

30<sup>th</sup> August, 2016



The General Manager  
Corporate Relationship Dept.,  
The Bombay Stock Exchange Limited,  
Phiroze Jeejeebhoy Towers,  
Dalal Street,  
Mumbai 400 001

The General Manager  
Corporate Relationship Dept.,  
The National Stock Exchange of India Limited,  
Exchange Plaza, 3<sup>th</sup> Floor,  
Plot No. C/1, G Block,  
Bandra Kurla Complex, Bandra (East),  
Mumbai 400051

Scrip Code: 512289  
Symbol: SHIRPUR-G

Sub: Annual Report 2015-16

Dear Sir,

Enclosed herewith please find copy of Annual Report of the Company as approved by the Equity Shareholders of the Company at their Annual General Meeting held on Saturday, 27<sup>th</sup> August, 2016 at 2.00 p.m. at Shirpur, Dist. Dhule.

This is for your information and records.

Thanking you.

Yours faithfully,

For **SHIRPUR GOLD REFINERY LIMITED**

Shyamal Padhiar  
Company Secretary

Encl : a/a

# SHIRPUR GOLD REFINERY LIMITED



## 31<sup>st</sup> Annual Report 2015-16







# SHIRPUR GOLD REFINERY LIMITED

(An ISO 9001:2015 Company)

(CIN:L51900MH1984PLC034501)

## CORPORATE INFORMATION

### BOARD OF DIRECTORS

**Amit Goenka**

Non- Executive Chairman

**Vimal Kumar Agarawal**

Non-Executive Director

**Anish Goel**

Independent Director

**Manoj Agarwal**

Independent Director

**Kavita Kapahi**

Independent Director

### KEY MANAGERIAL PERSONNEL

**Subhash Pareek**

Manager

**Archita Kothari**

CFO

**Shyamal Padhiar**

Company Secretary

### BANKERS

ICICI Bank 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 7122 7436 Fax: 022 7122 7474

E-mail: investorinfo@shirpurgold.com

www.shirpurgold.com

### 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

**Link Intime India Pvt.Ltd.**

C-13, Pannalal Silk Mills Compound,

LBS Marg, Bhandup(West),

Mumbai – 400 078.

Tel : +91 22- 2594 6970

Fax : +91 22-2594 6969

E-Mail: rnt.helpdesk@linkintime.co.in

CONTENTS	PAGE NO.
<b>Statutory Reports</b>	
<i>Notice</i>	2
<i>Directors' Report</i>	7
<i>Corporate Governance Report</i>	30
<i>Management Discussion and Analysis</i>	28
<b>Financial Statements</b>	
<i>Standalone</i>	35
<i>Consolidated</i>	58
<i>Attendance Slip and Proxy Form</i>	

## NOTICE

**Notice** is hereby given that the 31<sup>st</sup> Annual General Meeting of the Equity Shareholders of **Shirpur Gold Refinery Limited** will be held on **Saturday, 27<sup>th</sup> August, 2016** at 2.00 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 31<sup>st</sup> March, 2016 including the Balance Sheet as at 31<sup>st</sup> March, 2016, the Statement of Profit & Loss for the financial year ended on that date, and the Reports of the Auditors and Directors thereon.
2. To appoint a Director in place of Mr. Amit Goenka (DIN: 00017707), who retires by rotation and being eligible, offers himself for re-appointment.
3. To re-appoint M/s. B. S. Sharma and Co., Chartered Accountants, Mumbai, having Firm Registration No. 128249W, as the Statutory Auditors of the Company to carry out the Statutory Audit for the Financial Year 2016-17, at a remuneration to be determined by the Board of Directors of the Company.

### SPECIAL BUSINESS:

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

**"RESOLVED THAT** pursuant to Section 94 of the Companies Act, 2013 ('Act') read with Companies (Management and Administration) Rules, 2014 and other applicable statutory / regulatory provisions, all the Registers to be kept and maintained by the Company under Section 88 of the Act including Register of Members / Debentureholders / Other Security-holders, etc., and copies of Annual Returns prepared under Section 92 of the Act together with copies of certificates and documents be kept and maintained at the office of the Company's Registrar and Share Transfer Agents M/s Link Intime India Private Ltd., at C-13, Pannalal Silk Mills Compound, LBS Road, Bhandup West, Mumbai 400078, instead of the Registered Office of the Company."

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

**"RESOLVED THAT** pursuant to the provisions of Section 188 of the Companies Act, 2013 ('the Act') read with Companies (Meetings of Board and its Powers) Rules, 2014 and other applicable provisions, if any, of the Act, approval of the Members be and is hereby accorded for appointment of Mr. Vimal Kumar Agarawal, Non-Executive Director of the Company and a Related Party pursuant to Section 2(76) of the Act, to the Office of Place of Profit as Managing Director of Zee Gold DMCC, Dubai ('Zee Gold'), a Wholly Owned Overseas Subsidiary of the Company, at a revised annual salary not exceeding USD 2,00,000 (equivalent to INR 13.44 Million based on current exchange rate) plus performance bonus or incentive and other perquisite and allowances as per the policy of Zee Gold, with an authority to the Board of Zee Gold

to approve any merit based increase in the remuneration, from time to time, provided that the aggregate of annual remuneration including salary, perquisites and/or allowances in any one financial year payable to Mr Vimal Kumar Agarawal as Managing Director of Zee Gold shall not exceed USD 300,000.

