



# **SHIRPUR GOLD REFINERY LIMITED**

**23<sup>RD</sup> ANNUAL REPORT  
2007 - 2008**

# SHIRPUR GOLD REFINERY LIMITED

## BOARD OF DIRECTORS

**Shri Chintan A. Patel**      *Managing Director*

**Shri Tapan M. Patel**      *Jt. Managing Director*

**Shri Sanjay Gupta**      *Director*

**Shri Subhash M. Jain**      *Director*

## AUDITORS

**M/s. Utpal Bhayani & Co.**  
*Chartered Accountants*

## BANKERS

**Oriental Bank of Commerce**  
**HDFC Bank Ltd. (eCBOP)**  
**The Jammu & Kashmir Bank Ltd.**

## REGISTRARS & TRANSFER AGENTS

### Sharepro Services

Satam Estate, 3rd Floor, Above Bank of Baroda, Cardinal Gracious Road,  
Chakala, Andheri (E), Mumbai - 400 099.

## REGISTERED OFFICE

Refinery Site at Shirpur, Shirpur, Dist. Dhulia, Maharashtra - 425 405.

## CORPORATE OFFICE

4A, Vikas Centre, 104, S. V. Road, Santacruz (W), Mumbai - 400 054.

## **SHIRPUR GOLD REFINERY LIMITED**

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### **NOTICE**

NOTICE is hereby given that the Twentythird Annual General Meeting of the members of SHIRPUR GOLD REFINERY LIMITED will be held on Monday, 29th September, 2008 at 2.15 pm. at its Registered Office at Refinery Site, Shirpur, Dist. Dhulia, Maharashtra - 425 405 to transact the following business:

#### **ORDINARY BUSINESS :**

1. To receive, consider and adopt the Audited Balance Sheet as at 31st March, 2008 and the Profit and Loss Account for the year ended on that date and the Report of Directors' and the Auditors' thereon.
2. To appoint a Director in place of Shri Sanjay Gupta, who retires by rotation and being eligible, offers himself for re-appointment.
3. To appoint Auditors to hold office from the conclusion of this meeting until the conclusion of the next Annual General Meeting and to fix their remuneration.

By Order of the Board

For **SHIRPUR GOLD REFINERY LIMITED**

**CHINTAN A. PATEL**

Managing Director

Place: Mumbai.

Date : 30th June, 2008.

#### **NOTES :**

1. A MEMBER ENTITLED TO ATTEND AND VOTE IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF AND A PROXY NEED NOT BE A MEMBER.
2. The Register of Members and Share Transfer Books of the Company will remain closed from 20.9.2008 to 29.9.2008 (both days inclusive).
3. Members are requested to notify change of address to our Registrar and Transfer Agent M/s. Sharepro Services at Satam Industrial Estate, 3rd Floor, Above Bank of Baroda, Cardinal Gracious Road, Chakala, Andheri (E), Mumbai - 400 099.
4. Members desiring any information about accounts at the Meeting are requested to write to the Company at least 7 days in advance of the Annual General Meeting.
5. Members who hold shares in Dematerialized Form are requested to bring their Client ID and DP ID Numbers for easy identification of attendance at the meeting.

By Order of the Board

For **SHIRPUR GOLD REFINERY LIMITED**

**CHINTAN A. PATEL**

Managing Director

Place: Mumbai.

Date : 30th June, 2008.

**DIRECTORS' REPORT**

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

Your Directors are presenting the Twentythird Annual Report together with the Audited Statement of Accounts for the year ended 31st March, 2008.

<b>FINANCIAL RESULTS</b>	<b>31.03.2008</b>	31.03.2007
Gross Profit/(Loss) before Interest & Depreciation	<b>1,21,05,105</b>	(3,09,668)
<i>Less : Interest</i>	<b>18,22,67,188</b>	16,76,17,551
Depreciation	<b>17,08,45,395</b>	17,38,56,544
Profit/(Loss) Before Tax	<b>(34,10,07,478)</b>	(34,17,83,763)
<i>Less : Provision for Taxation</i>	<b>75,400</b>	45,104
Profit/(Loss) after Tax	<b>(34,10,82,878)</b>	(34,18,28,867)
Balance of Previous Year	<b>(98,78,11,842)</b>	(64,59,82,975)
Balance carried forward in Balance Sheet	<b>(1,32,88,94,720)</b>	(98,78,11,842)

**OPERATIONS & FUTURE PROSPECTS**

As reported in the Twentysecond Annual Report the Company was informed in June 2007 that Oriental Bank of Commerce and Bank of Punjab Ltd. (now HDFC Bank Ltd.) have assigned their outstanding debts to Asset Reconstruction Company of India Ltd. (ARCIL). This was further confirmed by ARCIL in their communication to the Company.

Subsequently M/s. Jayneer Capital Pvt. Ltd. (JCPL) have informed the Company that they have acquired the financial assets of the Company through a bid process which was awarded in their favour by ARCIL. JCPL have also acquired 40,00,000 shares of Shirpur Gold Refinery Ltd. This constitutes 25.7% of the paid up capital of the Company. JCPL further informed that acquisition of 40,00,000 shares of SGRL would attract the provisions of Substantial Acquisition of Shares and Takeover (SAST) Regulation as per SEBI guidelines. Vide a public notification under SAST regulation of SEBI, JCPL have further informed that they are in process of acquiring further 19.85% of SGRL equity shares.

Your company is pursuing recommencement of operations of the company with due support from JCPL.

**DIVIDEND**

Directors do not recommend dividend for the year under consideration.

**DIRECTORS**

Shri Subhash Jain retired by rotation and being eligible offered himself for re-appointment.

**AUDIT COMMITTEE**

Audit Committee of the Directors as on 31st March, 2008 consists of :-

- 1) Shri. Sanjay Gupta - Member
- 2) Shri. Subhash Manakchand Jain - Member

## **SHIRPUR GOLD REFINERY LIMITED**

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### **DIRECTORS' RESPONSIBILITY STATEMENT**

Your Directors further report :

- i. That in the preparation of Annual Accounts, for the Financial Year ended 31st March, 2008 the applicable accounting standards has been followed and that there were no material departures.
- ii. That selected accounting policies were applied consistently and the Directors made judgement 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 31st March, 2008 and of the loss of the Company for the period ended 31st March, 2008.
- iii. That 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.
- iv. That the annual accounts have been prepared on a going concern basis.

### **FIXED DEPOSITS**

The Company has not accepted any deposit within the meaning of Section 58A of the Companies Act, 1956 and the Rules made thereunder.

### **CORPORATE GOVERNANCE**

Pursuant to Clause 49 of Listing Agreement with the Stock Exchanges, a compliance report on Corporate Governance has been annexed as part of the Annual Report.

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

As the Company is yet to commence production on a commercial scale as stated earlier, the particulars of conservation of energy, technology absorption details are not given.

