

SHIRPUR GOLD REFINERY LIMITED

34th ANNUAL REPORT 2018-19

SHIRPUR GOLD REFINERY LIMITED

(An ISO 9001:2015 Company)

(CIN: L51900MH1984PLC034501)

CORPORATE INFORMATION

BOARD OF DIRECTORS

Amit Goenka

Non- Executive Chairman (w.e.f. December 18, 2018)

Vipin Choudhary

Non- Executive Nominee Director (w.e.f. November 14, 2018)

Anish Goel

Independent Director

Manoj Agarwal

Independent Director

Kavita Kapahi

Independent Director

KEY MANAGERIAL PERSONNEL

Subhash Pareek

Manager

Sharvan Kumar Shah

CFO

Shyamal Padhiar

Company Secretary

AUDITORS

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

Chartered Accountants

303, Guruprabha CHS Ltd.,
507-508, Sundernagar,
Senapati Bapat Road,
Dadar (West), Mumbai 400 028

REGISTRAR AND SHARE TRANSFER AGENTS

M/s Link Intime India Pvt. Ltd.

C 101, 247 Park,
LBS Marg, Vikhroli (West),
Mumbai – 400 083.
Tel : +91 22- 4918 6000
Fax : +91 22-4918 6060
E-Mail: rnt.helpdesk@linkintime.co.in

BANKERS

IFCI Ltd.

Ratnakar Bank Ltd.

Punjab National Bank Ltd.

AXIS Bank Ltd.

Kotak Mahindra Bank Ltd.

Bank of Maharashtra

State Bank of India Ltd.

REGISTERED OFFICE & PLANT

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

CORPORATE OFFICE

135, Continental Building, Dr. A.B. Road,
Worli, Mumbai – 400 018
Tel: 022 7106 1234
Fax: 022 7154 5940
E-mail: investorinfo@shirpurgold.com
www.shirpurgold.com

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Notice

Notice is hereby given that the 34th Annual General Meeting of the Equity Shareholders of **Shirpur Gold Refinery Limited** will be held on **Monday, 30th September, 2019** at 12.30 p.m. at the registered office of the Company at Refinery Site, Shirpur, Dist. Dhule, Maharashtra - 425405 to transact the following business:

ORDINARY BUSINESS:

1. To receive, consider and adopt the Audited Financial Statements of the Company on a standalone and consolidated basis, for the financial year ended 31st March, 2019 including the Balance Sheet as at 31st March, 2019, the Statement of Profit & Loss for the financial year ended on that date, and the Reports of the Auditors and Directors thereon.

SPECIAL BUSINESS:

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

"RESOLVED THAT pursuant to Section 149, 152 and other applicable provisions of Companies Act, 2013 ('Act'), and the rules made thereunder **Mr. Amit Goenka** (DIN 00017707) who was appointed as an Additional Director of the Company by the Board of Directors with effect from 18th December, 2018 and who holds office up to the date of this Annual General Meeting in terms of Section 161(1) of the Act and in respect of whom the Company has received a notice in writing from a member under Section 160 of the Act proposing his candidature to the office of Director, be and is hereby appointed as Director of the Company, liable to retire by rotation."

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

"RESOLVED THAT pursuant to the Sections 149, 152 and other applicable provisions of the Companies Act, 2013 ("Act") and the rules made thereunder read with Schedule IV of the Act, **Ms. Kavita Kapahi** (DIN: 02330706), who holds the office of Independent Director of the Company upto March 30, 2020 and in respect of whom the Company has received notice in writing from a member under Section 160 of the Act proposing her re-appointment for second term, be and is hereby re-appointed for the second term as an Independent Director not liable to retire by rotation for a period of five years from March 31, 2020 until March 30, 2025."

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

"RESOLVED THAT subject to the provisions of Section 139, 142 of the Companies Act, 2013 read with the Companies (Audit and Auditors) Rules, 2014 and other applicable provisions, if any, M/s. Parikh & Parikh, Chartered accountants, Mumbai, (FRN: 107526W) be and are hereby appointed as the Statutory Auditor of the Company, to hold the office from the conclusion of this Annual General Meeting till the conclusion of 39th Annual General Meeting, at a remuneration of ₹ 11,00,000/- per annum (Rupees Eleven lacs per annum) plus applicable Taxes payable, and reimbursement of out of pocket expenses incurred."

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

Place: Mumbai
Date: 19th July, 2019

Registered Office:

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

Shyamal Padhiar
Company Secretary

NOTES:

1. A member entitled to attend and vote at the meeting may appoint a proxy to attend and vote on a poll on his behalf. A proxy need not be a member of the Company. A person can act as proxy on behalf of not exceeding fifty Members and holding in the aggregate not more than 10% of the total Equity Share Capital of the Company. Any Member holding more than 10% of the total Equity share capital of the Company may appoint a single person as proxy and in such a case, the said person shall not act as proxy for any other person or member. The instrument appointing proxy should, however, be deposited at the Registered Office of the Company not less than 48 hours before the commencement of the Meeting.
2. Corporate Members are requested to send to the Registered Office of the Company, a duly certified copy of the Board Resolution, pursuant to Section 113 of the Companies Act, 2013, authorising their representative to attend and vote at the Annual General Meeting.
3. Explanatory Statement pursuant to Section 102 of the Companies Act, 2013, relating to the Special Business to be transacted at the Annual General Meeting is annexed.

4. Additional information, pursuant to SEBI(Listing Obligations and Disclosure Requirements) Regulations, 2015, on Directors recommended by the Board for appointment / re-appointment at the Annual General Meeting is annexed to the Notice.

In respect of the proposed re-appointment of Ms. Kavita Kapahi as Independent Director not liable to retire by rotation, the Board of Directors have reviewed the declarations submitted by Ms. Kavita Kapahi confirming that she continues to meet the criteria of independence as provided in Section 149(6) of the Companies Act, 2013 and the Board is of the opinion that Ms. Kavita Kapahi fulfill the conditions specified in the Act and the rules made thereunder and are independent of the management of the Company.

5. Members who are holding Company's shares in dematerialized mode are requested to bring details of their Beneficiary Account Number for identification.
6. Members who wish to obtain information on the Financial Statements for the year ended 31st March, 2019, may send their queries at least seven days before the AGM to the Company Secretary at the corporate office of the Company or at Email ID investorinfo@shirpurgold.com so as to enable the management to keep the information ready at the meeting.
7. Electronic Copy of the Annual Report for 2018-19 is being sent to all the members whose email IDs are registered with the Company/Depository Participant(s) for communication. For members who have not registered their email address, physical copies of the Annual Report is being sent in permitted mode. The Annual Report can be accessed at the Company's Website www.shirpurgold.com
8. Members are requested to notify immediately about any change in their address / e-mail address /dividend mandate / bank details to their Depository Participant (DP) in respect of their shareholding in Demat mode and in respect of their physical shareholding to the Company's Registrar and Share Transfer Agent, M/s Link IntimeIndia Pvt. Ltd., at C-101, 247 Park, L.B.S.Marg, Vikhroli West, Mumbai-400 083. Shareholders holding Equity Shares of the Company in physical form may register their email address with the Registrar and Share Transfer agent of the Company to receive all communications by the Company including Annual Report and Notice of Meeting(s) by email, by sending appropriate communication on rnt.helpdesk@linkintime.co.in.

9. E-voting

In compliance with Section 108 of the Companies Act, 2013 read with Companies (Management and Administration) Rules, 2014 and Regulation 44 of the SEBI Listing Obligations and Disclosure Regulations) 2015, (Listing Regulations), the Company is pleased to provide members facility to exercise their right to vote at the 34th Annual General Meeting (AGM) by electronic means. The facility of casting votes by a member using an electronic voting system (remote e-voting) from a place other than venue of the AGM will be provided by Link Intime India Private Limited (LIPL) for all the business as detailed in this notice.

The remote E-voting period for all items of business contained in this Notice shall commence from Thursday, 26th September, 2019 at 9.00 a.m. and will end on Sunday, 29th September, 2019 at 5.00 p.m. During this period equity shareholders of the Company holding shares either in physical form or in dematerialised form as on the cutoff date of 20th September, 2019 may cast their vote electronically. The e-voting module shall be disabled by LIPL for voting thereafter. Once the vote on a resolution is cast by any Member, he/she shall not be allowed to change it subsequently.

10. Any person, who acquires equity shares of the Company and become member of the Company after dispatch of the notice and holding shares as of the cut-off date i.e. 20th September, 2019 may refer the e-voting instructions annexed to this notice or send their query at enotices@linkintime.co.in.
11. The facility for voting by way of Ballot / Poll paper shall also be made available at the venue of the meeting and members, as on the cut-off date, attending the meeting who have not already cast their vote by remote e-voting shall be able to exercise their right at the meeting.
12. The Members who have cast their vote by remote e-voting may also attend the meeting but shall not be entitled to cast their vote again.
13. The voting rights of Member either by way of remote e-voting prior to the meeting or by way of Ballot / Poll paper at the meeting shall be in proportion to their equity shareholding in the paid up equity share capital of the Company as on the Cut-off date 20th September, 2019.
14. At the AGM, the Chairman of the meeting shall after discussions on all the resolutions on which voting is to be held, allow voting by use of Ballot / Poll Paper by all those

members who are present at the AGM but have not cast their votes by availing the remote e-voting facility.

15. The Company has appointed M/s. Shravan Gupta & Associates, Practising Company Secretaries as Scrutinizer to supervise remote e-voting process as well as conduct the Ballot/Poll Paper voting process at the Annual General Meeting in a fair and transparent manner.
16. The Scrutinizer shall, after the conclusion of voting at the general meeting, first count the votes cast at the meeting and thereafter unblock the votes cast through remote e-voting in the presence of at least two witnesses not in the employment of the Company and shall make, within 48 hours of the conclusion of the AGM, a consolidated scrutinizer's report of the total votes cast in favour or against, if any, to the Chairman or Company Secretary, who shall countersign the same and declare the result of the voting forthwith.
17. The results declared along with Scrutiniser's report shall be placed on the website of the Company thereafter and shall also be communicated to the Stock Exchanges. The Resolutions shall be deemed to be passed, if approved, on the date of AGM.
18. Instructions for shareholders to vote electronically:
 - Log-in to e-Voting website of Link Intime India Private Limited (LIPL)
 - 1. Visit the e-voting system of LIPL. Open web browser by typing the following URL: <https://instavote.linkintime.co.in>.
 - 2. Click on "Login" tab, available under 'Shareholders' section.
 - 3. Enter your User ID, password and image verification code (CAPTCHA) as shown on the screen and click on "SUBMIT".
 - 4. Your User ID details are given below:
 - a. Shareholders holding shares in demat account with NSDL: Your User ID is 8 Character DP ID followed by 8 Digit Client ID
 - b. Shareholders holding shares in demat account with CDSL: Your User ID is 16 Digit Beneficiary ID
 - c. Shareholders holding shares in Physical Form (i.e. Share Certificate): Your User ID is Event No + Folio Number registered with the Company

5. Your Password details are given below:

If you are using e-Voting system of LIPL: <https://instavote.linkintime.co.in> for the first time or if you are holding shares in physical form, you need to follow the steps given below:

Click on "Sign Up" tab available under 'Shareholders' section register your details and set the password of your choice and confirm (The password should contain minimum 8 characters, at least one special character, at least one numeral, at least one alphabet and at least one capital letter).

	For Shareholders holding shares in Demat Form or Physical Form
PAN	Enter your 10 digit alpha-numeric PAN issued by Income Tax Department (applicable for both demat shareholders as well as physical shareholders). <ul style="list-style-type: none"> • Members who have not updated their PAN with depository Participant or in the company record are requested to use the sequence number which is printed on Ballot Form / Attendance Slip indicated in the PAN Field.
DOB/ DOI	Enter the DOB (Date of Birth)/ DOI as recorded with depository participant or in the company record for the said demat account or folio number in dd/mm/yyyy format.
Dividend Bank Details	Enter the Dividend Bank Details as recorded in your demat account or in the company records for the said demat account or folio number. <ul style="list-style-type: none"> • Please enter the DOB/ DOI or Dividend Bank Details in order to register. If the above mentioned details are not recorded with the depository participants or company, please enter Folio number in the Dividend Bank Details field as mentioned in instruction (iv-c).

If you are holding shares in demat form and had registered on to e-Voting system of LIPL: <https://instavote.linkintime.co.in>, and/or voted on an earlier voting of any company then you can use your existing password to login.

If Shareholders holding shares in Demat Form or Physical Form have forgotten password:

Enter User ID, select Mode and Enter Image Verification code (CAPTCHA). Click on "SUBMIT".

Incase shareholder is having valid email address, Password will be sent to the shareholders registered e-mail address. Else, shareholder can set the password of his/her choice by providing the information about the particulars of the Security Question & Answer, PAN, DOB/ DOI, Dividend Bank Details etc. and confirm. (The password should contain minimum 8 characters, at least one special character, at least one numeral, at least one alphabet and at least one capital letter)

NOTE: The password is to be used by demat shareholders for voting on the resolutions placed by the company in which they are a shareholder and eligible to vote, provided that the company opts for e-voting platform of LIPL.

For shareholders holding shares in physical form, the details can be used only for voting on the resolutions contained in this Notice.

It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.

● **Cast your vote electronically**

6. After successful login, you will be able to see the notification for e-voting on the home page of INSTA Vote. Select/ View "Event No" of the company, you choose to vote.
7. On the voting page, you will see "Resolution Description" and against the same the option "Favour/Against" for voting.

Cast your vote by selecting appropriate option i.e. Favour/Against as desired.

Enter the number of shares (which represents no. of votes) as on the cut-off date under 'Favour/Against'. You may also choose the option 'Abstain' and the shares held will not be counted under 'Favour/Against'.

8. If you wish to view the entire Resolution details, click on the 'View Resolutions' File Link.
9. After selecting the appropriate option i.e. Favour/Against as desired and you have decided to vote, click

on "SUBMIT". A confirmation box will be displayed. If you wish to confirm your vote, click on "YES", else to change your vote, click on "NO" and accordingly modify your vote.

10. Once you confirm your vote on the resolution, you will not be allowed to modify or change your vote subsequently.
11. You can also take the printout of the votes cast by you by clicking on "Print" option on the Voting page.

● **General Guidelines for shareholders:**

- Institutional shareholders (i.e. other than Individuals, HUF, NRI etc.) and Custodian are required to log on to e-Voting system of LIPL: <https://instavote.linkintime.co.in> and register themselves as 'Custodian / Mutual Fund / Corporate Body'.

They are also required to upload a scanned certified true copy of the board resolution /authority letter/ power of attorney etc. together with attested specimen signature of the duly authorised representative(s) in PDF format in the 'Custodian / Mutual Fund / Corporate Body' login for the Scrutinizer to verify the same.

- During the voting period, shareholders can login any number of time till they have voted on the resolution(s) for a particular "Event".
- Shareholders holding multiple folios/demat account shall choose the voting process separately for each of the folios/demat account.

In case the shareholders have any queries or issues regarding e-voting, please refer the Frequently Asked Questions ("FAQs") and Instavote e-Voting manual available at <https://instavote.linkintime.co.in>, under Help section or write an email to enotices@linkintime.co.in or Call us :- Tel : 022 - 49186000.

19. Members are requested to bring their attendance slip along with their copy of Annual Report to the Meeting.
20. The Register of Members and the Share Transfer Books of the Company will remain closed from Friday, 20th September, 2019 to Monday, 30th September, 2019 (both days inclusive) for the purpose of Annual General Meeting.
21. Members who have not registered their e-mail addresses so far are requested to register their e-mail address for receiving all communication including Annual Report, Notices, Circulars, etc. from the Company electronically.

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

Item 2

Mr. Mukund Galgali & Mr. Dinesh Kanodia resigned as Non Independent Non Executive Directors of the Company effective from December 17, 2018.

In order to fill the vacancy created by resignation of Mr. Mukund Galgali & Mr. Dinesh Kanodia and in order to comply with one of the condition of a lender, to induct Mr. Amit Goenka as Promoter Director, the Board of Directors of the Company based on the recommendations of Nomination & Remuneration Committee, appointed Mr. Amit Goenka as Non Executive Promoter Director of the Company effective from December 18, 2018, liable to retire by rotation.

Pursuant to Section 161(1) of the Companies Act 2013, Mr. Amit Goenka holds office till the date of this Annual General Meeting. Appropriate notice has been received from a members proposing appointment of Mr. Amit Goenka as a Director of the Company and requisite consent has been received from him pursuant to provisions of Section 152 of the Companies Act 2013. Brief Profile and other details of Mr. Amit Goenka forms parts of this notice.

Your Board recommends the Ordinary Resolution set out at Item No. 2 of the Notice for approval of members.

None of the Directors and Key Managerial Personnel of the Company or their relatives, except Mr. Amit Goenka (whose appointment is proposed in the resolution) are in any way concerned or interested in the resolutions.

Item 3

At the 30th Annual General Meeting of the Company held on 15th September, 2015, members of the Company approved appointment of Ms. Kavita Kapahi as Independent Director of the Company not liable to retire by rotation. The current appointment term of Ms. Kavita Kapahi as Independent Director shall expire on March 30, 2020. As per Section 149(10) of the Act, an Independent Director shall be eligible for re-appointment for a second term of up to 5 years with Shareholders approval by passing a Special Resolution.

Since the current term of appointment of Ms. Kavita Kapahi shall expire before the Annual General Meeting scheduled in 2020, your Board, based on the performance evaluation and after reviewing confirmation of independence received, recommends re-appointment of Ms. Kavita Kapahi as Independent Director of the Company for second term of 5 years commencing from expiry of their current terms i.e. from March 31, 2020 until March 30, 2025. Appropriate notice has been received from a members proposing the appointment of Ms. Kavita Kapahi as a Director

of the Company and requisite consent has been received from Ms. Kavita Kapahi pursuant to provisions of Section 152 of the Companies Act, 2013.

In the opinion of the Board, Ms. Kavita Kapahi who is proposed to be re-appointed for second term fulfills the conditions specified under section 149(6) of the Companies Act 2013 and is independent of the management. Brief Profile and other details of Ms. Kavita Kapahi forms parts of this notice.

Your Board recommends the Special Resolution set out at Item No. 3 of the Notice for approval of members.

None of the Directors and Key Managerial Personnel of the Company or their relatives, except Ms. Kavita Kapahi (whose appointment is proposed in the resolution) are in any way concerned or interested in the said resolution.

Item 4

M/s B.S. Sharma & Co., Chartered Accounts (FRN 128249W) was appointed as Statutory Auditors of the Company for the financial year 2018-19 whose terms expires at the ensuing AGM of the Company but not eligible for reappointment as per provisions of Section 139 of the Companies Act, 2013 and Rules thereunder.

In compliance with rotational requirements of Statutory Auditors of the Company as per Section 139 of Companies Act, 2013 and based on the recommendations of the Audit Committee, it is proposed to appoint M/s Parikh & Parikh, Chartered Accountants, Mumbai (FRN 107526W) as Statutory Auditor of the Company for 5 years in place of retiring auditors M/s B.S. Sharma & Co., Chartered Accountants, to hold office from conclusion of this 34th Annual General Meeting till the conclusion of 39th Annual General Meeting to be held in 2024 @ remuneration of ₹ 1.10 Millions plus taxes and out of pocket expenses towards Statutory Audit Fees. There is no material change in the remuneration of proposed auditor as compared to remuneration paid to outgoing auditor.

The Company has received written consent letter from M/s Parikh & Parikh Chartered Accountants to act as statutory auditor and a certificate confirming that his appointment shall be in accordance with the conditions prescribed under the Companies Act, 2013.

Your Board recommends the Ordinary Resolution set out at Item No. 4 of the Notice for approval of members.

None of the Directors and Key Managerial Personnel of the Company or their relatives are in any way concerned or interested in the said resolution.

DETAILS OF DIRECTORS SEEKING APPOINTMENT / RE-APPOINTMENT AT THE ENSUING ANNUAL GENERAL MEETING :

Name	Amit Goenka	Kavita Kapahi
Age	43 years	47 years
Qualification	Graduate in Business Administration	Commerce Graduate
Experience	19 years	25 years
Date of Appointment on the Board of the Company	18.12.2018	31.03.2015
Nature of expertise in Specific Functional Area	He is one of the promoters of Essel Group and presently CEO, International Broadcast Business, is responsible for spearheading the International Business of ZeeEntertainment Enterprises Limited (ZEEL). Under his leadership, ZEEL is taking the right steps to achieve its global ambitions, set for the year 2020. Prior to this role, Mr. Goenka has successfully managed the technology business of the Essel Group, and has played a vital role in the setting up the state-of-the-art processes in all the group companies. Mr. Goenka's first venture was Cyquator Technologies Ltd - a company which deals into web hosting and e-solutions space. In the past, He has served as Promoter Director of 'Shirpur Gold Refinery Ltd."	She has vast Entrepreneurial experience in the Security & Surveillance Industry.
Name of the other Companies in which Directorship held	-	1. Minotaur Holdings & Finance Private Limited 2. Indian Cable Net Company Ltd. 3. SITI Networks Ltd.
Name of the other Companies in which He / she is Chairman / member of the Committee	-	1. Indian Cable Net Company Ltd. – Member Audit Committee & Nomination & Remuneration Committee 2. SITI Networks Ltd. - Member Nomination & Remuneration Committee & CSR Committee
No. of shares held of Shirpur Gold Refinery Ltd.	-	-
Relationship between Directors inter-se	He is Promoter Director but not related with any other Director.	NIL

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

Place : Mumbai
Date :19th July, 2019
Registered Office:
Refinery Site, Shirpur, Dist. Dhule,
Maharashtra - 425 405

Shyamal Padhiar
Com pany Secretary

Directors' Report

To
The Members of
SHIRPUR GOLD REFINERY LIMITED

Yours Directors take pleasure in presenting the 34th Annual Report of your Company together with Audited Statement of Accounts for the year ended 31st March, 2019 prepared as per Indian Accounting Standards prescribed under Section 133 of the Companies Act, 2013.

DIRECTORS' RESPONSIBILITY STATEMENT

Pursuant to the requirement under Section 134(3) of the Companies Act, 2013, in relation to the Annual Financial Statements for the Financial Year 2018-19, your Directors confirm that:

- The Financial Statements of the Company - comprising of the Balance Sheet as at 31st March, 2019 and the Statement of Profit & Loss for the year ended on that date, have been prepared on a going concern basis following applicable accounting standards and that no material departures have been made from the same;
- Accounting policies selected were applied consistently and the judgments and estimates related to the financial statements have been made on a prudent and reasonable basis, so as to give a true and fair view of the state of affairs of the Company as at 31st March, 2019, and, of the profit of the Company for the year ended on that date; and
- Proper and sufficient care has been taken for maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 2013, for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- Requisite Internal Financial Controls had been laid down and that such internal financial controls are adequate and were operating effectively; and
- Proper systems have been devised to ensure compliance with the provisions of all applicable laws and that systems were adequate and operating effectively.

FINANCIAL HIGHLIGHTS

The financial performance of your Company for the Financial Year 2018-19 is summarized in the following table:

(₹ in Millions)

Particulars	Standalone – Year Ended		Consolidated – Year Ended	
	31.03.2019	31.03.2018	31.03.2019	31.03.2018
Total Revenue	18,959.61	19,564.96	42,745.66	52,973.41
Total Expenses	18,899.49	19,514.98	42,519.39	52,810.52
Profit before Tax	60.12	49.98	226.27	162.89
Less: Exceptional Item	(19.56)	-	-	-
Current Tax	(8.35)	(10.19)	(8.35)	(10.19)
Deferred Tax	(4.71)	(9.39)	(4.71)	(9.39)
Profit after Tax	27.50	30.40	213.21	143.31

There have been no material changes and commitments that have occurred after close of the financial year till the date of this report, which affect the financial position of the Company. Based on the internal financial control framework and compliance systems established in the Company, the work performed by Statutory, Internal, Secretarial Auditors and reviews performed by the management and/or relevant Audit and other Committees of the Board, your Board is of the opinion that the Company's internal financial controls were adequate and working effectively during financial year 2018-19.

DIVIDEND

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

TURNOVER AND COMPANY PERFORMANCE

The total revenue for the financial year under review was ₹ 18,959.61 Millions as against ₹ 19,564.96 Millions showing decrease of 3% over previous year. Your Company has registered the Net Profit before tax of ₹ 40.56 Millions as against ₹ 49.98 Millions in the previous financial year. The Profit after tax stood at ₹ 27.50 Millions as compared to ₹ 30.40 Millions in the previous financial year.

BUSINESS OVERVIEW

Your company's products viz., Gold Bars and Gold Jewellery are well established in the market. The products of your Company meet the stringent quality standards of purity, weight, shape, size and aesthetic look.

BUSINESS EXCELLENCE & RECOGNISITON

- The Company was awarded with Bureau of Indian Standards (BIS) certificate for use BIS hallmark, one of the requirements for participating in the Gold Monetisation Scheme.
- The Company is holding ISO 9001: 2015, ISO 14001:2015 and OHSAS 18001:2007 standard certificate for Gold Refinery.

SUBSIDIARIES

INTERNATIONAL OPERATIONS

As at March 31, 2019, your Company had 1 Wholly Owned Subsidiary namely, Zee Gold DMCC, Dubai ("Zee Gold") and 2 step down subsidiaries namely 'Precious Metals Mining and Refining Limited' ("PMMRL"), Papua New Guinea and Metallic Exploration And Mining, Mali.

Earlier in the year 2013, the Company had incorporated a Wholly Owned Subsidiary, Shirpur Gold Mining Company Pvt. Ltd., at Singapore. However, in view of the non-commencement of the operations by the above subsidiary, the Board of Directors of the Company decided to close down the same. Accordingly, company had applied to Accounting & Corporate Regulatory Authority (ACRA), Singapore to strike off name of the Singapore

subsidiary which has been effected from 07.03.2019. The closed subsidiary was non operative and non-material.

During the FY 2016-17, "PMMRL" step down subsidiary commenced its operations on trial basis, however it couldn't continue the same due to limited resources and other difficulties. Hence, the Board of Directors of the Company decided to close down the above subsidiary. The above subsidiary is in process of closure and is non operative and non-material. Metallic Exploration And Mining, Mali, step down subsidiary of the Company is yet to commence its operations.

Apart from the above, the Company has neither formed any new subsidiary, associate or Joint venture nor any company ceased to be subsidiary.

In compliance with Section 129 of the Companies Act, 2013, a statement containing requisite details including financial highlights of each of the subsidiaries is annexed to this report.

Further as per Section 136 of the Companies Act, 2013, the Audited financial statements including the consolidated financial statements and related information of the Company and audited accounts of each of the subsidiaries are available on the website of the Company www.shirpurgold.com. These documents will also be available for inspection during business hours on all working days (except Saturday) at the Corporate Office of the Company.

CORPORATE GOVERNANCE AND POLICIES

In order to maximize shareholder value on a sustained basis, your Company has adopted Corporate Governance practices strictly complying with the requirements of Securities & Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations"), applicable provisions of the Companies Act, 2013 and applicable Secretarial Standards issued by the Institute of Company Secretaries of India.

A detailed Report on Corporate Governance as per requirement of Listing Regulations along with the Certificate issued by the M/s B.S. Sharma & Co., Statutory Auditors confirming the compliance of the provisions of the Corporate Governance, is attached and forms part of this Annual Report. Management's Discussion and Analysis Report for the year under review, as stipulated under Listing Regulations is presented in a separate section forming part of the Annual Report.

In compliance with the requirements of Companies Act, 2013 and Listing Regulations, your Board has approved various Policies including Code of Conduct for Directors & Senior Management, Material Subsidiary Policy, Insider Trading Code,

Document Preservation Policy, Material Event Determination and Disclosure Policy, Fair Disclosure Policy, Corporate Social Responsibility Policy, Whistle Blower and Vigil Mechanism Policy, Related Party Transaction Policy and Remuneration Policy. All these policies and codes have been uploaded on Company's corporate website www.shirpurgold.com. Additionally, Directors Familiarisation Programme and Terms and Conditions for appointment of Independent Directors can be viewed on Company's corporate website www.shirpurgold.com.

In compliance with regulatory requirements, the Nomination and Remuneration Committee of your Board has fixed criteria for nominating a person on the Board which inter alia include desired size and composition of the Board, age limit, qualification / experience, areas of expertise and independence of individual. In line with this the Committee had approved in-principle that the initial term of an Independent Director shall not exceed 5 years.

DIRECTORS AND KEY MANAGERIAL PERSONNEL (KMP)

As at March 31, 2019, Your Board comprised of 5 Directors including 3 Independent Directors and 2 Non-Executive Directors. Independent Directors provide their declarations both at the time of appointment and annually confirming that they meet the criteria of independence as prescribed under Companies Act, 2013 and Listing Regulations. During FY 2018-19, your Board met 4 (Four) times details of which are available in Corporate Governance Report annexed to this report.

During the year under review, Mr. Mukund Galgali & Mr. Dinesh Kanodia, Non Executive Non Independent Directors resigned with effect from December 17, 2018.

Your Board had, based on the recommendation of Nomination and Remuneration Committee, appointed Mr. Amit Goenka as additional Non Executive Promoter Director of the Company effective from 18th December, 2018, liable to retire by rotation. As per 161 of the Companies Act, 2013, Mr. Amit Goenka shall hold office till ensuing Annual General Meeting. The Company has received notice from members proposing appointment of Mr. Amit Goenka as Director and requisite proposals seeking your approval for their appointment as Director forms part of the Notice of ensuing Annual General Meeting. Your Board recommends these proposals for approval of shareholders. Further, Mr. Vipin Choudhary was also appointed as Promoter Nominee Director effective from November 14, 2018, not liable to retire by rotation.

During the year under review and after seeking requisite shareholders approval, Mr. Anish Goel & Mr. Manoj Agarwal who

holds the office of Independent Directors of the Company until March 31, 2019 and in respect of whom the Company has received notice in writing from a member under Section 160 of the Act proposing his re-appointment for second term, re-appointed for the second term as an Independent Directors not liable to retire by rotation for a period of five years from April 1, 2019 until March 31, 2024.

Additionally, the Notice of the ensuing Annual General Meeting, includes proposal, for re-appointment of Ms. Kavita Kapahi, for second term as Independent Director of the Company, not liable to retire by rotation, for a period of 5 years on expiry of her current term on March 30, 2020. Based on the performance evaluation and after review of confirmation(s) of continuity of compliance with the criteria of independence under applicable regulations, your Board recommends re-appointment of Ms. Kavita Kapahi as Independent Director for second term for approval of shareholders.

In compliance with the requirements of Section 203 of Companies Act, 2013, as at March 31, 2019, Mr. Subash Pareek, Manager, Ms. Archita Kothari, CFO and Mr. Shyamal Padhiar, Company Secretary continue as Key Managerial Personnel of the Company.

Post completion of FY 2019, Ms. Archita Kothari resigned as CFO of the Company and based on recommendations of the Nomination and Remuneration Committee, Mr. Sharvan Kumar Shah was appointed as Acting CFO in her place effective from April 18, 2019.

BOARD EVALUATION

In a separate meeting of Independent Directors, performance of the non-independent directors, performance of the board as a whole and performance of the Chairman was evaluated. Based on such report of the meeting of Independent Directors and taking into account the views of directors, the Board had evaluated its performance on various parameters such as Board composition and structure, effectiveness of board processes, effectiveness of flow of information, attendance, contributions from each directors etc.

The performance of each of the Independent Directors was also evaluated taking into account the time devoted, attention given to professional obligations for independent decision making, contribution towards providing strategic guidance, determining important policies, utilising their expertise.

BOARD COMMITTEES

In compliance with the requirements of Companies Act, 2013 and Listing Regulations, your Board had constituted various Board Committees including Audit Committee, Nomination & Remuneration Committee, Stakeholders Relationship Committee

and Corporate Social Responsibility Committee. Details of the constitution of these Committees, which are in accordance with regulatory requirements, have been uploaded on the website of the Company viz. www.shirpurgold.com. Details of scope, constitution, terms of reference, number of meetings held during the year under review along with attendance of Committee Members therein form part of the Corporate Governance Report annexed to this report.

A detailed report on Corporate Social Responsibility, in compliance with the requirements of Companies Act, 2013, is annexed to this report.

AUDITORS

Statutory Audit

The Statutory Auditors M/s B.S. Sharma & Co., Chartered Accounts, Mumbai (FRN 128249W) was appointed as Statutory Auditors of the Company for the financial year 2018-19 whose terms expires at the ensuing AGM of the Company but not eligible for reappointment as per provisions of Section 139 of the Companies Act, 2013 and Rules there under.

In compliance with rotational requirements of Statutory Auditors of the Company as per Section 139 of Companies Act, 2013 and after reviewing recommendations of the Audit Committee, it is proposed to appoint M/s Parikh & Parikh, Chartered Accountants, Mumbai (FRN 107526W) as Statutory Auditors of the Company in place of retiring auditors M/s B.S. Sharma & Co., Chartered Accountants, to hold office from the expiry of current term of retiring auditors at the ensuing general meeting till the conclusion of general meeting to be held in 2024.

Your Company has received confirmation from the Auditors to the effect that their appointment, if made, will be in accordance with the limits specified under the Companies Act, 2013 and the firm satisfies the criteria specified in Section 141 of the Companies Act, 2013 read with Rule 4 of the Companies (Audit & Auditors) Rules 2014.

Your Board recommends appointment of M/s Parikh & Parikh, Chartered Accountants, Mumbai as Statutory Auditors of the Company for a period of 5 years and seek your approval by passing resolution at the ensuing AGM.

Secretarial Audit

In compliance with the provisions of Section 204 of the Companies Act, 2013, the Company has appointed Mrs. Mita Sanghavi, Practising Company Secretary (CP No. 6364) as secretarial auditor of the Company for the financial year 2018-19. A copy of secretarial audit report is annexed to this report.

In compliance with the provisions of SEBI Listing Regulations, the Company had submitted Annual Secretarial Compliance Report for the year ended 31.03.2019 to the stock exchanges which was issued by Mrs. Mita Sanghavi, Secretarial Auditor.

The reports of the Statutory Audit, the Secretarial Audit and Annual Secretarial Compliance Report for the year ended March 31, 2019, do not contain any qualifications / observations. During the year, the Statutory Auditors had not reported any matter under Section 143(12) of the Act, therefore no detail is required to be disclosed under Section 134(3)(c) of the Act.

