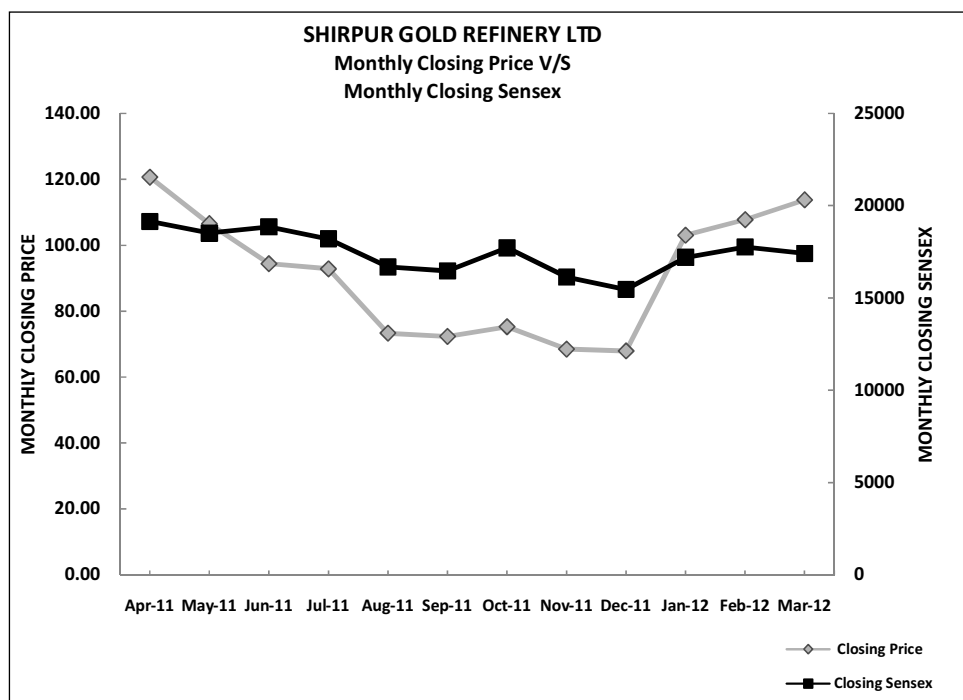
## 18 Stock Market Data Relating to Shares Listed in India

Monthly high and low quotations and volume of shares traded on BSE for financial year 2011-2012 are:

Month	At Bombay Stock Exchange (BSE)		
	High Price (₹)	Low Price (₹)	Volume of Shares Traded
April 2011	147.75	102.25	9,12,029
May 2011	128.60	100.05	4,16,330
June 2011	112.30	86.00	6,87,152
July 2011	104.00	92.00	2,30,860
August 2011	93.40	67.30	3,14,879
September 2011	95.00	68.10	2,00,219
October 2011	78.40	68.00	1,60,048
November 2011	76.90	58.00	1,63,319
December 2011	90.00	65.00	8,17,965
January 2012	103.70	65.05	10,55,136
February 2012	118.00	96.65	7,71,234
March 2012	113.80	88.00	12,67,372

Shares of the Company are not being traded on NSE.

## 19. Performance of the Company's market share price in Comparison to BSE Sensex



## 20. Distribution of Shareholding as on 31st March, 2012 :

No. of Equity Shares	No. of Shareholders	% of shareholders	No. of Shares	% of Shares
1 to 500	8717	88.015	1101920	3.782
501 to 1000	572	5.775	452114	1.552
1001 to 5000	481	4.857	1028598	3.530
5001 to 10000	70	0.707	506757	1.739

10000 to 20000	31	0.313	432585	1.485
20000 to 30000	6	0.061	163581	0.561
30001 to 40000	3	0.030	112213	0.385
40001 to 50000	3	0.030	140497	0.482
50001 to 100000	5	0.050	384962	1.321
100001 and above	16	0.162	24813975	85.163
<b>TOTAL</b>	<b>9904</b>	<b>100.000</b>	<b>29137202</b>	<b>100.000</b>

**21. Shareholding Pattern as on 31st March, 2012 :**

<b>Category</b>	<b>% Shareholding</b>	<b>Number of Equity Shares held</b>
Promoters	72.71	21185703
Individuals	16.21	4723007
FII's, OCBs & NRIs	5.78	1683735
Domestic Companies	5.30	1543762
Trust	0.00	995
<b>TOTAL</b>	<b>100.00</b>	<b>29137202</b>

**22. Particulars of Shareholding****Promoter Shareholding as on March 31, 2012**

<b>Sr. No.</b>	<b>Name of Shareholder</b>	<b>No of Shares held</b>	<b>% of shareholding</b>
1	Jayneer Capital Private Ltd	2,11,85,703	72.71%
	<b>Total</b>	<b>2,11,85,703</b>	<b>72.71%</b>

**AUDITORS' CERTIFICATE**

To,

The Members of

**Shirpur Gold Refinery Limited**

We have examined the compliance of the conditions of Corporate Governance by **Shirpur Gold Refinery Limited** ('the Company'), for the year ended 31st March, 2012 as stipulated in Clause 49 of the Listing Agreement of the Company with the Stock Exchanges.

The Compliance of conditions of Corporate Governance is the responsibility of the management. Our examination was limited to the procedures and implementation thereof, adopted by the Company for ensuring the compliance of the conditions of the Corporate Governance. It is neither an audit nor an expression of the opinion of the financial statements of the Company.

In our opinion and to the best of our information and explanations given to us, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in Clause 49 of the Listing Agreement. We state that no investor grievances are pending for a period exceeding 30 days against the Company as per the records maintained by the Company.

We further state that such compliance is neither as to the future viability of the Company nor the efficiency or effectiveness with which the management has conducted the affairs of the Company.

For **B. S. SHARMA & Co.,**  
Chartered Accountants  
FRN No.128249W

Mumbai  
Dated : 9<sup>th</sup> May, 2012

**(CA B. S. SHARMA)**  
Proprietor  
FCA 031578



## MANAGEMENT DISCUSSION AND ANALYSIS

*Investors are cautioned that this discussion contains forward-looking statements that involve risks and uncertainties including, but not limited to, risks inherent in the Company's growth strategy, acquisition plans, dependence on certain businesses, dependence on availability of qualified and trained manpower and other factors. The following discussion with the Company's financial statements included herein and the notes thereto:*

### OVERVIEW

Shirpur Gold Refinery Limited, a part of the Essel group, is the first and the largest gold and silver refinery in India with installed capacity to refine 217 MT p.a. of gold and silver respectively. It has set up a green field project for refining of gold and silver with technical capability of achieving fineness of 999.9 parts per thousand for gold and silver and casting the refined bullion into bars of various denominations.

The plant is a state-of-the-art refinery, occupying a 48 acres (200,000 m<sup>2</sup>) land located at Shirpur in district Dhulia, Maharashtra. Shirpur is well connected logistically and is on NH-3 (Mumbai – Agra highway, 380 kms from Mumbai).

The Company's services cater to the requirements of bullion dealers, jewellers, jewellery manufacturers and scheduled banks engaged in gold related activities. Through the use of advanced technology based on an integrated system of treatment processes, and ensuring that each stage of the recovery of precious metals is performed with scrupulous attention to achieve maximum guarantee of yield, from both business and technical point of view.

### Business Activities

The principal business of the Company is refining of gold and manufacturing marketable products, viz. gold bars of 100g, 1 kg, or different denominations of different purities as per market demand. The finished products would be marketed throughout the country by its network of dealers. The company has also started manufacturing of jewellery for domestic as well as international markets.

### INDUSTRY STRUCTRE AND DEVELOPMENTS

India is the world's largest gold market in volume and value terms. India accounted for 22% of global gold jewellery demand and 35% of all net retail investment (coins and bars). Imports have averaged 800+ tonnes per annum over the past decade. The strength of demand over the past decade is especially impressive when juxtaposed against the price, which has risen almost continuously in rupee terms over the same period.

In India, gold is seen as a symbol of security and as a sign of prosperity. It is one of the foundation assets for Indian households and a means to accumulate wealth. Gold is seen as a symbol of wealth and prosperity and considered as an auspicious metal, which they like to buy or gift during religious festivals and marriages. With an estimated 10 Millions marriages a year taking place in India, wedding-related demand for gold is big business.

Gold is also viewed as a secure and easily accessible savings vehicle by the rural community, where around 70% of the population lives. Gold has the added virtue of being an inflation hedge. Gold is also one of the limited ways in which Indian investors can diversify their currency exposure.

### Infrastructure

There have been significant developments in the last decade in the infrastructure and gold market. Business and trade is gradually becoming organized and adopting standardisation (hallmarking), secured and efficient logistics, security support and other facilities.

### Current Market Trends & Demand – India

India for years has been the largest consumer of gold in the world. Characteristics typical to the Indian market are

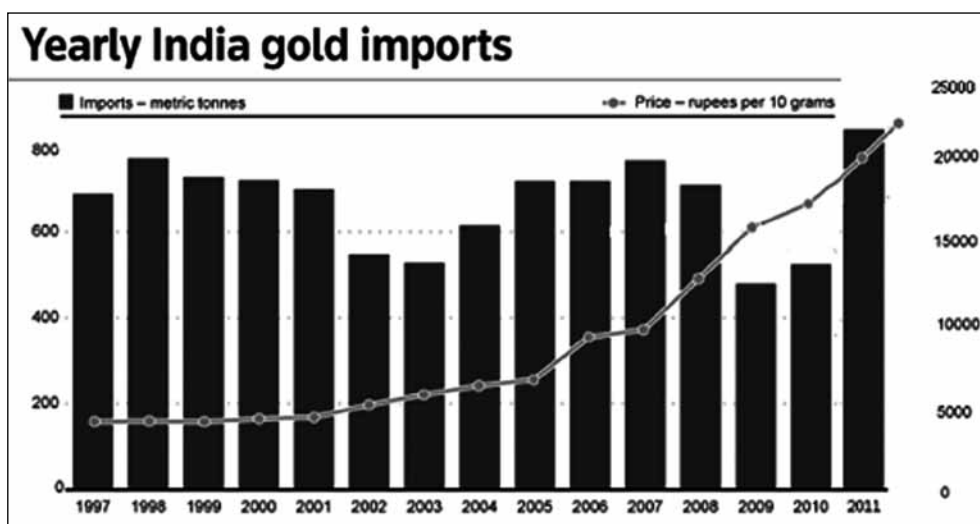
- Gold perceived as 'store of value'
- 70% consumed in rural India
- Perception shift in focus from adornment to investment i.e. jewellery to investment bars
- Market demographics

As consumers have adjusted their price expectations upwards, a further rise in gold jewellery and investment demand could be anticipated and this trend is projected to continue over the long-run as local investors are buying gold driven by wealth accumulation motives.