The particulars of the foreign exchange earnings and outgo during the year under review are as under :

Earnings (FOB Value of Export)	Rs. NIL
Outgo	Rs. NIL

### **DEMAT**

Trading in the Equity Shares of your Company has been made compulsory in the dematerialized form for all shareholders w.e.f. 8th May, 2000 as per Circular dated 15th February, 2000 from Securities and Exchange Board of India (SEBI). Your Company has achieved high of level dematerialization with **99.15%** of the total number of Equity Shares being held in the electronic mode with both the depositories.

### **PARTICULARS OF EMPLOYEES**

There were no employees pursuant to Section 217(2A) of the Companies Act, 1956 read with the Companies (Particulars of Employees) Rules, 1975, duly amended.

### **AUDITORS**

M/s. Utpal Bhayani & Company, Chartered Accountants, retire at the ensuing Annual General Meeting of the Company and being eligible offer themselves for reappointment as Auditors of the Company.

### **ACKNOWLEDGEMENT**

Your Directors' place on record their appreciation of the assistance and support extended by the Government Authorities, Banks and Shareholders of the Company and look forward to their continued support in future.

Your Directors also express their appreciation for the dedicated and sincere services rendered by employees of the Company.

For and on behalf of the Board

Place : Mumbai.  
Dated : 30th June, 2008.

**CHINTAN A. PATEL**  
Managing Director

<b>REPORT ON CORPORATE GOVERNANCE</b>
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Pursuant to Clause 49 of the Listing Agreement, a Report on Corporate Governance is set out below :

**Company's Philosophy on Code of Governance :**

The essential elements of Corporate Governance is accountability in functioning of the Company. The Company believes that Corporate Governance should result in enhancing Corporate performance and increase in Shareholders Value.

**1. Board of Directors**

(A) Composition :

The Board comprises of Executive and Non-Executive Directors. The Non-Executive Directors bring independent judgment in the Board deliberations and decisions. Only the Managing Director is a Whole-time Director.

**COMPOSITION OF BOARD OF DIRECTORS :**

**As on 31st March, 2008**

Sr. No.	Name of Directors	Category	Other Directorship/ Board Committees (Numbers)	
			Directors	Committees
1	Shri. Sanjay Gupta	Non-Executive Independent Director	–	–
2	Shri. Chintan A. Patel Managing Director	Promoter Group	10	–
3	Shri. Tapan M. Patel Jt. Managing Director	Promoter Group	5	–
4	Shri. Subhash M. Jain	Non-Executive Independent Director	3	–

## SHIRPUR GOLD REFINERY LIMITED

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### NUMBER OF BOARD MEETINGS AND THE ATTENDANCE OF DIRECTORS DURING 1ST APRIL, 2007 TO 31ST MARCH, 2008

Name of Directors	Number of Board Meetings attended (out of 4 Meetings)	Attendance at last AGM Held on 21.12.2007
Shri Sanjay Gupta	4	–
Shri Chintan A. Patel	4	–
Shri Tapan M. Patel	4	Yes
Shri Subhash M. Jain	4	Yes

(B) None of the non-executive Directors of the Company have any pecuniary relationship or transactions with the Company other than fees paid for professional services rendered by them.

#### 2. AUDIT COMMITTEE :

##### TERMS OF REFERENCE AND COMPOSITION OF THE COMMITTEE

The present Audit Committee consisting of the following Directors:

Name	Category	Remarks
• Shri. Sanjay Gupta	Non Executive Independent Director	Appointed
• Shri. Subhash M. Jain	Non Executive Independent Director	Appointed

During the financial year under review four Meeting of the Committee were held on the following dates: 29th June, 2007, 30th July, 2007, 29th October, 2007 and 31st January, 2008.

The terms of reference of this Committee cover the matters specified for Audit Committee under Clause 49 of the Listing Agreements as well as in Section 292 A of the Companies Act, 1956.

**3. REMUNERATION OF DIRECTORS :****A. WORKING DIRECTORS :**

Remuneration of the Managing Director and the Executive Director is considered by the Board of Directors of the Company. The terms of remuneration are approved by the Shareholders at the Annual General Meeting.

Given below are the details of payments made during 1st April, 2007 to 31st March, 2008 to the Directors of the Company.

Name of the Directors	Salary (Rs.)	Perquisites (Rs.)	Service Contract
1) Shri. Chintan A. Patel Managing Director	–	–	–
2) Shri. Tapan M. Patel Jt. Managing Director	–	–	–

**B. NON EXECUTIVE DIRECTORS :**

Name of the Director	Sitting Fees (Rs.)
Shri Sanjay Gupta	NIL
Shri Chintan A. Patel	NIL
Shri Tapan M. Patel	NIL
Shri Subhash M. Jain	NIL
<b>Total:</b>	NIL

**REMUNERATION COMMITTEE :**

Matters of remuneration of the Managing Director and the Joint Managing Director are considered by the Board where the interested Managing Director and Joint Managing Director do not participate or vote. The terms are approved by the shareholders at the General Meeting. During the year, the Company has only Managing Director and no remuneration is paid to him. Therefore no separate remuneration Committee has been constituted.

**4. BOARD PROCEDURE :**

- A. The Company holds minimum of Four Board Meetings every year. During the financial year under review four Board Meeting were held on the following dates: 29th June, 2007, 30th July, 2007, 29th October, 2007 and 31st January, 2008.
- B. None of the Directors of our Company is a Member in more than 10 committees or acts as Chairman of more than five committees across all Companies in which he is a Director.



## SHIRPUR GOLD REFINERY LIMITED

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### 5. MANAGEMENT :

Periodical disclosures of this requirement are made by the management from time to time. Management Discussion and Analysis report is attached.

### 6(A) SHAREHOLDERS :

The relevant information relating to the Directors who would be appointed / re-appointed at the ensuing Annual General Meeting to be held on Monday, 29th September, 2008 are given below :

### (B) SHAREHOLDERS / INVESTORS GRIEVANCE COMMITTEE

The Committee consists of following Directos :

1. Shri Sanjay Gupta, Non-Executive Independent Director.
2. Shri Subhash M.Jain, Non-Executive Independent Director

During the year, the Company's Registrars and Transfer Agents received no complaint and there is no investor complaint pending as on 31.03.2008. Number of Share Transfer pending as on 31.03.2008 was NIL.

### CORPORATE GOVERNANCE :

Details of Annual General / Extra Ordinary General Meetings :

Financial Year	General Meeting	Location	Date	Time
2006-2007	Annual General Meeting	Registered Office Refinery Site, Shirpur, Dist. Dhulia, Maharashtra.	21.12.2007	02.15 P.M.
2005-2006	Annual General Meeting	Registered Office Refinery Site, Shirpur, Dist. Dhulia, Maharashtra.	29-09-2006	02.15 P.M.
2004-2005	Annual General Meeting	Registered Office Refinery Site, Shirpur, Dist. Dhulia, Maharashtra.	29-09-2005	02.15 P.M.