Corporate Social Responsibility

The Company was required to spend Rs. 9.65 Millions (including unspent amount of earlier years) towards Corporate Social Responsibility (CSR) expenditure. However, after analyzing various options and making reasonable efforts to spend the above amount, the Company couldn't find any suitable project due to which the above amount remained unspent as on March 31, 2019.

DISCLOSURES :

I. PARTICULARS OF LOANS, GUARANTEES AND INVESTMENTS U/S 186

The details of loans, investments and guarantee as required u/s 186(4) of the Companies Act, 2013 are annexed to the Director's Report.

II. RELATED PARTY TRANSACTIONS

All related party transactions, specifying the nature, value and terms of the transactions including the arms-length justification, are placed before the Audit Committee for its approval and statement of all related party transactions carried out is placed before the Audit Committee for its review on a quarterly basis.

All the related parties transactions entered by the Company during the financial year under review were on arm's length basis, in the ordinary course of business and in compliance with the applicable provisions of the Companies Act, 2013 and Listing Regulations. During FY 2018-19, there were no materially significant Related Party Transactions by the Company with Promoters, Directors, Key Managerial Personnel or other designated persons which may have a potential conflict with the interest of the Company at large.

During the FY 2018-19, there were no materially significant related party transactions as defined under Section 188 of the Act and Regulations 23 the Listing Regulations and

accordingly transactions required to be reported in Form AOC-2 as per Section 188 of the Companies Act, 2013 is NIL.

III. INTERNAL FINANCIAL CONTROL AND THEIR ADEQUACY

Your Company has adequate internal financial controls and policies/procedures for orderly and efficient conduct of the business including safeguarding of assets, prevention and detection of frauds and errors, ensuring accuracy and completeness of the accounting records and the timely preparation of reliable financial information. The Audit Committee evaluates the internal financial control system periodically.

Your Company has adopted accounting policies which are in line with the Indian Accounting Standards notified under Section 133 of the Companies Act, 2013 read together with the Companies (Indian Accounting Standards) Rules, 2015. These are in accordance with Generally Accepted Accounting Principles in India.

IV. EXTRACT OF THE ANNUAL RETURN

In accordance with recent amendments to the Companies Act, 2013 (Act), Annual Return of the Company for Financial Year ended March 31, 2019 as required under Section 92 of the Act, will be available on the website of the Company www.shirpurgold.com.

V. SEXUAL HARASSMENT

The Company has zero tolerance for sexual harassment at workplace and adopted a policy on prevention, prohibition and redressal of sexual harassment at workplace in line with the provisions of the Sexual Harassment of Women at work place (Prevention, Prohibition and Redressal) Act, 2013 and the Rules there under. During the year under review, no complaint on sexual harassment was received by the Company.

VI. REGULATORY ORDERS

No significant or material orders were passed by the regulators or courts or tribunals which impact the going concern status and Company's operations in future.

VII. DEPOSITS & UNCLAIMED SHARES

Your Company has not accepted any public deposits and as such no amount on account of principal or interest on public deposits under Section 73 of the Companies Act, 2013, read with Companies (Acceptance of Deposits) Rules, 2014, was remained unpaid or unclaimed as at the end of the year 31st March, 2019.

As at March 31, 2019, your Company do not have any unclaimed shares / dividend hence the provisions of the Investor Education and Protection Fund Rules are not applicable to the company.

VIII. INSURANCE & RISK MANAGEMENT

The Company has obtained adequate insurance on all of its fixed and other assets. The Company has identified the potential risks against the business of the Company and taking proper safeguards to mitigate / minimize the risks. The detailed analysis of the Risk elements are discussed under the 'Management analysis and Discussion Report'.

MANAGEMENT DISCUSSION AND ANALYSIS

The detailed analysis of the State of Company's affairs / developments is discussed under Management Discussion and Analysis section of Directors' report.

HEALTH, SAFETY & ENVIRONMENT PROTECTION

The Company is operating its plant in a manner which endeavors protection of health / safety of workers and environment. The Company is using eco-friendly technology and manufacturing facilities at its plant to ensure workers safety and health. The 'Green' initiatives taken by the Company by plantation of trees at plant site are one of the best examples of protecting environment. The Company is in compliance with all the applicable labour and environmental laws.

PARTICULARS OF EMPLOYEES

The Company has maintained cordial relations with its employees and workers. The Company has taken adequate steps to ensure safety and welfare of all its employees at plant and other places.

Requisite disclosures in terms of the provisions of Section 197 of the Act read with Rule 5 (1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 is annexed to this report. None of the employee of the Company is in receipt of remuneration of ₹ 1.02 Crores per annum/ ₹ 8.50 Lacs per month or more during the FY 2018-19. The information required under Rule 5(2) & 5(3) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, will be provided upon request.

In compliance with provisions of section 136(1) of the Companies Act, 2013, the Audited Financial Statements along with other reports are sent to every member of the Company, excluding the information on employees' particulars, which is available for inspection at the Corporate Office of the company during working day (except Saturday) upto the date of ensuing Annual

General Meeting. Any member who is interested in obtaining copy thereof, such member may write to the Company Secretary.

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

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

I. Energy Conservation and Technology Absorption:

Details of energy conservation, technology absorption by the Company along with the information in accordance with the provisions of Section 134(3)(m) of the Companies Act, 2013 read with Rule 8(3) of the Companies (Accounts) Rules, 2014 is annexed to this report.

II. Foreign Exchange Earning and Outgo:

Particulars of foreign currency earnings and outgo during the year are given in Note 37 & 38 to Standalone Financial Statement.

ACKNOWLEDGEMENTS

We sincerely thank all our investors, customers, suppliers, bankers, business partners/ associates, financial institutions and government authorities for their continued co-operation, trust, support and guidance. We also take this opportunity to express our deep appreciation for the contribution, hard work, dedication and commitment of all our employees who have been one of the major driving factors for the company's growth and progress.

By order of the Board

Place: Mumbai
Date: May 18, 2019

Amit Goenka
Chairman

Annexure to the Directors' Report

STATEMENT CONTAINING SALIENT FEATURES OF THE FINANCIAL STATEMENT OF SUBSIDIARIES / ASSOCIATES / JOINT VENTURE AS PER THE COMPANIES ACT, 2013 FOR THE YEAR ENDED MARCH 31, 2019

Name of the Subsidiary	Zee Gold DMCC	Precious Metals Mining & Refining	Metalli Exploration & Mining* Limited*
Currency	AED	KINA	FCFA
Share Capital	18,450,000	25,000	1,000,000
Othe Equity	10,691,371	(25,000)	0
Total Assets	137,221,289	-	686,403,218
Total Liabilities	108,079,918	-	685,403,218
Investments (Other than Subsidiary)	-	-	-
Turnover	1,246,621,480	-	-
Profit before Taxation	7,493,140	1,124,313	-
Provision for Taxation	-	-	-
Profit after Taxation	7,493,140	1,124,313	-
Dividend proposed / paid	-	-	-
% of shareholding	100%	100%	70%

Note : 1. * Held through Zee Gold DMCC

2. The Company do not have any Associates / Joint Venture.

3. As on March 31,2019 = I AED = ₹ 18.91 I KINA = ₹ 20.56 & I FCFA = ₹ 0.12

By order of the Board

Place: Mumbai
Date: May 18, 2019

Amit Goenka
Chairman

Information under section 186 (4) of the Companies Act, 2013

(₹ in Millions)

	2018	Given	Repaid	2019
a) Loans & Advances given				
Wholly owned Subsidiary	104.37	569.31	666.10	7.58
(Includes foreign currency realignment)				

Notes: 1. All Loans are given to wholly owned subsidiary entities on interest.

2. All the advances are provided for business purposes of respective entities, repayable on demand with prepayment option to the borrower.

b) Investments made

There is no investments by the Company other than those stated under Note No. 3 in the Financial Statements.

c) Guarantee given

(₹ in Millions)

Name of Party	Particulars	Purpose	2018	2019
Zee Gold DMCC	SBLC Issued	Financing Facilities/Loans	1000.00	997.90
Zee Gold DMCC	Corporate Guarantee	Financing Facilities/Loans	743.59	-

d) Securities given

There are no securities given during the year.

Annexure to the Directors' Report

REPORT OF THE BOARD OF DIRECTORS UNDER SECTION 134 OF THE COMPANIES ACT, 2013, READ WITH COMPANIES (ACCOUNTS) RULES, 2014 FOR THE FINANCIAL YEAR ENDED ON 31ST MARCH 2019.

A. CONSERVATION OF ENERGY

Energy conservation measures taken:

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

i) Steps taken to conserve the energy:

1. The Company has replaced most frequently used air conditioners with energy efficient air conditioners which resulted in significant power saving.
2. The Company has replaced watering pumps in garden by energy efficient pump which resulted in significant power saving.
3. The Company has earned 7 % rebate on energy bill amount by maintaining Power Factor Unity.
4. Up gradation of plant machinery has achieved more production with less power consumption (in terms of kg produced/ Unit of power) compare to previous Financial year.

ii) Steps taken to for utilizing alternate sources of energy:

1. The Company has identified Non Productive consumption of Power like Garden Irrigation, Overhead water tank Filling etc. in which segment, cost per Unit of power is less than the basic rate .
2. The water consumption for Irrigation has been reduced by introducing Drip irrigation for flower plants and Sprinklers for lawn .

iii) The capital investment on energy conservation equipment: NIL

The particulars with respect to Conservation of Energy are given in Form A.

B. TECHNOLOGY ABSORPTION& RESEARCH & DEVELOPMENT

The Company while conducting it's refinery operations uses latest technology to derive maximum benefits at minimal cost. The Company makes continuous efforts to reduce the cost of it's plant operations by identifying the areas in which improvement is possible.

The expenditure incurred on Research and Development is NIL.

For and on behalf of the Board

Place: Mumbai,
Date: May 18, 2019

Amit Goenka
Chairman

Annexure to the Directors' Report

Form A for Disclosure of particulars with respect to Conservation of Energy

	2018 – 19 Total	2017 – 18 Total
POWER AND FUEL CONSUMPTION:		
1. Electricity:		
a) Purchased Units (KWH in Thousands)	263.58	276.66
Total amount (₹ In Millions)	2.99	4.09
Rate/Unit (₹)	11.36	14.81
b) Own Generation:		
i. Through D G Power Plant		
Units (KWH in Thousands)	Nil	Nil
Fuel Cost / Unit (₹)	Nil	Nil
ii. Through Diesel Generator		
Units (KWH in Thousands)	1.43	1.47
Fuel Cost / Unit (₹)	51.57	37.48
iii. Through Steam Turbine		
Generated by Coal/Oil		
Units (KWH in Thousands)	Nil	Nil
Fuel Cost / Unit (₹)	Nil	Nil
2. Coal:		
Quantity in M.T.	Nil	Nil
Total Cost (₹ In Millions)	Nil	Nil
Average Rate (₹/M.T.)	Nil	Nil
3. Furnace Oil:		
Quantity in K. Ltrs.	Nil	Nil
Total Cost (₹ In Millions)	Nil	Nil
Average Rate (₹/ M.T.)	Nil	Nil
4. Others:		
Quantity in M.T.	Nil	Nil
Total Cost (₹ In Millions)	Nil	Nil
Average Rate (₹/M.T.)	Nil	Nil

For and on behalf of the Board

Place: Mumbai,
Date: May 18, 2019

Amit Goenka
Chairman

Annexure to the Directors' Report

ANNUAL REPORT ON CORPORATE SOCIAL RESPONSIBILITY (CSR) ACTIVITIES FOR FY 2018-19

1	A brief outline of the Company's CSR Policy including overview of projects or programs proposed to be undertaken and a reference to the weblink to the CSR policy and projects or programs	<p>Pursuant to Section 135 of the Companies Act, 2013, the Corporate Social Responsibility Committee of the Board had approved a CSR Policy with primary focus on Education, Healthcare, Women Empowerment and Sports. Besides these focus areas the Company shall also undertake any other CSR activities listed in Schedule VII of the Companies Act, 2013.</p> <p>The CSR Policy of the Company is displayed on www.shirpurgold.com</p>
2	The Composition of CSR Committee	As on March 31, 2019, the CSR Committee of the Board comprises of 3 Directors. Ms. Kavita Kapahi, Independent Director as Chairperson, Mr. Amit Goenka, Non Executive Director and Mr. Manoj Agarwal, Independent Director as members.
3	Average net profit of the Company for last three financial year	₹ 111.99 Millions
4	Prescribed CSR expenditure (2 % of the average net profits for last three years)	₹ 2.24 Millions
5	Details of CSR spent during FY a) Amount to be spent in FY (including unspent amount of earlier years) b) Unspent Amount c) Amount Spent d) Areas where spent	₹ 9.65 Millions ₹ 9.65 Millions NIL NA as the Company couldn't find any appropriate project for CSR spent.

The CSR committee certifies that the implementation and monitoring of the CSR policy is in compliance with the CSR objectives and Policy of the Company.

Place: Mumbai,
Date: May 18, 2019

Kavita Kapahi
Chairperson

Manoj Agarwal
Director

Annexure to the Directors' Report

The Information Required under Section 197 of the Act read with rule 5(1) Of The Companies (Appointment & Remuneration Of Managerial Personnel) Rules, 2014

- A. Remuneration of each Director & Key Managerial Personnel, percentage of increase during the FY 2018-19, the ratio of the remuneration of each of the director to the median remuneration of the employees of the company for the financial year 2018-19

Name of the Director / Key Managerial Personnel	Total Remuneration (₹ in Millions)	% increase in remuneration	Ratio of Remuneration of director to the Median remuneration
Non-Executive Directors			
Amit Goenka	-	-	-
Vipin Choudhary	-	-	-
Mukund Galgali	-	-	-
Dinesh Kanodia	-	-	-
Manoj Agarwal	0.12	-	0.50:1
Anish Goel	-	-	-
Kavita Kapahi	0.20	-	0.83:1
Key Managerial Personnel			
Subhash Pareek	1.00	5 %	NA
Archita Kothari	5.69	15 %	NA
Shyamal Padhiar	1.01	5%	NA

Notes :

- The Company does not have any Executive Director.
- The Company has paid remuneration to it's Directors by way of sitting fees only.
 - Percentage increase in the median remuneration of employees in the financial year 2018-19 is 3%.
 - The Company has 46 permanent employees on the rolls of the Company as on March 31,2019.
 - Average increase in the salaries of the employees other than the managerial personnel during the financial year 2018-19 was 8.40% while average increase in the managerial remuneration was 5%.
 - The Company hereby affirms that the remuneration paid to managerial personnel is as per the remuneration policy of the company.

Annexure to the Directors' Report

Secretarial Audit Report For the financial Year ended March 31, 2019

FORM NO MR-3

SECRETARIAL AUDIT REPORT

For the financial Year ended March 31, 2019

[Pursuant to Section 204(1) of the Companies Act, 2013 and Rule no.9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014]

To,
The Members,
Shirpur Gold Refinery Limited
CIN No-L51900MH1984PLC034501

I have conducted the Secretarial Audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by **Shirpur Gold Refinery Limited** (hereinafter called the company). Secretarial Audit was conducted in a manner that provided me a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing my opinion thereon.

Based on my verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, I hereby report that in my opinion, the company has, during the period covered by our audit, that is to say, from April 1, 2018 to March 31, 2019 (hereinafter referred to as "Audit Period"), complied with the statutory provisions listed hereunder and also that the Company has proper Board processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

I have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on 31st March, 2019 according to the provisions of:

- i. The Companies Act, 2013 (the Act) and the rules made thereunder;
- ii. The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder;
- iii. The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;
- iv. Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings;

- v. The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India (Amendment) Act, 2013 ('SEBI Act'):

 - a. The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
 - b. The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;
 - c. The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('Listing Regulations');
 - d. The Securities and Exchange Board of India (Issue and Listing of Non-Convertible Redeemable Preference Shares) Regulations, 2013;
 - e. The Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014;

- vi. Laws specifically applicable to the industry to which the Company belongs, as identified and compliance whereof as confirmed by the management, that is to say:

 - a. Employee Provident Fund and Miscellaneous Provisions Act, 1952
 - b. Employee State Insurance Act, 1948
 - c. Employees Liability Act, 1938
 - d. Employees Remuneration Act, 1938
 - e. Maternity Benefits Act, 1961
 - f. Minimum Wages Act, 1948
 - g. Payment of Bonus Act, 1965
 - h. Payment of Gratuity Act 1972
 - i. Payment of Wages Act, 1936 and other applicable Laws
 - j. The Bombay Shop Establishments Act, 1948
 - k. Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013.

We have relied on the representation made by the Company, its officers and Reports of the Statutory Auditor for systems and mechanism framed by the Company for compliances under

other Acts, Laws and Regulations applicable to the Company as listed in point vi.

I have also examined compliance with the applicable clauses of the Secretarial Standards 1 & 2 issued by the Institute of Company Secretaries of India.

During the Audit period under review, based on the said verifications and as per representations and clarifications provided by the management, I confirm that the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards etc. as mentioned hereinabove. I further report that compliance of applicable financial laws including Direct and Indirect Tax laws by the Company has not been reviewed in this Audit since the same has been subject to review by the Statutory Auditors and other designated professionals.

Management Responsibility:

- i. Maintenance of secretarial records is the responsibility of the management of the Company. Our responsibility is to express an opinion on these secretarial records based on our audit;
- ii. We have followed the audit practices and the processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the secretarial records. The verification was done on test basis to ensure that correct facts are reflected in secretarial records. We believe that the processes and practices, we followed provide a reasonable basis for our opinion;
- iii. We have not verified the correctness and appropriateness of financial records and Books of Accounts of the Company or verified compliance of laws other than those mentioned above;
- iv. The compliance of the provisions of Corporate and other applicable laws, rules, regulations, standards is the responsibility of the management. Our examination was limited to the verification of procedure on test basis;
- v. The Secretarial Audit report is neither an assurance as to the future viability of the Company nor of the efficacy or effectiveness with which the management has conducted the affairs of the Company.

I further report that:

The Board of Directors of the Company is duly constituted with proper balance of Non-Executive Directors and Independent Directors. The changes in composition of Board of Directors are mentioned hereinunder: During the Audit period:

- Mr. Vipin Choudhary (Non-Executive, Nominee Director) was appointed w.e.f. 14th November 2018.

- Mr. Amit Goenka (Non-Executive, Non-Independent Director) was appointed w.e.f. 18th December, 2018.
- Mr. Dinesh Kanodia (Non-Executive, Non-Independent Director) resigned from the Post of Director w.e.f. December 17 2018 and Mr. Mukund Galgali (Non-Executive, Non-Independent Director) resigned from the Post of Director w.e.f. December 17 2018.
- Mr. Manoj Agarwal & Mr. Anish Goel was re-appointed as Independent Director for second term of 5 years in Annual General Meeting held on 29th September, 2018.
- Mr. Subhash Pareek was re-appointed as manager of the company for a period of 3 years w.e.f. 5th November, 2018.
- Mr. Dinesh Kanodia & Mr. Mukund Galgali, holding position of Additional Directors were appointed as Directors of the Company in the Annual General Meeting of the Company held on 29th September 2018.

Adequate notice is given to all directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent at least seven days in advance, except in case of one meeting, which was called at shorter notice in compliance with the applicable provisions of the Act and Secretarial Standard, and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting. Decisions at the Board Meetings, as represented by the management and recorded in the minutes, were generally unanimous.

I further report that there are adequate systems and processes in the Company commensurate with the size and operations of the Company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

I further report that during the Audit Period, the Company had the following specific events:

- Request for information received from Ministry of Corporate Affairs

The Company has received a letter no 01(P)/55/2018/CSR/15-16 from Ministry of Corporate Affairs on 27th November 2018 seeking clarification for not spending the entire amount due on account of Corporate Social Responsibility for the financial year 2015-16 for which the Company has submitted its response through eform Call For Information on CSR on 12th December 2018.

Mita Sanghavi

Practising Company Secretary

FCS No.7205

CP No. 6364

Place: Mumbai

Date: 18th May, 2019

Auditors' Certificate on Compliance of 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 ('the Company'), for the year ended 31st March, 2019 as stipulated in applicable regulations and paragraphs C,D and E of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015. (collectively referred as "SEBI Listing Regulations, 2015.")

The Compliance of conditions of Corporate Governance is the responsibility of the management. Our examination was limited to a review of the procedures and implementation thereof, adopted by the Company for ensuring the compliance with the conditions of the Corporate Governance as stipulated in the said clause / regulations. It is neither an audit nor an expression of opinion on financial statements of the Company.

In our opinion and to the best of our information and according to the explanations given to us, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in SEBI Listing Regulations, 2015.

We state that such compliance is neither an assurance 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
Firm Registration Number 128249W

CA B. S. Sharma
Proprietor
FCA 031578

Place: Mumbai
Date: 18th May, 2019

Corporate Governance Report

Corporate Governance Philosophy

Corporate Governance Philosophy of Shirpur Gold Refinery Limited ("the Company") 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. The Board is committed to achieve and maintain highest standards of Corporate Governance on an ongoing basis.

A report on compliance with the principles of Corporate Governance as prescribed under Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (Listing Regulations) is given below:

BOARD OF DIRECTORS

Composition and Category of Directors

Your Company has a balanced Board containing majority of Non-Executive and Independent Directors to ensure independent functioning and the current composition of the Board is in conformity with the requirements of Regulation 17(1) of Listing Regulations.

Composition of the Board as on 31st March, 2019

Category of Directors	No. of Directors	% to total No. of Directors
Executive Director	0	0.00
Non-Executive Independent Directors	3	60.00
Other Non-Executive Directors	2	40.00
Total	5	100.00

The Policy on criteria for nomination of a person on the Board, as decided by the Nomination and Remuneration Committee suggests that the Board should comprise of Directors with qualification/experience in various areas to enable the Board to function effectively. In line with the said criteria, currently the Board of the Company, comprise of Directors with qualification/experience in Finance, Legal, Social Welfare & Technology with experience in varied Industry.

Independent Directors of the Company provide appropriate and annual certifications to the Board confirming satisfaction of the conditions of their being independent as laid down in Section 149(6) of the Companies Act, 2013 and Regulation 16(1)(b) of Listing Regulations. In opinion of the Board, the Independent Directors fulfil the conditions specified in the Listing Regulations and are independent of the management.

During the financial year under review, four (4) meetings of the Board of Directors were held on 29th May, 2018, 13th August, 2018, 14th November, 2018 and 12th February, 2019.

Particulars of Directors, their attendance at the Annual General Meeting and Board Meetings held during the financial year 2018-19 and also their other directorships in Public Companies (excluding Foreign Companies and Section 8 Companies) and Membership / Chairmanship of Audit and Stakeholders' Relationship Committees of other Companies as at 31st March 2019 are as under:

Name of Director	Attendance at		No. of Directorships of other Public Companies	No. of Committee Position held in other public companies as	
	Board Meetings (4 meetings)	33 rd AGM held on 29.09.2018		Member	Chairman
Mr. Amit Goenka	1	-	-	-	-
Mr. Anish Goel	3	No	-	-	-
Mr. Manoj Agarwal	2	Yes	1	-	-
Ms. Kavita Kapahi	4	Yes	2	1	-
Mr. Mukund Galgali	2	No	-	-	-
Mr. Dinesh Kanodia	2	No	-	-	-
Mr. Vipin Choudhary	2	-	2	-	-

Notes :

- Committee positions include Membership / Chairmanship of the Audit Committee and Stakeholders Relationship Committee of Indian Public Companies.
- None of the Directors held directorship in more than 8 listed companies. Further none of the Independent Directors of the Company served as Independent Director in more than 7 listed Companies.
- None of the Directors held directorship in more than 20 Indian Companies, with not more than 10 public limited companies.
- None of the Directors is a member of more than 10 Committees or Chairperson of more than 5 Committees across all the Public Limited Companies in which he/she is Director. As per Listing Regulations, only membership of Audit Committee and Stakeholders Relationship Committee have been taken into consideration for the purpose of ascertaining the limit.
- None of the Directors of the Company holding any shares as at March 31, 2019. None of the Directors are related to each other.

During the year under review :

- Mr. Amit Goenka was appointed as Non Executive Promoter Director w.e.f. 18th December, 2018.
- Mr. Mukund Galgali & Mr. Dinesh Kanodia resigned as Directors w.e.f. 17th December, 2018.
- Mr. Vipin Choudhary was appointed as Promoter Nominee Director w.e.f. 14th November, 2018.

Details of Directorship of Directors in other Listed entities as at March 31, 2019 are as under:

Name of the Director	Directorship in other Listed Entities
Amit Goenka	None
Manoj Agarwal	None
Anish Goel	None
Kavita Kapahi	SITI Networks Ltd as Independent Director
Vipin Choudhary	None

Board Procedure

The Schedule of Board Meetings to approve quarterly /annual Financial Results are decided at the beginning of the financial year. The Board meetings are generally held at Mumbai. The agenda along with the explanatory notes are sent to the Directors well in advance to enable them to take informed decisions. All relevant information required to be placed before the Board of Directors as per provisions of Listing Regulations, are considered and taken on record/ approved by the Board. Any Board member may, in consultation with the Chairman and with the consent of all Independent Directors present at the meeting, bring up any matter at the meeting for consideration by the Board. The Chief Financial Officer & Manager are invited to the Board meetings to provide necessary insights into the operations / working of the Company and for discussing corporate strategies. The Board periodically reviews compliance reports in respect of various laws and regulations applicable to the Company.

Independent Directors Meeting & Board Evaluation Process

In compliance with the requirements of Regulation 25 of Listing Regulations and Section 149 read with Schedule IV of the Companies Act, 2013, the Independent Directors of the Company met on March 18, 2019 to evaluate performance of the Board / Board Committees and review of flow of information between the management and the Board. The evaluation process was carried out based on an assessment sheet structured in line with ICSI guidance note and the guidance note issued by SEBI in this regard.

The parameters for evaluation of performance of the Board & Board Committees include the structure & composition, contents of agenda, quality and timelines of information provided, decision-making process & review thereof, attention to the Company's long-term strategic issues, evaluation of strategic risks, overseeing and review of major plans of action, divestment, etc.

The performance of each of the Independent Directors was also evaluated taking into account the time devoted, attention given to professional obligations for independent decision making, contribution towards providing strategic guidance, determining important policies, utilising their expertise, independent judgment that contributes objectively in the Board's deliberations

- particularly on issues of strategy, performance and conflict management etc.

Familiarization Program for Independent Directors

Independent Directors are familiarized with their roles, rights and responsibilities at the time of their appointment as Directors and regular presentations are made to the Board / Board Committees covering business strategies, management structure, periodic financial results, budgets and operations of subsidiaries etc. The details of familiarization program can be viewed at Company's website at www.shirpurgold.com

Code of Conduct

The Company has also adopted a Code of Conduct for the Members of the Board of Directors and Senior Management, and all the Directors and senior functionaries as defined in the said Code provide their annual confirmation of compliance with the Code. The Code can be viewed on Company's website at www.shirpurgold.com. The role and responsibilities of Independent Directors as prescribed in Schedule IV of the Companies Act, 2013 and/ or prescribed in the Listing Regulations forms part of the appointment letters issued to Independent Directors.

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

Declaration

I confirm that the Company has obtained from all Directors and Senior Management Personnel 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 31st March 2019.

Mumbai, 18th May, 2019

Subhash Pareek
Manager

Board Committees

Particulars of the Meeting of the Board Committees held during the year along with details of Directors attendance at such meetings are detailed herein:

	Audit Committee Committee	Nomination & Remuneration Committee	Stakeholder's Relationship Committee	Corporate Social Responsibility Committee
No. of Meeting held	4	1	1	1
Directors' Attendance				
*Mr. Amit Goenka	1	NA	-	1
Mr. Anish Goel	3	1	NA	NA
Mr. Manoj Agarwal	2	1	1	1
Ms. Kavita Kapahi	4	1	1	1
# Mr. Mukund Galgali	2	NA	NA	-
\$ Mr. Dinesh Kanodia	NA	NA	1	NA
Mr. Vipin Choudhary	NA	NA	NA	NA

Note :

- * Appointed as Member of Audit Committee, Stakeholder's Relationship Committee and Corporate Social Responsibility Committee w.e.f. 18.12.2018.
- #Resigned as Member of Audit Committee & Corporate Social Responsibility Committee w.e.f. 17.12.2018.
- \$ Resigned as Member of Stakeholders Relationship Committee w.e.f. 17.12.2018.
- NA denotes that the director is not member of such committee.

Details of Board Committees

A) Audit Committee

Constitution

As at March 31, 2019, the Audit Committee comprised of four (4) Directors including Mr. Manoj Agarwal, Independent Director as Chairman, Mr. Anish Goel, Independent Director, Ms. Kavita Kapahi, Independent Director and Mr. Amit Goenka, Non Executive Promoter Director as its Members. During the year under review, the Committee was reconstituted by appointment of Mr. Amit Goenka as Member in place of Mr. Mukund Galgali effective from 18th December, 2018.

During the year under review, four (4) Audit Committee meetings were held on 29th May, 2018, 13th August, 2018, 14th November, 2018 and 12th February, 2019.

Terms of reference

The terms of reference are as set out in Regulation 18 of Listing

Regulations and Section 177 of the Companies Act, 2013. The terms of reference of the Audit Committee broadly includes:

- Review of Company's Accounting and financial reporting process.
- Review and recommend for approval of the Board quarterly, half yearly and annual financial statements before submission to the Board for approval.
- Review of Internal Audit Reports, risk management policies and reports on internal control system
- Reviewing, with the management, performance of statutory and internal auditors, and adequacy of the internal control systems.
- Review of related party transactions.
- Recommend to the Board the appointment, re-appointment and removal of the statutory auditor, Internal Auditors, Cost Auditors and fixation of their remuneration.

- Discussion of Internal Audit Reports with internal auditors and significant findings and follow-up thereon and in particular internal control weaknesses.

Audit Committee meetings are generally attended by the Chief Financial Officer and the Statutory Auditors of the Company. The Company Secretary acts as the Secretary of the Audit Committee.

B) Nomination & Remuneration Committee

Constitution

As on March 31, 2019, Nomination & Remuneration Committee comprised of Mr. Manoj Agarwal, Independent Director as Chairman, Mr. Anish Goel, Non-Executive Independent Director and Ms. Kavita Kapahi, Non-Executive Independent Director as its Members. The Company Secretary is the Secretary of the Committee.

During the year under review, the Nomination and Remuneration Committee met once on 29th May, 2018.

Terms of reference

The terms of reference of the Committee, *inter alia*, includes:

- Identifying persons who are qualified to become directors and who may be appointed in senior management in accordance with the criteria laid down and recommending their appointment and removal to the Board;
- Carrying out evaluation of every director's performance;
- Formulating criteria for determining qualification, positive attributes and independence of a Director and recommend to the Board a policy relating to the remuneration for the directors, key managerial personnel and other employees;
- Ensuring that the level and composition of remuneration is reasonable and sufficient to attract, retain and motivate directors of the quality required to run the Company successfully;
- Ensuring that relationship of remuneration to performance is clear and meets appropriate performance benchmarks; and
- Recommending appointment / remuneration of directors, key managerial personnel and senior management involving a balance between fixed and incentive pay

reflecting short and long-term performance objectives appropriate to the working of the company and its goals.

- Administration and implementation of Company's Employees Stock Option Scheme.

Remuneration Policy

The guiding principle of the remuneration policy of the Company is that the remuneration and other terms of engagement / employment shall be competitive enough to ensure that the Company is in a position to attract, retain and motivate right kind of human resource(s) for achieving the desired growth set by the Company's management year on year thereby creating long-term value for all stakeholders of the Company.

The Remuneration Policy of the Company can be accessed on Company's website – www.shirpurgold.com.

Remuneration Paid to Executive Directors

The Company does not have any Executive Director.

In compliance with the provisions of the Companies Act, 2013 and as approved by the shareholders at the 33rd AGM held on 29th September, 2018, Mr. Subhash Pareek was re-appointed as 'Manager' of the Company for a period of three years effective from November 5, 2018. The elements of the remuneration package of Mr. Pareek comprises of basic salary, house rent allowance, personnel allowance, other allowances including medical / leave travel allowance, and leave encashment facilities in accordance with rules of the Company.

The details of the all elements of remuneration paid to Mr. Subhash Pareek as 'Manager' of the Company for the FY 2018-19 is as under:

Particulars	(₹ in Millions)
Salary and Allowances	1.00

Remuneration Paid to Non - Executive Directors

All Non-Executive directors except Mr. Amit Goenka, Mr. Anish Goel, Mr. Mukund Galgali, Mr. Dinesh Kanodia and Mr. Vipin Choudhary were paid sitting fees @ ₹ 20,000/- per meeting for attending meetings of the Board and/or its Committees except Stakeholders' Relationship Committee and Finance Committee.

The details of sitting fees paid are as under:

S. No.	Name of the Director	Total Sitting Fees paid (₹ in Millions)
1	*Mr. Amit Goenka	-
2	*Mr. Anish Goel	-
3	Mr. Manoj Agarwal	0.12
4	Ms. Kavita Kapahi	0.20
5	*Mr. Mukund Galgali	-
6	*Mr. Dinesh Kanodia	-
7	*Mr. Vipin Choudhary	-
	Total	0.32

* Voluntarily waived sitting fees.

The Non-Executive Independent Directors do not have any other material pecuniary relationships or transactions with the Company or its directors, senior management, subsidiary or associate, other than in the normal course of business.

C) Stakeholders Relationship Committee

Constitution

As on March 31, 2019, the Stakeholders Relationship Committee comprised of Mr. Manoj Agarwal, Non-Executive Independent Director as Chairman and Mr. Amit Goenka, Non- Executive Director and Ms. Kavita Kapahi, Non-Executive Director as its Members. During the year under review, the Stakeholders Relationship Committee was reconstituted by nomination of Mr. Amit Goenka as Committee Member in place of Mr. Dinesh Kanodia w.e.f. 18.12.2018. The Company Secretary is the secretary to the Committee.

During the year under review, the Stakeholders Relationship Committee met once on 23rd April, 2018.