The fact that Indian gold jewellery and investment demand remains robust, despite the rising price emphasises the enduring desire among local consumers to purchase gold driven mainly by its allure as a jewellery and its properties as a hedge to offset the effects of depreciation and erosion of both savings and income. The country currently has one of the highest saving rates in the world; estimated at around 30% of total income, of which 10% is invested in gold. Continued rapid economic growth and urbanisation will create greater wealth but also inflationary pressures stimulating gold demand.

Asian demand for gold will be a key driver of the gold market for decades to come. Currently, India and China together account for more than 25% of annual global gold demand. They are likely to grow further as a proportion of demand in years to come.

In the longer term, we are confident that India's favorable demographic trends, the growing affluent middle classes and declining age profile, should ensure buoyant consumption growth. The investment sector exhibits great potential for further growth and will play an increasingly important role in the domestic gold market as it overlaps with gold jewellery consumption, boosted by increasing accessibility and opportunities in new gold investment products.



## FINANCIAL PERFORMANCE

(₹ in Millions)

Particulars	2011-12	2010-11
Revenue from Operations	25,546.97	1,980.00
Other Income	43.58	17.36
Total Revenue	25,590.55	1,997.36
Total Expenses	25,444.89	2,043.30
Operating Profit /(Loss)	145.66	(45.94)
Finance Cost	140.11	23.91
Depreciation	162.84	163.48
Amortization Expenses	1.27	1.27
<b>Profit / (Loss) before Tax</b>	<b>(158.56)</b>	<b>(234.60)</b>
Deferred Tax Assets	16.99	13.02
<b>Profit / (Loss) after Tax</b>	<b>(141.57)</b>	<b>(221.58)</b>
Balance Brought Forward from Previous Year	(323.01)	(101.43)
Balance Carried To Balance Sheet	(464.58)	(323.01)



Total revenue increased by ₹23593.19 Millions or 1181.22% from ₹1997.36 Millions in FY 2011 to ₹25590.55 Millions in FY 2012. Out of total revenue, 99% were derived from our domestic operations whereas 1% was derived from export which was started in March, 2012.

Operational expenses increased by ₹23401.59 Millions or 1145.28% from ₹2043.30 Millions in FY 2011 to ₹25444.89 Millions in FY 2012. The increase in operational expenses is mainly on account of increase in sales during year.

Your Company has seen turnaround this year and registered Operating Profit of ₹145.66 Millions in FY 2012 as against the operating loss of ₹45.94 Millions in FY 2011.

Finance cost has increased by ₹116.20 Millions or 486.19% from ₹23.91 Millions in FY 2011 to ₹140.11 Millions in FY2012. The increase in financial cost is mainly on account of increase in Non Fund based facilities from ₹1280 Millions in FY 2011 to ₹3280 Millions in FY 2012 and substantial increase in gold loan facilities.

Loss before tax has decreased by ₹76.04 Millions or 32.4% from ₹234.60 Millions in FY 2011 to ₹158.56 Millions in FY 2012. Loss after tax has decreased by ₹80.01 Millions or 36.1% from ₹221.58 Millions in FY 2011 to ₹141.57 Millions in FY 2012.

## **OPPORTUNITIES AND THREATS**

### **Our Strengths**

#### **(i) Product Quality**

Each bar is checked for its purity, weight, shape, size & aesthetic look by Quality Control team of your company. Designing and development of new products are done by keeping the minute details of the customer requirements at the topmost priority.

#### **(ii) Laboratory**

Our state-of-the-art laboratory covers a diverse range of precious metals, Gold and Silver alloys, combining traditional methods of analysis with the latest technology. Precious metals form a significant part of our business and, due to their complex chemistry and high intrinsic value, we use an extensive range of analytical methods to obtain the required precision and accuracy.

Advanced instrumentation includes ICP-OES (inductively coupled plasma-optical emission spectrometry), AAS (Atomic absorption spectroscopy), EDXRF (Energy-dispersive X-ray fluorescence spectrometry), and various titration systems.

One of the largest and most important components of the laboratory is the extensive and modern fire assay facility, which is used for the analysis of precious metals in a variety of materials for Gold alloys.

Wet chemical lab is used for an acid digestion for plant sample.

#### **(iii) Distribution network**

Your Company has a wide dealer network in place. The necessary steps have been initiated to increase the footprints across all gold consuming centers in a phased manner depending on the nature of consumption of gold in different parts of country.

#### **(iv) Financial Strengths**

The Company has got the sanction of ₹3280 Millions for non-fund based facilities and ₹375 Millions for fund based facilities. The Company is financially sound and has been able to take the advantage in operations.

#### **(v) Strong operational, technical and management team**

The technical team in charge and the workmen are well trained and adept in the operation as to meet the stringent quality requirement of the gold trade. The Standard Operational Procedures (SOPs) are implemented and policies are put in place by the management to ensure that the workmen

are continuously updated on the new trends and practices the refining arena and the same are implemented as and when found suitable and ideal for the operation of the plant with able guidance of technical consultants the Company has on its panel.

### Opportunities

The Ministry of Finance (Department of Revenue) vide its Notification No. 01 /2012-Customs, dated 16th January, 2012, by amending the earlier notification permitted the direct import of Dore Bars by the actual user for the purpose of refining and manufacture of Gold Bars of purity 99.5% and above. Maximum Gold content permitted in the Dore has been increased from 80% to 95%. The increase in gold content of Dore to be imported has made the required material to be available more easily and is a very favorable change for your company.

The Company would be able to import dore directly and save the cost of margins charged by nominated importing agencies. The basis of excise duty levy is also changed from fixed amount to percentile basis resulting into a saving in cost to the Company.

The condition put by the Customs in the above notification viz. “the gold dore bars are imported by the actual user for the purpose of refining and manufacture of standard gold bars of purity 99.5% and above” is favorable to the Company since it would permit only gold & silver refining companies to import dore directly.

### Threats

During the year, the basis of import duty levy changed from flat rate of ₹ 309/ 10 gms to a percentile levy of 2.06% effective from 16<sup>th</sup> January 2012 and then again from 2.06% to 4.12% effective from 17<sup>th</sup> March 2012. Considering the overall impact in the value, the demand might get affected.

The uncertain global economic environment has resulted into high fluctuations in price of gold.

### SEGMENTAL PERFORMANCE

The Company is in the business of refining, manufacturing and marketing of precious metal which is considered as the only reportable segment.

### OUTLOOK

The Company is in the process of getting accredited for National Accreditation Board for Testing and Calibration Laboratories certification of our Laboratory as per ISO 17025:2005 and quality management certification as per ISO 2001:9008. It is expected to have the ISO 2001:2008 QMS certification during the year 2012-13.

In an environment of rising prices, with record price levels being reached in a number of currencies, jewellery demand was up year-on-year in India. These results demonstrate that consumers are becoming accustomed to higher price ranges and, in some cases, that the investment aspect of gold is increasingly playing a role in demand for jewellery. Price expectations are also being revised upwards, with consumers preferring to make gold jewellery purchases at current prices in order to avoid purchasing at yet higher prices in future. Consumers, who are hoarding cash due to extreme financial conditions, would look to the opportunity to move back into gold.

The Company would strive to be in line with advancement in refining technology and efforts have already been made to keep the technical people well informed on the emerging new trend in the refining technology. Any new process that could improve the working of the refinery would be put into test for its adaptability and profitability of the Company.

The Company would be manufacturing and marketing its products viz. Gold Bars of 100 gms, 1 kg, and Gold Jewellery through designated dealers of the Company. The Company envisages production and marketing of gold bars of 50 gms to cater the B2B segment.

### 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 / minted coins of worlds standards. Your Company sees this addition of product line as a huge potential for growth in the coming 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 B2B and B2C markets across the country with products of all sizes and denominations.

**Jewellery**

Your Company has started manufacturing of Jewellery for domestic and international market. 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.

**Mining ventures**

India has been the top importer of gold for several years and the Indian government is concerned over its overdependence on imports for its bullion needs.

With the positive inclination 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. The Company has already entered into agreements with mines in African countries and also exploring the opportunities of having tie-ups with mines in other countries for procurement of dore.

**Recycling of Scrap**

The outlook for 2012-13 depends to some extent on the gold price. The rise in price brought new record highs in Rupee terms. This had a effect on demand, and is also likely to trigger higher levels of scrap recycling.

Recycling of scrap is largely carried out in the form of old jewellery under sale/purchase transaction and exchange transaction. The Indian market is extremely price sensitive and lower fresh gold consumption is adequately compensated by increased scrap supply when gold prices surge in the Indian market. Your Company intends to have multiple collection centers to cater the demand in the market.

**INTERNAL CONTROL SYSTEMS**

The Company has in place adequate internal control systems, commensurate with its size and nature of operations so as to ensure smoothness of operations and compliance with applicable legislation. The Company has a well defined system of management reporting and periodic review of business to ensure timely decision making. An internal audit team is in place with professionally qualified financial personnel, which will conduct periodic audit to maintain a proper system of checks and controls. The management information system (MIS) forms an integral part of the Company's control mechanism. All operating parameters are monitored and controlled.

Any material change in the business outlook is reported to the Board. Material deviations from the annual planning and budgeting, if any, are reported to the Board on quarterly basis. An effective budgetary control on all capital expenditure ensures that actual spending is in line with the capital budget.

**RISK AND UNCERTAINTIES****Market Risks**

SGRL's domestic sales were 99% of its total sales. The business is exposed to changes in domestic demand and supply. SGRL's export share of total sales is small and there continue to be various opportunities in Middle East and other counties for the Company to increase its market presence. SGRL's low operations cost also acts as a significant assurance of its ability to ride out short term adverse market conditions. The Company continues to work towards diversifying its customer mix and to focus on building relationships with customers and spread geographically.

### Commodity Price Risks

The prices of Gold and Silver are largely governed by movements at major bullion exchanges of London, New York, Tokyo and others. The local bullion prices are an algorithm of these movements on 'spot' basis and Indian currency Rates. Prices may fluctuate widely for all products affecting demands in the market. SGRL strives to maintain its operational costs at competitive levels in order to sustain through the commodity price cycles. The Company has established facilities to ensure that adequate hedging mechanisms could be initiated to effectively counter the risks that arise during operations

### Regulatory Risks

SGRL is exposed to regulatory uncertainties facing the mining and bullion sectors in India. Any changes in the duty, rules and regulations or requirements by the Government of India may require the Company to incur significant expenditure and/or significantly increase its potential liabilities which may impact its financial position adversely. The Company may incur loss of revenue and market share if there are any changes in the policies of the Government of India.

### Operational Risks

SGRL adopts a sustainable production platform. Consequently, the availability of dore is critical for the production plans of the company. The Company continues to focus on adding new resources by way of scrap recycling and through acquisition, exploration of new mines in India and other countries for off take agreements. During the year, the company entered into agreements with mines in South African Countries.

### Currency Risk

Indian mines produce approximately 5 tons p.a., whereas the demand is 1000 tons p.a., the major demand is met by imports. This exposes the Company to metal and foreign exchange risks. The Company has established a dealing room and placed hedging policies and procedures for mitigating the risks in gold and foreign exchange transactions. However, the management cannot totally eliminate the risks involved in such volatile trades.