No special resolution was put through Postal Ballot at the last AGM nor is any proposed for this year.

### Disclosure :

The Company has generally complied with the requirements of the listing agreement with the Stock Exchanges as well as regulations and guidelines of SEBI. Shares of the company is not being traded at NSE, except this no penalties and strictures have been imposed by SEBI, Stock Exchanges or any statutory authorities on matters relating to capital markets during the last three years.

**Means of Communication :**

Half yearly report sent to each household of shareholders	No
Quarterly Results Which newspapers normally published in	Free Press Journal Navshakti
Any Website, where displayed	No
Whether it also displays, official news released and Presentations Made to Institutional Investors / Analysts	No
Whether MD & A is a part of Annual Report	Yes
Whether Shareholder Information Section forms part of the Annual Report	Yes

**General Shareholder Information :****1. Annual General Meeting :**

Date and Time	: Monday, 29th September, 2008 at 2.15 P.M.
Venue	: Refinery Site, Shipur Gold Refinery Ltd. Shirupur, Dist. Dhulia, Maharashtra - 425 405.

**2. Financial Calendar :**

Unaudited Financial Results :

For the quarter ending 30th June, 2007	: By 4th Week of July, 2007
For the quarter ending 30th September, 2007	: By 4th Week of October, 2007
For the quarter ending 31st December, 2007	: By 4th Week of January, 2008
For the quarter ending 31st March, 2008	: By 4th Week of April, 2008

OR

On or before the 4th Week of June, 2008 for  
Audited Accounts.

**3. Date of Book Closure :**

The Company has not declared dividend for the year under review.

The Register of Members and Share Transfer Register will remain closed from 20.9.2008 to 29.9.2008 (both days inclusive) on account of A.G.M.

**4. Registered Office :**

Refinery Site, Shirpur, Dist. Dhulia, Maharashtra - 425 405.

**5. Listing of Equity Shares on Stock Exchanges :**

1. The Stock Exchange, Mumbai Phiroze Jeejeebhoy Towers, Dalal Street, Mumbai - 400 023.
2. National Stock Exchange of India Ltd. Exchange Plaza, Bandra-Kurla Complex, Bandra (E), Mumbai - 400 051.

Annual Listing Fees have been paid to both the Exchanges for the year 2008-2009.

**6. Stock Code :**

BSE : 512289 (Demat)  
12289 (Physical)

Stock Code : NSE : Symbol "AGEEGOLD"

ISIN No : INE 196 B01016

## SHIRPUR GOLD REFINERY LIMITED

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7. **Monthly High and Low Stock quotations during the year under review along with the performance in comparison to broad based indices are given below :**

Period	The Stock Exchange Mumbai		
	Share Prices		No. of Shares
	High	Low	
April 2007	28.35	23.00	88399
May 2007	31.00	22.00	226231
June 2007	69.95	32.45	1203671
July 2007	86.35	54.00	677391
August 2007	81.00	54.10	269906
September 2007	59.50	43.95	502187
October 2007	57.90	48.00	593868
November 2007	76.35	56.80	1398376
December 2007	77.05	62.25	349626
January 2008	77.20	44.50	453662
February 2008	49.90	38.85	143635
March 2008	46.70	30.10	310622

8. **Registrar and Share Transfer Agents :**

**Sharepro Services**, Satam Industrial Estate, 3rd Floor, Above Bank of Baroda, Cardinal Gracious Road, Chakala, Andheri (East), Mumbai - 400 099.

9. **Share Transfer System :**

1. The Company has appointed M/s. Sharepro Services, Andheri (E), Mumbai - 400 099 as Registrar and Share Transfer Agents. They process the Transfer Deeds, consider request for transmission, issue of duplicate Share Certificates etc.
2. Trading in Equity Shares of the Company is permitted only in dematerialized form w.e.f. 8th May, 2000 as per circular issued by Securities and Exchange Board of India (SEBI) on 15th February, 2000.
3. Share Transfer in physical form are registered and returned within 30 days from the date of the receipt if documents are in order in all respects.

**10. Distribution of Shareholdings as on 31.03.2008 :**

Holding Range(s)	No. of Shareholders	% of Shareholders	No. of Shares	% Shares
1 to 500	2466	78.811	471286	3.028
501 to 1000	321	10.259	268568	1.726
1001 to 2000	141	4.506	221663	1.424
2001 to 3000	68	2.173	175197	1.126
3001 to 4000	27	0.863	97800	0.628
4001 to 5000	22	0.703	106354	0.683
5001 to 10000	46	1.470	362495	2.329
10001 & above	38	1.214	13859137	89.055
<b>Total</b>	<b>3129</b>	<b>100.000</b>	<b>15562500</b>	<b>100.000</b>

**Categories of Share holding as on 31.03.2008 :**

Category	No. of Shares held	% Shareholding
Promoters	* 4545320	29.21
Overseas Corporate Body/NRI	481978	30.50
Private Corporate Bodies	4381733	28.16
Bank/Financial Institutions	0	0
Public	1887559	12.13
<b>Total :</b>	<b>15562500</b>	<b>100.00</b>

**Note: \***

Out of 4545320 shares 30,89,070 shares are lying in an escrow a/c maintained with ANS LAW ASSOCIATES as escrow agent consequent to a SPA executed on 27th March 2008 between Patel families and Jayneer Capital Pvt. Ltd. Details of shares sold under SPA and lying in the escrow account are given below:

54,660 / Tapan Mukesh Patel, 2,00,000 / Chintan Amrish Patel, 281,800 / Jayashree Patel, 527,100/ Disha Capfin Pvt. Ltd., 500, 520 / Maharaja Builders Pvt. Ltd., 500,000 / Meha Trading Pvt. Ltd., 500,000 / Enpak Motors Pvt. Ltd., Total 30,89,070 shares.

**11. Dematerialization of Share & Liquidity :**

**99.15%** of the Equity Shares of the Company have been dematerialization upto 31.03.2008.

**12. Outstanding GDR/ADRs/Warrants or any convertible instruments, converted date and likely impact on Equity.**

The Company has not issued any GDRs/ADRs/Warrants or any Convertible instruments.

**13. Plant Location :**

Refinery Site at Shirpur, Shirpur - 425 405 [Dist. Dhulia, Maharashtra State].

**14. Address for Correspondence :**

Shareholding correspondence should be addressed to our Registrar and Transfer Agents M/s. Sharepro Services, Satam Industrial Estate, 3rd Floor, Above Bank of Baroda, Cardinal Gracious Road, Chakala, Andheri (East), Mumbai - 400 099.

For and on behalf of the Board of Directors

Place : Mumbai  
Date : 30th June, 2008.