Terms of reference

In line with amendment to the Listing regulations, the terms of reference of Stakeholders Relationship Committee was revised effective April 1, 2019 to include resolving investors grievances / complaints; review measures taken for effective exercise of voting rights; review adherence of service standards by Company and RTA etc. The Committee has delegated various powers including approving requests for transfer, transmission, issue of duplicate shares, rematerialisation and dematerialization, etc. of equity shares, to the Company Secretary of the Company and Mr.

Shyamal Padhiar, 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 Stakeholders Relationship Committee.

No complaints / investors grievances were pending at the beginning of financial year. The Company has not received any complaints during the financial year 2018-19 and there was no complaints pending at the end of financial year 2018-19.

D) Corporate Social Responsibility Committee

In compliance with the requirements of Section 135 of the Companies Act, 2013 read with Schedule VII and Companies (Corporate Social Responsibility Policy) Rules, 2014, the Board has constituted Corporate Social Responsibility (CSR) Committee. As on March 31, 2019, the Committee comprised of Ms. Kavita Kapahi, Non-Executive Director as Chairperson, Mr. Amit Goenka, Non-Executive Director and Mr. Manoj Agarwal, Independent Director as its members. The Company Secretary is the Secretary of the Committee. During the year under review, the CSR Committee was reconstituted by nomination of Mr. Amit Goenka as Committee Member in place of Mr. Mukund Galgali w.e.f. 18.12.2018.

Terms of reference

Terms of reference and the scope of the CSR Committee *inter alia* include (a) consideration and approval of the proposals for CSR spends; and (b) review of monitoring reports on the implementation of CSR projects funded by the Company.

During the year under review, Corporate Social Responsibility Committee met once on 25th March, 2019.

Other Board Committees

In addition to the above, the Board has constituted following Committees to exercise powers delegated by the Board as per the scope mentioned herein:

Finance Sub-Committee

With a view to facilitate monitoring and expediting any debt fund raising process, approve financing facilities offered and/or sanctioned to the Company by various Banks and/or Indian Financial Institutions from time to time, in the form of Term Loans, Working Capital facilities, Guarantee facilities etc. including the acceptance of terms and conditions of such facilities being offered and exercising such other authorities as may be delegated by the Board from time to time, the Board has

reconstituted a Finance Sub-Committee comprising of Mr. Amit Goenka, Non-Executive Director as Chairman in place of Mr. Dinesh Kanodia and Mr. Manoj Agarwal, Independent Director as its Member.

These Committees meet as and when required to deliberate and decide on various matters within their respective scope or powers delegated by the Board.

General Meetings

The 34th Annual General Meeting of the Company for the Financial Year 2018-19 will be held on Monday, 30th September, 2019 at 12.30 p.m. at the registered office of the Company at Refinery Site, Sharper, 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:

Year	Date and Time	Special Resolutions passed	Venue
2017-18	29.09.2018 – 2.00 p.m.	1. Re-appointment of Mr. Anish Goel as an Independent Director for second term of 5 years 2. Re-appointment of Mr. Manoj Agarwal as an Independent Director for second term of 5 years 3. Re-appointment of Mr. Subhash Pareek as Manager for a period of 3 years	Refinery Site, Sharper, Dist – Dhulia, Maharashtra – 425 405
2016-17	27.09.2017– 1.30 p.m.	Register of Members and other documents to be kept and maintained at the office of the Company's Registrar at Mumbai	
2015-16	27.08.2016 – 2.00 p.m.	Register of Members and other documents to be kept and maintained at the office of the Company's Registrar at Mumbai	

All the above Special resolutions were passed with requisite majority.

Postal Ballot

During the year, no resolution was passed through Postal Ballot.

None of the resolution(s) proposed at the ensuing 34th Annual General Meeting requires to be put through Postal Ballot.

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.com. 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 newspaper 'Navshakti (Marathi)' as per the requirements of the Stock Exchanges and requisite information are filed on electronic platform with Stock Exchange(s) in compliance with the SEBI Listing Regulations.

In compliance with Regulation 46 of the Listing Regulations, a separate dedicated section under 'Investors' on the Company's website gives information on various announcements made by the Company, Annual Report, quarterly / half-yearly / annual financial statements, Shareholding patterns, Stock Exchange filings along with applicable policies of the Company. Official news releases and presentations made to institutional investors or to the analysts, if any, are displayed on Company's website www.shirpurgold.com.

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

GENERAL SHAREHOLDER INFORMATION

1	Date, Time and Venue of Shareholder's Meeting	Meeting : Annual General Meeting Day and Date : Monday, 30 th September, 2019 Time : 12.30 p.m. Venue : Registered Office at Refinery Site, Shirpur 425 405, Dist. Dhule, Maharashtra
2	Financial Year	1 st April, 2018 to 31 st March 2019
3	Date of Book Closure	Friday, 20 th September, 2019 to Monday, 30 th September, 2019 (both days inclusive)
4	Dividend Payment Date	The Company has not declared any dividend for the financial year 2018-19.
5	Registered Office / Plant Location	Refinery Site, Shirpur, Dist. Dhule, Maharashtra - 425405 Tel: 02563 258001 Fax: 02563 261357 Website: www.shirpurgold.com
6	Corporate Office	135, Continental Building, Dr. A.B. Road, Worli, Mumbai - 400 018 Tel: 022 7108 5486 Fax: 022 7154 5940 E-mail: investorinfo@shirpurgold.com
7	Listing on Stock Exchanges	BSE Limited (BSE) National Stock Exchange of India Limited (NSE) The Company has paid requisite Listing Fees to the Stock Exchanges for FY 2018-19. None of the Company's Securities have been suspended from trading.
8	Stock Code	BSE 512289 NSE SHIRPUR-G
9	ISIN No.	Equity -INE196B01016
10	CIN	L51900MH1984PLC034501
11	Register and Share Transfer Agent	M/s Link Intime India Pvt. Ltd. C 101, 247 Park, LBS Margi, Vikhroli (West), Mumbai - 400 083. Tel : +91 22- 4918 6000 Fax : +91 22-4918 6060 E-Mail: rnt.helpdesk@linkintime.co.in
12	Investor Relation Officer	Mr. Shyamal Padhiar, Company Secretary 135, Continental Building, Dr. A.B. Road, World, Mumbai - 400 018. Tel: 022 7106 1234 Fax: 022 7154 5940 E-mail: investorinfo@shirpurgold.com

13 PAN & Change of Address

Members holding equity share 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.

The Securities and Exchange Board of India (SEBI) has mandated the submission of Permanent Account Number (PAN) by every participant in securities market. Members holding equity share in dematerialised form are requested to submit their PAN, notify the change of address/dividend mandate, if any, to their respective Depository Participant (DP). Members holding shares in physical form can submit their PAN, notify the change of address/dividend mandate, if any, to the Company/ Registrar & Share Transfer Agent.

14 Share Transfer System

Equity Shares sent for physical transfer or for dematerialization are generally registered and returned within a period of 7 days from the date of receipt of completed and validly executed documents.

15 Dematerialization of Equity Shares and Liquidity

To facilitate trading of Equity shares of the Company in dematerialised form, the Company has made arrangements with both the depositories viz. National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL). Shareholders can open account with any of the Depository Participant registered with any of these two depositories. 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 31st March 2019, 99.78% of the total issued and paid-up Equity Share capital of the Company were held in Dematerialized form and the balance 0.22% is held in physical form. Entire shareholding of the promoter in the Company is held in dematerialised form. The Company's shares are actively traded on BSE and NSE.

16 Unclaimed Shares

As per Clause 5A of the Listing Agreement inserted as per SEBI notification no. CIR/CSD/DIL/10/2010 dated 16th December, 2010, there were no shares lying in the suspense account which are unclaimed/undelivered as on 31st March, 2019.

17 Shareholders' Correspondence

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

The Company endeavors to reply all letters received from the shareholders within a period of 7 working days.

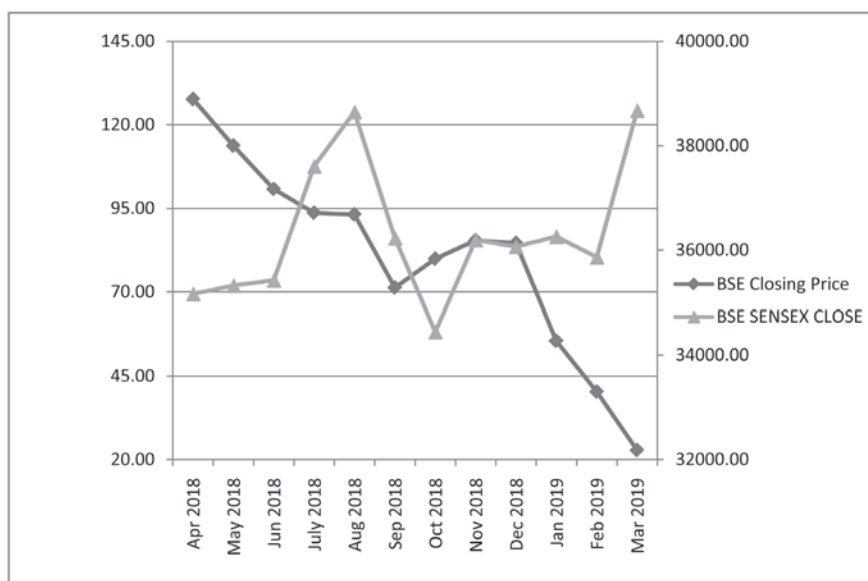
All correspondence may please be addressed to the Registrar and Share Transfer Agent at the address given above. In case any shareholder is not satisfied with the response or do not get any response within reasonable period, they may approach the Investor Relation Officer of the Company.

18 Stock Market Data Relating to Shares Listed in India

Monthly high and low Prices on BSE and NSE and volume traded for financial year 2018-19 are:

	BSE			NSE		
	High (₹)	Low (₹)	Volume (In Nos.)	High (₹)	Low (₹)	Volume (In Nos.)
April 2018	150.65	124.30	37,370	150.00	125.00	64,191
May 2018	134.00	112.05	18,795	132.30	111.50	64,959
June 2018	120.70	99.00	25,454	129.80	98.10	71,165
July 2018	100.15	76.10	18,696	103.35	75.35	60,392
August 2018	106.00	89.00	14,255	103.60	90.45	62,073
September 2018	104.00	71.05	26,605	97.00	70.00	62,640
October 2018	85.00	63.15	2,17,172	85.65	67.00	3,48,036
November 2018	92.50	76.00	2,18,625	93.80	77.10	4,82,852
December 2018	96.60	82.05	1,69,653	89.50	81.50	3,88,900
January 2019	88.90	55.00	28,818	88.70	56.15	1,59,090
February 2019	56.00	39.90	92,765	56.60	40.00	2,45,209
March 2019	44.10	22.35	10,25,666	43.95	22.80	14,98,217

19. Relative performance of Shirpur Gold Shares Vs. BSE Sensex



Shirpur Gold Refinery Limited
Closing Monthly BSE Price Vs Closing Monthly BSE Sensex

20. Distribution of Shareholding as on March 31, 2019:

No. of Equity Shares	Share Holders		No. of Shares	
	Number	% of Holders	Number	% of Shares
1 to 500	5971	84.22	7,66,298	2.63
501 to 1000	511	7.20	4,07,707	1.40
1001 to 2000	273	3.86	4,06,554	1.40
2001 to 3000	104	1.47	2,66,918	0.92
3001 to 4000	53	0.75	1,88,071	0.65
4001 to 5000	30	0.42	1,37,799	0.47
5001 to 10000	67	0.95	5,03,976	1.72
10001 and above	80	1.13	2,64,59,879	90.81
TOTAL	7089	100.00	2,91,37,202	100.00

21. Categories of Shareholders as on March 31, 2019:

Category	% Shareholding	No. Shares held
Promoters	63.89	1,86,15,428
Individuals	15.65	45,58,753
Foreign Portfolio Investors, OCBs and NRIs	6.74	19,64,045
Domestic Companies	10.98	31,98,499
Others	2.74	8,00,477
TOTAL	100.00	2,91,37,202

22. Particulars of Shareholding Promoter Shareholding as on March 31, 2019

Name of Shareholder	No of Equity Shares held	% of Shareholding
Jayneer Infrapower & Multiventures Private Ltd	1,86,15,428	63.89%

23. Outstanding GDR / ADR / Warrants or any convertible instruments, conversion date and likely impact on Equity

There are no outstanding GDRs / ADRs / Warrants or any other convertible instruments pending for conversion as on date 31.03.2019.

24. Commodity Price Risk & Hedging Activities

The prices of Gold and Silver are largely governed by movements at major precious metal exchanges of London, New York, Tokyo and others. The local precious metal 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. The Company has adopted adequate hedging mechanisms to effectively counter the risk that arises during operations. However, the management cannot totally eliminate the risks involved in such volatile trades.

Shirpur Gold is exposed to price fluctuations on account of gold prices and this is managed by way of:

- Purchase of gold on lease from banks where the commodity price is only fixed when the corresponding sale happens to customers. Thus, the Company is not exposed to gold prices for this portion of purchase.
- Purchase of gold from customers (on exchange) or spot gold where the risk is managed by way of taking a sell position either in the commodity futures in the commodity exchanges / banks. On a later date when this is sold, the positions are squared off. Thus, there is no exposure to gold prices for this portion of commodity purchase also. The Mark-to-Market of outstanding Sell Future Contracts, is done on a daily basis, based on gold rate fluctuation.

All the commodity hedging is done in adherence to the hedging limits in place. Senior management periodically reviews the hedge position and other actions.

25. Other Disclosures

- i. All transactions entered into by the Company with related parties during the financial year 2018-19 were in ordinary course of business and on arms-length basis. The related party transactions undertaken by the Company during the year under review were in compliance with the applicable provisions of Companies Act, 2013 and Listing Regulations. The details of the Related Party Transactions are set out in the Notes to Financial Statements forming part of the Annual Report. All ongoing related party transactions along with the estimated transaction value and terms thereof are approved by the Audit Committee before the commencement of financial year and thereafter reviewed on quarterly basis by the Audit Committee.

In compliance with the requirements of Regulation 23 of Listing Regulations, the Board of Directors of the Company has approved a Related Party Transaction Policy, to facilitate management to report and seek approval for any Related Party Transaction proposed to be entered into by the Company. The said Related Party Transaction Policy can be viewed on www.shirpurgold.com.

There are no materially significant related party transactions between the Company and its promoters, directors or key management personnel or their relatives, having any potential conflict with interests of the Company at large.

- ii. There has not been any non-compliance by the Company and no penalties or strictures imposed by SEBI or Stock Exchanges or any other statutory authority on any matter relating to capital markets, during the last three years.
- iii. As per Section 177 of the Companies Act, 2013 and Regulation 22 of Listing Regulations, a comprehensive Whistle Blower and Vigil Mechanism Policy has been approved and implemented within the organization. The policy enables the employees and directors to report instances of any unethical act or suspected incidents of fraud or violation of Companies Code of Conduct or ethics policy. This Policy (copy of which is uploaded on the website of the Company) safeguards whistle blowers from reprisals or victimization. Your Board affirms that no personnel has been denied access for making disclosure or report under the Policy to the Vigilance Officer and/or Audit Committee.
- iv. In accordance with SEBI (Prohibition of Insider Trading) Regulations, 2015, the Company has formulated and approved (i) an Insider Trading Code to regulate dealing in the securities of the Company by designated persons in compliance with the regulations; and (ii) a Policy for Fair Disclosure of Unpublished Price Sensitive Information. Company Secretary of the Company is Compliance officer for the purposes of Insider Trading Code, while the Chief Financial Officer of the

Company has been assigned responsibility under Fair Disclosure Policy as Investor Relations Officer. In line with the amendment to SEBI (Prohibition of Insider Trading) Regulations, 2015, the Insider Trading Code and Policy for Fair Disclosure of Unpublished Price Sensitive Information was revised with effect from April 1, 2019. The revised Code and Policy can be viewed on Company's website www.shirpurgold.com.

- v. Pursuant to the revised threshold prescribed for Material Subsidiary in Regulation 16 of the Listing Regulations as applicable from April 1, 2019, Zee Gold DMCC has become a Material Subsidiary. The Audit Committee reviews financial statements including investments by its Subsidiary. The policy on determining material subsidiaries has been uploaded and can be accessed on the website of the Company at www.shirpurgold.com

Additionally, the Board has in accordance with the requirements of Companies Act, 2013 and Listing Regulations approved and adopted various other policies including Material Events Determination and Disclosure Policy, Document Preservation Policy, Corporate Social Responsibility Policy etc. These policies can be viewed on Companies Website at www.shirpurgold.com

- vi. Your Board hereby confirms that the Company has obtained a certificate from a Company Secretary in Practice confirming that none of the Directors on the Board of the Company have been debarred or disqualified from being appointed or continuing as Directors by SEBI, Ministry of Corporate Affairs or any such other statutory authority.
- vii. During FY 2018-19, the Statutory Auditor of the Company M/s. B.S. Sharma & Co., Chartered Accountants was not paid any fees by any of the Subsidiary(ies) of the Company. Further as disclosed in Note No. 41 to the Standalone Financial Statements, the Company had paid an aggregate remuneration of ₹ 1.55 Million (excluding taxes and out of pocket expenses) to its Statutory Auditors, including ₹ 1.10 Million towards Statutory Audit fees and ₹ 0.37 Million towards fees for Tax audit / other Certifications.
- viii. Your Company has zero tolerance towards sexual harassment at work place and has adopted a Policy on prevention, prohibition and redressal of sexual harassment at workplace in line with the provisions of the Sexual Harassment of Women at Work place (Prevention, Prohibition and Redressal) Act, 2013 and the Rules thereunder. There was no complaint on sexual harassment during the year under review.
- ix. The Company has complied with all the mandatory requirements specified in Regulation 17 to 27 and applicable requirements of Regulation 46 of Listing Regulations, as amended.

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:

INDUSTRY STRUCTRE AND DEVELOPMENTS

Gold has the potential to play a pivotal role in society, enhancing safety, security and stability. Gold is different from almost any other asset because it appeals to both investors and consumers. Investors turn to gold as a diversifier and long-term savings tool. Consumers see gold as an adornment and a sign of wealth.

During the FY 2018-19, consumer demand rose in many key markets, supported by positive economic growth. But gold faced headwinds from investment. President Trump's tax cuts fuelled the long bull market in US equities for much of the year, while a strengthening dollar and rising US interest rates acted as further brakes on investment demand for gold.

Global Scenario

Demand

Gold demand grew modestly in 2018, reaching 4,345t, in line with the five-year annual average. A 50-year high in central bank buying drove this growth, supported by an acceleration in bar and coin investment in the second half of the year. Central banks added 651.5t to official gold reserves – the highest level of demand since the end of US dollar convertibility into gold in 1971 – as more central banks turned to gold as a diversifier. Retail investment in gold bars and coins posted annual growth of 4%. Coin demand surged to reach a five-year high of 236.4t, the second highest on record. Demand for gold bars held steady, a fifth year in succession of holding in a firm 780-800t range.

Demand for gold as a reserve asset strengthened considerably in 2018, rising by 74% compared to 2017, in response to the geopolitical and macro-economic environment. This was borne out by events, with over 20 central banks purchasing gold in 2018. This included many new buyers or central banks that had been dormant in the gold market for several years. Even some European central banks bought gold, with the national banks of Poland and Hungary both making sizeable purchases. The central banks of Russia, Kazakhstan and Turkey also remained prolific buyers. The desire to de-dollarise foreign exchange reserves, in response to deteriorating geo-political relations in some parts of the world, fuelled some purchases. While other central banks bought gold for

diversification reasons and, in Hungary's case, partly as a hedge against structural changes in the international financial system.

Following the launch of the Shari'ah Standard on Gold, which was developed to open up a new asset class for Islamic investors, new Shari'ah compliant gold-backed products were launched in Dubai and Malaysia this year, catering to both the institutional and retail investment markets.

Annual jewellery demand was virtually unmoved, down just 1t from 2017. Growth in China and the US cancelled out weakness in the Middle East and Turkey. Gold demand in technological applications reached its highest since 2014. Growth was strongest in the electronics sector, primarily due to strong demand for consumer electronics and ongoing electrification in the automotive sector.

Since its inception nearly 15 years ago, the US physical gold-backed ETF industry continues to experience an average of 27.3% AUM growth per year in US\$ terms. This is driven by diverse factors including the rapid adoption of robo/self-directed solutions, a wide range of options for exposures, management fee compression, and ease of use relative to other investment vehicles.

Supply

Total supply grew fractionally in 2018. growth was supported by similar y-o-y increases in mine production and recycled gold. Gold mine production rose by 1% in 2018. Although slowing in recent years, this is now the tenth year of annual growth and the highest level of annual mine output. Australia, Russia, Papua New Guinea and Canada were some of the bright spots for annual production growth. Annual Chinese production dropped for a second successive year due to the impact of more stringent environmental regulations; while the closure of some loss-making projects and industrial action compounded the pressure on South African miners as national output fell 18% y-o-y.

Indian Scenario

Annual Indian gold jewellery demand weakened marginally to 598t, from 601.9t in 2017. Demand was constrained in 2018 as there were relatively few auspicious wedding days in the Hindu calendar. At a time of higher and more volatile local gold prices, the market saw a rise in the number of consumers preferring to exchange existing gold for new pieces. This was particularly prevalent in the south and west regions, where some retailers reported an increase of up to 45% in exchange activity. The market was therefore well supplied with gold, and this was reflected in local price discounts.

India's bar and coin market faced challenges throughout the year. The weakness of the Indian rupee pushed the gold price to Rs31,900/10g during October 2018, its highest level since June 2012. And India's leading stock market – the SENSEX – continued to hit new highs, grabbing the attention of many urban investors. Finally, the government's continued clamp down on illicit money has removed an element of demand from the market.

Yet despite these challenges, India's gold investment market continued to innovate. Mobile apps and online platforms such as PayTM Gold, Phone Pe, MobiKwik and Safe Gold continued to gain traction, albeit from a very low base. Businesses such as these allow investors to gain exposure to gold for as little as one rupee and, according to media reports, have seen rapid growth in their customer base.

India holds a strategically important position as the second largest consumer of gold and the holder of the largest stock of gold, yet its policies on gold in the past have not kept pace with the needs of a dynamic industry. Over the last five years, the World Gold Council have been advocating the need for a comprehensive gold policy to make gold a mainstream financial asset and part of the organised sector of the Indian economy. As a consequence of their efforts, 2018 marked a significant shift in government policy.

In February's Union Budget, India's Finance Minister indicated the government's commitment to define comprehensive gold policies that would establish gold as an asset class, together with the creation of a gold exchange. This reflected a profound change in approach. Leading on from this commitment, the government's think-tank, NITI Aayog, released a gold policy report with recommendations to transform the gold market over the coming years. During 2019, a syndicate will be established to work with the policymakers to drive implementation.

In November 2018, India's first assay institute was launched in collaboration with MMTC-PAMP. To support and sustain this initiative, six large national trade associations came on board as patron members in an unprecedented fashion. The institute will be transformative for the industry, as a new generation of skilled assayers will help eliminate the systemic under cartage of gold jewellery and bring integrity to the gold market, thereby instilling trust and confidence in consumers.

Company Overview

Shirpur Gold Refinery Limited, a part of the Essel Group, has the largest installed capacity in India of refining gold and silver from the raw gold (Dore) stage to 99.99% purity. The technical

capabilities include achieving fineness of up to 999.9 parts per thousand for gold and silver, casting the refined bullion into bars of various denominations, minting of coins and manufacturing of Jewellery in various designs.

Refining of Gold from the raw gold (Dore) stage and Jewellery scrap to achieve the desired purity of 0.995, 0.999 and 0.9999 fineness is the principal business of the Company. The products manufactured under Company's 'Zee Gold' brand consist of gold bars of 100g, 1 kg. gold and silver coins or different denominations of different purities as per market demand to the highest specifications of global standards.

The State of Company's Affairs/ Developments

The company continues to maintain its commitment to the highest level of production efficiency and excellence in quality. As such at the company has always kept abreast of the ever-changing technologies and processes.

Gold industry in India has always been greatly impacted by the government regulations and controls. Changes implemented by the regulatory authorities has been challenging for the industry and so for the company. The company is well compliant with all directions, changes and regulations implied by the government on gold industry from time to time.

STRENGTHS, OPPORTUNITIES, THREATS, RISKS & CONCERNS:

A) Strengths

(i) Product Range

Currently, The Company is selling its gold bars, Jewellery and coins in different denominations under the brand 'Zee Gold.'

(ii) Product Quality

The company compares its quality standards with the best in the world. The products positioned are comparable with the highest levels certified and accepted internationally. The production processes and controls along with stringent quality control systems has ensured a Zero-defect record over the term.

(iii) Laboratory

The Company's laboratory is a NABL Accredited Lab (National Accreditation Board for Testing & Calibration Laboratories) Government of India for ISO / IEC 17025; 2005 in the discipline of chemical analysis and the scope covers testing of Gold and Silver by Fire Assay, Chemical and

Instrument Assay. NABL Accreditation provides formal recognition to Company's lab, thus providing a ready means for users to find reliable testing and calibration services in order to meet their requirements.

(iv) Responsible Sourcing of Raw Material

The company follows acceptable standards of due diligence and responsible sourcing of raw materials. The company ensures adequate compliance following all international regulations covering anti money laundering and terrorist financing. The management is fully committed to establish and maintain strict adherence to international compliance standard for sourcing of raw material. Company's aim is to continually maintain and update its compliance policies with respect to procurement of dore, supply chain management and trading.

(v) Economy of Scales

The production processes established by the Company and continuous monitoring of the same ensures that the Company is in position to reduce the production time with economies of scale and cost reduction through modular structure.

(vi) Distribution network

Your Company has further strengthened the existing strong distribution network created over years. The necessary steps have been initiated to increase penetration in all the gold consuming centers. The company has already created a strong customer base in the international market by having strong and solid channel partners in main hubs of UAE and Hongkong.

(vii) Financial Strengths

The Company is financially sound and has been able to take the advantage in operations.

(viii) Strong operational, technical and management team

Standard Operational Procedures (SOPs) are implemented and policies are put in place by the management to ensure that the work force is adequately monitored and efficiency levels maintained. New trends and practices in the refining areas are evaluated and implemented under the able guidance of technical experts of the Company having on its panel.

B) Opportunities

India is the largest consumer of gold in the world. Gold

demand in India is expected to maintain the same pace around 700+ tones/year for 2019.

In 2019, structural economic reforms should support gold demand for jewellery, technology and long-term savings. Increased market uncertainty and protectionist economic policies should make gold increasingly attractive as a hedge. And suggestions that the US economy will experience weaker growth this year could curtail rising interest rates and limit dollar strength.

India is one of the largest markets for gold, and growing affluence is driving growth in demand. Gold has a central role in the country's culture, considered a store of value, a symbol of wealth and status and a fundamental part of many rituals. Among the country's rural population, a deep affinity for gold goes hand in hand with practical considerations of the portability and security of jewellery as an investment.

India has been actively modernising its economy, reducing barriers for commerce and promoting fiscal compliance. The country is expected to grow by 7.5% in 2019, significantly outpacing most global economies. Gold is well positioned to benefit from this expansion, as there is an unequivocal link between jewellery demand and growing consumer wealth.

At present only LBMA accredited Refiners are only allowed to deliver in the exchanges. Domestic Refiners in India are closely watching the policy developments of regulators and government bodies which is likely to boost the refining business in India. Regulators were showing interest to move towards a delivery method of settlement in Gold rather than cash settled in Exchange based trading.

Large organised players in the Indian gems and Jewellery sector will see a positive trend towards higher demand for studded and wedding Jewellery. This will be driven by rising per capita income leading to higher discretionary spending.

The Gems and Jewellery sector are witnessing changes in consumer preferences due to adoption of western lifestyle. Consumers are demanding new designs and varieties in Jewellery, and branded retailers are able to fulfil their changing demands better than the local unorganized players. Moreover, increase in per capita income has led to an increase in sales of Jewellery, as Jewellery is a status symbol in India.

C) Threats

Global slow down may occur due to following risks :

- The potential negative long-term effect of higher tariffs amidst trade tensions between the US and its trade partners
- Geopolitical tensions between the US and Iran
- Uncertainty surrounding Brexit and other political and economic concerns in the UK and Europe.

This year, the gold industry see higher levels of risk and uncertainty across four key metrics: global stock market volatility; potential increases in inflation; political and economic instability in Europe; and increasing concerns about a global recession.

Weaker economic growth and the possible impact of higher gold price volatility may result in softer consumer demand this year, especially in emerging markets that make up the lion share of annual demand. Gold demand is linked to jewellery, technology and longterm savings, and these are important determinants of long-term performance. In the short and medium term their impact is felt predominantly when there are significant changes to demand. Conversely, gold investment demand amidst higher uncertainty – including speculative activity – can sway prices in a meaningful way in the short and medium term but its effects level off in the long run.

Despite being the second largest consumer of gold in the world, India's gold market has long suffered from a lack of transparency, uncertain quality and differentiated pricing. A successful Gold Spot Exchange could remedy many of these issues.

D) Risks & Concerns:

(i) Market Risks

The Company is largely dependents on domestic customers. The Company continues to work towards diversifying its customer mix and to focus on building relationships with customers spread geographically.

(ii) Regulatory Risks

The Company is exposed to regulatory uncertainties facing the gems and Jewellery industry in India. Any changes in the duty, rules and regulations, Import and Export policies or requirements by the Government of India may require the Company to revise business strategies which may

impact its financial position adversely. The Company in order to reduce loss of revenue and market share due to any changes in the policies of the Government of India, has diversified sales mix, product range, and raw material mix. However, the management cannot totally eliminate the risks involved in such volatile trades.

(iii) Operational Risks

The Company adopts a sustainable production platform. Continuous availability of gold dore and scrap is critical for the production plans of the company. The company has tied up with global miners for continuous supply of gold dore. The Company is also in process of entering into off-take agreements with miners for supply of gold Dore. The Company is also procuring SR bars and scrap materials from local markets. However, the management cannot totally eliminate the risks involved in such volatile trades.

(iv) Commodity Price Risks

The prices of Gold and Silver are largely governed by movements at major precious metal exchanges of London, New York, Tokyo and others. The local precious metal 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. The Company has adopted adequate hedging mechanisms to effectively counter the risk that arises during operations. However, the management cannot totally eliminate the risks involved in such volatile trades.

(v) Currency Risk

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 prices and foreign exchange transactions. However, the management cannot totally eliminate the risks involved in such volatile trades.

(vi) Competition Risk

Significant additional competition in the gold trade may result in reduced off-take and thereby negatively affect the Company's revenues and profitability. The Company may also face competition arising from new technology/ automation leading to new 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 & technology.

(vii) Internal Control Systems

The company follows a standard operating procedure in all its operations, documentation and trades which is best as per industry standards. The management ensure all the activities and operations are well informed to the concerned and risk management policies are followed in all its endeavors.

(viii) 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 its ability to attract, train, motivate and retain high skilled employees. An increase in the rate of attrition of experienced employees, would adversely affect the Company business. In view of above, to curtail attrition of high potential employees, the Company always strives to create conducive work environment, platform for innovation & creativity, creation of learning & growth opportunity and sense of belongingness. As a part of its retention strategy the Company is putting its endeavor to identify & ring fence of "High Potential Employees".

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

Emerging markets account for around 70% of gold consumer demand, led by China and India. Both countries are implementing economic changes that will promote growth and income levels over many years. gold jewellery demand will benefit from positive consumer sentiment in 2019. Even if uncertainty affects confidence in certain jurisdictions, global demand should still increase marginally.

Global financial markets are valued at more than US\$150tn. Investment in gold amounts to less than 1% of that total. Raising awareness of the role that gold can play within a diversified

portfolio could benefit investors all over the world and also have a material impact on overall demand.

Increasing Disposable income of one of the largest middle-class population of the world has reflected in thriving gold physical demand in India, traditionally gold is the psychological safe haven for Indian community. Further to that Increasing Investment supported by expansion of domestic market has offered strength to the growing market in India. Recent policy announcement Gold Monetisation enables an individual, trust and other mutual find to deposit gold with banks and earn interest. Being one of the youngest middle-class workers and with a population of around 547 million by 2025. Any drop-in consumer sentiment could easily get reversed within a short span of time.

Jewellery market in India is home to around 3,00,000 participants and it is run largely run by scattered rural and semi urban players. Respective Industry association expects market size to reach around 100 \$ industry by the year 2025 from currently around \$75 Billion USD. Recently we have seen that the retail business in gold is getting organized funding and tremendous growth potential for coming years specially the untapped rural markets by branded retail chains in India. Rising middle class population and increasing income levels are the key drivers for the demand of gold and other Jewellery in India. The demand for Jewellery is expected to be significantly supported due to these factors.

Zee Gold DMCC, Dubai (100% subsidiary) is actively engaged in the precious metals trading business and tapping opportunities in countries like Middle East, Africa, Indian sub---Continent, South East and Central Asia, The Americas, Turkey and the former CIS countries.

The central location of Dubai and a time zone that facilitates trading with all global markets provides an ideal base from which to develop a major precious metals business. The business is focused on Wholesale physical bullion trading, incorporating sales of the full range of the company's physical gold and silver products, including value added investment bars and coins. Sourcing of both primary and secondary supplies of gold and silver.

Certification on Financial Statements of the Company

We, **Subhash Pareek**, Manager and **Sharvan Kumar Shah**, Chief Financial Officer of Shirpur Gold Refinery Limited ('the Company'), certify that:

- a) We have reviewed the financial statements and cash flow statement for the year ended March 31, 2019 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) To the best of our knowledge and belief, no transactions entered into by the Company during the year ended March 31, 2019 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 we have evaluated the effectiveness of the Internal Control Systems of the Company pertaining to financial reporting and have disclosed to the Auditors and Audit Committee, deficiencies in the design or operation of such internal controls, if any, of which we are aware and the steps we have taken or proposed 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 an employee having significant role in the Company's internal control system over financial reporting.

For Shirpur Gold Refinery Limited

Place: Mumbai
Date: May 18, 2019

Subhash Pareek
Manager

Sharvan Kumar Shah
Chief Financial Officer

Independent Auditor's Report on the Standalone Financial Statements

The Members,
SHIRPUR GOLD REFINERY LIMITED

1. Opinion

We have audited the accompanying standalone financial statements of Shirpur Gold Refinery Limited ("the Company"), which comprise the Balance sheet as at 31st March 2019, the Statement of Profit and Loss (including Other comprehensive income), the statement of changes in equity and the statement of Cash Flows for the year ended on that date, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information (hereinafter referred to as "Financial Statements").