### Competition Risk

Significant additional competition is in the gold trade and may result in reduced off-take and thereby negatively affect the Company's revenues and profitability. The Company may also face competition arising from newer technology/automation leading to newer products acceptable to customers. For maintaining or increasing the market share, Company has taken initiatives of effective marketing, ability to improve processes, introducing new products.

### Attrition Risk

The Company has a strong management and technical team to oversee the operations and growth of its business. The Company's ability to sustain its growth, largely depends, on it's ability to attract, train, motivate and retain highly skilled personnel. An increase in the Company rate of attrition for its experienced employees, would adversely affect the business.

## HUMAN RESOURCES

Human Capital is a crucial asset and an important business driver. SGRL's human capital forms the bedrock of its quest to build a robust and agile world class natural resources company. The Company's senior management, including the heads of each department, is professionally qualified. The SGRL team has set itself ambitious goals in the path of its vision and the Company has witnessed exponential growth in terms of volumes and profitability driven by the excellent contribution of its focused, dedicated and productive human resource.

Over the past two years, the Company has a strong emphasis on building organisational excellence through 'Samwad' and HR initiative, we are on our way to create an even greater workplace environment.



The Company has strengthened various other HR initiatives with focused interventions in continuous learning and development, leadership development and behavioral training. SGRL lays special emphasis on identifying and nurturing leadership talent within the organization.

To facilitate continual improvements at the workplace and enhance productivity following training programmes are conducted by industries highly experienced faculty:

- Team Building,
- Quality Circles,
- Leadership management,
- Goal setting,
- Speak what you know, Technical session,
- Elocution and debate, public speaking.

The effectiveness of each training programme is assessed by inviting feedback from the participants.

As part of its initiatives directed at employee health and all-round engagement in the organization, the company provides avenues to gather and participate in co-curricular activities, sports and other cultural events. Such activities not only inculcate better living and work place camaraderie, they also showcase innate talent. During the year the company supported various sporting events viz. Health **awareness and stress management through YOGA**, **SGRL Cricket championship** and SGRL **Volleyball tournament** in addition to various other cultural events. There were special prizes kept for the excellence shown by the team members.

Employees' safety remains a top priority for the company and during the year customized programs viz. Safety week celebration, First Aid and Cardiopulmonary resuscitation (CPR) training programme and Fire fighting training programme were conducted for the SGRL employees. It focuses on inculcating safety based mindset and communicating the importance of safety at work and in personal life.

**CERTIFICATION ON FINANCIAL STATEMENTS OF THE COMPANY**

We, Milind Pradhan, Manager and Archita Kothari, Head – Finance of Shirpur Gold Refinery Limited ('the Company') hereby certify that:

- (a) We have reviewed financial statements and the cash flow statement of the Company for the year ended March 31, 2012 and that to the best of our knowledge and belief :
  - i) these statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;
  - ii) these statements together present a true and fair view of the Company's affairs and are in compliance with existing accounting standards, applicable laws and regulations.
- (b) there are, to the best of our knowledge and belief, no transactions entered into by the Company during the year which are fraudulent, illegal or violative of the Company's code of conduct.
- (c) We accept responsibility for establishing and maintaining internal controls for financial reporting and that they have evaluated the effectiveness of the same for the financial year ended 31st March, 2012 and we have disclosed to the auditors and the Audit Committee, deficiencies in the design or operation of such internal controls, if any, of which they are aware and the steps we have taken or propose to take to rectify these deficiencies.
- (d) During the year
  - i) There has not been any significant change in internal control over financial reporting;
  - ii) There have not been any significant changes in accounting policies; and
  - iii) There have been no instances of significant fraud of which we are aware that involve management or other employees having significant role in the Company's internal control system over financial reporting.

**Milind Pradhan**  
*Manager*

**Archita Kothari**  
*Head – Finance*

Place : Mumbai  
Date : 9<sup>th</sup> May 2012



## AUDITORS' REPORT

To,  
The Members,  
Shirpur Gold Refinery Limited

1. We have audited the attached Balance Sheet of Shirpur Gold Refinery Limited ("the Company") as at 31st March, 2012, the Statement of Profit & Loss in the Revised form, as prescribed by the Central Government vide Notification SO.447(E) dt February 28, 2011 and the Cash Flow Statement of the Company for the year ended on that date, annexed thereto. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audit.
2. We conducted our audit in accordance with the auditing standards generally accepted in India. Those Standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of any material misstatement. An audit includes, examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes, assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.
3. As required by the Companies (Auditor's Report) Order, 2003, (the 'Order') issued by the Central Government of India in terms of Section 227(4A) of the Companies Act, 1956 ("the Act") and on the basis of such checks as we considered appropriate, and according to the information and explanations given to us, we give in the Annexure a statement of the matters specified in paragraphs 4 and 5 of the said Order to the extent applicable to the Company.
4. Further to our comments in the annexure referred to in paragraph 3 above, we report that:
  - a) We have obtained all the information and explanations, which to the best of our knowledge and belief were necessary for the purpose of our audit;
  - b) In our opinion, proper books of account as required by law have been kept by the Company so far as appears from our examination of those books;
  - c) The Balance Sheet, the Statement of Profit and Loss and Cash Flow Statement dealt with by this report are in agreement with the books of account;
  - d) In our opinion, the Balance Sheet and the Statement of Profit and Loss and the Cash Flow Statement dealt with by this report comply with the accounting standards referred to in Section 211 (3C) of the Act;
  - e) On the basis of the written representations received from the Directors, as on 31st March, 2012 and taken on record by the Board of Directors, we report that none of the Director of the Company is disqualified as on 31st March, 2012 from being appointed as a Director in terms of clause (g) of sub-section (1) of Section 274 of the Act.
  - f) In our opinion and to the best of our information and according to the explanations given to us, the said accounts read together with the Significant Accounting Policies and Notes thereon, give the information required by the Act, in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India:
    - (i) in the case of the Balance Sheet, of the State of Affairs of the Company as at 31st March, 2012;
    - (ii) in the case of the Statement of Profit and Loss of the, Loss of the company for the year ended on that date and
    - (iii) in the case of Cash Flow Statement, of the Cash Flows for the year ended on that date.

For **B. S. SHARMA & Co.,**  
Chartered Accountants  
FRN No.128249W

**(CA B. S. SHARMA)**  
Proprietor  
FCA 031578

Place : Mumbai  
Date : 9<sup>th</sup> May, 2012

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**ANNEXURE TO THE AUDITORS' REPORT**

Statement referred to in paragraph 3 of our report of even date on the accounts of Shirpur Gold Refinery Limited for the year ended on 31st March, 2012.

**A. FIXED ASSETS:**

- 1) (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets, except for furniture and fittings, as per available information.
- (b) Fixed assets were physically verified by the management in a phased periodical manner, which in our opinion is reasonable, having regard to the size of the Company and nature of its assets. According to the information and explanations given to us, no material discrepancies were noticed on such verification.
- (c) None of the fixed asset had been disposed off during the year.

**B. INVENTORIES:**

- 2) (a) The inventories have been physically verified during the year by the management. In our opinion, the frequency of verification is reasonable, having regard to the size of the company and nature of its business.
- (b) In our opinion, the procedures of physical verification of inventories followed by the management are reasonable and adequate in relation to the size of the Company and the nature of its business.
- (c) The company has maintained proper records of inventories. No material discrepancies were noticed on physical verification of inventories as compared to the book records.

**C. LOANS & ADVANCES:**

- 3) In respect of the loans, advances in the nature of loans, secured or unsecured, granted or taken by the Company to/from companies, firms or other parties covered in the register maintained under Section 301 of the Companies Act 1956:
  - (a) As per the information and explanations given, the company has not granted any loans, secured or unsecured, to companies, firms or other entities covered in the register maintained under Section 301 of the Act.
  - (b) As per the information and explanations given, the company has not taken any loans, secured or unsecured, from companies, firms or other entities covered in the register maintained under Section 301 of the Act.

**D. INTERNAL CONTROLS:**

- 4) In our opinion and according to the information and explanations given to us, there are adequate internal control procedures and systems commensurate with the size of the Company and the nature of its business, with regard to the purchases of inventories, fixed assets and for sale of goods. We have not observed any continuing failure to correct major weaknesses in internal controls systems of the company.

**E. TRANSACTIONS U/S 301:**

- 5) (a) In our opinion and according to the information and explanations given to us, the transactions made in pursuance of contracts or arrangements that need to be entered in the register maintained under Section 301 of the Companies Act 1956, have been so entered.
- (b) In our opinion and according to the information and explanations given to us, there are transactions made in pursuance of contracts or arrangements entered in the register maintained under Section 301 of the Companies Act, 1956 and exceeding the value of ₹500,000/- in respect of each party during the year and had been done at the prevailing market prices for cash, hence appears to be reasonable as per the information available with the company.



**F. PUBLIC DEPOSITS:**

- 6) The Company has not accepted any deposits from the public under the provisions of Section 58A, 58AA or other relevant provisions of the Companies Act 1956 and rules made thereunder. Therefore, the provisions of Clause (vi) of Paragraph 4 of the Order are not applicable to the Company.

**G. INTERNAL AUDIT:**

- 7) In our opinion, the Company has an internal audit system commensurate with the size of the Company and nature of its business.

**H. COST RECORDS:**

- 8) In our opinion and according to the information and explanations given to us, the Central Government has not prescribed the maintenance of cost accounting records under Section 209(1)(d) of the Act.

**I. STATUTORY DUES:**

- 9) (a) According to the records of the Company, the Company is regular in depositing with appropriate authorities undisputed statutory dues including Provident Fund, Investor Education & Protection Fund, Employees' State Insurance, Income Tax, Sales Tax, Wealth tax, Custom duty, Excise duty, cess and material statutory dues applicable to it, except for delay in payments of provident fund in few cases. And undisputed Income Tax demand of ₹/Millions 3.94 for the Assessment year 2001-02.
- (b) According to the information and explanations given to us, no undisputed amounts payable in respect of the aforesaid dues were outstanding as at 31<sup>st</sup> March 2012 for a period of more than six months from the date of becoming payable, except the following:
- (c) MVAT collected of ₹/Millions 87.53 (19.80) till the year end, under Sales Tax Incentive Scheme of 1993 by the Government of Maharashtra, Scheme PSI-1993 is considered in the Accounts as Deferred Sales Tax Liability and stated in Note no. 3 to the Financial Statements under report, is to be repayable as per the terms and conditions contained in the scheme.
- (d) Sales Tax Demand for 2007-08 of ₹/Millions 0.59 against which ₹/Millions 0.20 is deposited and stay obtained and pending filing of an appeal.
- (e) The Income tax Department has filed an appeal to the Hon'ble Bombay High Court against the Order of the Income Tax Appellate Tribunal in favour of the company setting aside the penalty levied by the Assessing officer of ₹/Millions 111.36 under Section 271(1) (c) of the Income Tax Act 1961, for the Assessment year 2007-08, is pending admission, as referred to in Note no.29;
- (f) In connection with fulfillment of Export Obligations under EPCG Scheme of ₹/Millions 12271.64 as detailed in Note no.29;

**J. ACCUMULATED OR CASH LOSSES:**

- 10) The Company has accumulated losses of ₹/Millions 464.58(323.01) at the end of the financial year and has earned cash Profit of ₹/Millions 5.55 during the year under report compared to cash loss of ₹/Millions 69.85 in the preceding year.