**Shri Chintan A. Patel**    **Shri Tapan M. Patel**  
Managing Director        Jt. Managing Director

## SHIRPUR GOLD REFINERY LIMITED

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### ANNEXURE TO DIRECTORS' REPORT

#### AUDITORS' CERTIFICATE ON CORPORATE GOVERNANCE

To the Members of SHIRPUR GOLD REFINERY LIMITED

We have examined the compliance of the conditions of Corporate Governance by **Shirpur Gold Refinery Limited** for the year ended 31st March, 2008 as stipulated in clause 49 of the Listing Agreement of the said Company with Stock Exchanges in India.

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 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 the above mentioned Listing Agreement.

We state that in respect of investor grievances received during the year ended 31st March, 2008 no investor grievances are pending against the Company as on 31st March, 2008, as per the records maintained by the Company and presented to the Investors' / Shareholders' Grievance Committee.

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

For **UTPAL BHAYANI & CO.**  
*Chartered Accountants*

MUMBAI,  
Dated : 30th June, 2008.

**(UTPAL BHAYANI)**  
*Proprietor*  
Membership No. 33512

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**MANAGEMENT DISCUSSION AND ANALYSIS**

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**1. INDUSTRY STRUCTURE AND DEVELOPMENTS:****SUPPLY & DEMAND****Global Scenario:**

The year under review witnessed hectic global activities in Gold especially on the price front. Surging crude oil prices and weak dollar have been prime driver for this, making gold transcend USD 1000 per troy ounce. Global prices movement were within a band of US\$ 657 and US\$ 1010 per troy ounce. The market continue to be dominated by institutional and high net worth individuals. Fabrication demand consolidated slightly from the low levels of the previous year.

**Indian Scenario:**

There was no perceptible change in the tax regime related to gold trade within India.

**2. OPPORTUNITIES & THREATS:****a. Opportunities:**

As reported in the director's report, subsequent to the development of JCPL having acquired the financial assets and substantial holding in the company, there exists tremendous opportunity for commencement of operations and reaching optimum levels. Restructuring of debts would also enable your company to borrow its requirement of working capital required for optimum operations. Your company is therefore confident that it would commence operation in the near future. With an improved market for gold and gold products in India, capitalizing on the emerging trends would help your company to achieve its business goals.

**b.** Uniform VAT structure is yet to be implemented across the country. States like Gujarat, Rajasthan, Tamil Nadu, U.P and Jharkand continue to remain outside VAT ambit. This would cause disparity in taxes on bullion and prices among the states and hence would concentrate the trading activities in the favorable states.

**c.** The Union Budget 2008 once again failed to correct the anomaly of inverted duty structure on gold ores and concentrates (raw material for refining operations). This prevented your company from sourcing gold ores and concentrates from international gold mines directly. Various representations to the Central Government have been made by the company to correct the inverted rate of duty.

**3. SEGMENT-WISE OR PRODUCT-WISE PERFORMANCE:**

Your Company operates in one segment only.

**4. OUTLOOK:**

The macro economic indication point towards recession in developed markets, particularly USA. With the crude oil price at all time high and weak dollar, gold is again emerging as financial stabilizer. It continues its role as the safe haven. Portfolio management at individual group and macro level are increasingly relying on Precious Metal Group with gold forming a substantial percentage of investment. The outlook on gold based on global economic level is therefore very positive.

## SHIRPUR GOLD REFINERY LIMITED

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### 5. RISKS & CONCERNS:

#### **Risk Management:**

The Company's operations would be exposed to frequent market fluctuations on spot on going basis on metal prices and foreign exchange. However with adequate hedging mechanisms these risks can be effectively countered.

#### **Metal Price Risks:**

The international prices 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.

#### **Foreign Exchange Risk:**

Since India mines an insignificant quantity of its bullion requirement, the total demand is met by imports. This exposes the importers to foreign exchange risks.

By establishing an effective risk management policy your company has addressed this issue. A 'dealing room' for bullion is operating in Mumbai Office with the policies and procedures designed by an eminent, international consulting firm. The approach is caution rather than "speculative". Also with the local exchanges having initiated futures trading, risk management can also become a local activity.

### 6. Internal Control Systems:

Management Information Systems (MIS) is the backbone of your Company's control mechanism. Clearly defined roles and responsibilities down the line for all managerial position have been institutionalized. All operating parameters are monitored and controlled. Regular internal audits and checks ensure that the responsibilities are executed effectively and that the MIS is flawless among a well conceived annual planning and budgeting system.

**7. FINANCIAL PERFORMANCE:****Discussion on Financial Performance with respect to Operational Performance:**

Your company could not commence market sales due to lack of working capital. Therefore, the figures given under are not indicative of the prospects of the company once the normal activities commence.

(Rs. Crores)

	Year 2008	Year 2007
Secured Loan	227.23	212.45
Unsecured Loan	14.96	21.56
<b>Gross Block and Depreciation</b>		
Gross Block	351.40	356.38
Depreciation	78.22	62.70
Capital Work-in-Progress	–	–
Investments	0.02	0.02
Inventory	0.08	0.08
Sundry Debtors	–	–
Cash and Bank Balances	0.05	0.06
Loan and Advances	0.82	13.45

**8. MATERIAL DEVELOPMENTS IN HUMAN RESOURCES / INDUSTRIAL RELATIONS FRONT, INCLUDING NUMBER OF PEOPLE EMPLOYED:**

The Company is yet to commence sales on a commercial basis mainly due to lack of working capital. The company had laid out well structured Human Resources policies, however because of low employee numbers these are yet to be followed.

**CAUTIONARY STATEMENT:**

Statements in this management discussions and analysis describing the company's objectives, projections, estimates and expectations may be 'forward looking statements' within the meaning of applicable laws and regulations. Actual results could differ materially from these expressed or implied. Important factors that could effect the Company's operations include global and Indian supply and demand conditions, tax laws, cyclical demand and pricing in Indian Markets, changes in Government regulations and external factors like draught, famine, etc.



## SHIRPUR GOLD REFINERY LIMITED

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### AUDITORS' REPORT

1. We have audited the attached Balance Sheet of SHIRPUR GOLD REFINERY LIMITED, as at 31st March, 2008, the related Profit and Loss Account for the year ended on that date annexed thereto and the cash flow statement for the year ended on that date, which we have signed under reference to this report. 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, issued by the Central Government of India in terms of Section 227(4A) of 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. Attention is invited to :
  - a) Note No. 1 of the Schedule 10(B) regarding the short provision of interest on loans payable to ARCIL & other parties to whom the banks have assigned their assets & liabilities.
  - b) Note No. 2 of the Schedule 10(B) regarding the non provision for loss on impairment of Assets (AS\_28)
  - c) Note No. 3 of the Schedule 10(B) for non provision for deferred Tax Liability in view of non commencement of main revenue activity.
  - d) Note No. 4 of the Schedule 10(B) regarding non fulfilment of export commitment under EPCG scheme to the extend of Rs 332.34 lakhs upto 31st March 2008.
5. Subject to above & 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 and Profit and Loss Account dealt with by this report are in agreement with the books of account;
  - d) In our opinion, the Balance Sheet and Profit and Loss Account 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, 2008 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, 2008 from being appointed as a director in terms of Section 274 (1) (g) of the act.
  - f) In our opinion and to the best of our information and according to the explanations given to us, the said financial statements together with the notes thereon give the information required by the Act, and also give, subject to paragraphs 4(f)(i), 4(f)(ii), 4(f)(iii) above, 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, 2008;
    - (ii) in the case of the Profit and Loss Account, of the loss 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 **UTPAL BHAYANI & CO.**  
*Chartered Accountants*  
**(UTPAL BHAYANI)**  
*Proprietor*  
Membership No.33512

MUMBAI  
Dated : 30th June, 2008.