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid Financial statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended, (Ind-AS) and other accounting principles generally accepted in India, of the state of affairs of the Company as at 31st March 2019, its profit and total comprehensive income, changes in equity and its cash flows for the year ended on that date.

2. Basis for Opinion

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Companies Act, 2013 ("the Act"). Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the financial statements section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Act and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ICAI's Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the financial statements.

3. Key Audit Matters

Key Audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

We have determined the matters described below to be the key audit matters to be communicated in our report:

Key audit matter	Impairment of Assets
Criteria for disclosure as key Audit matter	Assessed the design implementation and operating effectiveness of key controls in respect of the Company's process of recognition of tax expense including deferred taxes.
Present status	Audit approach
As per Ind-AS 36- Impairment of Assets, for investments in subsidiary, impairment has to be done when the carrying amount of such investment in the separate financial statement is higher than the carrying amount in the consolidated financial statements of the investee's net assets. The Company has long-term investments in a subsidiary aggregating ₹ 337.60 millions as at 31 March 2019. The Company records its long-term investments at cost less any provision for impairment loss. Changes in business environment could have a significant impact on the valuation of these investments. These long-term investments are tested for impairment periodically. If triggers of impairment exist the recoverable amounts of the investment in a subsidiary is adjusted for any impairment loss. The impairment loss is recognised in the statement of profit and loss. Refer note 1 (g) – significant accounting policy for impairment of investments	We performed the following key audit procedures: We have reviewed assumptions taken for projecting the future cash flows and the basis of criteria for the underlying preparation of these projections. Based on the representations provided to us by the management, no impairment is required for the investments made in the subsidiary as at the end of the financial year. (Refer Note No. 3 of the Standalone Financial Statements).

Key audit matter	Taxes including provision for current Tax and recognition of deferred tax
Criteria for disclosure as key Audit matter	Assessed the design implementation and operating effectiveness of key controls in respect of the Company's process of recognition of tax expense including deferred taxes;
Present status	Audit approach
<p>The Company has recorded ₹ 8.35 million of tax expense for the year ended 31 March 2019 and deferred tax upto year end is ₹ 461.31 million. The Company is subject to periodic tax challenges by tax authorities leading to protracted litigations.</p> <p>As such accounting for taxes involves management judgment in developing estimates of tax exposures and contingencies in order to assess the adequacy of tax provision.</p> <p>Refer note 1(p) – significant accounting policy for income tax.</p>	<p>We performed the following key audit procedures:</p> <p>Assessed and challenged the completeness of uncertain tax positions in conjunction with our internal tax specialists by considering changes to business and tax legislation through discussions with management and review of correspondence with authorities where relevant;</p> <p>Assessed and challenged the calculation for the current tax provision and the procedures performed to analyse movements including the rationale for any release increase or continued provision in the year; and</p> <p>Assessed and challenged management's judgments with respect to probability of outflow arising out of litigation after considering the status of recent tax assessments audits and enquiries, recent judicial pronouncements and judgments in similar matters developments in the tax environment and outcome of past litigations.</p>

Key audit matter	Amounts recoverable-claims, receivables, loans & advances given, provision for expected credit losses and related balances
Criteria for disclosure as key Audit matter	Assessed the credit period by the Company vis-à-vis customers, insurance claims status and loans & advances given and management's assessment of realisability of such dues;
Present status	Audit approach
<p>Refer note 1(x) for significant accounting policy and note 48 for credit risk disclosers.</p> <p>Trade receivables and other amounts recoverable comprise a significant portion of the current financial assets of the Company. As at 31 March 2019 trade receivables (Refer Note No. 9) aggregate to ₹ 2795.07 millions and other amounts recoverable (Refer Note No. 14) aggregate to ₹ 1262.81 millions.</p> <p>In accordance with 109, the Company applies expected credit loss (ECL) model for measurement and recognition of impairment loss for financial assets. The Company has analysed trade receivables, advances etc., considering ageing etc., and has come to the conclusion that there is no credit loss hence no estimation is done on the basis of ageing.</p>	<p>Our audit procedures to address this key audit matter included, but were not limited to the following:</p> <ol style="list-style-type: none"> We discussed with the management about the conditions leading to, and their assessment of recoverability of dues from the parties and also referred to the available communications, if any, between them. We referred to the aging of trade and other receivables and discussed the key balances to establish the management's assessment of recoverability of such dues. We analysed the methodology used by the management and considered the credit and payment history of specific parties to determine the trend used for arriving at the expected credit loss, if any.

Present status	Audit approach
<p>Other amount recoverable of ₹ 1262.81 millions include Advances to suppliers of materials ₹ 993.81 millions, ₹ 124.17 millions for claim lodged with the insurance company (Refer Note No. 52) pending since April 2015 for settlement. On the basis of such workings and negotiations with the insurance company, the Company do not foresee any ECL for provisions to be made for doubtful or bad debts.</p> <p>Estimation of provisions and assessment of recoverability of amounts involves significant degree of judgement and evaluation basis for ongoing communications with the respective parties and is therefore considered as a key audit matter.</p>	<p>d. We referred to the terms and conditions, stipulated in the settlement arrangement with respect to amounts recoverable from vendors.</p> <p>e. We have assessed the adequacy of disclosures made by the management in the financial statements to reflect the expected credit loss provision, advances, loan given, trade and other receivables, related balances, (assets) pending reconciliation and confirmations from parties concerned. The probability of recovery of these loans and advances, both trade and others and receivables and that there will not be default, requires management judgment to ensure discloser of most appropriate values of assets.</p>

Key audit matter	Contingent liabilities
Criteria for disclosure as key Audit matter	Level of judgment required relating to estimation and presentation of Contingent liabilities;
Present status	Audit approach
<p>Refer Note 34 of the standalone financial statements</p> <p>Disputed Direct Taxes ₹ 0.62 Millions. The management is of the opinion that tax cases will be decided in its favor and hence no provision is considered at this stage. Further Corporate Guarantee provided by the Company to its subsidiary and the extension of non-fund based SBLC credit facility as at 31st March 2019 in aggregate is ₹ 1,743.59 Millions(consisting of SBLC limit of ₹1,000 Millions and Corporate Guarantee of ₹ 743.59 Millions). The existence and probability of payments against these claims and the probability that the subsidiary will not default payments to Banks requires management judgment to ensure disclosure of most appropriate values of contingent liabilities.</p>	<p>Our audit procedures included, among others, assessing the appropriateness of the management's judgment in estimating the contingent liabilities.</p> <p>We have obtained details of pending cases and demands as at 31 March 2019 from the management. We assessed the completeness of the details of these claims through discussion with senior management personnel. We have also reviewed the outcome of the disputed cases pending at various forums. We have also assessed the appropriateness of presentation of the Corporate Guarantee and extension of the SBLC credit facilities, which are of contingent nature and hence appears in the standalone financial statements, as contingent liabilities</p>

4. Information other than the standalone financial statements and Auditor's Report thereon

The Company's Board of Directors is responsible for the other information. The other information comprises the information included in the Annual Report but does not include the financial statements and our auditor's report thereon.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge

obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

5. Management's Responsibility for the standalone financial statements

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these financial statements that give a true and fair view of the state of affairs (financial position), profit or loss (financial performance including total comprehensive

income), changes in equity and cash flows of the Company in accordance with accounting principles generally accepted in India, including the specified under Section 133 of the Act. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

The Board of Directors are also responsible for overseeing the Company's financial reporting process.

6. Auditor's Responsibilities for the Audit of the standalone financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting

from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for explaining our opinion on whether the company has adequate internal financial controls system in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

Materiality is the magnitude of misstatements in the standalone financial statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the financial statements may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work, and (ii) to evaluate the effect of any identified misstatements in the financial statements.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

7. Report on Other Legal and Regulatory Requirements

1. As required by Section 143(3) of the Act, based on our audit we report that:

- a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
- b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
- c) The Balance Sheet, the Statement of Profit and Loss including Other comprehensive income, Statement of changes in Equity and the Statement of Cash Flow dealt with by this Report are in agreement with the relevant books of account.
- d) In our opinion, the aforesaid financial statements comply with the Indian Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
- e) On the basis of the written representations received from the directors as on 31st March 2019 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March 2019 from being appointed as a director in terms of Section 164 (2) of the Act.
- f) With respect to the adequacy of the internal financial controls over financial reporting (IFCoFR) of the Company and the operating effectiveness of such controls, refer to our separate report in "Annexure A". Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Company's internal financial controls over financial reporting.

- g) With respect to the other matters to be included in the Auditor's Report in accordance with the requirements of section 197(16) of the Act, as amended;

The Company has paid or provided for any managerial remuneration during the year and such remuneration so paid is in accordance with the provisions of section 197 of the Act.

- h) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended in our opinion and to the best of our information and according to the explanations given to us:

- i. The Company does not have any pending litigations which would impact its financial position except as otherwise stated in Annexure to Independent Auditors' Report and Note No. 34 of Notes to financial statements;
- ii. The Company did not have any material foreseeable losses on long term contracts including derivative contracts;
- iii. There has been no amount required to be transferred to the Investor Education and Protection Fund, since the same is not applicable to the Company;
- iv. the disclosure requirements relating to holdings as well as dealings in specified bank notes were applicable for the period from 8 November 2016 to 30 December 2016, which are not relevant to these financial statements. Hence, reporting under this clause is not applicable.

2. As required by the Companies (Auditor's Report) Order, 2016 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in the "Annexure B" a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.

For **B S Sharma & Co.**

Chartered Accountants

Firm Registration No. : 128249W

CA B S Sharma

Proprietor

Membership No. 031578

Place: Mumbai

Date: 18 May 2019

Annexure “A” to Independent Auditor’s Report

(Referred to in para 7(1)(f) of the Independent Auditor’s Report of even date to the members of SHIRPUR GOLD REFINERY LIMITED on the Standalone Financial Statements for the year ended 31 March 2019)

Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 (“the Act”)

We have audited the internal financial controls over financial reporting of SHIRPUR GOLD REFINERY LIMITED (“the Company”) as at 31st March, 2019 in conjunction with our audit of the Standalone Financial Statements of the Company for the year ended on that date.

1. Management’s Responsibility for Internal Financial Controls

The Company’s management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India (“ICAI”). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company’s policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

2. Auditor’s Responsibility

Our responsibility is to express an opinion on the Company’s internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the “Guidance Note”) issued by the Institute of Chartered Accountants of India and the Standards on Auditing prescribed under Section 143(10) of the Act, to the extent applicable to an audit of internal financial controls. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit

evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor’s judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company’s internal financial controls system over financial reporting.

3. Meaning of Internal Financial Controls over Financial Reporting

A company’s internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company’s internal financial control over financial reporting includes those policies and procedures that

- (a) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company;
- (b) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and
- (c) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company’s assets that could have a material effect on the financial statements.

4. Inherent Limitations of Internal Financial Controls Over Financial Reporting

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of

collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

5. Opinion

In our opinion, to the best of our information and according to the explanations given to us, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were, , operating effectively as at 31st March, 2019, based on the internal control over financial reporting criteria established by the Company

considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

For **B S Sharma & Co.**

Chartered Accountants

Firm Registration No. : 128249W

CA B S Sharma

Proprietor

Membership No. 031578

Place: Mumbai

Date: 18 May 2019

Annexure “B” to Independent Auditors’ Report

(Referred to in para 7(2) of the Independent Auditor’s Report of even date to the members of SHIRPUR GOLD REFINERY LIMITED on the Standalone Financial statements for the year ended 31st March 2019)

i) Fixed Assets:

- a) The company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
- b) The Company has a regular program of physical verification of its fixed assets, in phased manner designed to cover all the items during the year. In our opinion, this program and periodicity is reasonable having regard to the size of the company and the nature of its assets. In accordance with this program, fixed assets have been physically verified by the Management during the year and as per the information and explanations given, records produced, we observe that no material discrepancies were noticed on such verification.
- c) In our opinion and according to information and explanations given to us and on the basis of our examination of the records of the Company, the title deeds of freehold immovable property of land and building are held in the name of the Company.

ii) Inventory:

As per the information and explanations given, the inventories have been physically verified by the Management at reasonable intervals during the year. In our opinion the frequency and the procedure of such verification followed by the management is reasonable and adequate in relation to the size of the company and nature of its business. The discrepancies noticed on verification between the physical stocks and the book records were not material and accordingly dealt with in the books of account.

iii) Loans, secured or unsecured granted covered under Section 189 of the Act:

According to the information and explanations given to us, the Company has not granted any secured or unsecured loans to companies, firms, Limited Liability Partnerships or other parties, except to its wholly owned subsidiary, covered in the Register maintained under Section 189 of the Act. Accordingly, paragraph 3(iii) of the Order is not applicable to the Company.

iv) Loan to directors, investment, and guarantees under Sections 185 and 186 of the Act:

In our opinion and according to the information and

explanations given to us, the Company has complied with the provisions of Section 185 and 186 of the Act, with respect to the loan and/or guarantees given and investments made, as applicable. No security has been provided.

v) Public Deposits:

In our opinion and according to the information and explanations given to us, the Company has not accepted any deposits from the public during the year in terms of the provisions of Sections 73 to 76 or any other relevant provisions of the Act and the rules framed there under. Accordingly, paragraph 3(v) of the Order is not applicable to the Company.

vi) Cost Records:

According to information and explanation given to us, the Central Government has not prescribed under sub-section (1) of section 148 the Act, the maintenance of cost records under the Companies (Cost Records and Audit) Rules, 2014 hence paragraph (vi) this clause is not applicable to the Company.

vii) Payment of statutory dues:

- a) According to the information and explanations given to us and on the basis of our examination of the records of the Company, undisputed statutory dues including provident fund, employees’ state insurance, income-tax, Goods and Service Tax (GST), sales-tax, service tax, duty of customs, duty of excise, value added tax, cess and material statutory dues have generally been regularly deposited during the year with the appropriate authorities.

There are no undisputed amounts payable in respect of the aforesaid dues, which were in arrears as at 31st March, 2019 for a period of more than six months from the date they became payable.

- b) According to information and explanations given to us and the records of company examined by us, there are no other dues of Income Tax or Sales Tax or Service Tax or Goods and Service Tax (GST) or duty of Customs or duty of Excise or Value added tax which have not been deposited by the Company on account of disputes, except for the following

Disputed Liabilities under Income tax Act 1961:

Nature of Statute	Amount (in Million)	Period to which the amount relate (Assessment Year)	Forum where dispute is pending
Income Tax Act 1961	0.62	2001 – 02	Income Tax Appellate Tribunal, Mumbai

viii) Default on dues of the financial institutions, banks and government:

In our opinion and according to the information and explanations given to us, and based on the records of the Company, the Company has not defaulted during the year in repayments of loans or borrowings to financial institutions, banks and Government. The Company did not have any outstanding debentures during the year.

ix) Application of term loans and public offers:

According to the information and explanation given to us, the term loans have been applied by the Company during the year for the purposes for which they were obtained. The Company has not raised any money by way of initial public offer or further public offer (including debt instruments) during the year.

x) Frauds:

During the course of our examination of books of accounts and records of the company, carried out in accordance with the generally accepted auditing practices in India and according to the information and explanations given to us, we have neither come across any instance of material fraud on the Company or by the Company, noticed or reported during the year, nor have been informed of such cases by the management.

xi) Managerial remuneration:

According to the information and explanations given to us and based on our examination of the records of the Company, the Company has paid/provided for managerial remuneration in accordance with the requisite approvals mandated by the provisions of Section 197 read with Schedule V to the Act.

xii) Nidhi Companies:

According to the information and explanations given to us, the Company is not a Nidhi Company as prescribed under section 406 of the Act. Accordingly, paragraph 3(xii) of the

order and the Nidhi Rules, 2014 are not applicable.

xiii) Transactions with related parties:

According to the information and explanations given to us and based on our examination of the records of the Company, transactions with the related parties are in compliance with Sections 177 and 188 of the Act where applicable. The details of such related party transactions have been disclosed at Note No. 51 to the standalone financial statements as required under Accounting Standard (AS) 18, Related Party Disclosures specified under Section 133 of the Act, read with Rule 3 of the Companies (Indian Accounting Standards) Rules, 2015.

xiv) Preferential allotment or private placement of securities:

According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year. Accordingly, paragraph 3(xiv) of the Order is not applicable to the Company.

xv) Non-cash transactions with Directors:

According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not entered into non-cash transactions with directors or persons connected with them. Accordingly, paragraph 3(xv) of the Order is not applicable to the Company.

xvi) Registration with Reserve Bank of India:

In our opinion and according to the information and explanations given to us, the Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934. Accordingly, paragraph 3(xvi) of the Order is not applicable to the Company..

For **B S Sharma & Co.**

Chartered Accountants

Firm Registration No. : 128249W

CA B S Sharma

Proprietor

Membership No. 031578

Place: Mumbai

Date: 18 May 2019

Balance Sheet as at 31st March, 2019

(₹ in Millions)

Particulars	Notes	As at March 31, 2019	As at 31 March, 2018
ASSETS			
1 Non-Current Assets			
a Property, Plant & Equipments	2	1,510.88	1,577.69
b Financial Assets			
(i) Investments	3	337.60	357.17
(ii) Other Financial Assets	4	4.69	4.83
c Deferred Tax Assets (net)	5	461.34	466.05
d Income Tax Assets (Net)	6	24.30	13.63
e Other Non-Current Assets	7	19.31	19.31
Total Non -Current Assets	(A)	2,358.12	2,438.68
2 Current Assets			
a Inventories	8	362.45	379.79
b Financial Assets			
(i) Trade Receivables	9	2,795.07	2,791.40
(ii) Cash and Cash Equivalents	10	159.24	133.82
(iii) Bank Balances other than Cash and Cash Equivalents	11	582.74	351.12
(iv) Loans	12	-	104.07
(v) Other Financial Assets	13	1.65	1.63
c Other Current Assets	14	1,262.81	367.00
Total Current Assets	(B)	5,163.96	4,128.83
TOTAL ASSETS	(A+B)	7,522.08	6,567.51
EQUITY AND LIABILITIES			
Equity			
a Equity Share Capital	15	291.37	291.37
b Other Equity	16	3,099.50	3,071.87
Total Equity	(A)	3,390.87	3,363.24
Liabilities			
1 Non-Current Liabilities			
a Financial Liabilities			
(i) Borrowings	17	1,099.90	774.90
(ii) Other Financial Liabilities	18	15.36	15.36
b Provisions	19	5.16	4.63
Total Non Current Liabilities	(B)	1,120.42	794.89
2 Current Liabilities			
a Financial Liabilities			
(i) Borrowings	20	2,854.39	2,138.24
(ii) Trade Payables	21	-	-
a) Total Outstanding dues of micro enterprises & Small enterprises		-	-
b) Total Outstanding dues of creditors other than micro enterprises and samll enterprises		127.87	231.46
(iii) Other Financial Liabilities	22	27.47	38.68
b Provisions	23	1.06	1.00
Total Current Liabilities	(C)	3,010.79	2,409.38
Total Liabilities	(B+C)	4,131.21	3,204.27
Total Equity and Liabilities	(A+B+C)	7,522.08	6,567.51
Notes forming part of the financial statements	1-60		

In terms of our report of even date attached

For **B S Sharma & Co.**
Chartered Accountants
Firm Registration No. : 128249W

For and on behalf of the Board of Directors

CA B S Sharma
Proprietor
Membership No. 031578
Place: Mumbai
Date: 18 May 2019

Amit Goenka - Chairman
Manoj Agarwal - Director
Subhash Pareek - Manager
Sharvan Kumar Shah - CFO
Shyamal Padhiar - Company Secretary

Statement of Profit and Loss for the year ended 31st March, 2019

(₹ in Millions)

Particulars	Notes	For the year ended March 31, 2019	For the year ended March 31, 2018
Revenue			
I Revenue from Operations	24	18,952.29	19,539.02
II Other Income	25	7.32	25.94
III Total Revenue	(I+II)	18,959.61	19,564.96
IV Expenses			
a) Cost of Materials consumed	26	7,281.73	2,273.81
b) Purchase of Stock-in-Trade	27	11,372.34	16,901.48
c) Changes in inventories of finished goods, work-in-progress and stock-in-trade	28	(79.63)	(63.84)
d) Employee Benefits Expense	29	21.70	25.87
e) Finance Cost	30	201.86	245.47
f) Depreciation Expense	31	66.94	67.24
g) Other Expenses	32	34.55	64.95
Total Expenses	(IV)	18,899.49	19,514.98
V Profit before Exceptional Item and Tax	(III - IV)	60.12	49.98
Less: Exceptional Item (Refer Note No.56)		19.56	-
VI Profit after Exceptional Item and Tax		40.56	49.98
VII Less : Tax Expenses	33a		
a) Current Tax (Mat)	6	8.35	10.19
b) Deferred Tax Charged/(Credit)	5	4.71	9.39
VIII Profit for the year	(VI - VII)	27.50	30.40
IX Other comprehensive income			
Item that will not be reclassified to profit or loss			
Re-measurement of defined benefit plans	49	0.16	(0.85)
Tax Expense	33a	(0.03)	0.17
Total Other comprehensive income		0.13	(0.68)
X Total comprehensive income for the year	(VIII + IX)	27.63	29.72
XI Basic & Diluted earning per share (in ₹)		0.94	1.04
Notes forming part of the financial statements	1-60		

In terms of our report of even date attached

For **B S Sharma & Co.**
Chartered Accountants
Firm Registration No. : 128249W

CA B S Sharma
Proprietor
Membership No. 031578
Place: Mumbai
Date: 18 May 2019

For and on behalf of the Board of Directors

Amit Goenka - Chairman
Manoj Agarwal - Director
Subhash Pareek - Manager
Sharvan Kumar Shah - CFO
Shyamal Padhiar - Company Secretary

Cash Flow Statement for the year ended 31st March, 2019

Particulars	As at March 31, 2019	As at March 31, 2018
A. CASH FLOW FROM OPERATING ACTIVITIES:		
Net Profit before Taxation and Extraordinary Items	40.56	49.98
Adjustment for:		
Depreciation and Amortization Expenses	66.94	67.24
Finance Cost	201.86	219.57
Net Gain on exchange difference	(56.79)	(10.36)
Exceptional Item (Refer Note No. 56)	19.56	-
Re-measurement of defined benefit plans	0.16	(0.85)
Excess Provision Liabilities written back	-	6.08
Operating Profit /(Loss) before Working Capital Changes	272.29	331.66
Adjustment for:		
Change in Current Assets & Current Liabilities		
(Increase) /Decrease in Inventory	17.34	(124.84)
(Increase)/ Decrease in other Current Assets	(810.51)	964.49
(Increase)/ Decrease in Trade Receivables	53.12	2,087.24
Increase/(Decrease) in Trade Payables & Current Liabilities	(114.75)	(1,482.68)
Increase/(Decrease) in Other Non Current Liabilities & Provisions	0.53	(1.00)
Cash Generated from Operation	(854.27)	1,443.21
Less: Direct taxes paid (Net)	-	-
Net Cash flow from Operating Activities	(581.98)	1,774.87
B. CASH FLOW FROM INVESTING ACTIVITIES:		
Purchase of Property Plant & Equipments	(0.13)	-
Investment in Foreign Subsidiaries	0.01	36.77
Investment in Other Non Current Assets	(0.14)	3.03
Net Cash Generated in Investing Activities	(0.26)	39.80
C. CASH FLOW FROM FINANCING ACTIVITIES:		
Finance Cost	(201.86)	(219.57)
Investment in Fixed Deposits	(231.62)	105.22
Increase/(Decrease) in Non Current Borrowings	325.00	324.99
Increase/(Decrease) in Current Borrowings	716.15	(2,052.65)
Net Cash Generated in Financing Activities	607.67	(1,842.01)
NET CASH FLOW DURING THE YEAR (A+B+C)	25.42	(27.34)
Cash and cash equivalents at the beginning of the year*	133.82	161.16
Cash and cash equivalents at the end of the year*	159.24	133.82

Notes: 1. Cash Flow Statement has been prepared under the indirect method as set out in the Ind AS-7 "Cash Flow Statements"
2. Previous year's figures have been regrouped, rearranged, reclassified wherever applicable.
3. *Cash & cash equivalent includes Cash and Bank Balance only.

In terms of our report of even date attached

For **B S Sharma & Co.**
Chartered Accountants
Firm Registration No. : 128249W

CA B S Sharma
Proprietor
Membership No. 031578
Place: Mumbai
Date: 18 May 2019

For and on behalf of the Board of Directors

Amit Goenka - Chairman
Manoj Agarwal - Director
Subhash Pareek - Manager
Sharvan Kumar Shah - CFO
Shyamal Padhiar - Company Secretary

Statement of Changes in Equity for the year ended 31st March, 2019

A. EQUITY SHARE CAPITAL

(₹ in Millions)

Particulars	Amount
Balance as at 1 April 2017	291.37
Changes in equity share capital during the year	-
Balance as at 31 March 2018	291.37
Changes in equity share capital during the year	-
Balance as at 31 March 2019	291.37

B. OTHER EQUITY

(₹ in Millions)

Particulars	Reserves & Surplus				
	Retained earnings	Capital Reserve	General Reserve	Security Premium Reserve	Total
Balance as at 1 April 2017	(46.95)	585.51	1,068.59	1,435.00	3,042.15
Profit for the year	30.40	-	-	-	30.40
Other comprehensive income (net of tax)	(0.68)	-	-	-	(0.68)
Balance as at 31 March 2018	(17.23)	585.51	1,068.59	1,435.00	3,071.87
Profit for the year	27.50	-	-	-	27.50
Other comprehensive income (net of tax)	0.13	-	-	-	0.13
Balance as at 31 March 2019	10.40	585.51	1,068.59	1,435.00	3,099.50

In terms of our report of even date attached

For **B S Sharma & Co.**
Chartered Accountants
Firm Registration No. : 128249W

CA B S Sharma
Proprietor
Membership No. 031578
Place: Mumbai
Date: 18 May 2019

For and on behalf of the Board of Directors

Amit Goenka - Chairman
Manoj Agarwal - Director
Subhash Pareek - Manager
Sharvan Kumar Shah - CFO
Shyamal Padhiar - Company Secretary

Notes forming part of the Financial Statements

A. CORPORATE INFORMATION

Shirpur Gold Refinery Limited ("SGRL" or "the Company") is incorporated in the state of Maharashtra, India and is listed on Bombay Stock Exchange of India Limited(BSE) and National Stock Exchange of India Limited (NSE) in India. The Registered office and Plant of the Company is situated at Refinery Site, Shirpur, Dist : Dhule, Maharashtra-425 505. The Company has been in the business of manufacturing and trading of gold bars, gold coins, gold jewellery and export of gold jewellery.

1. SIGNIFICANT ACCOUNTING POLICIES

a) Statement of Compliance

These financial statement have been prepared in accordance with the Indian Accounting Standards (hereinafter referred to as the IndAS) as notified by Ministry of Corporate Affairs pursuant to Section 133 of the Companies Act,2013 (the Act) read with of the Companies (Indian Accounting Standards) Rules 2015 as amended.

b) Basis of Preparation of financial statements

The financial statements have been prepared on going concern basis in accordance with accounting principles generally accepted in India. Further, the financial statements have been prepared on historical cost basis except for certain financial assets, financial liabilities and share based payments which are measured at fair values as explained in relevant accounting policies.

c) Current versus non-current classification

All assets and liabilities have been classified as current or non-current, wherever applicable as per the operating cycle of the Company and other criteria set out in the Act. Deferred tax assets and liabilities are classified as non-current assets and non-current liabilities, as the case may be.

d) Property, Plant and Equipment and Capital Work in Progress

Recognition and initial measurement:

Property, plant and equipment are recorded at the cost of acquisition. The cost comprises purchase price, borrowing cost if capitalization criteria are met and directly attributable cost of bringing the asset to its working condition for the intended use upto the date when the assets are ready for use. Any trade discount, recoverable taxes and rebates are deducted in arriving at the purchase price. All other repairs and maintenance are recognized in statement of profit and loss as incurred.

Subsequent measurement Depreciation and useful lives

Property, plant and equipment are subsequently measured at cost less depreciation and impairment loss. Based on an independent technical evaluation, the useful life of PPE are as prescribed in schedule II of the Companies Act except for the following PPE has been estimated as 05-60 years (on a single Shift basis), which is different from that prescribed in Schedule II of the Companies Act, 2013.

Assets	Management's Estimate of Useful Life
Concrete Road – GB	60 Years
Airport Complex	30 Years
Plant & Machinery	05-40 years

Depreciation on additions to assets or on sale/discarded of assets, is calculated pro-rata from the month of such addition or up to the month of such sale/ discarded, as the case may be.

De-recognition

An item of property, plant and equipment and any significant part initially recognised is de-recognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on de-recognition (calculated as the difference between the net disposal proceeds and its carrying amount) is included in the statement of profit and loss.

e) Other Intangible assets

Recognition and initial measurement

Intangible assets are recognized if it is probable that the future economic benefits that are attributable to the asset will flow to the Company and the cost of the asset can be measured reliably. These assets are valued at cost which comprises the purchase price and any directly attributable expenditure on making the asset ready for its intended use.

Subsequent measurement (amortisation)

Intangible assets are amortized on straight line basis over the economic useful life estimated by the management.

f) Impairment of non-financial assets

At each reporting date, the Company assesses

Notes forming part of the Financial Statements

whether there is any indication based on internal/ external factors, that an asset may be impaired. 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 amount, the carrying amount is reduced to its recoverable amount and the reduction is treated as an impairment loss and is recognised in the statement of profit and loss. If, at the reporting date there is an indication that a previously assessed impairment loss no longer exists, the recoverable amount is reassessed and the asset is reflected at the recoverable amount. Impairment losses previously recognized are accordingly reversed in the statement of profit and loss.

g) Impairment of financial assets

In accordance with Ind AS 109, the Company applies expected credit loss (ECL) model for measurement and recognition of impairment loss for financial assets. ECL is the difference between all contractual cash flows that are due to the Company in accordance with the contract and all the cash flows that the Company expects to receive. When estimating the cash flows, the Company is required to consider –

1. All contractual terms of the financial assets (including prepayment and extension) over the expected life of the assets.
2. Cash flows from the sale of collateral held or other credit enhancements that are integral to the contractual terms.

h) Revenue Recognition

Ind AS 115 'Revenue from Contracts with Customers'

The Companies (Indian Accounting Standards) Amendment Rules, 2018 issued by the Ministry of Corporate Affairs (MCA) notified Ind AS 115 "revenue from Contracts with Customers" related to revenue recognition which replaces all existing revenue recognition standards and provide a single, comprehensive model for all contracts with customers. The revised standard contains principles to determine the measurement of revenue and timing of when it is recognize.

Revenue is recognize to the extent it is probable that economic benefits will flow to the Company and

the revenue can be reliably measured. Revenue is a measured at the fair value of the consideration received or receivable. All revenues are accounted on accrual basis except to the extent stated otherwise.

- Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured.
- Revenue is measured at the fair value of the consideration received/receivable net of rebates and taxes. The Company applies the revenue recognition criteria to each nature of the sales transaction as set out below.
- Sale of Goods is recognized on transfer of all significant risks and rewards of ownership to the buyer and when no significant uncertainty as to collectability exists.
- Revenues/ incomes and Costs/ Expenditure are generally accounted on accrual, as they are earned or incurred.
- Interest is accounted on time proportion and accrual basis
- Dividend income is accounted when the right to receive the same is unconditional.

i) 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 appropriate/ 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.

Notes forming part of the Financial Statements

j) Borrowing Cost

Borrowing costs include interest and other costs that the Company incurs in connection with the borrowing of funds.

Borrowing costs related to a qualifying asset that necessarily takes a substantial period of time to get ready for its intended use is worked out on the basis of actual utilization of funds out of project specific loans and/or other borrowings to the extent identifiable with the qualifying asset and is capitalized with the cost of qualifying asset, using the effective interest method. All other borrowing costs are charged to statement of profit and loss.

In case of significant long-term loans, other costs incurred in connection with the borrowing of funds are amortised over the period of respective loan.

k) 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.

l) Transactions in Foreign Exchange

The functional currency of the Company is Indian Rupee (R) which is also the presentation currency.

- 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 items are translated using the exchange rate prevailing at the reporting date. Exchange differences arising on settlement of monetary items or on reporting

such monetary items at rates different from those at which they were initially recorded during the period or reported in previous financial statements are recognized as income or as expenses in the period in which they arise.

- Forward Exchange Contracts: The premium or discount arising at the inception of forward exchange contracts entered into to hedge an existing asset/liability, is amortized as expense or income over the life of the contract. Any profit or loss arising on cancellation or renewal of such forward exchange contract during the reporting period, is recognized as income or expense for the period, in the Statement of Profit and Loss.
- Accounting of foreign branch: Current assets and liabilities are converted at the appropriate rates of exchange prevailing on the date of the Balance Sheet and revenue and expenses are at average rate.

m) 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.

n) Post-employment, long term and short term employee benefits

1. Post employment benefits

i) Defined contribution plan

The Company deposits the contributions for provident fund and employees' state insurance to the appropriate government authorities and these contributions are recognised in the Statement of Profit and Loss in the financial year to which they relate.

ii) Defined benefit plan

The Company's gratuity scheme is a defined benefit plan. The present value of the obligation under such defined benefit plan is determined based on actuarial valuation carried out at the end of the year by an independent actuary, using the projected unit credit method, which

Notes forming part of the Financial Statements

recognises each period of service as giving rise to additional unit of employee benefit entitlement and measures each unit separately to build up the final obligation. The obligation is measured at the present value of the estimated future cash flows. The discount rates used for determining the present value of the obligation under defined benefit plans is based on the market yields on Government Securities for relevant maturity. Actuarial gains and losses are recognised immediately in the Statement of Other Comprehensive Income.

2. Other long term employee benefits

Benefits under the Company's compensated absences constitute other long-term employee benefits. The liability in respect of compensated absences is provided on the basis of an actuarial valuation done by an independent actuary using the projected unit credit method at the year end. Actuarial gains and losses are recognised immediately in the Statement of Profit and Loss.