**K. OTHER CLAUSES:**

- 11) The Company has not defaulted in repayment of dues to banks and financial institutions during the year.
- 12) The Company has not granted any loans and advances by way of pledge of shares, debentures and other securities.
- 13) The Company is not a chit fund/nidhi/mutual benefit fund/society. Therefore, the provisions of clause (xiii) of paragraph 4 of the Order are not applicable to the Company.

- 14) The Company is not dealing or trading in shares, securities, debentures or other investments.
- 15) According to information and explanation given to us, the Company has not given any guarantee for loans taken by others from banks or financial institutions.
- 16) The Company has not raised any term loan during the year from any nationalized banks or any financial institution. Hence, the provisions of the said clause (xvi) of the Order are not applicable.
- 17) According to the Cash Flow statement and other records examined by us and the information and explanations given, on an overall basis, funds raised on short term basis have not, prima facie, been used for long-term investments.
- 18) The Company has not made any preferential allotment of shares to parties and companies covered in the register maintained Under section 301 of the Companies Act, 1956.
- 19) The Company has not issued any debentures, hence the provisions of clause (xix) of the said Order is not applicable.
- 20) The Company has not raised any money by public issues during the year.
- 21) According to the information and explanations given to us, no fraud on or by the Company has been noticed or reported during the year.

For **B. S. SHARMA & Co.,**  
*Chartered Accountants*  
FRN No.128249W

**(CA B. S. SHARMA)**  
*Proprietor*  
FCA 031578

Place : Mumbai  
Date : 9<sup>th</sup> May, 2012



**BALANCE SHEET AS AT 31<sup>ST</sup> MARCH**

(₹ in Millions)

PARTICULARS	Note	2012	2011
<b>EQUITY AND LIABILITIES</b>			
<b>Shareholder's Funds</b>			
(a) Share Capital	1	291.37	291.37
(b) Reserves and Surplus	2	2,039.01	2,180.58
		<b>2,330.38</b>	<b>2,471.95</b>
<b>Non-Current Liabilities</b>			
(a) Long Term Borrowings	3	363.83	296.10
(b) Other Long Term Liabilities	4	3.69	3.69
(c) Long Term Provisions	5	2.21	0.72
		<b>369.73</b>	<b>300.51</b>
<b>Current Liabilities</b>			
(a) Short Term Borrowings	6	200.28	154.99
(b) Trade Payables	7	2,843.78	634.14
(c) Other Current Liabilities	8	16.57	17.96
(d) Short Term Provisions	9	0.22	0.20
		<b>3,060.85</b>	<b>807.29</b>
<b>TOTAL</b>		<b>5,760.96</b>	<b>3,579.75</b>
<b>ASSETS</b>			
<b>Non-Current Assets</b>			
(a) Fixed Assets	10		
- Tangible		2,099.00	2,245.01
- Capital Work-in-Progress		-	7.17
(b) Non-Current Investments	11	0.32	0.32
(c) Deferred Tax Assets (net)	12	532.44	515.45
(d) Long term Loans and Advances	13	5.46	4.53
(e) Other Non-Current Assets	14	11.89	6.36
		<b>2,649.11</b>	<b>2,778.84</b>
<b>Current Assets</b>			
(a) Inventories	15	729.09	452.88
(b) Trade Receivables	16	307.78	174.25
(c) Cash and Cash Equivalents	17	384.83	92.29
(d) Short Term Loans and Advances	18	1690.15	81.49
		<b>3,111.85</b>	<b>800.91</b>
<b>TOTAL</b>		<b>5,760.96</b>	<b>3,579.75</b>
<b>Notes Forming Part of Financial Statement</b>	<b>1 to 51</b>		

As per our report of even date

For **B. S. SHARMA & CO.,**  
Chartered Accountants**CA B S SHARMA,**

Proprietor

Membership No.031578

FR.No.128249W

Place : Mumbai

Date : 09<sup>th</sup> May 2012

For and on Behalf of the Board of Directors

**Amit Goenka** – Director**V K Agarawal** – Director**Archita Kothari** – Head – Finance**Hemangi Patil** – Company Secretary**Milind Pradhan** – Manager

**STATEMENT OF PROFIT & LOSS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH**

(₹ in Millions)

PARTICULARS	Note	2012	2011
<b>REVENUE</b>			
(a) Revenue from Operations	19	25,546.97	1,980.00
(b) Other Income	20	43.58	17.36
<b>TOTAL</b>		<b>25,590.55</b>	<b>1,997.36</b>
<b>EXPENDITURE</b>			
(a) Cost of Materials Consumed	21	6,987.47	2,435.64
(b) Purchase of Stock-in-Trade	22	18,648.42	-
(c) Changes in Inventories of Finished Goods, Work-in-Progress and Stock-in-Trade	23	(274.95)	(446.82)
(d) Employee Benefit Expense	24	24.11	13.68
(e) Other Expenses	25	59.84	40.80
<b>TOTAL</b>		<b>25,444.89</b>	<b>2,043.30</b>
<b>Profit Before Finance Cost, Depreciation and Amortisation Expense and Tax</b>		<b>145.66</b>	<b>(45.94)</b>
Finance Costs	26	140.11	23.91
Depreciation and Amortization Expense	27	164.11	164.75
<b>Profit/(Loss) Before Tax</b>		<b>(158.56)</b>	<b>(234.60)</b>
<b>Tax Expense:</b>			
Less:- Current Tax		-	-
Add:- Deferred Tax		16.99	13.02
<b>Profit/(Loss) After Tax</b>		<b>(141.57)</b>	<b>(221.58)</b>
<b>Earning per Equity Share of face value of ₹ 10/- each</b>			
Basic and Diluted	39	(4.86)	(7.60)
<b>Notes Forming Part of Financial Statement</b>	<b>1 to 51</b>		

As per are our report of even date

For **B. S. SHARMA & CO.**,  
Chartered Accountants**CA B S SHARMA**,  
Proprietor  
Membership No.031578  
FR.No.128249W  
Place : Mumbai  
Date : 09<sup>th</sup> May 2012

For and on Behalf of the Board of Directors

**Amit Goenka** – Director  
**V K Agarawal** – Director  
**Archita Kothari** – Head – Finance  
**Hemangi Patil** – Company Secretary  
**Milind Pradhan** – Manager

**CASH FLOW STATEMENT FOR THE YEAR ENDED 31<sup>ST</sup> MARCH**

(₹ in Millions)

PARTICULARS	2012	2011
<b>A. CASH FLOW FROM OPERATING ACTIVITIES :-</b>		
Net Loss before Taxation and Extraordinary items	(158.56)	(234.60)
Adjustment for :		
Depreciation and Amortization Expenses	164.11	164.75
Finance Cost	140.11	23.91
Net Gain on exchange difference	6.85	-
Excess Provision Liabilities written back	0.02	6.55
Profit on sale of Assets	-	(8.71)
Interest Received	(36.29)	(1.76)
Dividend received	(0.03)	(0.03)
<b>Operating Profit /(Loss) before Working Capital Changes</b>	<b>116.21</b>	<b>(49.89)</b>
Adjustment for :		
<b>Change in Current Assets &amp; Current Liabilities</b>		
(Increase) /Decrease in Inventory	(276.22)	(448.13)
(Increase)/ Decrease in Short term Loans & Advances	(1,608.67)	(63.77)
(Increase)/ Decrease in Trade Receivables	(138.73)	(174.25)
Increase/(Decrease) in Long Term Loans and Advances	(0.95)	(1.29)
Increase/(Decrease) in Long Term Liabilities & Provisions	1.48	0.37
Increase/(Decrease) in Current Liabilities	2,206.62	615.23
<b>Cash Generated from Operation</b>	<b>183.53</b>	<b>(71.84)</b>
Less: Direct taxes paid (Net)	-	-
<b>Net Cash flow from Operating Activities</b>	<b>299.74</b>	<b>(121.73)</b>
<b>B. CASH FLOW FROM INVESTING ACTIVITIES :</b>		
Purchase of fixed assets	(9.67)	(7.73)
Capital Work in progress	-	(7.17)
Sale of fixed assets	-	10.22
Preoperative Expenses	(6.79)	(1.30)
Amalgamation Expenses	-	(6.33)
Investment made during the year	-	(0.11)
Dividend received	0.03	0.03
Investment in Fixed Deposits	(577.25)	(146.41)
Proceeds on Maturity of Fixed Deposits	283.56	77.00
<b>Net cash generated in Investing Activities</b>	<b>(310.12)</b>	<b>(81.80)</b>
<b>C. CASH FLOW FROM FINANCING ACTIVITIES :</b>		
Interest Received	36.29	1.76
Finance Cost	(140.11)	(23.91)
Proceeds from Long Term borrowings	427.74	644.20
Repayments of Long Term borrowings	(360.00)	(551.96)
Increase/(Decrease) in Short term borrowings	45.30	154.99
<b>Net cash generated in Financing Activities</b>	<b>9.22</b>	<b>225.08</b>
<b>NET CASH FLOW DURING THE YEAR (A+B+C)</b>	<b>(1.16)</b>	<b>21.55</b>
<b>Cash and cash equivalents at the beginning of the year*</b>	<b>22.88</b>	<b>1.33</b>
<b>Cash and cash equivalents at the end of the year*</b>	<b>21.72</b>	<b>22.88</b>

As per our report of even date

For **B. S. SHARMA & CO.,**

Chartered Accountants

**CA B S SHARMA,**

Proprietor

Membership No.031578

FR.No.128249W

Place : Mumbai

Date : 09<sup>th</sup> May 2012

\*Cash &amp; Cash equivalent includes Cash and Bank Balance only.

For and on Behalf of the Board of Directors

**Amit Goenka** – Director**V K Agarawal** – Director**Archita Kothari** – Head – Finance**Hemangi Patil** – Company Secretary**Milind Pradhan** – Manager

**NOTES FORMING PART OF FINANCIAL STATEMENT****1. SHARE CAPITAL***(₹ in Millions)*

	2012	2011
Authorised 35,000,000 (35,000,000) Equity Shares of ₹ 10/- each	350.00	350.00
Issued, Subscribed and Paid up 29,137,202 (29,137,202) Equity Shares of ₹ 10/- each, fully paid up	291.37	291.37
<b>TOTAL</b>	<b>291.37</b>	<b>291.37</b>

**(a) Reconciliation of number of shares and share capital**

	2012		2011	
	Number	₹ in Millions	Number	₹ in Millions
Shares outstanding at the beginning of the year	29,137,202	291.37	29,137,202	291.37
Shares Issued during the year	-	-	-	-
Shares bought back during the year	-	-	-	-
Shares outstanding at the end of the year	<b>29,137,202</b>	<b>291.37</b>	<b>29,137,202</b>	<b>291.37</b>

**(b) Details of Shares held by its Holding Company**

	Nature of Relationship	% of Holding	2012	2011
			Number	Number
Jayneer Capital Private Limited	Holding Company	72.71%	<b>21,185,703</b>	21,185,703

**(c) Details of Shareholders holding more than 5% equity shares in the company.**

As per records of the company none of the shareholders, except Jayneer Capital Pvt. Ltd., the holding company, holds more than 5% of the total paid up equity capital of the company.