### 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, 2008.

- 1) (a) Except for furniture and fittings, the Company has maintained proper records showing full particulars including quantitative details and situation of fixed assets.
- (b) As explained to us, the assets have been physically verified by the management in accordance with the phased programme of verification, which, in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. No material discrepancies were noticed on such verification.
- (c) Fixed assets disposed off during the year were not substantial.

- 2) (a) The inventories have been physically verified during the year by the management. In our opinion, the frequency of verification is reasonable.  
(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 and the discrepancies noticed on physical verification of the inventories as compared to book records were not material.
- 3) The Company has neither granted nor taken any loans, secured or unsecured, to and from companies, firms or other parties listed in the register maintained under Section 301 of the Companies Act, 1956.
- 4) In our opinion and according to the information and explanations given to us, there are adequate internal control procedures 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.
- 5) (a) According to the information and explanations given to us, transactions that need to be entered into 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, the 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 Rs.500,000/- in respect of each party during the year, have been made at prices which are reasonable having regard to prevailing market prices, except for items of specialized nature, where a question of comparison does not arise.
- 6) The Company has not accepted any deposits from the public.
- 7) In our opinion, the Company has an internal audit system commensurate with the size and nature of its business.
- 8) On the basis of the records produced, we are of the opinion that, prima facie, the cost records and accounts prescribed by the Central Government under Section 209(1)(d) of the Companies Act, 1956 have been maintained. However, we are not required to and have not carried out any detailed examination of such accounts and records.
- 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.  
(b) According to the information and explanation given to us, at the last day of the financial year, there was no undisputed amount outstanding in respect of such statutory dues which were due for more than six months from the date they become payable.  
(c) According to the information and explanations given to us, there are no dues in respect of sales tax, income tax, customs duty, wealth tax, excise duty, and cess that have not been deposited with the appropriate authorities on account of any dispute.
- 10) The Company has accumulated losses at the end of the financial year and has incurred cash losses in the financial year under report and the immediately preceding financial year.
- 11) As per the information and explanation given to us, company is in default to the extent of Rs.22723.22 lakhs on account of principal and interest due to the consortium of banks which have been assigned to ARCIL for Rs.18800.01 Lakhs & Jayneer Capital Pvt. Ltd. for Rs.3923.21 lakhs. Attention is invited to Note No.1 of Schedule 10(B) in this regard. The company has not issued any debentures.
- 12) Based on our examination of the records and the information and explanations given to us, the Company has not granted any loans and advances on the basis of securities by way of pledge of shares, debentures and other securities.
- 13) In our opinion, the provisions of any special Statute applicable to Chit Fund, Nidhi or Mutual Benefits Fund/ Societies are not applicable to the Company.
- 14) The Company is not dealing or trading in shares, securities, debentures or other investments and hence requirements of Para 4(xiv) are not applicable to the Company.
- 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 loans during the year.
- 17) The Company has not raised any funds during the year on short-term or long-term basis and hence question of use of such funds for long-term or short-term investment does not arise.
- 18) During the year the Company has not made any preferential allotment of shares to parties and companies covered in the register maintained U/s. 301 of the Companies Act, 1956.
- 19) During the year the Company has not issued any debentures and hence, question of creating securities in respect thereof does not arise.
- 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 **UTPAL BHAYANI & CO.**  
*Chartered Accountants*

**(UTPAL BHAYANI)**  
*Proprietor*

Membership No.33512

MUMBAI  
Dated : 30th June, 2008.

## SHIRPUR GOLD REFINERY LIMITED

### BALANCE SHEET AS AT 31ST MARCH, 2008

	Schedule	Current Year		Previous Year	
		Rupees	Rupees	Rupees	Rupees
<b>SOURCES OF FUNDS :</b>					
SHAREHOLDERS' FUNDS					
Share Capital	1	155625000		155625000	
Reserves & Surplus	2	106105280	261730280	447188158	602813158
LOAN FUNDS					
Secured Loan	3		2272322469		2124465950
Unsecured Loan	4		149641000		215630213
TOTAL			2683693749		2942909321
<b>APPLICATION OF FUNDS :</b>					
FIXED ASSETS					
Gross Block	5	3514040995		3563780261	
Less : Depreciation		782284190		627042505	
Net Block		2731756805		2936737756	
			2731756805		2936737756
INVESTMENTS	6		212500		212500
CURRENT ASSETS, LOANS & ADVANCES					
	7	17453916		143920683	
Less : CURRENT LIABILITIES & PROVISIONS	8	65729472		137961618	
Net Current Assets			(48275557)		5959065
TOTAL			2683693749		2942909321
Notes forming parts of the Accounts	10				

As per report of even date  
For and on behalf of  
**UTPAL BHAYANI & CO.**  
Chartered Accountants

**(UTPAL BHAYANI)**  
Proprietor  
Membership No.33512  
Mumbai  
Dated : 30th June, 2008.

For and on behalf of the Board of Directors

**CHINTAN A. PATEL** - *Managing Director*

**TAPAN M. PATEL** - *Jt. Managing Director*

<b>PROFIT &amp; LOSS ACCOUNT FOR THE YEAR ENDED 31ST MARCH, 2008</b>
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	Schedule	Current Year Rupees	Previous Year Rupees
<b>INCOME :</b>			
Sales		-	-
Other Income		16584812	4868893
		<u>16584812</u>	<u>4868893</u>
<b>EXPENSES :</b>			
Manufacturing & Other Expenses	9	4479707	5178561
Interest		182267188	167617551
Depreciation		170845395	173856544
		<u>357592290</u>	<u>346652656</u>
Profit / (Loss) before Tax		(341007478)	(341783763)
Fringe Benefit Tax (FBT)		75400	45104
Profit / (Loss) After Tax		<u>(341082878)</u>	<u>(341828867)</u>
Balance Brought Forward		(987811842)	(645982975)
Balance Carried Over To Balance Sheet		<u>(1328894720)</u>	<u>(987811842)</u>

Notes forming parts of the Accounts 10

As per report of even date  
For and on behalf of  
**UTPAL BHAYANI & CO.**  
*Chartered Accountants*

**(UTPAL BHAYANI)**  
*Proprietor*  
Membership No.33512  
Mumbai  
Dated : 30th June, 2008.

For and on behalf of the Board of Directors  
**CHINTAN A. PATEL** - *Managing Director*