3. Short-term employee benefits

All employee benefits payable wholly within twelve months of rendering the service are classified as short-term employee benefits. Benefits such as salaries, wages, and bonus, etc., are recognised in the Statement of Profit and Loss in the period in which the employee renders the related service.

o) Earnings/(loss) per share

Basic earning/loss per share are calculated by dividing the net profit or loss for the period attributable to equity shareholders by the weighted average number of equity shares outstanding during the year.

For the purpose of calculating diluted earnings per share, the net profit or loss for the year attributable to equity shareholders and the weighted average number of shares outstanding during the year are adjusted for the effects of all dilutive potential equity shares.

p) Accounting for taxes on Income

Tax expense recognized in statement of profit and loss comprises the sum of deferred tax and current tax except the ones recognized in other comprehensive income or directly in equity.

Current tax is determined as the tax payable in respect of taxable income for the year and is computed in accordance with relevant tax regulations.

Deferred tax is recognised in respect of temporary differences between carrying amount of assets and liabilities for financial reporting purposes and corresponding amount used for taxation purposes. Deferred tax assets on unrealised tax loss are recognised to the extent that it is probable that the underlying tax loss will be utilised against future taxable income. This is assessed based on the Company's forecast of future operating results, adjusted for significant non-taxable income and expenses and specific limits on the use of any unused tax loss. Unrecognised deferred tax assets are re-assessed at each reporting date and are recognised to the extent that it has become probable that future taxable profits will allow the deferred tax asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the reporting date. Deferred tax relating to items recognised outside statement of profit and loss is recognised outside statement of profit or loss (either in other comprehensive income or in equity).

Unused tax credit such as (Minimum alternate tax ('MAT') credit entitlement) is recognized as an asset only when and to the extent there is convincing evidence that the Company will pay normal income tax during the specified period. In the year in which such credit becomes eligible to be recognized as an asset, the said asset is created by way of a credit to the statement of profit and loss and shown as unused tax credit. The Company reviews the same at each balance sheet date and writes down the carrying amount of unused tax credit to the extent it is not reasonably certain that the Company will pay normal income tax during the specified period.

q) 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

Notes forming part of the Financial Statements

settle the obligation at the balance sheet date. These are reviewed at each balance sheet date and adjusted to reflect the current management estimates.

r) **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.

s) **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.

t) **Cash and cash equivalents**

Cash and cash equivalents comprises cash at bank and in hand, cheques in hand and short term investments that are readily convertible into known amount of cash and are subject to an insignificant risk of change in value..

u) **Leases**

i) **Finance lease**

Assets held under finance leases are recognised as assets of the Company at their fair value on the date of acquisition, or, if lower, at the present value of the minimum lease payments. The corresponding liability to the lessor is included in the balance sheet as a finance lease obligation. Lease payments are apportioned between finance charges and reductions of the lease obligation so as to achieve a constant rate of interest on the remaining balance of the liability. Finance expenses are recognised immediately in statement of profit and loss account, unless they are directly attributable to qualifying

assets, in which case they are capitalised in accordance with the general policy on borrowing costs. Contingent rentals are recognised as expenses in the periods in which they are incurred.

ii) **Operating lease**

Lease of assets under which all the risks and rewards of ownership are effectively retained by the lessor are classified as operating leases. Operating Lease payments / revenue are recognised on straight line basis over the lease term in the statement of profit and loss, unless the lease agreement explicitly states that increase is on account of inflation.

v) **Significant management judgement in applying accounting policies and estimation uncertainty**

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and the disclosure of contingent liabilities on the date of the financial statements and the results of operations during the reporting periods. Although these estimates are based upon management's knowledge of current events and actions, actual results could differ from those estimates and revisions, if any, are recognised in the current and future periods.

w) **Exceptional items**

Certain occasions, the size, type, or incidences of the item of income or expenses pertaining to the ordinary activities of the Company is such that its disclosure improves the understanding of the performance of the Company, such income or expenses is classified as an exceptional item and accordingly, disclosed in the financial statements.

x) **Financial Instruments**

Financial instruments is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

Initial Recognition

a) Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value

Notes forming part of the Financial Statements

through profit or loss) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit or loss are recognised immediately in the statement of profit and loss.

Subsequent Measurement

- b) Financial assets are classified into the following specified categories: amortised cost, financial assets 'at fair value through profit or loss' (FVTPL), 'at amortised cost', 'Fair value through other comprehensive income' (FVTOCI). The classification depends on the Company's business model for managing the financial assets and the contractual terms of cash flows.

Debt Instrument

Amortised Cost

A financial asset is subsequently measured at amortised cost if it is held with in a business model whose objective is to hold the asset in order to collect contractual cash flows and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding. This category generally applies to trade and other receivables.

Fair value through other comprehensive income (FVTOCI)

A 'debt instrument' is classified as at the FVTOCI, if both of the following criteria are met:

- a) The objective of the business model is achieved both by collecting contractual cash flows and selling the financial assets, and
- b) The asset's contractual cash flows represent solely payments of principle and interest.

Debt instruments included within the FVTOCI category are measured initially as well as at each reporting date at fair value. Fair value movements are recognized in the other comprehensive income (OCI). However, the Company recognizes interest income, impairment losses, reversals and foreign exchange gain or loss in the statement of Profit and Loss. On derecognition of the asset, cumulative gain or loss previously recognised in OCI is reclassified from the equity to statement of Profit

and Loss . Interest earned whilst holding FVTOCI debt instrument is reported as interest income using the Effective Interest Rate (EIR) method.

Fair value through Profit and Loss (FVTPL)

FVTPL is a residual category for debt instruments. Any debt instrument, which does not meet the criteria for categorization as at amortized cost or as FVTOCI, is classified as at FVTPL.

In addition, the Company may elect to designate a debt instrument, which otherwise meets amortized cost or FVTOCI criteria, as at FVTPL. However, such election is considered only if doing so reduces or eliminates a measurement or recognition inconsistency (referred to as 'accounting mismatch').

Debt instruments included within the FVTPL category are measured at fair value with all changes recognized in the statement of Profit and Loss.

Reclassification of financial assets

The company determines classification of financial assets and liabilities on initial recognition. After initial recognition, no reclassification is made for financial assets which are equity instruments and financial liabilities. For financial assets which are debt instruments, a reclassification is made only if there is a change in the business model for managing those assets. Changes to the business model are expected to be infrequent. The company's senior management determines change in the business model as a result of external or internal changes which are significant to the company's operations. Such changes are evident to external parties. A change in the business model occurs when the company either begins or ceases to perform an activity that is significant to its operations. If the company reclassifies financial assets, it applies the reclassification prospectively from the reclassification date which is the first day of the immediately next reporting period following the change in business model. The company does not restate any previously recognised gains, losses (including impairment gains or losses) or interest

Derecognition of financial assets

The Company derecognises a financial asset when the rights to receive cash flows from the asset have expired, or the Company has transferred its rights to receive cash flows from the asset.

Notes forming part of the Financial Statements

Impairment of financial assets

The Company recognizes loss allowances using the expected credit loss (ECL) model for the financial assets which are not fair valued through statement of Profit and Loss. Loss allowance for trade receivables with no significant financing component is measured at an amount equal to lifetime ECL. For all other financial assets, expected credit losses are measured at an amount equal to the 12-month ECL, unless there has been a significant increase in credit risk from initial recognition in which case those are measured at lifetime ECL. The amount of expected credit losses (or reversal) that is required to adjust the loss allowance at the reporting date to the amount that is required to be recognised is recognized as an impairment gain or loss in statement of Profit and Loss.

Financial liabilities

Subsequent Measurement

Financial liabilities measured at amortised cost

Financial liability are subsequently measured at amortized cost using the EIR method. Gains and losses are recognized in statement of Profit and Loss when the liabilities are derecognized as well as through the EIR amortization process. Amortized cost is calculated by taking into account any discount or premium on acquisition and fee or costs that are an integral part of the EIR. The EIR amortization is included in finance costs in the statement of profit and loss.

Financial liabilities measured at FVTPL (fair value through profit or loss)

Financial liabilities at FVTPL include financial liabilities held for trading and financial liabilities designated upon initial recognition as at FVTPL. Financial liabilities are classified as held for trading if they are incurred for the purpose of repurchasing in the near term. Financial liabilities at fair value through statement of Profit and Loss are carried in the statement of financial position at fair value with changes in fair value recognized in finance income or finance costs in the income statement.

Derecognition of financial liabilities

A financial liability is derecognized when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another

from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognized in the statement of profit or loss.

Offsetting of financial instruments

Financial assets and financial liabilities are offset and the net amount is reported in the balance sheet if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, to realise the assets and settle the liabilities simultaneously.

Determination of fair value

Fair value is the price that would be received on sale of an asset or paid to transfer a liability in an ordinary transaction between market participants at the measurement date.

In determining the fair value of its financial instruments, the Company uses a variety of methods and assumptions that are based on market conditions and risks existing at each reporting date. The methods used to determine fair value include discounted cash flow analysis and available quoted market prices. All methods of assessing fair value result in general approximation of value, and such value may never actually be realized.

y) Share based payments

The Company recognizes compensation expense relating to share-based payments in the statement of profit and loss using fair value in accordance with Ind AS 102, "Share-based Payments". The estimated fair value of awards is charged to statement of profit and loss on a straight-line basis over the requisite service period for each separately vesting portion of the award as if the award was in-substance, multiple awards with a corresponding increase to share based payment reserves.

z) Business combinations

Business combinations are accounted for using the acquisition method as per Ind AS 103, Business Combinations. The cost of acquisition is measured at the fair value of the assets transferred, equity instruments issued and liabilities incurred or assumed at the date of acquisition, which is the date on which control is transferred to the Company. The cost of acquisition also

Notes forming part of the Financial Statements

includes the fair value of any contingent consideration. Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are measured initially at their fair value on the date of acquisition. Business combinations between entities under common control is accounted for at carrying value. Transaction costs that the Company incurs in connection with a business combination such as finder's fees, legal fees, due diligence fees, and other professional and consulting fees are expensed as incurred.

Significant management judgements

The following are significant management judgements in applying the accounting policies of the Company that have the most significant effect on the financial statements.

Recognition of deferred tax assets: The extent to which deferred tax assets can be recognized is based on an assessment of the probability of the future taxable income against which the deferred tax assets can be utilized.

Evaluation of indicators for impairment of assets: The evaluation of applicability of indicators of impairment of assets requires assessment of several external and internal factors which could result in deterioration of recoverable amount of the assets.

Contingent liabilities: At each balance sheet date basis the management judgment, changes in facts and legal aspects, the Company assesses the requirement of provisions against the outstanding warranties and guarantees. However, the actual future outcome may be different from this judgement.

Significant estimates

Information about estimates and assumptions that have the most significant effect on recognition and measurement of assets, liabilities, income and expenses is provided below. Actual results may be different.

Impairment of financial assets: At each balance sheet date, based on historical default rates observed over expected life, the management assesses the expected credit loss on outstanding receivables.

Defined benefit obligation (DBO): Management's estimate of the DBO is based on a number of critical underlying assumptions such as standard rates of

inflation, medical cost trends, mortality, discount rate and anticipation of future salary increases. Variation in these assumptions may significantly impact the DBO amount and the annual defined benefit expenses.

Fair value measurements: Management applies valuation techniques to determine the fair value of financial instruments (where active market quotes are not available). This involves developing estimates and assumptions consistent with how market participants would price the instrument.

Useful lives of depreciable/amortisable assets:

Management reviews its estimate of the useful lives of depreciable/amortisable assets at each reporting date, based on the expected utility of the assets. Uncertainties in these estimates relate to technical and economic obsolescence that may change the utility of certain software, customer relationships, IT equipment and other plant and equipment.

New Standard/Amendments to existing standards issued but not effective

i) Ind AS 116 "Leases"

On 30 March 2019, the Ministry of Corporate Affairs (MCA) issued the Companies (India Accounting Standards Rules, 2019), notifying India Accounting Standard (Ind AS) 116, "Leases", which is applicable to the company w e f April, 2019. Ind AS 116 eliminates the current classifications model for lessees' lease contracts as either operating or finance leases and, instead introduces a single leases accounting model requiring lessees to recognize right of use assets and lease liabilities for lease with as term of more than twelve months. This brings the previous off balance lease on the balance sheet in a manner largely comparable to current finance lease accounting, Ind AS 116 is effective for financial year beginning on or after 1 April 2019. the company will adopt the standard for the financial year beginning 1 April 2019. Based on the preliminary assessment performed by the Group, the impact of application of the Standard is not excepted to be material.

(ii) Ind AS 109 "Financial Instruments" (Prepayment Features with Negative Compensation)

The amendments relate to the existing requirements in Ind AS 109 regarding termination rights in order to

Notes forming part of the Financial Statements

allow measurement at amortized cost (or, depending on the business model, at fair value through other comprehensive income) even in the case of negative compensation payments. The Company does not expect this amendment to have any impact on its financial statements.

(iii) Ind AS 19 “Employee Benefits” (Plan Amendment, Curtailment or Settlement)

The amendments clarify that if a plan amendment, curtailment or settlement occurs, it is mandatory that the current service cost and the net interest for the period after the re-measurement are determined using the assumptions used for the re-measurement. In addition, amendments have been included to clarify the effect of a plan amendment, curtailment or settlement on the requirements regarding the asset ceiling. The Company does not expect this amendment to have any significant impact on its financial statements.

(iv) Ind AS 23 “Borrowing Costs”

The amendments clarify that if any specific borrowing remains outstanding after the related asset is ready for its intended use or sale, that borrowing becomes part of the funds that a Company borrows generally when calculating the capitalization rate on general borrowings. The Company does not expect any impact from this amendment.

(v) Ind AS 12 “Income Taxes” (Amendments relating to income tax consequences of dividend and uncertainty over income tax treatments)

The amendment relating to income tax consequences of dividend clarify that a Company shall recognize the income tax consequences of

dividends in the statement of profit and loss, other comprehensive income or equity according to where the Company originally recognized those past transactions or events. The Company does not expect any impact from this pronouncement. It is relevant to note that the amendment does not amend situations where the Company pays a tax on dividend which is effectively a portion of dividends paid to taxation authorities on behalf of shareholders. Such amount paid or payable to taxation authorities continues to be charged to equity as part of dividend, in accordance with Ind AS 12.

The amendment to Appendix C of Ind AS 12 specifies that the amendment is to be applied to the determination of taxable profit (tax loss), tax bases, unused tax losses, unused tax credits and tax rates, when there is uncertainty over income tax treatments under Ind AS 12. It outlines the following: (1) the Company has to use judgment, to determine whether each tax treatment should be considered separately or whether some can be considered together. The decision should be based on the approach which provides better predictions of the resolution of the uncertainty (2) the Company is to assume that the taxation authority will have full knowledge of all relevant information while examining any amount (3) Company has to consider the probability of the relevant taxation authority accepting the tax treatment and the determination of taxable profit (tax loss), tax bases, unused tax losses, unused tax credits and tax rates would depend upon the probability. The Company does not expect any significant impact of the amendment on its financial statements.

Notes forming part of the Financial Statements

2. Property, Plant & Equipments

(₹ in Millions)

Particulars	Free Hold Land	Land Development	Buildings	Airport Complex	Plant and equipments	Vehicles	Computers	Office equipment	Furniture and fixtures	Electrical Installations	Total
Gross carrying amount											
As at 1 April 2017	5.45	26.57	304.73	52.69	3,097.01	0.410	22.25	7.63	43.38	73.21	3,633.33
Additions	-	-	-	-	-	-	-	-	-	-	-
Less: Disposal/ adjustments	-	-	-	-	-	-	-	-	-	-	-
As at 31 March 2018	5.45	26.57	304.73	52.69	3,097.01	0.41	22.25	7.63	43.38	73.21	3,633.33
Additions	-	-	-	-	-	-	0.01	-	-	0.12	0.13
Disposal/ adjustments	-	-	-	-	-	-	-	-	-	-	-
As at 31 March 2019	5.45	26.57	304.73	52.69	3,097.01	0.41	22.26	7.63	43.38	73.33	3,633.46
Accumulated depreciation											
As at 1 April 2017	-	20.65	187.34	40.66	1,602.87	0.40	21.48	6.93	40.64	67.43	1,988.40
Additions	-	0.27	3.62	0.73	59.66	-	0.31	0.27	0.34	2.04	67.24
Less: Disposal/ adjustments	-	-	-	-	-	-	-	-	-	-	-
As at 31 March 2018	-	20.92	190.96	41.39	1,662.53	0.40	21.79	7.20	40.98	69.47	2,055.64
Additions	-	0.27	3.62	0.72	59.66	-	0.21	0.13	0.34	1.99	66.94
Less: Disposal/ adjustments	-	-	-	-	-	-	-	-	-	-	-
As at 31 March 2019	-	21.19	194.58	42.11	1,722.19	0.40	22.00	7.33	41.32	71.46	2,122.58
Net Block as at 1 April 2017	5.45	5.92	117.39	12.03	1,494.14	0.01	0.77	0.70	2.74	5.78	1,644.93
Net Block as at 31 March 2018	5.45	5.65	113.77	11.30	1,434.48	0.01	0.46	0.43	2.40	3.74	1,577.69
Net Block as at 31 March 2019	5.45	5.38	110.15	10.58	1,374.82	0.01	0.26	0.30	2.06	1.87	1,510.88

Notes forming part of the Financial Statements

3. Non Current Investments (Valued at cost unless otherwise stated)

Unquoted

(₹ Millions)

Particulars	As at March 31, 2019	As at March 31, 2018
In Wholly owned Subsidiary - fully paid up		
18450 (18450) Equity Shares of Zee Gold Trading DMCC of AED 1000 each	337.28	337.28
NIL (43000) Equity shares of Shirpur Gold Mining Co. Pvt. Ltd. of US \$ 10 each*	-	19.57
In others		
Investment in equity instrument (unquoted)		
8500 (8500) Equity Shares of Shirpur People Co-op. Bank Ltd. of ₹ 10/- each, fully paid up	0.21	0.21
Investment in Gold	0.11	0.11
Total	337.60	357.17

*Refer Note No. 56

4. Other Financial Assets

(₹ Millions)

Particulars	As at March 31, 2019	As at March 31, 2018
Security Deposits	4.69	4.83
Total	4.69	4.83

5. Deferred Tax Assets (Net)

(₹ Millions)

Particulars	As at March 31, 2019	As at March 31, 2018
As per last year Balance Sheet	466.05	475.44
Add : Deferred Tax Assets	-	-
Less : Deferred Tax Liability	4.71	9.39
Total	461.34	466.05

6. Income Tax Assets (Net)

(₹ Millions)

Particulars	As at March 31, 2019	As at March 31, 2018
Balance with government authorities- Direct tax(net of provisions)	24.30	13.63
Total	24.30	13.63

7. Other Non-Current Assets (Unsecured and considered good)

(₹ Millions)

Particulars	As at March 31, 2019	As at March 31, 2018
Preoperative expenses - Mines*	19.31	19.31
Total	19.31	19.31

* Pre-acquisition expenses incurred for acquiring gold mine for backward integration, to be capitalised

Notes forming part of the Financial Statements

8. Inventories (Valued at lower of cost or net realisable value)

(₹ Millions)

Particulars	As at March 31, 2019	As at March 31, 2018
Raw Materials and components	0.93	97.72
Work-in-progress	74.80	143.53
Finished goods	274.80	34.50
Stock in Trade	-	91.94
Stores and spares	11.92	12.10
Total	362.45	379.79

9. Trade Receivables (Unsecured and considered good)

(₹ Millions)

Particulars	As at March 31, 2019	As at March 31, 2018
Considered Good*	2,795.07	2,791.40
Total	2,795.07	2,791.40

* Trade receivables are interest free upto credit period of 120 days of billing and thereafter interest @ 8.5% p.a. is charged

10. Cash and Cash Equivalents

(₹ Millions)

Particulars	As at March 31, 2019	As at March 31, 2018
Balances with banks		
In Current Accounts	158.84	133.35
Cash in hand	0.40	0.47
Total	159.24	133.82

11. Bank Balances other than Cash and Cash Equivalents

(₹ Millions)

Particulars	As at March 31, 2019	As at March 31, 2018
Balance with banks		
- in Fixed Deposits with maturity upto twelve months	582.74	351.12
Total	582.74	351.12

12. Loans

(₹ Millions)

Particulars	As at March 31, 2019	As at March 31, 2018
Loans to Subsidiaries-(Unsecured)	-	104.07
Total	-	104.07

Notes forming part of the Financial Statements

13. Other Current Financial Assets

Particulars	(₹ Millions)	
	As at March 31, 2019	As at March 31, 2018
Others	1.65	1.63
Total	1.65	1.63

14. Other Current Assets

Particulars	(₹ Millions)	
	As at March 31, 2019	As at March 31, 2018
Prepaid Expenses	38.89	26.70
Advance to suppliers-Unsecured	993.81	42.94
Dues from Government (Taxes)	86.72	169.14
Others including insurance claim receivable	143.39	128.22
Total	1,262.81	367.00

15. Share Capital

Particulars	(₹ Millions)	
	As at March 31, 2019	As at March 31, 2018
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
Total	291.37	291.37

(a) Reconciliation of number of shares and share capital

	As at March 31, 2019		As at March 31, 2018	
	Number	Million	Number	Million
Shares outstanding at the beginning of the year	29,137,202	291.37	29,137,202	291.37
Changes during the year	-	-	-	-
Shares outstanding at the end of the year	29,137,202	291.37	29,137,202	291.37

(b) Details of Shareholders holding more than 5% equity shares in the company

	% of holding	As at March 31, 2019 Number	% of holding	As at March 31, 2018 Number
Jayneer Infrapower & Multiventures Pvt. Ltd. (formally known as Jayneer Capital Private Limited)	63.89	18,615,428	72.71	21,185,703
Polus Global Fund	6.53	1,903,347	6.53	1,903,347
Pricomm Media Distrution Ventures Pvt. Ltd.	5.27	1,537,995	-	-

Notes forming part of the Financial Statements

- (c) 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, 2013 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.
- (d) Neither bonus shares are issued nor any shares bought back during the five years preceding 31st March 2019.
- (e) As per records of the Company, including Registered of Shareholders/Members and other declaration received from the Shareholders regarding beneficial interest, the above shareholding represents both legal and beneficial ownership of shares.

16. Other Equity

Particulars	(₹ Millions)	
	As at March 31, 2019	As at March 31, 2018
Securities Premium Account	1,435.00	1,435.00
General Reserve	1,068.59	1,068.59
Capital Reserve	585.51	585.51
Retained earnings		
a. Opening Balance	(17.23)	(46.95)
b. Add: Net Profit after tax transferred from statement of profit and loss	27.50	30.40
c. Add: Other Comprehensive income, Net of tax	0.13	(0.68)
Closing Balance (a+b+c)	10.40	(17.23)
Total	3,099.50	3,071.87

17. Non Current Liabilities - Borrowings

Particulars	(₹ Millions)	
	As at March 31, 2019	As at March 31, 2018
Secured loans*		
Term Loan from Financial Institution	650.00	325.00
Unsecured loans		
From Related Party (Refer Note No. 51)	449.90	449.90
Total	1,099.90	774.90

*Secured by way of pari passu first charge on current assets, present and future immovable and movable assets including land and building at Shirpur. Repayable after 18 months from 1st disbursement in 18 quarterly instalments at varying rate of interest.

18. Non Current Liabilities - Other Financial Liabilities

Particulars	(₹ Millions)	
	As at March 31, 2019	As at March 31, 2018
Sundry Creditors for General Purchase & Expenses*	0.16	0.16
Advances from others		
-Security Deposits#	15.20	15.20
Total	15.36	15.36

* For current portion refer Note 22 below.

Security Deposits of ₹ 15.20 (15.20) millions in respect of amount received from various dealers, pending confirmations.

Notes forming part of the Financial Statements

19. Non - Current Liabilities - Provisions

(₹ Millions)

Particulars	As at March 31, 2019	As at March 31, 2018
Provision for employee benefits (unfunded)		
Gratuity	4.13	3.63
Leave benefits	1.03	1.00
Total	5.16	4.63

20. Current Liabilities - Borrowings

(₹ Millions)

Particulars	As at March 31, 2019	As at March 31, 2018
Loans from banks* - Secured	2,854.39	2,138.24
Total	2,854.39	2,138.24

*Secured by way of pari passu first charge on current assets, present and future immovable and movable fixed assets including land and building at Shirpur. The aforesaid borrowings are at varying rate of interest and are repayable on demand.

21. Trade Payables

(₹ Millions)

Particulars	As at March 31, 2019	As at March 31, 2018
Dues of micro enterprises and small enterprises	-	-
Dues of creditors other than micro enterprises and small enterprises	127.87	231.46
Total	127.87	231.46

Terms and condition of the above Trade Payable.

Trade and other payables are non-interest bearing and are generally having credit terms of 0 to 180 days.

22. Other Current Financial Liabilities

(₹ Millions)

Particulars	As at March 31, 2019	As at March 31, 2018
Statutory Dues	0.41	2.75
Sundry Creditors for General Purchase & Expenses*	26.05	35.08
Advance from customers	0.89	0.85
Others	0.12	-
Total	27.47	38.68

* For non current portion refer Note 18 above.

23. Current Provisions

(₹ Millions)

Particulars	As at March 31, 2019	As at March 31, 2018
Provision for employee benefits		
Contribution to Provident Fund	0.12	0.12
Contribution to ESIC	0.01	0.02
Gratuity	0.56	0.50
Leave benefits	0.37	0.36
Total	1.06	1.00

Notes forming part of the Financial Statements

24. Revenue from Operations

Particulars	(₹ Millions)	
	For the year ended March 31, 2019	For the year ended March 31, 2018
Sale of products		
Traded Goods	11,760.26	16,944.45
Manufactured Goods		
Local Sales	7,027.18	1,019.35
Export Sales	106.46	1,568.61
Net Sales	18,893.90	19,532.42
Other operating revenues *	58.39	6.60
Total	18,952.29	19,539.02

* Other operating revenues includes Gain from forward contract Rs. Millions 1.51(4.11) and forex gain on trade receivable and trade payable ₹ Millions 56.62(10.36).

25. Other Income

Particulars	(₹ Millions)	
	For the year ended March 31, 2019	For the year ended March 31, 2018
Dividend income	0.02	-
Balance written back	0.00	0.02
Other income	7.30	25.92
Total	7.32	25.94

26. Cost of Material Consumed

Particulars	(₹ Millions)	
	For the year ended March 31, 2019	For the year ended March 31, 2018
Inventory at the beginning of the year	97.72	36.50
Add: Purchases	7,282.16	2,371.00
Less: Inventory at the end of the year	0.93	97.72
Cost of raw material consumed*	7,281.23	2,273.28
Other materials (Stores and Spares)	0.50	0.53
Total	7,281.73	2,273.81

* Break up of Raw Materials consumed

Particulars	(₹ Millions)	
	For the year ended March 31, 2019	For the year ended March 31, 2018
Gold	7,281.23	2,273.28
Other materials (Stores and Spares)	0.50	0.53
Total	7,281.73	2,273.81

Notes forming part of the Financial Statements

27. Purchase of Stock-In-Trade

Particulars	(₹ Millions)	
	For the year ended March 31, 2019	For the year ended March 31, 2018
Gold	11,372.34	16,901.48
Total	11,372.34	16,901.48

28. Changes in Inventories of Finished Goods, Work-in-progress and Stock-in-Trade

a. Inventory at the end of the year

Particulars	(₹ Millions)	
	For the year ended March 31, 2019	For the year ended March 31, 2018
Stock in Trade		
Gold	-	91.94
Work in Progress		
Gold	74.80	143.52
Finished Goods		
Gold	274.40	30.39
Silver	0.39	4.11
Total	349.59	269.96

b. Inventory at the beginning of the year

Particulars	(₹ Millions)	
	For the year ended March 31, 2019	For the year ended March 31, 2018
Stock in Trade		
Gold	91.94	-
Work in Progress		
Gold	143.52	169.29
Finished Goods		
Gold	30.39	35.93
Silver	4.11	0.90
Total	269.96	206.12
c. Net (b - a)	(79.63)	(63.84)

29. Employee Benefit Expenses

Particulars	(₹ Millions)	
	For the year ended March 31, 2019	For the year ended March 31, 2018
Salaries & wages	19.37	23.93
Contribution to provident & other funds	1.63	1.74
Staff welfare expenses	0.70	0.20
Total	21.70	25.87

Notes forming part of the Financial Statements

30. Finance Costs

Particulars	(₹ Millions)	
	For the year ended March 31, 2019	For the year ended March 31, 2018
Interest expense (Net) Refer Note 44	64.42	117.50
Bank charges	36.07	28.47
Other financial charges	101.37	99.50
Total	201.86	245.47

31. Depreciation Expense

Particulars	(₹ Millions)	
	For the year ended March 31, 2019	For the year ended March 31, 2018
Depreciation on property, plant and equipment	66.94	67.24
Total	66.94	67.24

32. Other Expenses

Particulars	(₹ Millions)	
	For the year ended March 31, 2019	For the year ended March 31, 2018
Auditors' Remuneration	1.55	1.55
Power and fuel	2.86	3.77
Rent Rates & Taxes	1.05	0.69
Repairs to buildings	0.14	0.23
Insurance	0.68	2.15
Excise Duty	-	2.16
Miscellaneous expenses	28.27	54.40
Total	34.55	64.95

Notes forming part of the Financial Statements

33. Income Taxes

(a) The major components of income tax for the year ended 31 March 2019 are as under:

(i) Income tax related to items recognized directly in the statement of profit and loss during the year

	(₹ Millions)	
	March 31, 2019	March 31, 2018
Current tax - current year	8.35	10.19
- adjustment for current tax of prior periods	-	-
Total	8.35	10.19
Deferred tax charge / (credit)	4.71	9.39
Total tax expense reported in the statement of profit and loss	13.06	19.58

(ii) Tax Expense related to items recognized in other comprehensive income (OCI) during the year

	(₹ Millions)	
	March 31, 2019	March 31, 2018
Tax Expense charge / (credit) on remeasurement of defined benefit plan	0.03	(0.17)

(b) Reconciliation of tax expense and the accounting profit multiplied by tax rate

	(₹ Millions)	
	March 31, 2019	March 31, 2018
Accounting profit / (loss) before tax	40.56	49.98
Income tax		
Statutory income tax @ of 20.587% (2018: 20.389%)	8.35	10.19
Tax effect of earlier years		
Tax effect on exempt income		
Tax effect on non-deductible expenses (including exceptional item)	0.20	0.58
Additional allowances for tax purposes	4.51	8.81
Impact of change in tax rate on deferred tax assets		
Tax expense recognized in the statement of profit and loss	13.06	19.58

Note: The company has brought forward losses to absorb the taxable income. Hence the tax on book profits is calculated as per the provisions of Sec 115JB of the Income Tax Act 1961. The Statutory tax rate is 20.587% i.e Minimum Alternative Tax rate in India. The Tax rate for deferred tax assets for the year ended 31st March 2019 is 33.384% (2018: 33.063%). Deferred Tax assets and liabilities are offset where the company has a legally enforceable right to do so.

(c) Reconciliation of deferred tax assets/(liabilities) (net)

	(₹ Millions)	
	March 31, 2019	March 31, 2018
Opening balance	466.05	475.44
Deferred tax (charge) / credit recognized in		
- Statement of profit and loss	4.71	9.39
- Other comprehensive income		
Total	461.34	466.05

Notes forming part of the Financial Statements

34. CONTINGENT LIABILITIES AND COMMITMENTS

Contingent Liabilities

(₹ Millions)

	Particulars	As at 31 March, 2019	As at 31 March, 2018
1	Disputed Direct Taxes *	0.62	0.62
2	Financial Guarantees and extension of non fund based guarantee provided to wholly owned subsidiary viz Zee Gold DMCC Corporate guarantee for loan Extension of SBLC (credit facility)	743.59 1000.00	- 997.90

The Export obligation under EPCG licenses issued in the year 2002, 2012 & 2014 is completed and the redemption of licenses is in process.

*Income tax demands mainly include appeals filed by the Company before various appellate authorities against the disallowance of expenses/claims etc. The management is of the opinion that tax cases will be decided in its favour and hence no provision is considered at this stage.

35. COMMITMENTS

(₹ Millions)

Particulars	As at 31 March, 2019	As at 31 March, 2018
Bank Guarantees issued by banks & balance outstanding at year end [against the said bank guarantees ₹/Millions 471.81 (351.07) has been kept as margin money]	3,229.70	2,821.80

36. DETAILS OF CONSUMPTION OF IMPORTED AND INDIGENOUS STOCKS

Raw Material Consumed

(₹ Millions)

Particulars	For the year ended March 31, 2019	For the year ended March 31, 2018
Imported	-	-
Indigenous	7,281.23	2,273.28
TOTAL	7,281.23	2,273.28

37. INVENTORY AND TURNOVER

(₹ Millions)

Gold	Sales	Closing Inventory	Opening Inventory
Manufactured Goods	7,133.64 (2,587.97)	350.52 (275.75)	275.75 (242.62)
Traded Goods	11,760.26 (16,944.45)	- (91.94)	91.94 (-)
TOTAL	18,893.90 (19,532.42)	350.52 (367.69)	367.69 (242.62)

(₹ Millions)

Stores & Spares	Closing Inventory	Opening Inventory
Stores and Spares Consumed	11.92 (12.10)	12.10 (12.34)

38. EARNINGS IN FOREIGN EXCHANGE

(₹ Millions)

Particulars	For the year ended March 31, 2019	For the year ended March 31, 2018
FOB Value of Export	106.33	2,936.28
Interest Income	13.47	9.27

39. EXPENDITURE IN FOREIGN CURRENCY

(₹ Millions)

Particulars	For the year ended March 31, 2019	For the year ended March 31, 2018
Travelling and Related Expenses	0.08	-

40. MANAGERIAL REMUNERATION

Remuneration paid or provided in accordance with Section 197 of the Companies Act, 2013 to

Manager is included in Employee benefit expense is as under:

(₹ Millions)

Particulars	For the year ended March 31, 2019	For the year ended March 31, 2018
Salary and allowances	1.00	1.13

Note: Salary and allowances include basic salary, personal allowance, house rent allowance, medical reimbursement and leave travel allowance & performance bonus but excluding leave encashment.