- (d) 13,574,702 Equity Shares out of issued, subscribed and paid up share capital were allotted in the preceding five years pursuant to the Scheme of amalgamation as approved by the Hon'ble Bombay High Court, are without payments being received in cash.

**(e) Terms/Rights attached to Equity Shares.**

The company has only one class of shares referred to as equity shares having a par value of ₹10 per share. All the shares are ranking pari-passu in all respects. Each holder of equity share is entitled to one vote per share. As per the Companies Act, 1956, the holders of equity shares will be entitled to receive remaining assets of the company, after distribution of all preferential amounts in the event of liquidation of the company. However no such preferential amounts exist currently. The distribution will be in proportion to the number of equity shares held by the Shareholders.

**NOTES FORMING PART OF FINANCIAL STATEMENT**

(₹ in Millions)

<b>2. RESERVES &amp; SURPLUS</b>	<b>2012</b>	<b>2011</b>
Securities Premium Account As per Last Balance Sheet	<b>1435.00</b>	1435.00
General Reserve As per Last Balance Sheet	<b>1068.59</b>	1068.59
Surplus in Statement of Profit and Loss As per Last Balance Sheet	<b>(323.01)</b>	(101.43)
Add:- Net Loss for the year	<b>(141.57)</b>	(221.58)
	<b>(464.58)</b>	(323.01)
<b>TOTAL</b>	<b>2039.01</b>	<b>2180.58</b>

(₹ in Millions)

<b>3. LONG TERM BORROWINGS</b>	<b>2012</b>	<b>2011</b>
Unsecured		
Sales Tax Deferment Scheme-Govt of Maharashtra	<b>87.53</b>	19.80
Loans and advances from related parties*	<b>249.90</b>	249.90
Advance from others	<b>26.40</b>	26.40
<b>TOTAL</b>	<b>363.83</b>	<b>296.10</b>

\*Loans and advances from related parties represents amount received from Jay Properties Pvt.Ltd.

(₹ in Millions)

<b>4. OTHER LONG TERM LIABILITIES</b>	<b>2012</b>	<b>2011</b>
Other Payables*	<b>3.69</b>	3.69
<b>TOTAL</b>	<b>3.69</b>	<b>3.69</b>

\*Includes non current portion of Sundry Creditors for General Purchases and expenses (Refer Note 8).

**NOTES FORMING PART OF FINANCIAL STATEMENT**

(₹ in Millions)

<b>5. LONG TERM PROVISIONS</b>	<b>2012</b>	<b>2011</b>
Provision for employee benefits (unfunded)		
Gratuity	0.81	0.41
Leave Encashment	1.40	0.31
<b>TOTAL</b>	<b>2.21</b>	<b>0.72</b>

(₹ in Millions)

<b>6. SHORT TERM BORROWINGS</b>	<b>2012</b>	<b>2011</b>
Secured		
Loans repayable on demand from banks*	200.28	154.99
<b>TOTAL</b>	<b>200.28</b>	<b>154.99</b>

\*Secured by way of pari passu first charge on current assets, present and future immovable and movable fixed assets including land and building.

(₹ in Millions)

<b>7. TRADE PAYABLES</b>	<b>2012</b>	<b>2011</b>
Sundry Creditors for Materials (Refer Note 46 for details due to Micro, Small and Medium Enterprises)	2843.78	634.14
<b>TOTAL</b>	<b>2843.78</b>	<b>634.14</b>

(₹ in Millions)

<b>8. OTHER CURRENT LIABILITIES</b>	<b>2012</b>	<b>2011</b>
Statutory Dues *	2.08	1.47
Sundry Creditors for General Purchase and Expenses**	13.29	15.26
Advance from customers	1.20	1.23
<b>TOTAL</b>	<b>16.57</b>	<b>17.96</b>

\*There is no amount due and outstanding to be paid to the Investor Education and Protection Fund as at 31st March, 2012. These amounts shall be paid to the Fund as and when they become due.

\*\*Out of Total Sundry Creditors for General Purchases and Expenses ₹/Millions 16.98 (18.95), ₹/Millions 13.29 (15.26) represents current portion and ₹/Millions 3.69 (3.69) represents non Current portion as shown in Note 4.

(₹ in Millions)

<b>9. SHORT TERM PROVISIONS</b>	<b>2012</b>	<b>2011</b>
Provision for employee benefits		
Contribution to PF and ESIC	0.22	0.20
<b>TOTAL</b>	<b>0.22</b>	<b>0.20</b>

# NOTES FORMING PART OF FINANCIAL STATEMENT

(₹ in Millions)

## 10. FIXED ASSETS

DESCRIPTION	GROSS BLOCK			DEPRECIATION			NET BLOCK		
	As at 1st April 2011	Additions/ (Disposals)	Deductions	As at 31st March 2012	Up to 31st March 2011	For the year	Deductions	As at 31st March 2012	As at 31st March 2011
I Tangible Assets (Not under lease)									
Freehold Land	5.45	-	-	5.45	-	-	-	5.45	5.45
Land Development	26.57	-	-	26.57	17.33	0.92	-	8.32	9.24
Factory Building	149.00	11.03	-	160.03	91.09	6.10	-	62.83	57.91
Other Building	142.45	0.05	-	142.50	50.50	4.60	-	87.40	91.95
Plant and Machinery	3005.50	3.26	-	3008.76	998.37	142.83	-	1867.56	2007.13
Electrical Installation Factory	58.05	0.34	-	58.39	19.19	2.77	-	36.43	38.86
Furnitures & Fixtures	40.99	0.95	-	41.94	34.87	1.16	-	5.91	6.12
Electrical Installation Other	14.07	0.01	-	14.08	11.47	0.60	-	2.01	2.60
Vehicles	0.41	-	-	0.41	0.39	0.01	-	0.01	0.02
Office Equipment	5.61	0.48	-	6.09	3.83	0.27	-	1.99	1.78
Computers	17.60	0.72	-	18.32	14.27	1.52	-	2.53	3.33
Airport Complex	52.69	-	-	52.69	32.07	2.06	-	18.56	20.62
TOTAL	3518.39	16.84	-	3535.23	1273.38	162.84	-	2099.00	2245.01
II Capital Work-in-progress									
Building Under Construction	7.17	(7.17)	-	-	-	-	-	-	7.17
TOTAL	7.17	(7.17)	-	-	-	-	-	-	7.17
III GRAND TOTAL									
	3525.56	9.67	-	3535.23	1273.38	162.84	-	2099.00	2252.18
PREVIOUS YEAR	3514.10	14.86	3.40	3525.56	1111.83	163.48	1.93	2252.18	-

NOTE : Depreciation is calculated on the basis of straight line method in case of plant and machinery and in other cases it is calculated as per written down value method.

**NOTES FORMING PART OF FINANCIAL STATEMENT**

(₹ in Millions)

<b>11. NON CURRENT INVESTMENTS</b>	<b>2012</b>	<b>2011</b>
Other than trade (at cost)		
Investment in equity instruments (Unquoted) 8500 (8500) Equity Shares of The Shirpur People Co.op. Bank Ltd. of ₹10/- each, fully paid up	0.21	0.21
Investment in Gold	0.11	0.11
<b>TOTAL</b>	<b>0.32</b>	<b>0.32</b>
Aggregate amount of unquoted investments	0.21	0.21

(₹ in Millions)

<b>12. DEFERRED TAX ASSETS</b>	<b>2012</b>	<b>2011</b>
As per Last year Balance Sheet	515.45	502.43
Timing Difference		
Difference between tax depreciation & book depreciation	52.55	40.73
Losses disallowed earlier now allowed to be carried forward	1.25	-
Expenses allowed for Tax purposes on Payment Basis*	1.00	0.44
	<b>54.80</b>	<b>41.17</b>
Deferred Tax Assets	<b>17.73</b>	<b>13.67</b>
Disallowances & Timing Difference		
Interest on Statutory Dues	-	0.02
MTM Loss	-	0.94
Employee Retirement Benefits	2.29	1.03
	<b>2.29</b>	<b>1.99</b>
Deferred Tax Liability	<b>0.74</b>	<b>0.66</b>
Net Deferred Tax Assets for the year	<b>16.99</b>	<b>13.02</b>
Deferred Tax Assets carried to balance sheet	<b>532.44</b>	<b>515.45</b>

\*Expenses allowed for Tax purposes on Payment Basis includes actual loss ₹/Millions 0.94 which was disallowed last year being Notional MTM Loss booked

(₹ in Millions)

<b>13. LONG TERM LOAN AND ADVANCES</b>	<b>2012</b>	<b>2011</b>
Security Deposits (Unsecured, considered good)	5.46	4.53
<b>TOTAL</b>	<b>5.46</b>	<b>4.53</b>





## NOTES FORMING PART OF FINANCIAL STATEMENT

(₹ in Millions)

14. OTHER NON-CURRENT ASSETS	2012	2011
(Unsecured and considered good)		
Professional fees - Preliminary Exp	0.96	1.28
Stamp duty for merger	2.84	3.78
Preoperative expenses - Mines	8.09	1.30
<b>TOTAL</b>	<b>11.89</b>	<b>6.36</b>

(₹ in Millions)

15. INVENTORIES	2012	2011
Raw Materials and components	0.83	0.84
Work-in-progress	436.27	1.86
Finished goods		
(Includes Goods-in transit of ₹/Millions Nil (21.16))	286.39	445.85
Stores and spares	5.60	4.33
<b>TOTAL</b>	<b>729.09</b>	<b>452.88</b>

(₹ in Millions)

16. TRADE RECEIVABLES	2012	2011
(Unsecured and considered good)		
Over six months	0.04	0.01
Others	307.74	174.24
<b>TOTAL</b>	<b>307.78</b>	<b>174.25</b>

(₹ in Millions)

17. CASH AND BANK BALANCES	2012	2011
Balances with banks*	384.32	92.09
Cash in hand	0.51	0.20
<b>TOTAL</b>	<b>384.83</b>	<b>92.29</b>

\* Includes Fixed Deposites ₹/Millions 363.10 (69.41)

**NOTES FORMING PART OF FINANCIAL STATEMENT**

(₹ in Millions)

<b>18. SHORT-TERM LOANS AND ADVANCES</b>	<b>2012</b>	<b>2011</b>
(Unsecured and considered good)		
Security deposit	55.00	31.94
Prepaid Expenses	86.71	2.64
Advance to suppliers	1439.72	1.95
Advance income tax / refund due	2.87	1.58
Claims receivable	104.69	30.35
Others	1.16	13.03
<b>TOTAL</b>	<b>1690.15</b>	<b>81.49</b>

(₹ in Millions)

<b>19. REVENUE FROM OPERATION</b>	<b>2012</b>	<b>2011</b>
Sale of products	25458.98	1980.00
Other operating revenues	87.99	-
<b>TOTAL</b>	<b>25546.97</b>	<b>1980.00</b>

(₹ in Millions)

<b>20. OTHER INCOME</b>	<b>2012</b>	<b>2011</b>
Interest income	36.29	1.76
Dividend income	0.03	0.03
Net gain on exchange difference*	6.85	-
Other Miscellaneous Income	0.39	9.02
Excess Provision/ Liabilities written back	0.02	6.55
<b>TOTAL</b>	<b>43.58</b>	<b>17.36</b>

\* On account of restatement of sundry debtors and sundry creditors in foreign currency.