**TAPAN M. PATEL** - *Jt. Managing Director*

# SHIRPUR GOLD REFINERY LIMITED

## SCHEDULE FORMING PART OF THE ACCOUNTS AS AT 31ST MARCH, 2008

	Current Year		Previous Year	
	Rupees	Rupees	Rupees	Rupees
<b>SCHEDULE - 1</b>				
<b>SHARE CAPITAL</b>				
AUTHORISED				
2,50,00,000 Equity Shares of Rs.10/- each		<b>250000000</b>		250000000
ISSUED, SUBSCRIBED & PAID - UP				
1,55,62,500 Equity Shares of Rs.10/- each fully paid-up for cash at par		<b>155625000</b>		155625000
<b>SCHEDULE - 2</b>				
<b>RESERVES &amp; SURPLUS</b>				
Share Premium Account :				
Balance as per last Balance Sheet		<b>1435000000</b>		1435000000
Profit & Loss Account (Balance as per annexed accounts)		<b>(1328894720)</b>		(987811842)
		<b>106105280</b>		447188158
<b>SCHEDULE - 3</b>				
<b>SECURED LOANS</b>				
Loans from Banks :				
Term Loan				
Oriental Bank of Commerce (Assigned to ARCIL)		<b>1245299777</b>		1167605644
HDFC Bank Ltd. (eCBOP) (Assigned to ARCIL)		<b>634701431</b>		591975333
Jammu And Kashmir Bank Ltd. (Subject to settlement & Confirmation) (Secured against first charge on all the Fixed Assets including Plant and Machinery and second charge on the entire Current Assets)		<b>392321260</b>		364884973
		<b>2272322469</b>		2124465950
<b>SCHEDULE - 4</b>				
<b>UNSECURED LOANS</b>				
From Co-op Society		–		215630213
Intercorporate Deposits-Jayneer Capital Pvt. Ltd.		<b>149641000</b>		–
		<b>149641000</b>		215630213

**SCHEDULE FORMING PART OF THE ACCOUNTS AS AT 31ST MARCH, 2008**

**SCHEDULE 5  
FIXED ASSETS**

Particulars	GROSS BLOCK				DEPRECIATION				NET BLOCK	
	Cost As At 01.04.2007	Addition During The Year	Sale/Adjust During The Year	Gross Block As At 31.3.2008	As At 01.04.2007	Provided During The Year	Sale/Adjust During The Year	Upto 31.3.2008	As At 31.3.2008	As At 31.03.2007
FreeHold Land	35143014	-	2159610	<b>32983404</b>	13191792	1519877	441499	<b>14270171</b>	<b>18713233</b>	21951221
Buildings	351616991	-	43670819	<b>307946172</b>	110056100	17556659	12450660	<b>115162099</b>	<b>192784073</b>	241560891
Plant & Machinery	3060040409	-	-	<b>3060040409</b>	436056664	145351920	-	<b>581408584</b>	<b>2478631825</b>	2623983745
Airport Complex	52692120	-	-	<b>52692120</b>	21259723	3143240	-	<b>24402962</b>	<b>28289158</b>	31432397
Office Equipment	5166090	-	372284	<b>4793806</b>	2944984	308956	222958	<b>3030982</b>	<b>1762824</b>	2221106
Furniture & Fixtures	44504696	-	3536553	<b>40968143</b>	29661419	2686633	2488593	<b>29859459</b>	<b>11108684</b>	14843277
Computer System	13164954	-	-	<b>13164954</b>	12561136	241527	-	<b>12802663</b>	<b>362291</b>	603818
Vehicles	1451987	-	-	<b>1451987</b>	1310686	36583	-	<b>1347269</b>	<b>104718</b>	141301
Current Year	3563780261	-	49739266	<b>3514040995</b>	627042505	170845395	15603710	<b>782284190</b>	<b>2731756805</b>	2936737756
Previous Year	3563780261	-	-	3563780261	453185961	173856544	-	627042505	2936737756	-

## SHIRPUR GOLD REFINERY LIMITED

### SCHEDULE FORMING PART OF THE ACCOUNTS AS AT 31ST MARCH, 2008

	Current Year		Previous Year	
	Rupees	Rupees	Rupees	Rupees
<b>SCHEDULE - 6</b>				
<b>INVESTMENTS (AT COST)</b>				
Unquoted				
8500 Shares each of The Shirpur People Co-op. Bank Ltd.		<b>212500</b>		212500
		<u><b>212500</b></u>		<u>212500</u>
<b>SCHEDULE - 7</b>				
<b>CURRENT ASSETS, LOANS &amp; ADVANCES</b>				
INVENTORIES				
(At cost or market value whichever is lower - as taken, valued and certified by the Management)				
Raw Material		-		-
Work-In-Progress	<b>786296</b>		786296	
Finished Goods	<b>99504</b>	<b>885800</b>	99504	885800
		<u><b>885800</b></u>	<u>99504</u>	<u>885800</u>
CASH & BANK BALANCES				
Cash & Cheques in Hand		<b>73603</b>		64168
Balance with Schedule Banks				
In Current Accounts	<b>564491</b>		600875	
In Fixed Deposits Accounts		<b>564491</b>		600875
		<u><b>564491</b></u>	<u>600875</u>	<u>600875</u>
Balance with Other Banks				
In Current Accounts		-		-
OTHER CURRENT ASSETS				
Consumables Stores, Spares & Tools		<b>6062248</b>		6139962
LOANS & ADVANCES				
(Unsecured - Considered good)				
Advances Recoverable in cash or in kind or for value to be received		<b>8221279</b>		134542794
Tax Deducted at Source		<b>192741</b>		172079
Deposits		<b>1453754</b>		1515005
		<u><b>17453916</b></u>		<u>143920683</u>

<b>SCHEDULE FORMING PART OF THE ACCOUNTS AS AT 31ST MARCH, 2008</b>
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	Current Year Rupees	Previous Year Rupees
<b>SCHEDULE - 8</b>		
<b>CURRENT LIABILITIES &amp; PROVISIONS</b>		
CURRENT LIABILITIES		
Advances Received From Customers	2365528	28535393
Sundry Creditors for Purchase, Expenses, etc.	63227737	109375680
Sundry Creditors for Others	15704	5441
	<u>65608968</u>	<u>137916514</u>
PROVISIONS		
Provision for Taxation	120504	45104
	<u>65729472</u>	<u>137961618</u>
<b>SCHEDULE - 9</b>		
<b>MANUFACTURING &amp; OTHER EXPENSES</b>		
Consumables Stores	90163	95276
Power and Fuel	1212613	1182553
Factory Expenses	79069	112696
Personnel Cost	874010	945175
Security Charges	226049	211307
Staff Welfare	53781	166450
Professional Charges	107166	359329
Postage, Telephone & Mobile Charges	128463	98200
Printing & Stationary	58956	51126
Conveyance	22113	19668
Electricity	10378	9540
Bank Charges / Commission	5242	360613
Repair & Maintenance	3535	114342
Motor Car Expenses	52198	59054
Travelling	616704	212658
Rent, Rates & Taxes	618549	695951
Advertisement & Publicity	19656	99364
Auditors Remuneration	16854	16836
Miscellaneous Expenses	284208	368423
	<u>4479707</u>	<u>5178561</u>



## SHIRPUR GOLD REFINERY LIMITED

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<b>SCHEDULES FORMING PART OF THE ACCOUNTS AS AT 31ST MARCH, 2008</b>
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### SCHEDULE - 10

#### A. STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES :

##### 1. System of Accounting

The Company adopts the accrual system of accounting.