Notes forming part of the Financial Statements

41. PAYMENT TO AUDITORS

(₹ Millions)

Particulars	For the year ended March 31,2019	For the year ended March 31,2018
Audit Fee	1.10	1.10
Tax Audit Fee	0.13	0.13
Other Services & reimbursement of expenses	0.32	0.32
TOTAL	1.55	1.55

42. EARNINGS PER SHARE

(₹ Millions)

Particulars	For the year ended March 31,2019	For the year ended March 31,2018
Profit after tax available for appropriation to equity shareholders	27.50	30.40
Weighted average number of equity shares for basic and diluted EPS (in numbers)	29,137,202	29,137,202
Nominal Value of equity shares (in ₹)	10.00	10.00
Basic and Diluted Earnings per share (in ₹)	0.94	1.04

43. Balances appearing in the financial statements are pending confirmation and reconciliation.
44. Interest expense is net of interest income of ₹/Millions 118.05 (31.05).
45. The Company uses Gold Forward exchange contracts to hedge against its foreign currency exposure relating to the underlying transactions and firm commitments. The

foreign currency exposure not hedged at the year-end is as under.

(₹ Millions)

Particulars	As at 31 March, 2019	As at 31 March, 2018
Payables	223.90	556.01
Receivables	-	-

Figures indicated in Indian Rupees have been restated as per the RBI reference rate as on 31st March' 2019.

Derivative Contracts entered into by the Company and outstanding at the year end 31st March 2019 Nil (₹ Millions) and 31st March 2018 NIL(₹ Millions)

46. 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 Ind AS 108 on "Operating Segments".

47. MICRO, SMALL AND MEDIUM ENTERPRISES

The Company has no dues to Micro, Small and Medium enterprises as at 31st March, 2019, on the basis of information provided by the parties and available on record. Further, there is no interest paid / payable to micro and small enterprises during the year.

Notes forming part of the Financial Statements

48. FINANCIAL INSTRUMENTS

(a) Financial risk management objective and policies

The Company's principal financial liabilities comprise borrowings, trade and other payables. The main purpose of these financial liabilities is to finance the Company's operations. The Company's principal financial assets include investments, loans, trade and other receivables, and cash and bank balances.

The Company is exposed to market risk, credit risk and liquidity risk. The Board provides guidance for overall risk-management, as well as policies covering specific areas such as credit risk, liquidity risk and investment of excess liquidity.

(i) Market risk

Market risk is the risk that changes in market prices, such as foreign exchange rates and interest rates will affect the Company's income. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimizing the return.

1 Interest rate risk

This refers to risk to Company's cash flow and profits on account of movement in market interest rates.

For the Company the interest risk arises mainly from interest bearing borrowings which are at floating interest rates. To mitigate interest rate risk, the Company closely monitors market interest and as appropriate makes use of optimized borrowing mix / composition etc.

(a) Interest rate risk exposure

	(₹ Millions)	
	March 31, 2019	March 31, 2018
Variable rate borrowings	3504.39	2463.24
Fixed rate borrowings	-	-
Total borrowings	3504.39	2463.24

(b) Interest rate sensitivity analysis

The following table illustrates the sensitivity of profit and equity to a reasonably possible change in interest rate of 50 basis points increase or decrease. The calculations are based on the variable rate borrowings outstanding at balance sheet date. All other parameters are held constant.

	(₹ Millions)	
Impact on profit before tax	March 31, 2019	March 31, 2018
	Gain/(Loss)	
Interest rate - increase by 50 basis points	(17.52)	(12.32)
Interest rate - decrease by 50 basis points	17.52	(12.32)

2 Foreign currency risk

Currency risk is the risk that the fair value or future cash flows fluctuate because of changes in market prices. The Company is exposed to foreign exchange risk on their receivables and payables which are mainly held in the United State Dollar ("USD"), Consequently, the Company is exposed primarily to the risk that the exchange rate of the Indian Rupees ("INR") relative to the USD, may change in a manner that has an effect on the reported values of the Company's assets and liabilities that are denominated in these foreign currencies.

The following table sets forth information relating to unhedged foreign currency exposure at the end of the reporting period:

	(₹ Millions)			
Currencies	Assets as at		Liabilities as at	
	31-Mar-19	31-Mar-18	31-Mar-19	31-Mar-18
USD	-	-	223.9	556.01

Notes forming part of the Financial Statements

Sensitivity to foreign currency risk

The following table demonstrates the sensitivity in the, to a 10% increase and decrease in the Re against the relevant foreign Currency with all other variables held constant. The below impact on the Company's profit before tax is based on changes in the fair value of unhedged foreign currency monetary as set sand liabilities at balance sheet date:

(₹ Millions)

Currencies	Sensitivity			
	31-Mar-19		31-Mar-18	
	Depreciate by 10%	Appreciate by 10%	Depreciate by 10%	Appreciate by 10%
	Gain/(loss)		Gain/(loss)	
USD	(22.39)	22.39	(55.6)	55.61

(ii) Credit risk

Credit risk is the risk of financial loss to the Company if a customer or counter party to a financial instrument fails to meet its contractual obligations, and arises principally from the Company's receivables from customers, loan and deposits en, investments and balances at bank. The Company measures the expected credit loss of trade receivables based on financial conditions/market practices, credit track record in the market, analysis of his to ricalbad debts and past dealings for extension of credit to customers. Individual credit limits are set accordingly. The Company monitors the payment track record of the customers and ageing of receivables. Outstanding customer receivables are regularly monitored. The Company considers the concentration of risk with respect to trade receivables as low, as its customers are located in several jurisdictions and industries and operate in largely independent markets. The Company has also taken advances and security deposits from some of its customers, which mitigate the credit risk to an extent.

A geing analysis of trade receivables has been considered from the date the invoice falls due.

(₹ Millions)

	March 31, 2019	March 31, 2018
Trade receivables (unsecured)		
Up to six months	2,766.48	2791.34
More than six months	28.59	0.06
Total (a)	2,795.07	2,791.40

Credit risk on cash and cash equivalents is limited as the Company generally invests in deposits with banks and financial institutions with high credit ratings assigned by credit rating agencies. Investments primarily include investment in redeem able preferences hares, optionally convertible debentures, compulsorily convertible debentures and other debt instruments. Security deposits again stleasing of premises are refundable upon closure of the lease and credit risk associated with such deposits is relatively low.

(iii) Liquidity risk

Liquidity risk is defined as the risk that the Company will not be able to settle or meet its obligation son time or at areas on able price. For the Company, liquidity risk arises from obligations on account of financial liabilities–borrowings, trade payables and other financial liabilities. The Company's approach to managing liquidity is to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, with out in curring un acceptable losses or risking damage to the Company's reputation. The Company manages liquidity risk by maintaining adequate reserves, by continuously monitoring forecast and actual cash flow sand matching the maturity profiles of the financial assets and liabilities. It maintains adequate sources of financing including loans, debt and over draft from banks. It also enjoys strong access to domestic capital markets across various debt instruments.

Notes forming part of the Financial Statements

Exposure to liquidity risk

The table below provides details regarding the contractual maturities of financial liabilities (including interest accrued) at the reporting date. The contractual cash flow amounts are gross and un discounted.

As at 31 March 2019

(₹ Millions)

	Less than 1 year	Between 1 to 5 years	Beyond 5 years
Financial liabilities			
Long term borrowings	325	325	449.90
Short term borrowings	2854.39	-	-
Trade payables	-	127.87	-
Other current financial liabilities	27.47	-	-
Other non-current financial liabilities	-	-	15.36
Total	3206.86	452.87	465.26

As at 31 March 2018

(₹ Millions)

	Less than 1 year	Between 1 to 5 years	Beyond 5 years
Financial liabilities			
Long term borrowings	325.00	-	449.90
Short term borrowings	2138.24	-	-
Trade payables	231.46	-	-
Other current financial liabilities	38.68	-	-
Other non-current financial liabilities	-	-	15.36
Total	2733.38	-	465.26

(A) Capital Management

The Company manages its capital to ensure that it will be able to continue as a going concern while maximizing the return to the stakeholders through the optimization of the debt and equity balance.

Fair value measurements

(i) Financial instruments by category

Financial assets (other than investments in subsidiaries and associates which are carried at cost)

(₹ Millions)

	31-Mar-19		31-Mar-18	
	Carrying amount	Fair value	Carrying amount	Fair value
i) Measure data mortised cost				
Non-current assets				
Investments	-	-	-	-
Other financial assets	4.69	4.69	4.83	4.83
Current assets				
Investments	-	-	-	-
Trade receivables	2795.07	2795.07	2791.4	2791.4
Loans	-	-	104.07	104.07
Cash and cash equivalents and other bank balances	741.98	741.98	484.93	484.93
Other financial assets	1.65	1.65	1.63	1.63
Total financial assets measured at amortized cost	3543.39	3543.39	3386.86	3386.86

ii) Measured at fair value through other comprehensive income – Nil

Notes forming part of the Financial Statements

49. EMPLOYEE BENEFITS

As per Ind AS 19 "Employee Benefits", the disclosures are as under:

A. Defined Benefit Plans

The present value of gratuity obligation is determined based on actuarial valuation using the Projected Unit Credit Method, which recognizes each period of service as giving rise to additional unit of employee benefit entitlement and measures each unit separately to build up the final obligation. The obligation for leave benefits (non funded) is also recognized using the projected unit credit method.

I Expenses recognized in statement of Profit & Loss Account

Particulars	For the year ended March 31, 2019	For the year ended March 31, 2018
Current Service Cost	0.56	0.52
Interest on Defined Benefit Obligation	0.31	0.30
Net Actuarial Losses/ (Gains) Recognized in Year	-	-
Total, included in "Employees Benefit Expense"	0.87	0.83

II Other Comprehensive Income (OCI)

Particulars	As at 31 March, 2019	As at 31 March, 2018
Actuarial (Gain)/Loss recognized for the period	(0.16)	(0.85)
Asset limit effect	-	-
Return on Plan Assets excluding net interest	-	-
Unrecognized Actuarial (Gain)/Loss for previous period	-	-
Total, Actuarial (Gain)/ Loss recognized in (OCI)	(0.16)	(0.85)

III Net Asset / Liability recognized in the Balance Sheet

Particulars	As at 31 March, 2019	As at 31 March, 2018
Present Value of Unfunded Obligations	4.14	4.75
Net Liability	4.14	4.75
Liability	4.14	4.75
Net Liability accounted in Books	4.14	4.75

IV Reconciliation of Net Asset / Liability recognized in the Balance Sheet

(₹ Millions)

Particulars	As at 31 March, 2019	As at 31 March, 2018
Net Asset / (Liability) at the beginning of year	4.14	4.75
Expenses as per I above	0.87	0.83
Benefits Paid	(0.14)	(0.59)
Other Comprehensive Income (OCI)	(0.16)	(0.85)
Closing Defined Benefit Obligation	4.71	4.14

V Sensitivity Analysis

(₹ Millions)

Particulars	Dr. Discount Rate	Dr. Discount Rate	ER-Salary Escalation Rate	ER-Salary Escalation Rate
	PVO DR+1%	PVO DR+1%	PVO DR+1%	PVO DR-1%
PVO	4.40	5.04	4.95	4.47

VI Actuarial assumptions at the valuation date

Particulars	As at 31 March, 2019	As at 31 March, 2018
Discount Rate (p.a.)	7.47 %	7.60 %
Salary Escalation Rate (p.a.)	7.00 %	7.00 %

VII Experience Adjustments

(₹ Millions)

Particulars	2019	2018	2017	2016	2015
Defined Benefit Obligation	4.70	4.14	4.75	5.57	3.80
Surplus / (Deficit)	(4.70)	(4.14)	(4.75)	(5.57)	(3.80)
Plan Liabilities	-	-	-	-	-

B. Defined Contribution Plan :

"Contribution to provident and other funds" is recognized as an expenses in Note 29 "Employee benefits expenses" of the Statement of Profit & Loss Account.

Notes forming part of the Financial Statements

50. Disclosures as required by Regulations 34(3) of the Listing Agreement

A Loans and advances given to Subsidiary

(₹ Millions)

Balances	As at 31 March, 2019	As at 31 March, 2018
Shirpur Gold Mining Company Pvt. Ltd.	-	-
Zee Gold DMCC	7.58	104.37

Maximum amount outstanding during the year	As at 31 March, 2019	As at 31 March, 2018
Shirpur Gold Mining Company Pvt. Ltd.	-	189.67
Zee Gold DMCC	21.23	657.11

B None of the loans have been utilised to make investments in the shares of the company.

C Corporate Guaranty given by the company for Loan ₹ 743.59 millions (₹ NIL) and extension of SBLC credit facility issued in favour of its subsidiary, Zee Gold DMCC – ₹ 1000.00 millions (₹ 997.90 millions).

51. RELATED PARTY DISCLOSURES

Holding Company

Jayneer Infrapower & Multiventures Pvt. Ltd. (formally known as Jayneer Capital Pvt. Ltd.)

Wholly Owned Subsidiaries

Shirpur Gold Mining Company Pvt. Ltd. – Singapore (Upto 7th March 2019)

Zee Gold DMCC – Dubai

Step down Subsidiary

Precious Metals Mining and Refining Limited - Papua New Guinea

Metallic Exploration and Mining- Bamako-Mali

Other related parties

Diligent Media Corporation Limited

Jay Properties Pvt. Ltd.

Directors / Key Management Personnel

Amit Goenka (w.e.f. 18/12/2018), Anish Goel, Manoj Agarwal, Kavita Kapahi, Vipin Chaudhary (w.e.f. 14/11/2018), Shri Subhash Pareek (Manager)

Related party Transactions during the year

(₹ Millions)

(A)	Transactions	As at 31 March, 2019	As at 31 March, 2018
	Wholly owned Subsidiary Company		
	Shirpur Gold Mining Company Pvt. Ltd. - Singapore		
	Share Capital Reduction	(19.56)	(36.77)
	Loans & Advance received back	0	213.12
	Interest on Loan given	0	2.33
	Zee Gold DMCC-Dubai		
	Loans & Advance given	527.92	572.86
	Loans & Advance received back	662.07	1120.34
	Reimbursement of Expenses given	24.08	42.91
	Interest receivable on Loan given	13.47	6.93
	Corporate Guarantee Given	743.59	-
	Extension of SBLC credit facility	1000.00	997.90
	Key Managerial Personnel (KMP)		
	Remuneration Paid		
	Mr. Subhash Pareek – Manager	1.00	1.13
	Other Related Parties		
	Diligent Media Corporation Limited – Sale of Goods	15.49	6.08
(B)	Balances at the end of the year		
	Shirpur Gold Mining Company Pvt. Ltd.		
	Share Capital	-	19.56
	Zee Gold DMCC-Dubai		
	Share Capital Investment	337.28	337.28
	Loans & Advances Given	7.58	104.37
	Jay Properties Pvt. Ltd.		
	Unsecured Loan	449.90	449.90
	Deposits	1.33	1.33

52. Robbery of Unrefined Gold in transit

As reported in the preceding year's Annual Report, on 24th April 2015, 60 Kgs of Gold, during transit to factory at Shirpur, was robbed near Nashik, Maharashtra, of which the seizure

made was 13.6939 kgs including 2 kgs from site of robbery and other assets of the robbers, were in Police Custody. On 19th April 2017, the company has taken possession of the said seized 13.6939 Kgs of Gold pursuant to the Order of the Hon'ble Session Court. The said seized gold was accounted in the preceding year as part of inventories and is valued as per Ind AS 2. The Claim for balance gold of 46.3062 Kgs valued at ₹ 1241.71 Lakhs including expenses of Rs.16.52 lakh is pending for settlement with the Insurance company and is accounted as "Claims Receivables" under Other Current Assets. On Finalization of Claim by the insurance company, the difference, if any, between the amount claimed and the actual claim received, which the management does not expect to be material will be charged to Statement of Profit & Loss. Insurance claim in respect of robbery is pending final negotiation and settlement with the insurance company.

53. Corporate Social Responsibility

As per Section 135 of the Companies Act, 2013, a CSR Committee has been formed by the Company. The company is required to spend ₹ 2.24 Millions for the year against which ₹ Millions NIL (NIL) has been spent on activities specified in Schedule VII of the Companies Act, 2013. The accumulated balance of such unspent amount is ₹ 9.65 Million (₹ 7.41 Million). CSR has been charged to the statement of profit and loss under Miscellaneous expenses to the extent of ₹ 2.24 Millions (₹ 2.82 Millions) for the year ended 31st March 2019 (31st March 2018).

54. Dividend paid and proposed

No dividend on equity shares is paid or proposed by Board of Directors for the year ended 31st March 2019 and 31st March 2018.

55. In view of no terms and conditions etc., no restatement under Ind AS 32 or 109 has been considered for Unsecured Interest free Loan of ₹ 449.90 millions received from a body corporate under Essel Group and from other deposits of ₹15.20 millions.

56. The exceptional item being loss of ₹ in Millions 19.56 appearing in the standalone financial statements in the investment value as per books of the company due to

exchange difference arising on conversion date i.e. 30 September 2018, up to which special purpose audited financial statement are prepared. The said loss has been taken to statement of Profit and Loss account. Since the subsidiary of the group was having no business activity, the requirement of restatement and disclosure separately under discontinued operations is not applicable. Hence the Ind AS 105 "Non-Current Assets held for sale and discontinues operation and relevant provision of Schedule III of the Company's Act 2013 are not applicable.

57. Collateral / security pledged

The carrying amount of assets pledged/mortgaged as security for current and non-current borrowings of the Company are as under:

(₹ in Millions)

Particulars	As at 31 -3-2019	As at 31 -3-2018
Property, plant and equipment	1510.88	1577.69
Other current and non-current financial assets	3880.99	3744.04
Other current and non-current assets	1668.87	779.73
Total assets pledged	7060.74	6101.46

58. Disclosure as required by Schedule V (A) (2) of the SEBI (Listing Obligation and Disclosure Requirements), 201558.

During the year, no loans and advances were given to firm/company in which directors are interested except to subsidiary company.

59. Prior Year Comparatives

Previous year's figures have been regrouped / reclassified wherever necessary to correspond with the current year's classifications / disclosures.

60. Figures in brackets are for previous year unless otherwise stated.

In terms of our report of even date attached

For **B S Sharma & Co.**
Chartered Accountants
Firm Registration No. : 128249W

CA B S Sharma
Proprietor
Membership No. 031578
Place: Mumbai
Date: 18 May 2019

For and on behalf of the Board of Directors

Amit Goenka - Chairman
Manoj Agarwal - Director
Subhash Pareek - Manager
Sharvan Kumar Shah - CFO
Shyamal Padhiar - Company Secretary

Independent Auditor's Report on Consolidated Financial Statements

**The Members,
SHIRPUR GOLD REFINERY LIMITED**

REPORT ON THE AUDIT OF CONSOLIDATED FINANCIAL STATEMENTS

1. Opinion

We have audited the accompanying consolidated financial statements of Shirpur Gold Refinery Limited ("hereinafter referred as "the Holding Company") and its subsidiary (the Holding Company and its subsidiary together referred to as "the Group"), comprising of the Consolidated Balance Sheet as at 31st March 2019, the consolidated Statement of Profit and Loss (including Other Comprehensive Income), the Consolidated Statement of Cash Flows, the Consolidated Statement of Changes in Equity for the year then ended and a summary of significant accounting policies and other explanatory information (hereinafter referred as "the consolidated financial statements").

In our opinion and to the best of our information and according to the explanations given to us and based on the consideration of reports of the other auditors on separate financial statements of the subsidiary, referred to in the Other Matters section below, the aforesaid the Consolidated financial statements give the information required by the Companies Act, 2013 ("the Act"), in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended, ("Ind AS") and other accounting principles generally accepted in India, of the consolidated state of affairs of the Group as at 31st March 2019, its consolidated profit and consolidated total comprehensive income, consolidated cash flows and their consolidated

changes in equity for the year ended on that date.

2. Basis for Opinion

We conducted our audit of the consolidated financial statements in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Act. Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the consolidated financial statements section of our report. We are independent of the Group in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India ("ICAI") together with the ethical requirements that are relevant to our audit of the consolidated financial statements under the provisions of the Act and the Rules made thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ICAI's Code of Ethics. We believe that the audit evidence obtained by us and the audit evidence obtained by the other auditors in terms of their reports, referred to in the sub-paragraphs (a) and (b) of the Other Matters section below, is sufficient and appropriate to provide a basis for our audit opinion on the consolidated financial statements.

3. Key Audit Matters

Key Audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

We have determined the matters described below to be the key audit matters to be communicated in our report:

Key audit matter	Taxes including provision for current Tax and recognition of deferred tax
Criteria for disclosure as key Audit matter	Assessed the design implementation and operating effectiveness of key controls in respect of the Company's process of recognition of tax expense including deferred taxes;
Present status	Audit approach
The Company has recorded Rs 8.35 millions of tax expense for the year ended 31 March 2019 and deferred tax upto year end is Rs.461.31 millions. The Company is subject to periodic tax challenges by tax authorities leading to protracted litigations. As such accounting for taxes involves management judgment in developing estimates of tax exposures and contingencies in order to assess the adequacy of tax provision. Refer note 1(p) significant accounting policy for income tax.	We performed the following key audit procedures: Assessed and challenged the completeness of uncertain tax positions in conjunction with our internal tax specialists by considering changes to business and tax legislation through discussions with management and review of correspondence with authorities where relevant; Assessed and challenged the calculation for the current tax provision and the procedures performed to analyse movements including the rationale for any release increase or continued provision in the year; and

Present status	Audit approach
	Assessed and challenged management's judgments with respect to probability of outflow arising out of litigation after considering the status of recent tax assessments audits and enquiries, recent judicial pronouncements and judgments in similar matters developments in the tax environment and outcome of past litigations

Key audit matter	Amounts recoverable-claims, receivables, loans & advances given, provision for expected credit losses and related balances
Criteria for disclosure as key Audit matter	Assessed the credit period by the Company vis-à-vis customers, insurance claims status and loans & advances given and management's assessment of realisability of such dues;
Present status	Audit approach
<p>Refer note 47 for credit risk disclosures.</p> <p>Trade receivables and other amounts recoverable comprise a significant portion of the current financial assets of the Company. As at 31 March 2019 trade receivables(Refer Note No. 9) aggregate to ₹ 4811.53 millions and other amounts recoverable (Refer Note No. 13) aggregate to ₹ 1276.45 millions.</p> <p>In accordance with Ind AS 109, the Company applies expected credit loss (ECL) model for measurement and recognition of impairment loss for financial assets. The Company has analysed trade receivables considering ageing etc., and calculated estimated credit loss, if any, on the basis of ageing.</p> <p>Other amount recoverable of ₹ 1276.45 millions include amongst others ₹ 1007.46 millions for advances to suppliers, and ₹ 124.17 million for insurance claim lodged with the insurance company (Refer Note No. 49) pending since April 2015 for settlement.</p> <p>On the basis of such workings and negotiations with the insurance company, the Company do not foresee any ECL for provisions to be made for doubtful or bad debts. Estimation of provisions and assessment of recoverability of amounts involves significant degree of judgement and evaluation basis for ongoing communications with the respective parties and is therefore considered as a key audit matter.</p>	<p>Our audit procedures to address this key audit matter included, but were not limited to the following:</p> <ol style="list-style-type: none"> We discussed with the management about the conditions leading to, and their assessment of recoverability of dues from the parties. We referred to the aging of trade and other receivables and discussed the key balances to establish the management's assessment of recoverability of such dues. We analysed the methodology used by the management and considered the credit and payment history of specific parties to determine the trend used for arriving at the expected credit loss, if any. We referred to the terms and conditions, wherever available, stipulated in the settlement arrangement with respect to amounts recoverable from vendors. We have assessed the adequacy of disclosures made by the management in the financial statements to reflect the advances, claims, trade and other receivables and related balances, (assets) pending reconciliation and confirmations from parties concerned. The probability of recovery of these loans and advances, both trade and others and receivables and that there will not be default, requires management judgment, to ensure discloser of most appropriate values of assets.

4. Information Other than Consolidated financial statements and Auditor's Report thereon

The Group's Board of Directors is responsible for the other information. The other information comprises of information included in the Management Discussions and Analysis, Directors' Report including Annexures to the Directors' Report, Corporate Governance and Shareholders' Information, but does not include the consolidated financial statements and our auditor's report thereon.

Our opinion on the consolidated financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information, compare with the financial statements of the subsidiary audited by the other auditors, to the extent it relates to these entities and, in doing so, place reliance on the work of the other auditors and consider whether the other information is

materially inconsistent with the consolidated financial statements or our knowledge obtained during the course of our audit or otherwise appears to be materially misstated. Other information so far as it relates to the subsidiary, is traced from their financial statements audited by the other auditors.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

5. Management's Responsibility for the Consolidated financial statements

The Group's Board of Directors is responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these consolidated financial statements that give a true and fair view of the consolidated state of affairs (financial position), consolidated profit or loss (financial performance including total comprehensive income), consolidated changes in equity and consolidated cash flows of the Group in accordance with accounting principles generally accepted in India, including the Ind-AS specified under Section 133 of the Act. The respective Board of Directors of the company included in the Group are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Group and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the consolidated financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the consolidated financial statements by the Directors of the Group, as aforesaid.

In preparing the consolidated financial statements, the respective Board of Directors of the companies included in the group are responsible for assessing the ability of the Group to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate or cease operations, or has no realistic alternative but to do so.

The respective Board of Directors of the companies included in the Group are also responsible for overseeing the financial reporting process of the Group.

6. Auditor's Responsibilities for the Audit of the Consolidated financial statements

Our objectives are to obtain reasonable assurance about whether the Consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Group has adequate internal financial controls system in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the ability of the Group to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our

conclusions are based on the audit evidence obtained up to the date of our auditor report. However, future events or conditions may cause the Group to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the Consolidated financial statements, including the disclosures, and whether the Consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the audit of the financial statements of such entities or business activities included in the consolidated financial statements of which we are independent auditors. For the other entities or business activities included in the consolidated financial statements, which have been audited by the other auditors, such other auditors remain responsible for the direction, supervision and performance of the audits carried out by them. We remain solely responsible for our audit opinion.

Materiality is the magnitude of misstatements in the consolidated financial statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the consolidated financial statements may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the consolidated financial statements.

We communicate with those charged with governance of the Group and such other entities included in the consolidated financial statements of which we are the independent auditors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most

significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

7. Emphasis of Matters

- (a) We did not audit the financial statements of a subsidiary whose financial statements reflect total assets of ₹ 2325.29 millions as at 31 March 2019, total revenues of ₹ 23786.05 millions and net cash flows amounting to ₹ 16.53 millions for the year ended on that date, as considered in the consolidated financial statements. The consolidated financial statements also include the Group's share of net profit of ₹ 185.71 millions for the year ended 31 March 2019, as considered in the consolidated financial statements, in respect of a subsidiary, whose financial statements have not been audited by us. These financial statements have been audited by other auditors whose reports have been furnished to us by the Management and our opinion on the consolidated financial statements, in so far as it relates to the amounts and disclosures included in respect of the subsidiary, and our report in terms of sub section (3) of Section 143 of the Act, in so far as it relates to the aforesaid subsidiary is based solely on the reports of the other auditors.
- (b) Our opinion on the consolidated financial statements above and our report on Other Legal and Regulatory Requirements below, is not modified in respect of the above matters with respect to our reliance on the work done and the reports of the other auditors and the financial information certified by the Management.

8. Report on Other Legal and Regulatory Requirements

1. As required by Section 143(3) of the Act, based on our audit and on the consideration of the reports of the other auditors on the separate financial statements and the financial information of the subsidiary referred to in the Other Matters section above, we report to the extent applicable that:
 - a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit of the aforesaid consolidated financial statements;

- b) In our opinion, proper books of account as required by law relating to preparation of the aforesaid consolidated financial statements have been kept by the Company so far as it appears from our examination of those books, returns and the reports of the other auditors;
- c) The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss including Other comprehensive income, the Consolidated Statement of changes in Equity dealt with by this Report are in agreement with the relevant books of account maintained for the purpose of preparation of the consolidated financial statements;
- d) In our opinion, the aforesaid consolidated financial statements comply with the Indian Accounting Standard specified under Section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended;
- e) On the basis of the written representations received from the directors of the Group as on 31st March 2019 taken on record by the Board of Directors of the Company, none of the directors of the Holding Company is disqualified as on 31st March 2019 from being appointed as a director in terms of Section 164 (2) of the Act.
- f) With respect to the other matters to be included in the Auditor's Report in accordance with the requirements of section 197(16) of the Act, as amended:

In our opinion and to the best of our information and according to the explanations given to us, the remuneration paid by the Holding Company to its directors during the year is in accordance with the provisions of section 197 of the Act.

- g) With respect to the adequacy of the internal financial controls over financial reporting and the operating effectiveness of such controls, refer to our separate report in "Annexure A". Our report expresses an unmodified opinion on the operating effectiveness

of internal financial controls over financial reporting of those companies

- h) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended in our opinion and to the best of our information and according to the explanations given to us:
 - i. The Group does not have any pending litigations which would impact its financial position except as otherwise stated in Note no. 33 of Notes to consolidated financial statements hereto;
 - ii. The Group did not have any material foreseeable losses on long term contracts including derivative contracts;
 - iii. There has been no amount required to be transferred to the Investor Education and Protection Fund, since the same is not applicable to the Company;
 - iv. the disclosure requirements relating to holdings as well as dealings in specified bank notes were applicable for the period from 8 November 2016 to 30 December 2016, which are not relevant to these consolidated financial statements. Hence, reporting under this clause is not applicable.

For **B S Sharma & Co.**
Chartered Accountants
Firm Registration No. : 128249W

CA B S Sharma
Proprietor
Membership No. 031578
Place: Mumbai
Date: 18 May 2019

Annexure 'A' to Independent Auditor's Report on Consolidated Financial Statements - 31st March, 2019

Report on the Internal Financial Controls over financial reporting under Clause (i) of Sub-Section 3 of Section 143 of the Companies Act, 2013 ("the Act") as referred to in paragraph 8(1)(g) under "Report on other Legal and Regulatory requirement" of our report of even date to the members of Shirpur Gold Refinery Limited on the consolidated financial statements for the year ended 31st March, 2019

In conjunction with our audit of the consolidated financial statements of Shirpur Gold Refinery Limited ("the Holding Company") as of and for the year ended 31st March, 2019, we have audited the internal financial controls over financial reporting of the Holding Company as of that date.

1. Management's Responsibility for Internal Financial Controls

The respective Board of Directors of the Holding Company is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Holding Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India (ICAI). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

2. Auditor's Responsibility

Our responsibility is to express an opinion on the internal financial controls over financial reporting of the Holding Company based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") issued by the Institute of Chartered Accountants of India and the Standards on Auditing, prescribed under Section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operational effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained and audit evidence obtained by other auditor of the subsidiary company, in terms of their reports referred to in the Other Matters paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on the company's Holding company, as stated above, internal financial controls system with reference to consolidated financial statements.

3. Meaning Of Internal Financial Controls with reference to Consolidated financial statements

A company's internal financial control with reference to consolidated financial statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of consolidated financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control with reference to consolidated financial statements includes those policies and procedures that -

- (1) pertains to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company;
- (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of consolidated financial statements in accordance with generally accepted accounting principles, and that

receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and

- (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the consolidated financial statements.

4. Inherent Limitations of Internal Financial Controls with reference to Consolidated financial statements

Because of the inherent limitations of internal financial controls with reference to consolidated financial statements, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls with reference to consolidated financial statements to future periods are subject to the risk that the internal financial control with reference to with reference to consolidated financial statements may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

5. Opinion

In our opinion, the Holding Company, has, maintained in all material respects, an adequate internal financial controls with

reference to consolidated financial statements and such internal financial controls with reference to consolidated financial statements were checked on test basis, operating effectively as at 31st March, 2019, based on the internal control with reference to consolidated financial statements criteria established by the respective companies considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the ICAI.