(₹ in Millions)

<b>21. COST OF RAW MATERIAL CONSUMED</b>	<b>2012</b>	<b>2011</b>
Details of Material Consumed		
Inventory at the beginning of the year	0.84	-
Add: Purchases	6985.58	2432.72
	<b>6986.42</b>	<b>2432.72</b>
Less: Inventory at the end of the year	0.83	0.84
Cost of raw material consumed	<b>6985.59</b>	<b>2431.88</b>
Other materials (Stores and Spares)	1.88	3.76
<b>TOTAL</b>	<b>6987.47</b>	<b>2435.64</b>



## NOTES FORMING PART OF FINANCIAL STATEMENT

(₹ in Millions)

	2012	2011
Particulars of Raw Material consumed		
Gold	6985.23	2431.74
Silver	0.36	0.14
Other materials ( Stores and Spares)	1.88	3.76
<b>TOTAL</b>	<b>6987.47</b>	<b>2435.64</b>

(₹ in Millions)

22. PURCHASE OF TRADING GOODS	2012	2011
Gold	18648.42	-
<b>TOTAL</b>	<b>18648.42</b>	<b>-</b>

(₹ in Millions)

23. CHANGES IN INVENTORIES OF FINISHED GOODS, WORK-IN-PROGRESS AND STOCK-IN-TRADE	2012	2011
Inventory at the end of the year		
Stock in Trade	253.49	-
Work in Progress	436.27	1.86
Finished Goods	32.90	445.85
	<b>722.66</b>	<b>447.71</b>
Inventory at the beginning of the year		
Work in Progress	1.86	0.79
Finished Goods	445.85	0.10
	<b>447.71</b>	<b>0.89</b>
<b>TOTAL</b>	<b>274.95</b>	<b>446.82</b>

**NOTES FORMING PART OF FINANCIAL STATEMENT**

(₹ in Millions)

<b>24. EMPLOYEE BENEFIT EXPENSES</b>	<b>2012</b>	<b>2011</b>
Salaries and wages	22.00	12.53
Contribution to provident and other funds	1.50	0.80
Staff welfare expenses	0.61	0.35
<b>TOTAL</b>	<b>24.11</b>	<b>13.68</b>

(₹ in Millions)

<b>25. OTHER EXPENSES</b>	<b>2012</b>	<b>2011</b>
Auditors' Remuneration	0.63	0.68
Power and fuel	3.75	2.69
Rent	0.56	-
Repairs and maintenance – buildings	0.48	0.26
Repairs and maintenance – Plant & machinery	0.39	0.79
Insurance	2.20	2.01
Rates and taxes	0.57	3.94
Miscellaneous expenses	51.26	30.43
<b>TOTAL</b>	<b>59.84</b>	<b>40.80</b>

(₹ in Millions)

<b>26. FINANCE COST</b>	<b>2012</b>	<b>2011</b>
Interest expense	55.43	5.10
Bank charges	27.39	6.36
Other borrowing costs	57.29	12.45
<b>TOTAL</b>	<b>140.11</b>	<b>23.91</b>

(₹ in Millions)

<b>27. DEPRECIATION AND AMORTIZATION EXPENSE</b>	<b>2012</b>	<b>2011</b>
Depreciation	162.84	163.48
Preliminary expenses written off	1.27	1.27
<b>TOTAL</b>	<b>164.11</b>	<b>164.75</b>



## NOTES FORMING PART OF FINANCIAL STATEMENT

### 28. SIGNIFICANT ACCOUNTING POLICIES

#### BACKGROUND

**Shirpur Gold Refinery Limited** ('the Company') is incorporated on November 9, 1984 under Registration Number L51900MH1984PLC034501 and Certificate of Commencement issued on December 6, 1984 under the name and styled as "Skipper Mercantile Limited" by the Registrar of Companies, Mumbai, Maharashtra. Subsequently the name was changed to Autoriders Mercantile & Finance Ltd., on July 1, 1991, then to Agee Gold Refiners Limited on May 19, 2000 and now Shirpur Gold Refinery Limited w.e.f. March 18, 2002. Objectives with which the Company is incorporated are to carry on the business of manufactures, refiners, smelters, processor, fabricators, processors, stockiest, agents, distributors, assayers, importers, exporters of and generally dealers and traders in precious and semiprecious metals, stones, earth, ores, alloys and minerals of all kinds, classes, nature and description, and further in all their branches, and jewellery thereof or otherwise and also to carry on business of mining and refining and other activities as detailed in the object clause of the Memorandum of Association of the Company. The Company is a part of Essel Group of Industries, since December 2008. At present company is carrying on business of refining gold of 995 purity from 999 purity, trading in gold and has commenced Export of jewellery during the year under report.

#### 1) Basis of Preparation

- The financial statements have been prepared under the historical cost convention and on accrual basis in accordance with the Generally Accepted Accounting Practices in India (GAAP) and accounting standards referred to in Section 211(3C) of The Companies Act, 1956 read with Companies (Accounting Standards) Rules, 2006.
- The Company follows mercantile system of accounting and recognizes income and expenditure on accrual basis.
- The financial statements are prepared on the Going Concern concept of accounting.

#### 2) Use of Estimates

The preparation of financial statements, in accordance with the Generally Accepted Accounting Principles (GAAP) requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities, disclosure of contingent liabilities at the date of financial statements and the reported amounts of revenue and expenses during the year. Actual results could differ from estimates. Any revision to estimates is recognized prospectively in current and future periods.

#### 3) Presentation and Disclosures in Financial Statements

For the year ended 31<sup>st</sup> march 2012, the Revised Schedule VI notified under the Companies Act 1956, is applicable to the company, for presentation and disclosures in financial statements. The Company has reclassified the previous year's figures in accordance with the Revised Schedule VI as applicable in the current year.

#### 4) Revenue Recognition

- Revenue is recognized on transfer of all significant risks and rewards of ownership to the buyer and when no significant uncertainty as to collectability exists.
- Interest is accounted on accrual basis
- Dividend is accounted when the right to receive the same is unconditional.

#### 5) Tangible Fixed Assets

Fixed Assets are stated at Cost of their acquisition less depreciation. Cost comprises of acquisition cost, taxes (other than those subsequently recoverable from tax authorities), duties, freight and attributable cost of bringing the assets to its working condition for its intended use. Pre-operative expenses are capitalized in the year of completion of project.

## NOTES FORMING PART OF FINANCIAL STATEMENT

### 6) Depreciation and Amortization

- Depreciation on Fixed Assets is provided on written down value method at the rates prescribed under Schedule XIV of the Companies Act, 1956 as amended except in case of Plant and Machinery for which the depreciation is provided on Straight Line Method.
- Individual assets costing less than ₹ 5,000 are fully charged to Statement of Profit & Loss account in the year of acquisition.

### 7) Impairment of Assets

- As Balance Sheet date, the Company assesses whether there is any indication that an asset may be impaired and if any such indication exists, the Company estimates the recoverable amount of the asset. If such recoverable amount of the asset or the recoverable amount of the cash generating unit, to which the asset belongs, is less than its carrying value, the carrying amount is reduced to its recoverable amount. The reduction is treated as an impairment loss and is recognized in the Statement of Profit and Loss.
- An assessment is also done at each Balance Sheet date as to whether there is an indication that if a previously assessed impairment loss, no longer exists or may have decreased, the recoverable amount is reassessed and the asset is reflected at revised estimate of its recoverable amount, so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognized for the asset in prior years. A reversal of impairment loss is recognized in the statement of Profit and Loss.
- After recognition of impairment loss or reversal of impairment loss as applicable, the depreciation charge for the asset is adjusted in future periods to allocate the asset's revised carrying amount, less its residual value (if any), on method of depreciation followed for the assets concerned over its remaining useful life.

### 8) Inventories

- Inventories of consumables, raw materials, work-in-progress and finished goods are valued at lower of cost or realizable value. The comparison of cost and net realizable value is made on Market Value or Realizable Value basis.
- In determining cost of raw materials, packing materials, stock-in-trade, stores, spares and consumables, FIFO method is used. Cost of inventory comprises all costs of purchase, duties, taxes (other than those subsequently recoverable from tax authorities) and all other costs incurred in bringing the inventory to their present condition.
- Cost of finished goods and work-in-process includes the cost of raw materials, an proportionate/appropriate share of fixed and variable production overheads, duties and taxes as applicable and other costs incurred in bringing the inventories to their present form.

### 9) Financial Derivative for Commodity Hedging Transactions

In respect of derivative contracts, gain / losses on settlement are recognized in the Statement of Profit and Loss. On the reporting date, profit or loss of all unsettled/outstanding contracts is determined by comparing the value of the position at the mark to market and recognized in the Statement of Profit and Loss.

### 10) Borrowing Cost

- Borrowing cost includes Interest, amortization of ancillary costs incurred in connection with the arrangement of borrowings and exchange differences arising from foreign currency borrowings to the extent they are regarded as an adjustment to the interest cost.
- Borrowing costs attributable to the acquisition or construction of assets are capitalized as part of cost of such assets up to the date when such assets are ready for intended use. Other borrowing costs are expensed as and when incurred.



## NOTES FORMING PART OF FINANCIAL STATEMENT

### 11) Investments

- Investments intended to be held for more than a year from the date of the acquisition are classified as Non Current Investments and are carried at Cost. Provision for diminution in the value of Non -Current investments is made only if in the opinion of management, such decline is other than temporary in nature.
- Current Investments are carried at lower of cost or Fair Value. The comparison of cost and fair value is done separately in respect of each category of investments. On disposal of an investment, the difference between its carrying amount and net disposal proceeds is charged or credited to the Statement of Profit and Loss. Profit or Loss on sale of investments is determined on a first-in-first-out (FIFO) basis.