##### 2. Overall Valuation Policy

The accounts have been prepared under historical cost convention.

##### 3. Revenue Recognition

- (i) Sales is recognized on despatch of goods to customers.
- (ii) Recoveries from guest house are apportioned to various establishment expenses.

##### 4. Fixed Assets & Depreciation

- i) Fixed Assets including land development charges are stated at cost of acquisition less accumulated depreciation.
- ii) 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 & Machinery for which the depreciation is provided on Straight Line Method.

##### 5. Sundry Debtors, Loans & Advances

Sundry Debtors, Loans and Advances if identified as irrecoverable or doubtful, are written off or provided for.

##### 6. Employee Retirement Benefits

Provident Fund, Gratuity and leave encashment benefits are being provided as and when applicable to the Company.

##### 7. Contingent Liabilities

Contingent Liabilities, if any, are disclosed by way of notes.

##### 8. Foreign Currency Transaction

###### i) Sales and Purchases :

Transactions are recorded at the exchange rate prevailing on the date of transaction and exchange differences are dealt with in Profit & Loss Account on realisation.

###### ii) Fixed Assets :

Transaction related to Fixed Assets are adjusted / added to the cost of Fixed Assets.

##### 9. Deferred Revenue Expenditure

Deferred Revenue Expenses considered as Incidental Expenditure in earlier years capitalised in previous year.

##### 10. Valuation of Inventories

Weighted average method.

**B. NOTES ON ACCOUNTS :****1. Provision of Interest on Term Loans**

In June 2007 the company has been informed that Oriental Bank of Commerce and HDFC Bank (e Centurian Bank of Punjab) have assigned their outstanding debts of Rs 101,90,07,603/- and Rs 42,60,80,450/- respectively to ARCIL(Assets Reconstruction Company (India) Ltd.). The Company has also been informed that Jammu & Kashmir Bank Ltd. has assigned their outstanding dues to M/s Jayneer Capital Pvt. Ltd. The company has provided simple interest @10% as per the terms of proposed financial revival package submitted by the company. No provision has been made for the difference of interest, amount of whereoff is not ascertained. The outstanding balances assigned to ARCIL and M/s. Jayneer Capital Pvt. Ltd. are subject to confirmation and settlement if any.

**2. Provision for loss on Impairment of Fixed Assets**

In view of the non implementation of the Financial Revival Package and consequently non commencement of main revenue activity of the company, potential generation of expected benefits are yet to be considered to for see adequate economic return over their useful life, hence no provision has been made for the loss on account of impairment of Fixed Assets.

**3. Provision for Deferred Tax Liability**

In view of the non operation of Financial Revival Package and consequently non commencement of main revenue activity of the company no provision for deferred tax liability has made for the year.

**4. Contingent Liabilities**

Estimated amount of FOB value of export commitment against the Import of Plant and Machinery under EPCG Scheme which was not fulfilled as on 31.3.2008.

**Rs. 332.34** Rs. (123.64) lacs

**5. Details of Auditors Remuneration (including Service Tax, as applicable)**

Audit Fees **Rs. 16854** Rs. (16836)

6. Loans, advances & creditors are subject to confirmation & settlement. No provision has been made for doubtful recovery or remission of liabilities in case of inoperative accounts lying for more than three years.

**7. Additional information required to be disclosed as per Clauses 3, 4C and 4D of Part II of Schedule VI of the Companies Act, 1956.****I) Licensed & Installed Capacity :**

	Licensed Capacity (Tons)		Installed Capacity (Tons)	
Refining & Fabrication of Gold	<b>217.7</b>	(217.7)	<b>217.7</b>	(217.7)
Refining & Fabrication of Silver	<b>217.7</b>	(217.7)	<b>217.7</b>	(217.7)

**II) Details of Raw Materials Consumed :**

	Quantity (Kgs)		Amount (Rupees)	
Gold	<b>NIL</b>	(NIL)	<b>NIL</b>	(NIL)
Silver	<b>NIL</b>	(NIL)	<b>NIL</b>	(NIL)
Others	<b>NIL</b>	(NIL)	<b>NIL</b>	(NIL)
	<b>NIL</b>	(NIL)	<b>NIL</b>	(NIL)

## SHIRPUR GOLD REFINERY LIMITED

### III) Details of Imported and Indigenous Raw Materials, Spares and Stores Consumed :

	Quantity (Kgs)		Amount (Rupees)		% of Total Consumption	
<b>Raw Materials :</b>						
Imported	NIL	(NIL)	NIL	(NIL)	NIL	(NIL)
Indigenous	NIL	(NIL)	NIL	(NIL)	NIL	(NIL)
	<u>NIL</u>	<u>(NIL)</u>	<u>NIL</u>	<u>(NIL)</u>	<u>NIL</u>	<u>(NIL)</u>
<b>Spares &amp; Stores :</b>						
Imported			NIL	(NIL)	NIL	(NIL)
Indigenous			90163	(95276)	100%	100%
				<u>(95276)</u>	<u>100%</u>	<u>100%</u>

### IV) Details of Opening Stock, Production/Purchase, Sales & Closing Stock :

Class of Goods	Opening Stock	Production/ Purchases	Closing Stock	Sales Qty. in Kgs.	Rupees
Manufacturing :					
Precious Metals	0.64764 (0.64764)	NIL (NIL)	0.64764 (0.64764)	NIL (NIL)	NIL (NIL)

### V) Value of Imports on CIF basis :

Capital Goods	NIL	(NIL)
Spares	NIL	(NIL)

### VI) Expenditure in Foreign Currency :

Travelling Expenses	Rs.186975	(NIL)
Books and Periodicals	NIL	(NIL)

### VII) Other details under these paras are not applicable during the year.

8. Sundry Creditors include Rs.556179 (Rs.556179/-) due to Small Scale Industrial Undertakings to the extent such parties have been identified from available information. The namewise details of outstanding amount as on 31st March, 2008 exceeding 30 days and over Rs. 1 lakh as under :

Padmavati Construction	Rs. 556179/-
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## 9. Information pursuant to Part IV of Schedule VI of the Companies Act, 1956