For **B S Sharma & Co.**

Chartered Accountants

Firm Registration No. : 128249W

CA B S Sharma

Proprietor

Membership No. 031578

Place: Mumbai

Date: 18 May 2019

Consolidated Balance Sheet as at 31st March, 2019

(₹ in Millions)

Particulars	Notes	As at March 31, 2019	As at 31 March, 2018
ASSETS			
1 Non-Current Assets			
a Property, Plant & Equipments	2a	1,515.55	1,584.02
b Intangible Assets	2b	482.47	452.79
c Financial Assets			
(i) Investments	3	0.33	0.33
(ii) Others Financial Assets	4	4.69	4.83
d Deferred Tax Assets (net)	5	461.34	466.05
e Income Tax Assets (Net)	6	24.30	13.63
f Other Non-Current Assets	7	91.18	98.16
Total Non -Current Assets	(A)	2,579.86	2,619.81
2 Current Assets			
a Inventories	8	365.59	452.99
b Financial Assets			
(i) Trade Receivables	9	4,811.53	4,073.93
(ii) Cash and Cash Equivalents	10	229.55	187.61
(iii) Bank Balances other than Cash and Cash Equivalents	11	582.74	351.12
(iv) Other Financial Assets	12	1.65	2.88
c Other Current Assets	13	1,276.45	379.49
Total Current Assets	(B)	7,267.51	5,448.02
TOTAL ASSETS	(A+B)	9,847.37	8,067.83
EQUITY AND LIABILITIES			
Equity			
a Equity Share Capital	14	291.37	291.37
b Other Equity	15	3,312.65	3,076.58
Total Equity attributable to Shareholders		3,604.02	3,367.95
Non Controlling Interest		0.04	0.04
Total Equity	(A)	3,604.06	3,367.99
Liabilities			
1 Non-Current Liabilities			
a Financial Liabilities			
(i) Borrowings	16	1,127.31	839.05
(ii) Others	17	15.36	15.36
b Provisions	18	7.01	5.92
Total Non Current Liabilities	(B)	1,149.68	860.33
2 Current Liabilities			
a Financial Liabilities			
(i) Borrowings	19	4,635.51	3,155.97
(ii) Trade Payables	20		
a) Total Outstanding dues of micro enterprises & Small Enterprises		-	-
b) Total Outstanding dues of creditors other than micro enterprises & Small Enterprises		422.12	638.94
(iii) Other Financial Liabilities	21	34.94	43.60
b Provisions	22	1.06	1.00
Total Current Liabilities	(C)	5,093.63	3,839.51
Total Liabilities	(B+C)	6,243.31	4,699.84
TOTAL	(A+B+C)	9,847.37	8,067.83
Notes forming part of the consolidated financial statements	1-57		

In terms of our report of even date attached

For **B S Sharma & Co.**
Chartered Accountants
Firm Registration No. : 128249W

For and on behalf of the Board of Directors

CA B S Sharma
Proprietor
Membership No. 031578
Place: Mumbai
Date: 18 May 2019

Amit Goenka - Chairman
Manoj Agarwal - Director
Subhash Pareek - Manager
Sharvan Kumar Shah - CFO
Shyamal Padhiar - Company Secretary

Consolidated Statement of Profit and Loss for the year ended 31st March, 2019

(₹ in Millions)

Particulars	Notes	For the year ended March 31, 2019	For the year ended March 31, 2018
Income			
I Revenue from Operations	23	42,680.92	52,973.37
II Other Income	24	64.74	0.04
III Total Revenue	(I+II)	42,745.66	52,973.41
IV Expenses			
a) Cost of Materials consumed	25	28,005.74	9,828.21
b) Purchase of Stock-in-Trade	26	14032.91	42,590.62
c) Changes in inventories of finished goods, work-in-progress and stock-in-trade	27	(9.40)	(136.54)
d) Employee Benefits Expense	28	37.00	41.76
e) Finance Cost	29	316.18	328.25
f) Depreciation & Amortization Expense	30	69.81	69.89
g) Other Expenses	31	67.15	88.33
Total Expenses	(IV)	42,519.39	52,810.52
V Profit before Tax	(III - IV)	226.27	162.89
VI Less : Tax Expenses	32a		
a) Current Tax (Mat)		8.35	10.19
b) Deferred Tax Charged/(Credit)		4.71	9.39
VII Profit for the year	(V - VI)	213.21	143.31
VIII Other comprehensive income			
Item that will not be reclassified to profit or loss			
Remeasurement of defined benefit plans		0.16	(0.85)
Tax Expense	32a	(0.03)	0.17
Total Other comprehensive income		0.13	(0.68)
IX Total comprehensive income for the year	(VII + VIII)	213.34	142.63
X Basic & Diluted earning per share (not annualized) (in ₹)		7.32	4.92
Notes forming part of the consolidated financial statements	1-57		

In terms of our report of even date attached

For **B S Sharma & Co.**
Chartered Accountants
Firm Registration No. : 128249W

CA B S Sharma
Proprietor
Membership No. 031578
Place: Mumbai
Date: 18 May 2019

For and on behalf of the Board of Directors

Amit Goenka - Chairman
Manoj Agarwal - Director
Subhash Pareek - Manager
Sharvan Kumar Shah - CFO
Shyamal Padhiar - Company Secretary

Consolidated Cash Flow Statement for the year ended 31st March, 2019

(₹ in Millions)

Particulars	As at March 31, 2019	As at March 31, 2018
A. CASH FLOW FROM OPERATING ACTIVITIES:		
Net Profit before Taxation and Extraordinary Items	226.27	162.89
Adjustment for:		
Depreciation and Amortization Expenses	69.81	69.89
Finance Cost	316.18	328.25
Net Gain on exchange difference	(56.79)	(10.36)
Remeasurement of defined benefit plans	0.16	(0.85)
Excess Provision Liabilities written back	-	6.08
Operating Profit /(Loss) before Working Capital Changes	555.63	555.90
Adjustment for :		
Change in Current Assets & Current Liabilities		
(Increase) /Decrease in Inventory	87.40	(197.82)
(Increase)/ Decrease in other Current Assets	(907.79)	454.09
(Increase)/ Decrease in Trade Receivables	(680.81)	2,849.77
Increase/(Decrease) in Trade Payables & Current Liabilities	(225.43)	(1,135.91)
Increase/(Decrease) in Other Non Current Liabilities & Provisions	1.09	0.29
Cash Generated from Operation	(1,725.54)	1,970.42
Less: Direct taxes paid (Net)	-	-
Net Cash flow from Operating Activities	(1,169.91)	2,526.32
B. CASH FLOW FROM INVESTING ACTIVITIES :		
Purchase of Intangible Assets	(31.03)	(451.64)
Increase in Capital Reserve (Rate difference of Investment)	22.73	7.2
Investment in Other Non Current Assets	0.14	(57.21)
Net Cash Generated in Investing Activities	(8.16)	(501.65)
C. CASH FLOW FROM FINANCING ACTIVITIES :		
Finance Cost	(316.18)	(328.25)
Investment in Fixed Deposits	(231.62)	105.22
Increase/(Decrease) in Non Current Borrowings	288.27	352.79
Increase/(Decrease) in Current Borrowings	1,479.54	(2,284.72)
Net Cash Generated in Financing Activities	1,220.01	(2,154.96)
NET CASH FLOW DURING THE YEAR (A+B+C)	41.94	(130.29)
Cash and cash equivalents at the beginning of the year*	187.61	317.90
Cash and cash equivalents at the end of the year*	229.55	187.61

Notes:

- Cash Flow Statement has been prepared under the indirect method as set out in the Ind AS-7 "Cash Flow Statements"
- Previous year's figures have been regrouped, rearranged, reclassified wherever applicable.
- *Cash & cash equivalent includes Cash and Bank Balance only.

In terms of our report of even date attached

For **B S Sharma & Co.**
Chartered Accountants
Firm Registration No. : 128249W

CA B S Sharma
Proprietor
Membership No. 031578
Place: Mumbai
Date: 18 May 2019

For and on behalf of the Board of Directors

Amit Goenka - Chairman
Manoj Agarwal - Director
Subhash Pareek - Manager
Sharvan Kumar Shah - CFO
Shyamal Padhiar - Company Secretary

Consolidated Statement of Changes in Equity for the year ended 31st March, 2019

A. EQUITY SHARE CAPITAL

(₹ in Millions)

Particulars	Amount
Balance as at 1 April 2017	291.37
Changes in equity share capital during the year	-
Balance as at 31 March 2018	291.37
Changes in equity share capital during the year	-
Balance as at 31 March 2019	291.37

B. OTHER EQUITY

(₹ in Millions)

Particulars	Reserves & Surplus				
	Retained earnings	Capital Reserve	General Reserve	Security Premium Reserve	Total
Balance as at 1 April 2017	(159.21)	585.50	1,065.46	1,435.00	2,926.75
Profit for the year	143.31	-	-	-	143.31
Other comprehensive income (net of tax)	(0.68)	-	-	-	(0.68)
Other Adjustments with holding company	-	7.20	-	-	7.20
Balance as at 31 March 2018	(16.58)	592.70	1,065.46	1,435.00	3,076.58
Profit for the year	213.21	-	-	-	213.21
Other comprehensive income (net of tax)	0.13	-	-	-	0.13
Other Adjustments with holding company	-	22.73	-	-	22.73
Balance as at 31 March 2019	196.76	615.43	1,065.46	1,435.00	3,312.65

In terms of our report of even date attached

For **B S Sharma & Co.**
Chartered Accountants
Firm Registration No. : 128249W

CA B S Sharma
Proprietor
Membership No. 031578
Place: Mumbai
Date: 18 May 2019

For and on behalf of the Board of Directors

Amit Goenka - Chairman
Manoj Agarwal - Director
Subhash Pareek - Manager
Sharvan Kumar Shah - CFO
Shyamal Padhiar - Company Secretary

Notes forming part of Consolidated Financial Statements

CORPORATE INFORMATION

Shirpur Gold Refinery Limited ("SGRL" or "the Company") or "the parent company" is incorporated in the State of Maharashtra, India and is listed on Bombay Stock Exchange of India Limited (BSE) and National Stock Exchange of India Limited (NSE) in India. The Registered office and Plant of the Company is situated at Refinery Site, Shirpur, Dist: Dhule, Maharastra-425 505. The Company along with its subsidiaries (collectively referred to as "the Group") has been in the business of manufacturing and trading of gold bars, gold coins, gold jewellery and export of gold jewellery. The Consolidate financial statements were authorized for issue by Board of Directors at their meeting held on 18th May 2019.

1. SIGNIFICANT ACCOUNTING POLICIES

a) Statement of Compliance

These Consolidated financial statement have been prepared in accordance with the Indian Accounting Standards (hereinafter referred to as the Ind AS) as notified by Ministry of Corporate Affairs pursuant to Section 133 of the Companies Act, 2013 (the Act) read with of the Companies (Indian Accounting Standards) Rules 2015 as amended and other relevant provisions of the Act and rules framed thereunder and guidelines issued by the SEBI

b) Basis of preparation of Consolidated financial statements

i) Compliance with Ind AS

The Consolidated financial statements comply in all material respects with Indian Accounting Standards (Ind AS) notified under Section 133 of the Companies Act, 2013 (the Act) [Companies (Indian Accounting Standards) Rules, 2015] and other relevant provisions of the Act.

The Consolidated Financial Statements up to the year ended March 31, 2019 were prepared in accordance with the Accounting Standards notified under Companies (Accounting Standard) Rules ,2006 (as amended) "Previous GAAP" and other relevant provisions of the Companies Act, 2013.

ii) Principles of Consolidation

The consolidated financial statements of the Group have been prepared to comply with the Indian Accounting Standards (Ind AS), including the rules notified under the relevant provisions of the Companies Act, 2013 to the extent possible in the same manner as that adopted by the parent company and the subsidiary audited financial statements as per the respective countries accounting standards. The consolidated financial statements have been prepared under the historical cost convention on the Going Concern concept of accounting.

- The consolidation of financial statements of the parent

company and its subsidiary is done to the extent possible on a line-by-line basis by adding together like items of assets, liabilities, income and expenses. All significant intra-group transactions, unrealized inter-company profits and balances have been eliminated in the process of consolidation. Being the 100% holding in subsidiaries, minority interest in subsidiaries is not applicable.

- The consolidated financial statements are prepared using uniform accounting policies for transactions and other events in similar transactions.
- The Company follows mercantile system of accounting and recognizes income and Expenditure on accrual basis.
- The consolidated financial statements includes the financial statements of the parent company and the subsidiary (as listed in the table below). Subsidiary is consolidated from the date on which effective control is acquired.

Name of the Subsidiaries	Proportion of interest (including beneficial interest) / Voting Power (either directly / indirectly or through subsidiaries)	Country of Incorporation
Shirpur Gold Mining Company Private Limited*	100 %	Singapore
Zee Gold Trading DMCC	100 %	Dubai, U.A.E.
Step down subsidiaries of Zee Gold Trading DMCC Dubai a) Precious Metal Mining and Refining Limited	100% subsidiary of Zee Gold DMCC, Dubai (UAE)	Papua New Guinea
b) Metalli Exploration And Mining	70% subsidiary of Zee Gold DMCC, Dubai (UAE)	Bamako, Mali

* Shirpur Gold Mining Company Private Limited's name has been struck off w.e.f 07.03.2019 from the register maintained by the Regulatory Authority. However the audited financials are made upto 30th September 2018, i.e date when the company applied to the said authority for striking off its name from the Regulatory Authority, Singapore .Hence the said subsidiary cease to exist from that date.

c) Current versus Non-Current Classification

All assets and liabilities have been classified as current or non-current, wherever applicable as per the operating cycle of the Company and other criteria set out in the Act. Deferred tax assets and liabilities are classified as non-current assets and non-current liabilities, as the case may be.

Notes forming part of Consolidated Financial Statements

d) Property, Plant and Equipment and Capital Work in Progress

Recognition and initial measurement:

Property, plant and equipment are recorded at the cost of acquisition. The cost comprises purchase price, borrowing cost if capitalization criteria are met and directly attributable cost of bringing the asset to its working condition for the intended use upto the date when the assets are ready for use. Any trade discount, recoverable taxes and rebates are deducted in arriving at the purchase price. All other repairs and maintenance are recognized in statement of profit and loss as incurred.

Subsequent measurement Depreciation and useful lives

Property, plant and equipment are subsequently measured at cost less depreciation and impairment loss. Based on an independent technical evaluation, the useful life of PPE are as prescribed in schedule II of the Companies Act except for the following PPE has been estimated as 05-60 years (on a single Shift basis), which is different from that prescribed in Schedule II of the Companies Act, 2013.

Assets	Management's Estimate of Useful Life
Concrete Road – GB	60 Years
Airport Complex	30 Years
Plant & Machinery	05-40 years

Depreciation on additions to assets or on sale/discarded of assets, is calculated pro-rata from the month of such addition or up to the month of such sale/ discarded, as the case may be.

De-recognition

An item of property, plant and equipment and any significant part initially recognised is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on de-recognition of an assets (calculated as the difference between the net disposal proceeds and its carrying amount) is included in the statement of profit and loss.

e) Other Intangible assets

Recognition and initial measurement

Intangible assets are recognised if it is probable that the future economic benefits that are attributable to the asset will flow to the Company and the cost of the asset can be measured reliably. These assets are valued at cost which comprises the purchase price and any directly attributable expenditure on making the asset ready for its intended use.

Subsequent measurement (amortisation)

Intangible assets are amortized on straight line basis over the economic useful life estimated by the management.

f) Impairment of non-financial assets

At each reporting date, the Company assesses whether there is any indication based on internal/external factors, that an asset may be impaired. 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 amount, the carrying amount is reduced to its recoverable amount and the reduction is treated as an impairment loss and is recognised in the statement of profit and loss. If, at the reporting date there is an indication that a previously assessed impairment loss no longer exists, the recoverable amount is reassessed and the asset is reflected at the recoverable amount. Impairment losses previously recognized are accordingly reversed in the statement of profit and loss.

g) Impairment of financial assets

In accordance with Ind AS 109, the Company applies expected credit loss (ECL) model for measurement and recognition of impairment loss for financial assets. ECL is the difference between all contractual cash flows that are due to the Company in accordance with the contract and all the cash flows that the Company expects to receive. When estimating the cash flows, the Company is required to consider –

1. All contractual terms of the financial assets (including prepayment and extension) over the expected life of the assets.
2. Cash flows from the sale of collateral held or other credit enhancements that are integral to the contractual terms.

h) Revenue Recognition

Ind AS 115 'Revenue from Contracts with Customers'

The Companies (Indian Accounting Standards) Amendment Rules, 2018 issued by the Ministry of Corporate Affairs (MCA) notified Ind AS 115 "revenue from Contracts with Customers" related to revenue recognition which replaces all existing revenue recognition standards and provide a single, comprehensive model for all contracts with customers. The revised standard contains principles to determine the measurement of revenue and timing of when it is recognize.

Revenue is recognize to the extent it is probable that economic benefits will flow to the Company and the revenue can

Notes forming part of Consolidated Financial Statements

be reliably measured. Revenue is measured at the fair value of the consideration received or receivable. All revenues are accounted on accrual basis except to the extent stated otherwise.

- Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured.
- Revenue is measured at the fair value of the consideration received/receivable net of rebates and taxes. The Company applies the revenue recognition criteria to each nature of the sales transaction as set out below.
- Sale of Goods is recognized on transfer of all significant risks and rewards of ownership to the buyer and when no significant uncertainty as to collectability exists.
- Revenues/ incomes and Costs/ Expenditure are generally accounted on accrual, as they are earned or incurred.
- Interest is accounted on time proportion and accrual basis
- Dividend income is accounted when the right to receive the same is unconditional.

i) 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.

j) Borrowing Cost

Borrowing costs include interest and other costs that the Company incurs in connection with the borrowing of funds.

Borrowing costs related to a qualifying asset that necessarily takes a substantial period of time to get ready for its intended use is worked out on the basis of actual utilization of funds

out of project specific loans and/or other borrowings to the extent identifiable with the qualifying asset and is capitalized with the cost of qualifying asset, using the effective interest method. All other borrowing costs are charged to statement of profit and loss.

In case of significant long-term loans, other costs incurred in connection with the borrowing of funds are amortised over the period of respective loan.

k) 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.

l) Transactions in Foreign Exchange

The functional currency of the Company is Indian Rupee (R) which is also the presentation currency.

- 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 items are translated using the exchange rate prevailing at the reporting date. Exchange differences arising on settlement of monetary items or on reporting such monetary items at rates different from those at which they were initially recorded during the period or reported in previous financial statements are recognized as income or as expenses in the period in which they arise.
- Forward Exchange Contracts: The premium or discount arising at the inception of forward exchange contracts entered into to hedge an existing asset/liability, is amortized as expense or income over the life of the contract. Any profit or loss arising on cancellation or renewal of such forward exchange contract during the reporting period, is recognized as income or expense

Notes forming part of Consolidated Financial Statements

for the period, in the Statement of Profit and Loss.

- Accounting of foreign branch: Current assets and liabilities are converted at the appropriate rates of exchange prevailing on the date of the Balance Sheet and revenue and expenses are at monthly average rate for the year.

m) **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 at the Balance Sheet date and recognized in the Statement of Profit and Loss.

n) **Post-employment, long term and short term employee benefits**

1. **Post-employment benefits**

i) **Defined contribution plan**

The Company deposits the contributions for provident fund and employees' state insurance to the appropriate government authorities and these contributions are recognised in the Statement of Profit and Loss in the financial year to which they relate.

ii) **Defined benefit plan**

The Company's gratuity scheme is a defined benefit plan. The present value of the obligation under such defined benefit plan is determined based on actuarial valuation carried out at the end of the year by an independent actuary, using the projected unit credit method, which recognises each period of service as giving rise to additional unit of employee benefit entitlement and measures each unit separately to build up the final obligation. The obligation is measured at the present value of the estimated future cash flows. The discount rates used for determining the present value of the obligation under defined benefit plans is based on the market yields on Government Securities for relevant maturity. Actuarial gains and losses are recognised immediately in the Statement of Other Comprehensive Income.

2. **Other long term employee benefits**

Benefits under the Company's compensated absences constitute other long-term employee benefits. The liability in respect of compensated absences is provided on the basis of an actuarial valuation done by an independent actuary using the projected unit credit method at the

year end. Actuarial gains and losses are recognised immediately in the Statement of Profit and Loss.

3. **Short-term employee benefits**

All employee benefits payable wholly within twelve months of rendering the service are classified as short-term employee benefits. Benefits such as salaries, wages, and bonus, etc., are recognised in the Statement of Profit and Loss in the period in which the employee renders the related service.

o) **Earnings/(loss) per share**

Basic earning/loss per share are calculated by dividing the net profit or loss for the period attributable to equity shareholders by the weighted average number of equity shares outstanding during the year.

For the purpose of calculating diluted earnings per share, the net profit or loss for the year attributable to equity shareholders and the weighted average number of shares outstanding during the year are adjusted for the effects of all dilutive potential equity shares.

p) **Accounting for taxes on Income**

Tax expense recognized in statement of profit and loss comprises the sum of deferred tax and current tax except the ones recognized in other comprehensive income or directly in equity.

Current tax is determined as the tax payable in respect of taxable income for the year and is computed in accordance with relevant tax regulations.

Deferred tax is recognised in respect of temporary differences between carrying amount of assets and liabilities for financial reporting purposes and corresponding amount used for taxation purposes. Deferred tax assets on unrealised tax loss are recognised to the extent that it is probable that the underlying tax loss will be utilised against future taxable income. This is assessed based on the Company's forecast of future operating results, adjusted for significant non-taxable income and expenses and specific limits on the use of any unused tax loss. Unrecognised deferred tax assets are re-assessed at each reporting date and are recognised to the extent that it has become probable that future taxable profits will allow the deferred tax asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the reporting date. Deferred tax relating to items recognised out-

Notes forming part of Consolidated Financial Statements

side statement of profit and loss is recognised outside statement of profit or loss (either in other comprehensive income or in equity).

Unused tax credit such as (Minimum alternate tax ('MAT') credit entitlement) is recognized as an asset only when and to the extent there is convincing evidence that the Company will pay normal income tax during the specified period. In the year in which such credit becomes eligible to be recognized as an asset, the said asset is created by way of a credit to the statement of profit and loss and shown as unused tax credit. The Company reviews the same at each balance sheet date and writes down the carrying amount of unused tax credit to the extent it is not reasonably certain that the Company will pay normal income tax during the specified period.

q) **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.

r) **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.

s) **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.

t) **Cash and cash equivalents**

Cash and cash equivalents comprises cash at bank and in hand, cheques in hand and short term investments that are readily convertible into known amount of cash and are subject to an insignificant risk of change in value..

u) **Leases**

i) **Finance lease**

Assets held under finance leases are recognised as assets of the Company at their fair value on the date of acquisition, or, if lower, at the present value of the minimum lease payments. The corresponding liability to the lessor is included in the balance sheet as a finance lease obligation. Lease payments are apportioned between finance charges and reductions of the lease obligation so as to achieve a constant rate of interest on the remaining balance of the liability. Finance expenses are recognised immediately in statement of profit and loss account, unless they are directly attributable to qualifying assets, in which case they are capitalised in accordance with the general policy on borrowing costs . Contingent rentals are recognised as expenses in the periods in which they are incurred.

ii) **Operating lease**

Lease of assets under which all the risks and rewards of ownership are effectively retained by the lessor are classified as operating leases. Operating Lease payments / revenue are recognised on straight line basis over the lease term in the statement of profit and loss, unless the lease agreement explicitly states that increase is on account of inflation.

v) **Significant management judgement in applying accounting policies and estimation uncertainty**

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and the disclosure of contingent liabilities on the date of the financial statements and the results of operations during the reporting periods. Although these estimates are based upon management's knowledge of current events and actions, actual results could differ from those estimates and revisions, if any, are recognised in the current and future periods

w) **Exceptional items**

Certain occasions, the size, type, or incidences of the item of income or expenses pertaining to the ordinary activities of

Notes forming part of Consolidated Financial Statements

the Company is such that its disclosure improves the understanding of the performance of the Company, such income or expenses is classified as an exceptional item and accordingly, disclosed in the financial statements.

x) Financial Instruments

Financial instruments is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

Initial Recognition

- a) Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit or loss are recognised immediately in the statement of profit and loss.

Subsequent Measurement

- b) Financial assets are classified into the following specified categories: amortised cost, financial assets 'at fair value through profit or loss' (FVTPL), 'at amortised cost, 'Fair value through other comprehensive income (FVTOCI). The classification depends on the Company's business model for managing the financial assets and the contractual terms of cash flows.

Debt Instrument

Amortised Cost

A financial asset is subsequently measured at amortised cost if it is held with in a business model whose objective is to hold the asset in order to collect contractual cash flows and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding. This category generally applies to trade and other receivables.

Fair value through other comprehensive income (FVTOCI)

A 'debt instrument' is classified as at the FVTOCI, if both of the following criteria are met:

- a) The objective of the business model is achieved both by collecting contractual cash flows and selling the financial assets, and

- b) The asset's contractual cash flows represent solely payments of principle and interest.

Debt instruments included within the FVTOCI category are measured initially as well as at each reporting date at fair value. Fair value movements are recognized in the other comprehensive income (OCI). However, the Company recognizes interest income, impairment losses, reversals and foreign exchange gain or loss in the statement of Profit and Loss. On derecognition of the asset, cumulative gain or loss previously recognised in OCI is reclassified from the equity to statement of Profit and Loss . Interest earned whilst holding FVTOCI debt instrument is reported as interest income using the Effective Interest Rate (EIR) method.

Fair value through Profit and Loss (FVTPL)

FVTPL is a residual category for debt instruments. Any debt instrument, which does not meet the criteria for categorization as at amortized cost or as FVTOCI, is classified as at FVTPL.

In addition, the Company may elect to designate a debt instrument, which otherwise meets amortized cost or FVTOCI criteria, as at FVTPL. However, such election is considered only if doing so reduces or eliminates a measurement or recognition inconsistency (referred to as 'accounting mismatch').

Debt instruments included within the FVTPL category are measured at fair value with all changes recognized in the statement of Profit and Loss.

Reclassification of financial assets

The company determines classification of financial assets and liabilities on initial recognition. After initial recognition, no reclassification is made for financial assets which are equity instruments and financial liabilities. For financial assets which are debt instruments, a reclassification is made only if there is a change in the business model for managing those assets. Changes to the business model are expected to be infrequent. The company's senior management determines change in the business model as a result of external or internal changes which are significant to the company's operations. Such changes are evident to external parties. A change in the business model occurs when the company either begins or ceases to perform an activity that is significant to its operations. If the company reclassifies financial assets, it applies the reclassification prospectively from the reclassification date which is the first day of the immediately next reporting period following the change in business model. The company does not restate any previously recognised gains, losses (including impairment gains or losses) or interest.

Notes forming part of Consolidated Financial Statements

Derecognition of financial assets

The Company derecognises a financial asset when the rights to receive cash flows from the asset have expired, or the Company has transferred its rights to receive cash flows from the asset.

Impairment of financial assets

The Company recognizes loss allowances using the expected credit loss (ECL) model for the financial assets which are not fair valued through statement of Profit and Loss. Loss allowance for trade receivables with no significant financing component is measured at an amount equal to lifetime ECL. For all other financial assets, expected credit losses are measured at an amount equal to the 12-month ECL, unless there has been a significant increase in credit risk from initial recognition in which case those are measured at lifetime ECL. The amount of expected credit losses (or reversal) that is required to adjust the loss allowance at the reporting date to the amount that is required to be recognised is recognized as an impairment gain or loss in statement of Profit and Loss.

Financial liabilities

Subsequent Measurement

Financial liabilities measured at amortised cost

Financial liability are subsequently measured at amortized cost using the EIR method. Gains and losses are recognized in statement of Profit and Loss when the liabilities are derecognized as well as through the EIR amortization process. Amortized cost is calculated by taking into account any discount or premium on acquisition and fee or costs that are an integral part of the EIR. The EIR amortization is included in finance costs in the statement of profit and loss.

Financial liabilities measured at FVTPL (fair value through profit or loss)

Financial liabilities at FVTPL include financial liabilities held for trading and financial liabilities designated upon initial recognition as at FVTPL. Financial liabilities are classified as held for trading if they are incurred for the purpose of repurchasing in the near term. Financial liabilities at fair value through statement of Profit and Loss are carried in the statement of financial position at fair value with changes in fair value recognized in finance income or finance costs in the income statement.

Derecognition of financial liabilities

A financial liability is derecognized when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the

same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognized in the statement of profit or loss.

Offsetting of financial instruments

Financial assets and financial liabilities are offset and the net amount is reported in the balance sheet if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, to realise the assets and settle the liabilities simultaneously.

Determination of fair value

Fair value is the price that would be received on sale of an asset or paid to transfer a liability in an ordinary transaction between market participants at the measurement date.

In determining the fair value of its financial instruments, the Company uses a variety of methods and assumptions that are based on market conditions and risks existing at each reporting date. The methods used to determine fair value include discounted cash flow analysis and available quoted market prices. All methods of assessing fair value result in general approximation of value, and such value may never actually be realized.

y) Share based payments

The Company recognizes compensation expense relating to share-based payments in the statement of profit and loss using fair value in accordance with Ind AS 102, "Share-based Payments". The estimated fair value of awards is charged to statement of profit and loss on a straight-line basis over the requisite service period for each separately vesting portion of the award as if the award was in-substance, multiple awards with a corresponding increase to share based payment reserves.

z) Business combinations

Business combinations are accounted for using the acquisition method as per Ind AS 103, Business Combinations. The cost of acquisition is measured at the fair value of the assets transferred, equity instruments issued and liabilities incurred or assumed at the date of acquisition, which is the date on which control is transferred to the Company. The cost of acquisition also includes the fair value of any contingent consideration. Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are measured initially at their fair value on the date of acquisition.

Notes forming part of Consolidated Financial Statements

Business combinations between entities under common control is accounted for at carrying value. Transaction costs that the Company incurs in connection with a business combination such as finder's fees, legal fees, due diligence fees, and other professional and consulting fees are expensed as incurred.

Significant management judgements

The following are significant management judgements in applying the accounting policies of the Company that have the most significant effect on the financial statements.

Recognition of deferred tax assets: The extent to which deferred tax assets can be recognized is based on an assessment of the probability of the future taxable income against which the deferred tax assets can be utilized.

Evaluation of indicators for impairment of assets: The evaluation of applicability of indicators of impairment of assets requires assessment of several external and internal factors which could result in deterioration of recoverable amount of the assets.

Contingent liabilities: At each balance sheet date basis the management judgment, changes in facts and legal aspects, the Company assesses the requirement of provisions against the outstanding warranties and guarantees. However, the actual future outcome may be different from this judgement.

Significant estimates

Information about estimates and assumptions that have the most significant effect on recognition and measurement of assets, liabilities, income and expenses is provided below. Actual results may be different.

Impairment of financial assets: At each balance sheet date, based on historical default rates observed over expected life, the management assesses the expected credit loss on outstanding receivables.

Defined benefit obligation (DBO): Management's estimate of the DBO is based on a number of critical underlying assumptions such as standard rates of inflation, medical cost trends, mortality, discount rate and anticipation of future salary increases. Variation in these assumptions may significantly impact the DBO amount and the annual defined benefit expenses.

Fair value measurements: Management applies valuation techniques to determine the fair value of financial instruments (where active market quotes are not available). This

involves developing estimates and assumptions consistent with how market participants would price the instrument.

Useful lives of depreciable/amortisable assets:

Management reviews its estimate of the useful lives of depreciable/amortisable assets at each reporting date, based on the expected utility of the assets. Uncertainties in these estimates relate to technical and economic obsolescence that may change the utility of certain software, customer relationships, IT equipment and other plant and equipment.

New Standard/Amendments to existing standards issued but not effective

(i) Ind AS 116 "Leases"

On 30 March 2019, the Ministry of Corporate Affairs (MCA) issued the Companies (India Accounting Standards Rules, 2019), notifying India Accounting Standard (Ind AS) 116, "Leases", which is applicable to the company w e f April, 2019. Ind AS 116 eliminates the current classifications model for lessees' lease contracts as either operating or finance leases and, instead introduces a single leases accounting model requiring lessees to recognize right of use assets and lease liabilities for lease with as term of more than twelve months. This brings the previous off balance lease on the balance sheet in a manner largely comparable to current finance lease accounting, Ind AS 116 is effective for financial year beginning on or after 1 April 2019. the company will adopt the standard for the financial year beginning 1 April 2019. Based on the preliminary assessment performed by the Group, the impact of application of the Standard is not excepted to be material.

(ii) Ind AS 109 "Financial Instruments" (Prepayment Features with Negative Compensation)

The amendments relate to the existing requirements in Ind AS 109 regarding termination rights in order to allow measurement at amortized cost (or, depending on the business model, at fair value through other comprehensive income) even in the case of negative compensation payments. The Company does not expect this amendment to have any impact on its financial statements.

(iii) Ind AS 19 "Employee Benefits" (Plan Amendment, Curtailment or Settlement)

The amendments clarify that if a plan amendment, curtailment or settlement occurs, it is mandatory that the current service cost and the net interest for the period

Notes forming part of Consolidated Financial Statements

after the re-measurement are determined using the assumptions used for the re-measurement. In addition, amendments have been included to clarify the effect of a plan amendment, curtailment or settlement on the requirements regarding the asset ceiling. The Company does not expect this amendment to have any significant impact on its financial statements.

(iv) **Ind AS 23 “Borrowing Costs”**

The amendments clarify that if any specific borrowing remains outstanding after the related asset is ready for its intended use or sale, that borrowing becomes part of the funds that a Company borrows generally when calculating the capitalization rate on general borrowings. The Company does not expect any impact from this amendment.

(v) **Ind AS 12 “Income Taxes” (Amendments relating to income tax consequences of dividend and uncertainty over income tax treatments)**

The amendment relating to income tax consequences of dividend clarify that a Company shall recognize the income tax consequences of dividends in the statement of profit and loss, other comprehensive income or equity according to where the Company originally recognized those past transactions or events. The Company does not expect any impact from this pronouncement. It is rele-

vant to note that the amendment does not amend situations where the Company pays a tax on dividend which is effectively a portion of dividends paid to taxation authorities on behalf of shareholders. Such amount paid or payable to taxation authorities continues to be charged to equity as part of dividend, in accordance with Ind AS 12.

The amendment to Appendix C of Ind AS 12 specifies that the amendment is to be applied to the determination of taxable profit (tax loss), tax bases, unused tax losses, unused tax credits and tax rates, when there is uncertainty over income tax treatments under Ind AS 12. It outlines the following: (1) the Company has to use judgment, to determine whether each tax treatment should be considered separately or whether some can be considered together. The decision should be based on the approach which provides better predictions of the resolution of the uncertainty (2) the Company is to assume that the taxation authority will have full knowledge of all relevant information while examining any amount (3) Company has to consider the probability of the relevant taxation authority accepting the tax treatment and the determination of taxable profit (tax loss), tax bases, unused tax losses, unused tax credits and tax rates would depend upon the probability. The Company does not expect any significant impact of the amendment on its financial statements.