### 12) Transactions in foreign exchange

- **Initial recognition:** Foreign currency transactions are accounted at the exchange rate prevailing on the date of such Transactions.
- **Measurement of foreign currency items at the Balance Sheet date:** Foreign currency monetary assets and liabilities at the Balance Sheet date are translated at the closing rate. Gains or losses resulting there from on settlement are recognized in the Statement of Profit and Loss.
- **Forward exchange contracts:** The premium or discount arising at the inception of forward exchange contract is amortized and recognized as an expense/income over the life of the contract. Any profit or loss arising on cancellation or renewal of such forward exchange contract is recognized as income or expense for the period, in the Statement of Profit and Loss.

### 13) Retirement Benefits

- a. **Short Term Employee Benefit:** All employee benefits payable wholly within twelve months of rendering the services are classified as short term employee benefits and they are recognized in the period in which the employee renders the related services. The company recognizes the amount of short term employee benefits expected to be paid in exchange for services rendered as a liability (accrued Expenses) after deducting any amount already paid.
- b. **Post-employment benefits**
  - **Defined Contribution Plans:** Defined contribution plans are Employees State Insurance and Government administered Pension fund scheme for eligible employees. The company's contribution to defined contribution plans are recognized in the Statement of Profit and Loss in the financial year to which they relate.
  - **Defined Benefit Plans**
    - ⇒ **Provident Fund Scheme:** The Company is covered under the provisions of Provident Fund and Miscellaneous Funds Act, 1952. Contribution payable by the Company to the concerned Government Authorities in respect of Provident Fund and Family Pension Fund are charged to the Statement of Profit and Loss.
    - ⇒ **Gratuity Scheme:** The Company's Liability towards unfunded Gratuity is determined on the basis of year end Actuarial Valuation in accordance with Accounting Standard 15 (Revised 2005) prescribed under the Companies (Accounting Standards) Rules, 2006.
    - ⇒ **Other long term employee benefits:** Entitlement to annual leave and sick leave are recognized when they accrue to employees concerned. Sick leave can only be availed while annual leave can either be availed or encashed subject to a restriction on the maximum number of accumulation of leave. The Company determines the liability for such accumulated leaves using the Projected Accrued Benefit Method with actuarial

## NOTES FORMING PART OF FINANCIAL STATEMENT

valuations being carried out at each Balance sheet date. Liability for Leave Encashment is accounted on accrual basis and expensed.

The company presents this liability as current and non-current in the balance sheet as per actuarial valuations and certificate issued by the independent actuary.

### 14) Accounting for taxes on Income

- Tax expenses comprises of current tax (i.e. amount of tax for the period determined in accordance with the Income Tax Act, 1961) and deferred tax charge or credit (reflecting the tax effects of timing difference between accounting income and taxable income for the period.)
- Deferred tax is recognized on timing difference, subject to consideration of prudence in respect of deferred tax assets on timing difference, being the difference between the taxable incomes and accounting income that originate in one year and are capable of reversal in one or more subsequent years and measured using relevant enacted or substantively enacted tax laws by the Balance Sheet date or till the date of approval of financial statements by the Board of Directors.
- Deferred tax assets are recognized only to the extent there is reasonable certainty that the assets can be realized in future; however, where there is unabsorbed depreciation or carry forward loss under taxation law, deferred tax assets are recognized only if there is a virtual certainty of realization of such assets. Deferred tax assets are viewed at each Balance Sheet date to reassess realization.

### 15) Earnings per share

Basic EPS is computed and disclosed using the weighted average number of equity shares outstanding during the year. Diluted EPS is computed and disclosed using the weighted average number of equity and dilutive equity equivalent shares outstanding during the period except where the results would be anti dilutive.

### 16) Provisions

A provision is recognized when there is a present obligation as a result of past event and it is probable that an outflow of resources will be required to settle the obligation, in respect of which a reliable estimate can be made. Provisions are not discounted to its present value and are determined based on best estimate required to settle the obligation at the balance sheet date. These are reviewed at each balance sheet date and adjusted to reflect the current management estimates.

### 17) Contingent Liabilities

A disclosure for a contingent liability is made when there is a possible obligation or a present obligation that may, but probably will not require an outflow of resources. When there is a possible obligation or a present obligation in respect of which likelihood of outflow of resources is remote, no provision or disclosure is made. Contingent Liabilities are not recognized but are disclosed by way of Notes. Contingent assets are neither recognized nor disclosed in the financial statements.

### 18) Contingencies and Events occurring after the Balance Sheet date

All the major contingencies i.e., a condition or situation the ultimate outcome of which is known or determined only on their occurrences or non-occurrences of uncertain future events, till the signing of the financial statements, have been recognized.

Material events occurring after the balance sheet date till signing of thereof, affecting the going concern assumption or having material impact on the financial statements, are recognized.



**NOTES FORMING PART OF FINANCIAL STATEMENT****19) Preliminary Expenses**

Preliminary expenses are amortized over a period of 5 years.

**29. CONTINGENT LIABILITIES AND COMMITMENTS****⇒ Contingent Liabilities****(₹ in Millions)**

	Particulars	2012	2011
1	Estimated amount of Export obligation to be fulfilled in terms of Duty saved value against Import of Plant and Machinery under EPCG during 2001 *.	12,271.64	6,075.08
2	Claims against the Company not acknowledged as debt Sales Tax Matters in Dispute under appeal and stay granted against demand of ₹/Millions 0.59 on payment of ₹/Millions 0.20 is deposited	0.59	-

- a) \*The company had imported duty free Plant & Machineries during 2001 against three licenses issued under Export & Import Policy 1997-2002 by the Government of India, with an obligation to export five times of the CIF value of Capital Goods under EPCG Scheme on FOB basis within a period of eight years from the date of issue of such licenses. However, in view of discontinuation of manufacturing operations during financial years 2004-05 to 2010-11, the said obligations could not be fulfilled. The company had been sanctioned changed method of quantification of such obligations from CIF Value on FOB basis to Total Duty saved method and has also received extension of time for fulfillment of such obligations in respect of all licenses from the competent authority. Such export obligations are now required to be fulfilled during the period from 2012 to 2014, as stipulated in the respective licenses.

The company has fulfilled the export obligation by exporting gold jewellery in respect of one of the licenses as on date of signing of the Balance Sheet where it is required to be completed by 2012. The export obligation under other two licenses is being fulfilled by continuing exports. Considering the above the export obligation remaining to be fulfilled as on date of signing of Financial Statement is ₹/Millions 11,653.73.

- b) The Income tax department has filed an appeal to the Hon'ble Bombay High Court against the order of the Income Tax Appellate Tribunal in favour of the Company setting aside the penalty levied by Assessing Officer of ₹/Millions 111.36 u/s 271(1)(c) of the Income Tax Act 1961, for the Assessment year 2007-08 is pending admission.
- c) Income tax Assessment has been completed upto Assessment Year 2009-10 and there are no demand pending appeal or payment, except for ₹ 3.94 Millions for Assessment year 2001-02 pending filing of appeal.

**⇒ Commitments****(₹ in Millions)**

	Particulars	2012	2011
1	Estimated amount of contracts on capital account remaining to be executed	-	0.40
2	Bank Guarantee issued by bankers and outstanding as on 31st March 2012		
	• In Favour of creditors for supply of Raw Material	3,070.00	685.00
	• In Favour of The Commissioner of Sales Tax, Maharashtra for VAT Refund.	42.31	-

## NOTES FORMING PART OF FINANCIAL STATEMENT

### 30. IMPAIRMENT OF FIXED ASSETS

The Company has assessed at Balance Sheet date, the assets pertaining to manufacturing facilities at Shirpur, Dhule in Maharashtra, as to their impairment. On the basis of such assessment, it is opined that the recoverable amount or fair value of such assets are more than their carrying values, hence there is no impairment of assets, to be provided for.

### 31. CURRENT ASSETS, LOANS AND ADVANCES

Inventories have been valued at lower of cost or realizable value and are taken, verified, certified by the management. In the opinion of the Management, the current assets, loans and advances are approximately of the value stated, if realized in the ordinary course of business and provision for all known liabilities have been made in the accounts as at March 31, 2012. However they are pending reconciliation and confirmation parties concerned.

### 32. CURRENT LIABILITIES AND PROVISIONS

The Current liabilities are stated at carrying cost, irrespective of their period of outstanding and are pending reconciliation and confirmation.

Provision for retirement benefits viz., gratuity and leave encashment have been made on the basis of actuarial valuation and for other benefits as per the policy of the company for such benefits.

### 33. DETAILS OF CONSUMPTION OF IMPORTED AND INDIGENOUS STOCKS

#### Raw Material Consumed

(₹ in Millions)

Particulars	2012	2011
Imported	-	-
Indigenous		
– Gold	6,985.23	2,431.74
– Silver	0.36	0.14
<b>TOTAL</b>	<b>6,985.59</b>	<b>2,431.88</b>

#### Stores and Spares Consumed

(₹ in Millions)

Particulars	2012	2011
Spares & Stores Consumed	1.88	3.76

### 34. INVENTORY AND TURNOVER

(₹ in Millions)

Gold	Sales Value	Closing Inventory	Opening Inventory
Manufactured Goods	7,026.44 (1980.00)	470.00 (448.54)	448.54 (0.89)
Traded Goods	18,432.54 -	253.49 -	- -
<b>TOTAL</b>	<b>25,458.98 (1980.00)</b>	<b>723.49 (448.54)</b>	<b>448.54 (0.89)</b>

(₹ in Millions)

Stores and Spares	Closing Inventory	Opening Inventory
Stores and Spares	5.60 (4.33)	4.33 (2.05)

**NOTES FORMING PART OF FINANCIAL STATEMENT****35. EXPENDITURE IN FOREIGN CURRENCY** *(₹ in Millions)*

Particulars	2012	2011
Travelling and Related Expenses	0.50	1.34
Project Consultancy Fees	-	0.56

**36. EARNINGS IN FOREIGN EXCHANGE** *(₹ in Millions)*

Particulars	2012	2011
FOB Value of Export	245.25	-

**37. MANAGERIAL REMUNERATION**

None of the directors is in receipt of any Remuneration from the Company.

**38. PAYMENT TO AUDITORS** *(₹ in Millions)*

Particulars	2012	2011
Audit Fees	0.43	0.25
Tax Audit Fees	0.08	0.08
For Other Services	0.12	0.35
<b>TOTAL</b>	<b>0.63</b>	<b>0.68</b>

**39. EARNINGS PER SHARE**

Particulars	2012	2011
Loss after tax as per Statement of Profit & Loss <i>(₹ in Millions)</i>	<b>(141.57)</b>	(221.58)
Basic and Diluted Earnings per share (₹)	<b>(4.86)</b>	(7.60)
Face Value per equity shares (₹)	<b>10.00</b>	10.00

**40. FINANCIAL AND DERIVATIVE INSTRUMENTS**

Outstanding Derivative Quantitative Contracts entered into by the Company and outstanding at the year end

Particulars	2012	2011
Gold Future contract	-	92 Kg

In accordance with principles of prudence, other applicable guidelines and as per Accounting Standards 30 under the Companies (Accounting Standards) Rules, 2006, the Company has charged ₹/Millions Nil(0.94) to the Statement of Profit and Loss Account in respect of unsettled derivative contracts which are effective hedges.