**BALANCE SHEET ABSTRACT AND COMPANY'S GENERAL BUSINESS PROFILE :****I. Registration Details**

Registration No.	34501
Balance Sheet Date	31/03/2008
State Code	11

**II. Capital raised during the year (Amount in Rs '000)**

Public Issue	NIL
Rights Issue	NIL
Bonus Issue	NIL
Private Placements	NIL

**III. Position of Mobilisation and Deployment of Funds (Amount in Rs. '000)**

Total Liabilities	2683693	Total Assets	2683693
Sources of Funds :		Application of Funds :	
Paid-up Capital	155625	Net Fixed Assets	2731757
Reserves & Surplus	106105	Investments	212
Secured Loans	2272322	Net Current Assets	(48276)
Unsecured Loans	149641		

**IV. Performance of the Company (Amount in Rs. '000)**

Turnover	16585
Total Expenditure	357592
Profit / ( Loss ) before Tax	(341007)
Profit / ( Loss ) after Tax	(341083)
Earnings per Share (Rs.)	-
Dividend Rate ( % )	NIL

**V. Generic names of Three Principal Products / Services of Company**

Item Code No.	Product Description
a. 710813	Gold & Gold Products
b. 710692	Silver & Silver Products

Signatures to Schedules 1 to 10

As per report of even date  
For and on behalf of  
**UTPAL BHAYANI & CO.**  
*Chartered Accountants*  
**(UTPAL BHAYANI)**  
*Proprietor*  
Membership No.33512  
Mumbai  
Dated : 30th June, 2008.

For and on behalf of the Board of Directors

**CHINTAN A. PATEL** - *Managing Director***TAPAN M. PATEL** - *Jt. Managing Director*

# SHIRPUR GOLD REFINERY LIMITED

## ANNEXURE 'A' TO THE DIRECTORS' REPORT CASH FLOW STATEMENT

(Rs. in Lacs)

	2007-2008	2006-2007
<b>A. CASH FLOW FROM OPERATING ACTIVITIES</b>		
Net profit before tax and extraordinary items	(3,410.08)	(3,417.67)
Adjustment for:		
Depreciation	1,708.46	1,738.57
Profit on sale of Assets	(160.43)	-
Loss on sale of Assets	-	-
Dividend	-	-
Interest	1,822.67	1,676.18
Miscellaneous Expenditure (Net)	-	-
Operating Profit before Working Cap. changes	(39.38)	(2.92)
Adjustments for :		
Trade and other receivables	1264.40	12.69
Inventories	-	-
Trade payables	(460.72)	0.66
Deposit	(261.60)	(1.25)
Cash generated from Operations	502.70	9.18
Interest paid	(1,822.67)	(1,676.18)
Direct Taxes paid	(0.75)	(0.45)
Cash Flows before Extraordinary Items	(1,320.72)	(1,667.45)
Extraordinary Items	-	-
Net Cash used in Operating Activities	<b>(A) (1,320.72)</b>	(1,667.45)
<b>B. CASH FLOW FROM INVESTING ACTIVITIES</b>		
Capital Work in Progress	-	-
Purchase of Fixed Assets	-	-
Sale of Fixed Assets	-	-
Purchase of Investments	501.78	-
Sale of Investments	-	-
Dividend received/Interest received	-	-
Net Cash used in Investing Activities	<b>(B) 501.78</b>	-
<b>C. CASH FLOW FROM FINANCING ACTIVITIES</b>		
Proceeds from issue of share capital	-	-
Proceeds from long term borrowings(Net)	1,478.56	1,474.53
Proceeds from short term borrowings (Net)	(659.89)	(189.28)
Dividend paid	-	-
Net Cash from Financing Activities	<b>(C) 818.67</b>	1,663.81
Net increase in Cash and Cash Equivalents	<b>(A+B+C) (0.27)</b>	(3.64)
Cash and cash equivalents as at March 31, 2006	6.65	10.29
Cash and cash equivalents as at March 31, 2007	6.38	6.65

For and on behalf of the Board of Directors

**CHINTAN PATEL**  
Managing Director

Mumbai : 30th June, 2008.

### AUDITORS' CERTIFICATE

To  
The Board of Directors  
**Shirpur Gold Refinery Limited**  
Refinery Site at Shirpur, Shirpur, Dist. Dhulia, Maharashtra - 425 405.

We have examined the above Cash Flow Statement of SHIRPUR GOLD REFINERY LIMITED for the year ended 31st March, 2008. The statement has been prepared by the Company in accordance with the requirements of listing agreement Clause 32 with the Bombay Stock Exchange and is based on and is in agreement with the corresponding Profit & Loss Account and Balance Sheet of the Company covered by our report dated June 30th, 2008 to the Members of the Company.

For **UTPAL BHAYANI & CO.**  
Chartered Accountants

Mumbai  
Dated : 30th June, 2008.

**UTPAL BHAYANI**  
Proprietor  
Membership No.33512

# SHIRPUR GOLD REFINERY LIMITED

*Registered Office :*

Refinery Site, Shirpur Gold Refinery Ltd., Shirpur, Dist. Dhulia (Maharashtra).

DPID No.		L. F. No.	
Client ID No.		No. of Shares held	

## ATTENDANCE SLIP

I/We hereby record my/our presence at Twentythird Annual General Meeting of the Company held at the Registered Office of the Company at Refinery Site, Shirpur Gold Refinery Ltd., Shirpur (Maharashtra) on Monday, 29th September, 2008 at 2.15 p.m.

NAME OF THE SHAREHOLDER (IN BLOCK LETTERS)	
SIGNATURE OF THE SHAREHOLDER	
NAME OF THE PROXY (IN BLOCK LETTERS)	
SIGNATURE OF THE PROXY	

**Note :**

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

□ ..... □ ..... □

# SHIRPUR GOLD REFINERY LIMITED

*Registered Office :*

Refinery Site, Shirpur Gold Refinery Ltd., Shirpur, Dist. Dhulia (Maharashtra).

DPID No.		L. F. No.	
Client ID No.		No. of Shares held	

## PROXY FORM

I/We ..... of ..... in the district of ..... being a member/members of SHIRPUR GOLD REFINERY LIMITED, hereby appoint ..... of ..... in the district of ..... or failing him ..... of ..... in the district of ..... as my/our proxy to vote for me/us on my/our behalf at the Twentythird Annual General Meeting of the Company to be held on Monday, 29th September, 2008 at 2.15 p.m. and at any adjournment thereof.

Signed this ..... day of ..... 2008.

Affix  
Re. 1.00  
Revenue  
Stamp

**Notes :**

1. The Proxies Form signed across revenue stamp should reach 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.
2. A Proxy cannot speak at the meeting or vote on a show of hands.

Tear Here

**Book - Post**

To,

*If undelivered, please return to :*

**Shirpur Gold Refinery Limited**

4A, Vikas Centre, 104, S. V. Road,  
Santacruz (W), Mumbai - 400 054.