Notes forming part of Consolidated Financial Statements

(₹ Millions)

Particulars	Free Hold Land	Land Development	Buildings	Airport Complex	Plant and equipments	Vehicles	Computers	Office equipment	Furniture and fixtures	Electrical Installations	Total
Gross carrying amount											
As at 1 April 2017	5.45	26.57	304.73	52.69	3,097.12	0.410	27.13	7.64	49.72	73.21	3,644.67
Additions	-	-	-	-	-	-	-	-	-	-	-
Disposal/ adjustments	-	-	-	-	-	-	-	-	-	-	-
As at 31 March 2018	5.45	26.57	304.73	52.69	3,097.12	0.41	27.13	7.64	49.72	73.21	3,644.67
Additions	-	-	-	-	-	-	0.74	0.05	-	0.12	0.91
Disposal/ adjustments	-	-	-	-	-	-	-	-	-	-	-
As at 31 March 2019	5.45	26.57	304.73	52.69	3,097.12	0.41	27.87	7.69	49.72	73.33	3,645.58
Accumulated depreciation											
As at 1 April 2017	-	20.65	185.63	40.63	1,602.88	0.40	22.60	6.92	44.95	66.50	1,991.16
Additions	-	0.27	3.62	0.73	59.66	-	1.25	0.27	1.65	2.04	69.49
Disposal/ adjustments	-	-	-	-	-	-	-	-	-	-	-
As at 31 March 2018	-	20.92	189.25	41.36	1,662.54	0.40	23.85	7.19	46.60	68.54	2,060.65
Additions	-	0.27	3.62	0.72	59.66	-	1.23	0.13	1.76	1.99	69.38
Disposal/ adjustments	-	-	-	-	-	-	-	-	-	-	-
As at 31 March 2019	-	21.19	192.87	42.08	1,722.20	0.40	25.08	7.32	48.36	70.53	2,130.03
Net Block as at 1 April 2017	5.45	5.92	119.10	12.06	1,494.24	0.01	4.53	0.72	4.77	6.71	1,653.51
Net Block as at 31 March 2018	5.45	5.65	115.48	11.33	1,434.58	0.01	3.28	0.45	3.12	4.67	1,584.02
Net Block as at 31 March 2019	5.45	5.38	111.86	10.61	1,374.92	0.01	2.79	0.37	1.36	2.80	1,515.55

Notes forming part of Consolidated Financial Statements

2b. Other Intangible Assets

(₹ Millions)

Particulars	License fee and other	Computer Software	Total
Gross Carrying Amount			
As at 1 April 2017	-	2.01	2.01
Additions	451.64	-	451.64
Disposal/adjustment	-	-	-
As as 31 March 2018	451.64	2.01	453.65
Additions	30.11	-	30.11
Disposal/adjustment	-	-	-
As as 31 March 2019	481.75	2.01	483.76
Accumulated depreciation			
As at 1 April 2017	-	0.46	0.46
Depreciation charge during the year	-	0.40	0.40
Disposal/ adjustments	-	-	-
As as 31 March 2018	-	0.86	0.86
Depreciation charge during the year	-	0.43	0.43
Disposal/ adjustments	-	-	-
As as 31 March 2019	-	1.29	1.29
Net Block as at 1 April 2017	-	1.55	1.55
Net Block as at 31 March 2018	451.64	1.15	452.79
Net Block as at 31 March 2019	481.75	0.72	482.47

3. Non-Current Investments (Valued at cost unless otherwise stated) Unquoted

(₹ Millions)

Particulars	As at March 31, 2019	As at March 31, 2018
In others		
Investment in equity instrument (unquoted)		
8500 (8500) Equity Shares of Shirpur People Co-op. Bank Ltd. of ₹ 10/- each, fully paid up	0.21	0.21
Investment in Gold	0.12	0.12
Total	0.33	0.33

4. Other Financial Assets

(₹ Millions)

Particulars	As at March 31, 2019	As at March 31, 2018
Security Deposits	4.69	4.83
Total	4.69	4.83

Notes forming part of Consolidated Financial Statements

5. Deferred Tax Assets (Net)

(₹ Millions)

Particulars	As at March 31, 2019	As at March 31, 2018
As per last year Balance Sheet	466.05	475.44
Add : Deferred Tax Assets		-
Less : Deferred Tax Liability	4.71	9.39
Deferred Tax Assets (Net)	461.34	466.05

6. Income Tax Assets (Net)

(₹ Millions)

Particulars	As at March 31, 2019	As at March 31, 2018
Balance with government authorities- Direct tax(net of provisions)	24.30	13.63
Total	24.30	13.63

7. Other Non-Current Assets (Unsecured and considered good)

(₹ Millions)

Particulars	As at March 31, 2019	As at March 31, 2018
Preoperative expenses - Mines*	91.18	98.16
Total	91.18	98.16

* Pre-acquisition expenses incurred for acquiring gold mine for backward integration, to be capitalised.

8. Inventories (Valued at lower of cost or realisable value)

(₹ Millions)

Particulars	As at March 31, 2019	As at March 31, 2018
Raw Materials and components	0.93	97.72
Work-in-progress	74.80	143.53
Finished goods	277.94	107.70
Stock in Trade	-	91.94
Stores and spares	11.92	12.10
Total	365.59	452.99

Notes forming part of Consolidated Financial Statements

9. Trade Receivables (Unsecured and considered good)

(₹ Millions)

Particulars	As at March 31, 2019	As at March 31, 2018
Considered Good*	4,811.53	4,073.93
Total	4,811.53	4,073.93

* Trade receivables are interest free upto credit period of 120 days of billing and thereafter interest @ 8.5 % p.a. is charged

10. Cash and Cash Equivalents

(₹ Millions)

Particulars	As at March 31, 2019	As at March 31, 2018
Balances with banks		
In Current Accounts	229.15	187.03
Cash in hand	0.40	0.58
Total	229.55	187.61

11. Bank Balances other than Cash and Cash Equivalents

(₹ Millions)

Particulars	As at March 31, 2019	As at March 31, 2018
Balance with banks		
- in Fixed Deposits with maturity upto twelve months	582.74	351.12
Total	582.74	351.12

12. Other Current Financial Assets

(₹ Millions)

Particulars	As at March 31, 2019	As at March 31, 2018
Others	1.65	2.88
Total	1.65	2.88

13. Other Current Assets

(₹ Millions)

Particulars	As at March 31, 2019	As at March 31, 2018
Prepaid Expenses	38.89	37.75
Advance to suppliers-Unsecured	1,007.46	42.94
Dues from Government (Taxes)	86.71	169.14
Others including insurance claim receivable	143.39	129.66
Total	1,276.45	379.49

Notes forming part of Consolidated Financial Statements

14. Share Capital

Particulars	(₹ Millions)	
	As at March 31, 2019	As at March 31, 2018
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
Total	291.37	291.37

(a) Reconciliation of number of shares and share capital

	As at March 31, 2019		As at March 31, 2018	
	Number	Million	Number	Million
Shares outstanding at the beginning of the year	29,137,202	291.37	29,137,202	291.37
Changes during the year	-	-	-	-
Shares outstanding at the end of the year	29,137,202	291.37	29,137,202	291.37

(b) Details of Shareholders holding more than 5% equity shares in the company

	% of holding	As at March 31, 2019	% of holding	As at March 31, 2018
		Number		Number
Jayneer Infrapower & Multiventures Pvt. Ltd. (formally known as Jayneer Capital Private Limited)	63.89	18,615,428	72.71	21,185,703
Polus Global Fund	6.53	1,903,347	6.53	1,903,347
Pricomm Media Distrution Ventures Pvt. Ltd.	5.27	1,537,995	-	-

(c) 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, 2013 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.

(d) Neither bonus shares are issued nor any shares bought back during the five years preceding 31st March 2019.

(e) As per records of the Company, including Registered of Shareholders/Members and other declaration received from the Shareholders regarding beneficial interest, the above shareholding represents both legal and beneficial ownership of shares.

15. Other Equity

Particulars	(₹ Millions)	
	As at March 31, 2019	As at March 31, 2018
Securities Premium Account	1,435.00	1,435.00
General Reserve	1,065.46	1,065.46
Capital Reserve	615.43	592.70
Retained earnings		
a. Opening Balance	(16.58)	(159.21)
b. Add: Net Profit after tax transferred from statement of profit and loss	213.21	143.31
c. Add: Other Comprehensive income, Net of tax	0.13	(0.68)
Closing Balance (a+b+c)	196.76	(16.58)
Total	3,312.65	3,076.58

Notes forming part of Consolidated Financial Statements

16. Non Current Liabilities - Borrowings

(₹ Millions)

Particulars	As at March 31, 2019	As at March 31, 2018
Secured loans*		
Term Loan from Financial Institution	650.00	325.00
Unsecured loans		
From Related Party (Refer Note No. 48)	449.90	449.90
Other	27.41	64.15
Total	1,127.31	839.05

*Secured by way of pari passu first charge on current assets, present and future immovable and movable assets including land and building at Shirpur. Repayable after 18 months from 1st disbursement in 18 quarterly instalments at varying rate of interest.

17. Non Current Liabilities - Others Financial Liabilities

(₹ Millions)

Particulars	As at March 31, 2019	As at March 31, 2018
Sundry Creditors for General Purchase & Expenses*	0.16	0.16
Advances from others		
-Security Deposits#	15.20	15.20
Total	15.36	15.36

* For current portion refer Note 21 below.

Security Deposits of ₹15.20 (15.20) millions in respect of amount received from various dealers, pending confirmations.

18. Non - Current Liabilities - Provisions

(₹ Millions)

Particulars	As at March 31, 2019	As at March 31, 2018
Provision for employee benefits (unfunded)		
Gratuity	5.98	4.92
Leave benefits	1.03	1.00
Total	7.01	5.92

19. Current Liabilities - Borrowings

(₹ Millions)

Particulars	As at March 31, 2019	As at March 31, 2018
Loans from banks* - Secured	4,635.51	3,155.97
Total	4,635.51	3,155.97

* Secured by way of pari passu first charge on current assets, present and future immovable and movable fixed assets including land and building at Shirpur. The aforesaid borrowings are at varying rate of interest and are repayable on demand.

20. Trade Payables

(₹ Millions)

Particulars	As at March 31, 2019	As at March 31, 2018
Dues of micro enterprises and small enterprises	-	-
Dues of creditors other than micro enterprises and small enterprises	422.12	638.94
Total	422.12	638.94

Terms and condition of the above Trade Payable

Trade and other payables are non-interest bearing and are generally having credit terms of 0 to 180 days.

Notes forming part of Consolidated Financial Statements

21. Other Financial Liabilities

(₹ Millions)

Particulars	As at March 31, 2019	As at March 31, 2018
Statutory Dues	0.41	2.75
Sundry Creditors for General Purchase & Expenses*	26.05	40.00
Advance from customers	0.89	0.85
Others	7.59	-
Total	34.94	43.60

* For non current portion refer Note 17 above.

22. Current Provisions

(₹ Millions)

Particulars	As at March 31, 2019	As at March 31, 2018
Provision for employee benefits		
Contribution to Provident Fund	0.12	0.12
Contribution to ESIC	0.01	0.02
Gratuity	0.56	0.50
Leave benefits	0.37	0.36
Total	1.06	1.00

23. Revenue from Operations

(₹ Millions)

Particulars	For the year ended March 31, 2019	For the year ended March 31, 2018
Sale of products		
Traded Goods	14,640.86	42,763.10
Manufactured Goods		
Local Sales	27,875.21	8,635.05
Export Sales	106.46	1,568.62
Net Sales	42,622.53	52,966.77
Other operating revenues*	58.39	6.60
Total	42,680.92	52,973.37

* Other operating revenues includes Gain from forward contract of ₹ Millions 1.51 (4.11) and forex gain on trade receivable and trade payable of ₹ Millions 56.62 (10.36).

24. Other Income

(₹ Millions)

Particulars	For the year ended March 31, 2019	For the year ended March 31, 2018
Dividend income	0.02	-
Balance written back	0.00	0.02
Other income	64.72	0.02
Total	64.74	0.04

Notes forming part of Consolidated Financial Statements

25. Cost of Material Consumed

Particulars	(₹ Millions)	
	For the year ended March 31, 2019	For the year ended March 31, 2018
Inventory at the beginning of the year	97.72	36.50
Add: Purchases	27,908.45	9,888.90
Less: Inventory at the end of the year	0.93	97.72
Cost of raw material consumed*	28,005.24	9,827.68
Other materials (Stores and Spares)	0.50	0.53
Total	28,005.74	9,828.21

* Break up of Raw Materials consumed

Particulars	(₹ Millions)	
	For the year ended March 31, 2019	For the year ended March 31, 2018
Gold	27,998.81	9,827.68
Silver	6.43	-
Other materials (Stores and Spares)	0.50	0.53
Total	28,005.74	9,828.21

26. Purchase of Stock-In-Trade

Particulars	(₹ Millions)	
	For the year ended March 31, 2019	For the year ended March 31, 2018
Gold	14,032.91	42,590.62
Total	14,032.91	42,590.62

27. Changes in Inventories of Finished Goods, Work-in-progress and Stock-in-Trade

a. Inventory at the end of the year

Particulars	(₹ Millions)	
	For the year ended March 31, 2019	For the year ended March 31, 2018
Stock in Trade		
Gold	-	92.15
Work in Progress		
Gold	74.80	143.53
Finished Goods		
Gold	277.58	103.58
Silver	0.39	4.11
Total	352.77	343.37

b. Inventory at the beginning of the year

Particulars	(₹ Millions)	
	For the year ended March 31, 2019	For the year ended March 31, 2018
Stock in Trade		
Gold	92.15	0.21
Work in Progress		
Gold	143.53	169.29
Finished Goods		
Gold	103.58	36.43
Silver	4.11	0.90
Total	343.37	206.83
c. Net (b - a)	(9.40)	(136.54)

Notes forming part of Consolidated Financial Statements

28. Employee Benefit Expenses

(₹ Millions)

Particulars	For the year ended March 31, 2019	For the year ended March 31, 2018
Salaries & wages	32.16	39.82
Contribution to provident & other funds	4.06	1.74
Staff welfare expenses	0.78	0.20
Total	37.00	41.76

29. Finance Costs

(₹ Millions)

Particulars	For the year ended March 31, 2019	For the year ended March 31, 2018
Interest expense (Net) Refer Note 43	150.20	126.72
Bank charges	45.72	101.87
Other financial charges	120.26	99.66
Total	316.18	328.25

30. Depreciation & Amortization Expense

(₹ Millions)

Particulars	For the year ended March 31, 2019	For the year ended March 31, 2018
Depreciation on property, plant and equipment	69.38	69.49
Amortization of intangible assets	0.43	0.40
Total	69.81	69.89

31. Other Expenses

(₹ Millions)

Particulars	For the year ended March 31, 2019	For the year ended March 31, 2018
Auditors' Remuneration	1.96	2.09
Power and fuel	3.08	3.77
Rent Rates & Taxes	3.82	1.04
Repairs to buildings	1.24	0.23
Insurance	0.68	2.15
Excise Duty	-	2.16
Miscellaneous expenses	56.36	76.89
Total	67.15	88.33

Notes forming part of Consolidated Financial Statements

32. Income Taxes

(a) The major components of income tax for the year ended 31 March 2019 are as under:

(i) Income tax related to items recognized directly in the statement of profit and loss during the year

	(₹ Millions)	
	March 31, 2019	March 31, 2018
Current tax - current year	8.35	10.19
- adjustment for current tax of prior periods	-	-
Total	8.35	10.19
Deferred tax charge / (credit)	4.71	9.39
Total tax expense reported in the statement of profit and loss	13.06	19.58

(ii) Tax Expense related to items recognized in other comprehensive income (OCI) during the year

	(₹ Millions)	
	March 31, 2019	March 31, 2018
Tax Expense charge / (credit) on remeasurement of defined benefit plan	0.03	(0.17)

(b) Reconciliation of tax expense and the accounting profit multiplied by tax rate

	(₹ Millions)	
	March 31, 2019	March 31, 2018
Accounting profit / (loss) before tax	226.27	162.89
Income tax		
Statutory income tax @ of 20.587% (2018: 20.389%)*	46.58	33.21
Tax effect of earlier years		
Impact of no tax in subsidiary company	(38.23)	(23.02)
Tax effect on non-deductible expenses (including exceptional item)	0.20	0.58
Additional allowances for tax purposes	4.51	8.81
Impact of change in tax rate on deferred tax assets		
Tax expense recognized in the statement of profit and loss	13.06	19.58

Note: The company has brought forward losses to absorb the taxable income. Hence the tax on book profits is calculated as per the provisions of Sec 115JB of the Income Tax Act 1961. The Statutory tax rate is 20.587% i.e Minimum Alternative Tax rate in India. The Tax rate for deferred tax assets for the year ended 31 st March 2019 is 33.384% (2018: 33.063%). Deferred Tax assets and liabilities are offset where the company has a legally enforceable right to do so.

(c) Reconciliation of deferred tax assets/(liabilities) (net)

	(₹ Millions)	
	March 31, 2019	March 31, 2018
Opening balance	466.05	475.44
Deferred tax (charge) / credit recognized in		
- Statement of profit and loss	4.71	9.39
- Other comprehensive income		
Total	461.34	466.05

Notes forming part of Consolidated Financial Statements

33. CONTINGENT LIABILITIES AND COMMITMENTS

Contingent Liabilities

(₹ Millions)

Particulars	As at 31 March, 2019	As at 31 March, 2018
1 Disputed Direct Taxes *	0.62	0.62

The Export obligation under EPCG licenses issued in the year 2002, 2012 & 2014 is completed and the redemption of licenses is in process.

*Income tax demands mainly include appeals filed by the Company before various appellate authorities against the disallowance of expenses/claims and Penalty etc. The management is of the opinion that tax cases will be decided in its favour and hence no provision is considered at this stage.

34. COMMITMENTS

(₹ Millions)

Particulars	As at 31 March, 2019	As at 31 March, 2018
Bank Guarantees issued by banks&balance outstanding at year end [against the said bank guarantees ₹/Millions 471.81 (351.07) has been kept as margin money]	3229.70	2,821.80

35. DETAILS OF CONSUMPTION OF IMPORTED AND INDIGENOUS STOCKS

Raw Material Consumed

(₹ Millions)

Particulars	For the year ended March 31,2019	For the year ended March 31,2018
Imported	20,724.01	7,554.40
Indigenous	7,281.23	2,273.81
TOTAL	28,005.24	9,828.21

36. INVENTORY AND TURNOVER

(₹ Millions)

Gold	Sales	Closing Inventory	Opening Inventory
Manufactured Goods	27,981.67 (10,203.67)	353.67 (348.95)	348.95 (242.83)
Traded Goods	14,640.86 (42,763.10)	- (91.94)	91.94 -
TOTAL	42,622.53 (52,966.77)	353.67 (440.89)	440.89 (242.83)

(₹ Millions)

Stores & Spares	Closing Inventory	Opening Inventory
Stores and Spares	11.92	12.10
Consumed	(12.10)	(12.34)

37. EARNINGS IN FOREIGN EXCHANGE

(₹ Millions)

Particulars	For the year ended March 31,2019	For the year ended March 31,2018
FOB Value of Export	106.33	2,936.28

38. EXPENDITURE IN FOREIGN CURRENCY

(₹ Millions)

Particulars	For the year ended March 31,2019	For the year ended March 31,2018
Travelling and Related Expenses	0.08	-

39. MANAGERIAL REMUNERATION

Remuneration paid or provided in accordance with Section 197 of the Companies Act, 2013 to Manager is included in Employee benefit expense is as under:

(₹ Millions)

Particulars	For the year ended March 31,2019	For the year ended March 31,2018
Salary and allowances	1.00	1.13

Note: Salary and allowances include basic salary, personal allowance, house rent allowance, medical reimbursement and leave travel allowance & performance bonus but excluding leave encashment.

Notes forming part of Consolidated Financial Statements

40. PAYMENT TO AUDITORS

For Standalone

(₹ Millions)

Particulars	For the year ended March 31, 2019	For the year ended March 31, 2018
Audit Fee	1.10	1.10
Tax Audit Fee	0.13	0.13
Other Services & reimbursement of expenses	0.32	0.32
TOTAL	1.55	1.55

For Subsidiaries

(₹ Millions)

Particulars	For the year ended March 31, 2019	For the year ended March 31, 2018
Audit Fee	0.41	0.54
Tax Audit Fee	-	-
Other Services	-	-
TOTAL	0.41	0.54

41. EARNINGS PER SHARE

(₹ Millions)

Particulars	For the year ended March 31, 2019	For the year ended March 31, 2018
Profit after tax available for appropriation to equity shareholders	213.21	143.31
Weighted average number of equity shares for basic and diluted EPS (in numbers)	29,137,202	29,137,202
Nominal Value of equity shares (in ₹)	10.00	10.00
Basic and Diluted Earnings per share (in ₹)	7.32	4.92

42. The consolidated financial statements have been prepared as per the requirement of Ind AS 110, a consolidated financial statements and Ind AS 111 for a foreign subsidiary along with its two step down foreign subsidiary.

43. Interest expense is net of interest income of ₹/Millions 104.58 (21.79).

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

(₹ Millions)

Particulars	As at 31 March, 2019	As at 31 March, 2018
Payables	223.90	556.01
Receivables	-	-

Figures indicated in Indian Rupees have been restated as per the RBI reference rate as on 31st March 2019.

Derivative Contracts entered into by the Company and outstanding at the year end 31st March 2019 Nil (₹ Millions) and 31st March 2018 NIL (₹ Millions).

45. SEGMENT REPORTING

The Group 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 Ind AS 108 on "Operating Segments".

46. MICRO, SMALL AND MEDIUM ENTERPRISES

The Company has no dues to Micro, Small and Medium enterprises as at 31st March, 2019, on the basis of information provided by the parties and available on record. Further, there is no interest paid / payable to micro and small enterprises during the year.

Notes forming part of Consolidated Financial Statements

47. FINANCIAL INSTRUMENTS

(a) Financial risk management objective and policies

The Company's principal financial liabilities comprise borrowings, trade and other payables. The main purpose of these financial liabilities is to finance the Company's operations. The Company's principal financial assets include investments, loans, trade and other receivables, and cash and bank balances.

The Company is exposed to market risk, credit risk and liquidity risk. The Board provides guidance for overall risk-management, as well as policies covering specific are as such as credit risk, liquidity risk and investment of excess liquidity.

(i) Market risk

Market risk is the risk that changes in market prices, such as foreign exchange rates and interest rates will affect the Company's income. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimizing the return.

1 Interest rate risk

This refers to risk to Company's cash flow and profits on account of movement in market interest rates.

For the Company the interest risk arises mainly from interest bearing borrowings which are at floating interest rates. To mitigate interest rate risk, the Company closely monitors market interest and as appropriate makes use of optimized borrowing mix/composition etc.

(a) Interest rate risk exposure

	(₹ Millions)	
	March 31, 2019	March 31, 2018
Variable rate borrowings	5285.51	3480.97
Fixed rate borrowings		
Total borrowings	5285.51	3480.97

(b) Interest rate sensitivity analysis

The following table illustrates the sensitivity of profit and equity to a reasonably possible change in interest rate of 50 basis points increase or decrease. The calculations are based on the variable rate borrowings outstanding at balance sheet date. All other parameters are held constant.

	(₹ Millions)	
Impact on profit before tax	March 31, 2019	March 31, 2018
	Gain/(Loss)	
Interest rate - increase by 50 basis points	(26.43)	(17.40)
Interest rate - decrease by 50 basis points	26.43	17.40

2 Foreign currency risk

Currency risk is the risk that the fair value or future cash flows fluctuate because of changes in market prices. The Company is exposed to foreign exchange risk on their receivables and payables which are mainly held in the United State Dollar ("USD"), Consequently, the Company is exposed primarily to the risk that the exchange rate of the Indian Rupees ("INR") relative to the USD, may change in a manner that has an effect on the reported values of the Company's assets and liabilities that are denominated in these foreign currencies.

The following table sets forth information relating to unhedged foreign currency exposure at the end of the reporting period:

	(₹ Millions)			
Currencies	Assets as at		Liabilities as at	
	31-Mar-19	31-Mar-18	31-Mar-19	31-Mar-18
USD			223.9	556.01

Notes forming part of Consolidated Financial Statements

Sensitivity to foreign currency risk

The following table demonstrates the sensitivity in the, to a 10% increase and decrease in the Re against the relevant foreign Currency with all other variables held constant. The below impact on the Company's profit before tax is based on changes in the fair value of unhedged foreign currency monetary as set sand liabilities at balance sheet date:

(₹ Millions)

Currencies	Sensitivity			
	31-Mar-19		31-Mar-18	
	Depreciate by 10%	Appreciate by 10%	Depreciate by 10%	Appreciate by 10%
	Gain/(loss)		Gain/(loss)	
USD	(22.39)	22.39	(55.6)	55.61

(ii) Credit risk

Credit risk is the risk of financial loss to the Company if a customer or counter party to a financial instrument fails to meet its contractual obligations, and arises principally from the Company's receivables from customers, loan and deposits en, investments and balances at bank. The Company measures the expected credit loss of trade receivables based on financial conditions/market practices, credit track record in the market, analysis of his to ricalbad debts and past dealings for extension of credit to customers. Individual credit limits are set accordingly. The Company monitors the payment track record of the customers and ageing of receivables. Outstanding customer receivables are regularly monitored. The Company considers the concentration of risk with respect to trade receivables as low, as its customers are located in several jurisdictions and industries and operate in largely independent markets. The Company has also taken advances and security deposits from some of its customers, which mitigate the credit risk to an extent.

Ageing analysis of trade receivables has been considered from the date the invoice falls due.

(₹ Millions)

	March 31, 2019	March 31, 2018
Trade receivables (unsecured)		
Up to six months	4782.94	4073.87
More than six months	28.59	0.06
Total (a)	4811.53	4073.93

Credit risk on cash and cash equivalents is limited as the Company generally invests in deposits with banks and financial institutions with high credit ratings assigned by credit rating agencies. Investments primarily include investment in redeemable preference shares, optionally convertible debentures, compulsorily convertible debentures and other debt instruments. Security deposits against leasing of premises are refundable upon closure of the lease and credit risk associated with such deposits is relatively low.

(iii) Liquidity risk

Liquidity risk is defined as the risk that the Company will not be able to settle or meet its obligations on time or at a reasonable price. For the Company, liquidity risk arises from obligations on account of financial liabilities – borrowings, trade payables and other financial liabilities. The Company's approach to managing liquidity is to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Company's reputation. The Company manages liquidity

Notes forming part of Consolidated Financial Statements

risk by maintaining adequate reserves, by continuously monitoring forecast and actual cash flows and matching the maturity profiles of the financial assets and liabilities. It maintains adequate sources of financing including loans, debt and overdraft from banks. It also enjoys strong access to domestic capital markets across various debt instruments.

Exposure to liquidity risk

The table below provides details regarding the contractual maturities of financial liabilities (including interest accrued) at the reporting date. The contractual cash flow amounts are gross and un discounted.

As at 31 March 2019

(₹ Millions)

	Less than 1 year	Between 1 to 5 years	Beyond 5 years
Financial liabilities			
Long term borrowings	352.41	325.00	449.90
Short term borrowings	4635.51	-	-
Trade payables	294.25	127.87	-
Other current financial liabilities	34.94	-	-
Other non-current financial liabilities	-	-	15.36
Total	5317.11	452.87	465.26

As at 31 March 2018

(₹ Millions)

	Less than 1 year	Between 1 to 5 years	Beyond 5 years
Financial liabilities			
Long term borrowings	325.00	-	449.90
Short term borrowings	3155.97	-	-
Trade payables	638.94	-	-
Other current financial liabilities	43.60	-	-
Other non-current financial liabilities	-	-	15.36
Total	4163.41	-	465.26

(A) Capital Management

The Company manages its capital to ensure that it will be able to continue as a going concern while maximizing the return to the stakeholders through the optimization of the debt and equity balance.

Notes forming part of Consolidated Financial Statements

Fair value measurements

(i) Financial instruments by category

Financial assets (other than investments in subsidiaries and associates which are carried at cost)

(₹ Millions)

	31-Mar-19		31-Mar-18	
	Carrying amount	Fair value	Carrying amount	Fair value
i) Measure data mortised cost				
Non-current assets				
Investments	0.33	0.33	0.33	0.33
Other financial assets	4.69	4.69	4.83	4.83
Current assets				
Investments				
Trade receivables	4811.53	4811.53	4073.93	4073.93
Loans	0	0	0	0
Cash and cash equivalents and other bank balances	812.29	812.29	538.73	538.73
Other financial assets	1.65	1.65	2.88	2.88
Total financial assets measured at amortized cost	5630.49	5630.49	4620.70	4620.70

ii) Measured at fair value through other comprehensive income – Nil

48. RELATED PARTY DISCLOSURES

List of Related Parties

Holding Company

Jayneer Infrapower & Multiventures Pvt. Ltd. (formally known as Jayneer Capital Pvt. Ltd.)

Other related parties

Diligent Media Corporation Limited

Jay Properties Pvt. Ltd.

Related party Transactions during the year

(₹ Millions)

(A)	Transactions	As at 31 March, 2019	As at 31 March, 2018
	Key Managerial Personnel (KMP)		
	Remuneration Paid	1.00	1.13
	Other Related Parties		
	Diligent Media Corporation Limited – Sale of goods	15.49	6.08

(B)	Balances at the end of the year	As at 31 March, 2019	As at 31 March, 2018
	Diligent Media Corporation Limited	-	-
	Jay Properties Pvt. Ltd. Unsecured Loan	449.90	449.90
	Deposits	1.33	1.33

49. Robbery of Unrefined Gold in transit

As reported in the preceding year's Annual Report, on 24th April 2015, 60 Kgs of Gold, during transit to factory at Shirpur, was robbed near Nashik, Maharashtra, of which the seizure made was 13.6939 kgs including 2 kgs from site of robbery and other assets of the robbers, were in Police Custody. On 19th April 2017, the company has taken possession of the said seized 13.6939 Kgs of Gold pursuant to the Order of the Hon'ble Session Court. The said seized gold was accounted in the preceding year as part of inventories and is valued as per Ind AS 2. The Claim for balance gold of 46.3062 Kgs valued at ₹ 1241.71 Lakhs including expenses of ₹ 16.52 lakh is pending for settlement with the Insurance company and is accounted as "Claims Receivables" under Other Current Assets. On Finalization of Claim by the insurance company, the difference, if any, between the amount claimed and the actual claim received, which the management does not expect to be material will be charged to Statement of Profit & Loss. Insurance claim in respect of robbery is pending final negotiation and settlement with the insurance company.

50. Balances appearing in the financial statements are pending confirmations and reconciliation from the parties concerned.

51. Corporate Social Responsibility

As per Section 135 of the Companies Act, 2013, a CSR Committee has been formed by the Company. The company

Notes forming part of Consolidated Financial Statements

is required to spend ₹ 2.24 Millions for the year against which Rs Millions NIL (NIL) has been spent on activities specified in Schedule VII of the Companies Act, 2013. The accumulated balance of such unspent amount is ₹ 9.65 Million (₹ 7.41 Million). CSR has been charged to the statement of profit and loss under Miscellaneous expenses to the extent of ₹ 2.24 Millions (₹ 2.82 Millions) for the year ended 31st March 2019 (31st March 2018).

52. Dividend paid and proposed

No dividend on equity shares is paid or proposed by Board of Directors for the year ended 31st March 2019 and 31st March 2018.

53. Non applicability of Ind AS 32 or 109

In view of no terms and conditions etc., no restatement under Ind AS 32 or 109 has been considered for Unsecured Interest free Loan of ₹ 449.90 millions received from a body corporate under Essel Group and from other deposits of ₹ 15.20 millions.

54. Collateral / security pledged, mortgaged

The carrying amount of assets as per standalone financials pledged and mortgaged as security for current and non-current borrowings of the Company are as under:

(₹ in Millions)

Particulars	As at 31 -3-2019	As at 31 -3-2018
Property, plant and equipment	1510.88	1577.69
Other current and non-current financial assets	3880.99	3744.04
Other current and non-current assets	1668.87	779.73
Total assets pledged	7060.74	6101.46

55. Disclosure as required by Schedule V (A) (2) of the SEBI (Listing Obligation and Disclosure Requirements) Regulations , 2015

During the year, no loans and advances were given to firm/ company etc in which directors are interested except to subsidiary company

56. Prior Year Comparatives

Previous year's figures have been regrouped / reclassified wherever necessary to correspond with the current year's classifications / disclosures.

57. Figures in brackets are for previous year unless otherwise stated.

In terms of our report of even date attached

For **B S Sharma & Co.**
Chartered Accountants
Firm Registration No. : 128249W

CA B S Sharma
Proprietor
Membership No. 031578
Place: Mumbai
Date: 18 May 2019

For and on behalf of the Board of Directors

Amit Goenka - Chairman
Manoj Agarwal - Director
Subhash Pareek - Manager
Sharvan Kumar Shah - CFO
Shyamal Padhiar - Company Secretary

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SHIRPUR GOLD REFINERY LIMITED

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

CIN: **L51900MH1984PLC034501** **Website:** www.shirpurgold.com

ATTENDANCE SLIP

(To be presented at the entrance)

I / We hereby record my / our presence at the **Thirty Fourth Annual General Meeting** of the Company held at the Registered Office of the Company at Refinery Site, Shirpur, Dist. Dhule, Maharashtra – 425 405 on **Monday, 30th September, 2019** at 12.30 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.

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SHIRPUR GOLD REFINERY LIMITED

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

Tel: 02563-258001, Fax: 02563-261357

CIN: **L51900MH1984PLC034501** Website: www.shirpurgold.com

PROXY FORM

Name of Member(s): _____

Registered address: _____

E-mail Id: _____

Folio No./Client ID No.: _____

I/We, being the member(s) of _____ Shares of **Shirpur Gold Refinery Limited**, hereby appoint

Name: _____ E-mail Id: _____

Address _____ Signature: _____

or failing him

Name: _____ E-mail Id: _____

Address _____ Signature: _____

or failing him

Name: _____ E-mail Id: _____

Address _____ Signature: _____

as my/our proxy to attend and vote (on a poll) for me/us and on my/our behalf at the 34th Annual General Meeting of the Company to be held on Monday, 30th September, 2019 at 12.30 p.m. at Refinery Site, Shirpur, Dist. Dhule, Maharashtra – 425 405 and at any adjournment thereof in respect of such resolutions as are indicated below:

I wish my above proxy to vote in the manner as indicated in the box below

Resolutions	For	Against
1. Adoption of Audited Financial Statements of the Company for the financial year ended March 31, 2019		
2. Appointment of Mr. Amit Goenka as Director		
3. Appointment of Ms. Kavita Kapahi as Director		
4. Appointment of M/s. Parikh & Parikh, Chartered accountants, Mumbai, as Statutory Auditor of the Company		

Signed this _____ day of _____ 2019

Affix
₹ 1/-
Revenue
Stamp

Signature of Shareholder _____ Signature of Proxyholder(s) _____

Note: This form in order to be effective should be duly completed and deposited at the Registered Office of the Company at Refinery Site, Shirpur, Dist. Dhule, Maharashtra – 425 405, not less than 48 hours before the commencement of the Meeting.

SHIRPUR GOLD REFINERY LIMITED
(An ISO 9001:2015 Company)

Corporate Office: 135, Continental Building, Dr. A.B. Road, Worli, Mumbai – 400 018

Tel: 022 7106 1234 | Fax: 022 7154 5940

E-mail: investorinfo@shirpurgold.com | www.shirpurgold.com