**41.** MVAT collected till the year end under Sales Tax Incentive Scheme of 1993 by the Government of Maharashtra, Scheme PSI-1993 is considered in the Accounts as Deferred Sales Tax Liability and stated in Note 3. The Deferred Sales Tax Liability for the year ended 31<sup>st</sup> March, 2012 and 31<sup>st</sup> March, 2011 of ₹/Millions 67.73 and ₹/Millions 19.80 respectively is to be repayable in five equal annual installments starting from financial year 2023-24 and financial year 2022-23 respectively.

**42.** Other Operating Revenues is a profit realized on gold contract.

**43.** Other income include interest received from Inter-corporate deposits, margin and fixed deposits in banks ₹/Millions 36.29.

**44.** The Company uses Forward exchange contracts to hedge against its foreign currency exposures relating to the underlying transactions and firm commitments. The foreign currency exposure not hedged as at the year end is as under:

**NOTES FORMING PART OF FINANCIAL STATEMENT**

	(US \$ in Millions)				(₹ in Millions)			
Currency	Payable		Receivable		Payable		Receivable	
	2012	2011	2012	2011	2012	2011	2012	2011
US \$	5.26	-	5.05	-	268.83	-	258.22	-

Figures indicated in Indian Rupees have been restated as per the RBI reference rate as on 31<sup>st</sup> March 2012.

**45. SEGMENT REPORTING**

The Company is in the business of refining, manufacturing and marketing of precious metal which is considered as the only reportable segment. The Company does not have any geographical segments. Hence, there are no separate reportable segments as per AS-17 on "Segment Reporting" notified under the Companies (Accounting Standards) Rules, 2006.

**46.**

The amount due to Micro and Small Enterprises as defined in "The Micro, Small and Medium Enterprises Development Act, 2006" is Nil as no supplier has intimated the Company about its status as a Micro, Small or Medium Enterprise or its registration under "The Micro, Small and Medium Enterprises Development Act, 2006".

**47. EMPLOYEE BENEFITS**

The liability towards short term employee benefits and post employment benefits for the year ended 31<sup>st</sup> March 2012 has been recognized in statement of Profit and Loss account. The Following disclosures are made in accordance with AS-15 (Revised) pertaining to Defined Benefit Plans:

**Net Asset / Liability recognized in the Balance Sheet**

(₹ in Millions)

Particulars	2012	2011
Present Value of Funded Obligations	-	-
Fair Value of Plan Assets	-	-
Present Value of Unfunded Obligations	0.81	0.41
Unrecognized Past Service Cost	-	-
Amount not Recognized as an Asset (limit in Para 59(b))	-	-
Net Liability	0.81	0.41
Amounts in Balance Sheet		
Liability	0.81	0.41
Assets	-	-
<b>Net Liability accounted in Books</b>	<b>0.81</b>	<b>0.41</b>

**Expense recognized in statement of Profit & Loss Account**

(₹ in Millions)

Particulars	2012	2011
Current Service Cost	0.34	-
Interest on Defined Benefit Obligation	0.06	-
Expected Return on Plan Assets	-	-
Net Actuarial Losses / (Gains) Recognized in Year	(0.00)	-
Past Service Cost	-	-
Losses / (Gains) on "Curtailments & Settlements"	-	-
Losses / (Gains) on "Acquisition / Divestiture"	-	-
Effect of the limit in Para 59(b)	-	-
Total, Included in "Employee Benefit Expense"	0.40	-
Actual Return on Plan Assets	-	-

**NOTES FORMING PART OF FINANCIAL STATEMENT****Reconciliation of benefit obligation & plan assets for the year****(₹ in Millions)**

Particulars	2012	2011
<b>Change in Defined Benefit Obligation</b>		
Opening Defined Benefit Obligation	0.41	-
Current Service Cost	0.34	-
Interest Cost	0.06	-
Actuarial Losses / (Gain)	(0.00)	-
Past Service Cost	-	-
Actuarial Losses / (Gain) due to Curtailment	-	-
Liabilities Extinguished on Settlements	-	-
Liabilities Assumed on Acquisition / (Settled on Divestiture)	-	-
Exchange Difference on Foreign Plans	-	-
Benefits Paid	-	-
<b>Closing Defined Benefit Obligation</b>	<b>0.81</b>	<b>0.41</b>
<b>Change in Fair Value of Assets</b>		
Opening Fair Value of Plan Assets	-	-
Expected Return on Plan Assets	-	-
Actuarial Gain / (Losses)	-	-
Assets Distributed on Settlements	-	-
Contributions by Employer	-	-
Assets Acquired on Acquisition / (Distributed on Divestiture)	-	-
Exchange Difference on Foreign Plans	-	-
Benefits Paid	-	-
Closing Fair Value of Plan Assets	-	-

**Asset information**

Gratuity being non-funded, hence details as required by AS-15 relating to investments etc is not applicable.

**Experience adjustments****(₹ in Millions)**

Particulars	2012	2011	2010	2009	2008
Defined Benefit Obligation	0.81	0.41	-	-	-
Plan Assets	-	-	-	-	-
Surplus / (Deficit)	(0.81)	(0.41)	-	-	-
Exp. Adj. on Plan Liabilities	0.05	-	-	-	-
Exp. Adj. on Plan Assets	-	-	-	-	-

**Financial assumptions at the valuation date**

Particulars	2012	2011
Discount Rate (p.a.)	8.45%	8.05%
Expected Rate of Return on Assets (p.a.)	0.00%	0.00%
Salary Escalation Rate (p.a.)	7.00%	7.00%

## NOTES FORMING PART OF FINANCIAL STATEMENT

48. Disclosures as per clause 32 of Listing Agreement is not applicable, as the Company has not given any loan/advances/investments to subsidiaries, Associates etc., as per the information available on records.

49. **RELATED PARTY DISCLOSURES**

(a) **List of Related Parties**

**Key management personnel of the Company Directors**

1. Shri Anish Goel
2. Shri V K Agarawal
3. Shri Amit Goenka (Appointed w.e.f. 26.04.2011)
4. Shri Himanshu Mody (Resigned w.e.f. 26.04.2011)
5. Shri Sriprakash Goenka (Resigned w.e.f. 09.05.2012)
6. Late Hemendra N. Shah (From 09.05.2012 till 12.05.2012 as an Additional Director)

**Holding company: Jayneer Capital Pvt. Ltd. (JCPL).**

**Other related parties with whom transaction have taken place and balance outstanding as on last day of the year**

Essel Corporate Resources Pvt. Ltd., Jay Properties Pvt. Ltd., Agarani Telecommunication Ltd., Pan India Network Infravest Pvt.Ltd., Mr. Punit Goenka, Mr. Amit Goenka, Mrs. Sushila Goenka, Mrs. Navyata Goenka & Mrs. Nirmala Agarawal.

(b) **Related party Transactions during the year**

(₹ in Millions)

Particulars	2012	2011
<b>1. Short Term Loans and Advances</b>		
Essel Corporate Resources Pvt. Ltd.	0.20	0.20
<b>2. Long Term Borrowings</b>		
Jay Properties Pvt. Ltd.	249.90	249.90
<b>3. Other Payables</b>		
Other Related parties	4.60	4.60
<b>4. Advances Received</b>		
Other related parties	-	0.08
Holding Company (JCPL)	360.00	1.60
Churu Trading Co. Pvt. Ltd.	-	359.50
Jay Properties Pvt. Ltd.	-	264.90
<b>5. Repayments Advances</b>		
Other related parties	0.08	0.49
Essel Corporate Resources Pvt. Ltd.	-	3.39
Churu Trading Co. Pvt. Ltd.	-	535.87
Jay Properties Pvt. Ltd.	-	15.00
Holding Company (JCPL)	360.00	1.20



## NOTES FORMING PART OF FINANCIAL STATEMENT

During the year, 1.9kg gold bars were sold to directors and their relatives and consideration had been received at the prevailing market price amounting to ₹/Millions 4.23. No amount in respect of related parties have been written off/ written back during the period, nor has any provision been made for doubtful debts/receivables.

50. Undisputed Income Tax demand of ₹/Millions 3.94 for the Assessment year 2001-02 and pending filling of an Appeal.

51. **PRIOR YEAR COMPARATIVES**

Schedule VI to the Companies Act, 1956 is revised effective from 1 April 2011 and has significantly impacted the disclosures and presentation made in the financial statements. Previous year's figures have been regrouped / reclassified wherever necessary to correspond with the current year's classifications / disclosures.

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As per are our report of even date

For **B. S. SHARMA & CO.,**  
Chartered Accountants

**CA B S SHARMA,**  
Proprietor  
Membership No.031578  
FR.No.128249W  
Place : Mumbai  
Date : 09<sup>th</sup> May 2012

For and on Behalf of the Board of Directors

**Amit Goenka** – Director  
**V K Agarawal** – Director  
**Archita Kothari** – Head – Finance  
**Hemangi Patil** – Company Secretary  
**Milind Pradhan** – Manager



## SHIRPUR GOLD REFINERY LIMITED

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

### PROXY FORM

I / We ..... of .....  
being a member / members of Shirpur Gold Refinery Limited, hereby appoint .....  
..... of ..... or  
failing him / her ..... of ..... as my / our proxy to attend and vote  
for me / us on my / our behalf at the **Twenty-Seventh Annual General Meeting** of the Company to be held  
on Thursday, 6<sup>th</sup> September, 2012 at 2:30 p.m. and at any adjournment thereof.

Signed the ..... day of ..... 2012. **Signature of Shareholder** .....

Reg. Folio No. ....

DP ID No. ....

Client ID / Demat A/c. No. ....

No. of Shares .....

Affix  
₹ 1/-  
Revenue  
Stamp

**NOTE :** The Proxy completed in all respects must be deposited at the Company's Registered Office at least 48 hours before the scheduled time of meeting. The proxy need not be a member of the Company.

## SHIRPUR GOLD REFINERY LIMITED



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

### ATTENDANCE SLIP

(To be presented at the entrance)

I / We hereby record my / our presence at the **Twenty-Seventh Annual General Meeting** of the Company held at the Registered Office of the Company at Refinery Site, Shirpur, Dist. Dhule, Maharashtra – 425 405 on Thursday, 6<sup>th</sup> September, 2012 at 2:30 p.m.

\_\_\_\_\_  
**Name of the Shareholder / Proxy (in Block Letters)**

\_\_\_\_\_  
**Signature of the Shareholder / Proxy**

Reg. Folio No. ....

DP ID No. ....

Client ID / Demat A/c. No. ....

No. of Shares .....

**NOTE :** You are requested to sign and handover this slip at the entrance of the Meeting Venue.





BOOK - POST

If undelivered please return to:



**Shirpur Gold Refinery Limited**



Corporate Office: 5A, Trishala Premises, 122, Sheikh Memon Street, Zaveri Bazar, Mumbai - 400 002