**RESOLVED FURTHER THAT** the Board of Directors of the Company (which the term shall include any 'Board Committee' as may be authorized by the Board) be and is hereby authorized to accept, approve and take note of any revision in remuneration payable by Zee Gold to Mr. Vimal Kumar Agarawal as its Managing Director, from time to time."

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

**Shyamal Padhiar**  
Company Secretary

Place : Mumbai  
Date : 19<sup>th</sup> May, 2016

### Registered Office:

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

### 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. Explanatory Statement pursuant to Section 102 of the Companies Act, 2013, relating to the Special Business to be transacted at the Annual General Meeting is annexed.
3. Corporate Members are requested to send to the Registered Office of the Company, a duly certified copy of the Board Resolution, pursuant to Section 113 of the Companies Act, 2013, authorising their representative to attend and vote at the Annual General Meeting.
4. 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.
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 31<sup>st</sup> March, 2016, 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](mailto: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 2015-16 via e-mail 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](http://www.shirpurgold.com).
8. The Company has appointed M/s Link Intime India Pvt. Ltd., Mumbai as it's Registrar & Share Transfer Agent in place of Sharepro Services (India) Pvt.Ltd. and the said changeover of Registrar & Share Transfer Agent shall take effect from 1<sup>st</sup> July,2016. 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 Intime India Pvt. Ltd., at C-13, Pannalal Silk Mills Compound, LBS Marg, Bhandup(West), Mumbai-400 078. 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](mailto: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 SEBI (Listing Obligations and Discloser Requirements) Regulations, 2015, the Company is pleased to provide members facility to exercise their right to vote at the 31<sup>st</sup> 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 Central Depository Services (India) Limited (CDSL) 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 Tuesday, 23<sup>rd</sup> August, 2016 at 9.00 a.m. and will end on Friday, 26<sup>th</sup> August, 2016 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 21<sup>st</sup> August, 2016, may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter. Once the vote on a resolution is cast by any Member, he/she shall not be allowed to change it subsequently.

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. 21<sup>st</sup> August, 2016 may refer the e-voting instructions annexed to this notice or send their query at [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com). or [rnt.helpdesk@linkintime.co.in](mailto:rnt.helpdesk@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 Members either by way of remote e-voting prior to the meeting or by way 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 21<sup>st</sup> August, 2016.
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 Mr. K.C. Nevatia, proprietor of M/s. K.C. Nevatia & Associates, Practising Company Secretaries as Scrutinizer to conduct remote e-voting process as well as 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, not later than three days 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. The instructions and process for e-voting are as under:

#### **In case of members receiving e-mail:**

- a. Log on to the e-voting website [www.evotingindia.com](http://www.evotingindia.com)
- b. Click on 'Shareholders' tab to cast your votes
- c. Select the '**Shirpur Gold Refinery Limited**' from the drop down menu and click on 'SUBMIT'
- d. Enter your User ID (For CDSL: 16 digits beneficiary ID, For NSDL: 8 Character DP ID followed by 8 Digits Client ID, Members holding shares in Physical Form should enter Folio Number registered with the Company and then enter the Image Verification Code as displayed and Click on Login.
- e. If you are holding shares in Demat form and had logged on to [www.evotingindia.com](http://www.evotingindia.com) and casted your vote earlier for EVSN of any company, then your existing password is to be used.

- f. If you are a first time user follow the steps given below:

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

\* Members who have not updated their PAN with the Company/Depository Participant are requested to use the first two letters of their name and the sequence number in the PAN field. In case the sequence number is less than 8 digits enter the applicable number of 0's before the number after the first two characters of the name. Eg. If your name Manoj Kumar with sequence number 1 then enter MA00000001 in the PAN field.

# Please enter any one of the details in order to login. In case either of the details are not recorded with the depository please enter the member id / folio number in the Dividend Bank details field.

- g. After entering these details appropriately, click on 'SUBMIT'.
- h. Equity Shareholders holding Equity shares in Physical form will then reach directly to the Company selection screen. However Equity Shareholders holding shares in Demat form will now reach 'Password Change' menu wherein they are required to mandatorily enter their login password in the new password field. Kindly note that this password is also to be used by the Demat holders for voting for resolution of any other Company on which they are eligible to vote, provided that Company opts for e-voting through CDSL platform. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.
- i. Equity Shareholders holding shares in physical form can use these details only for e-voting on the resolutions contained in this Notice.
- j. Click on the relevant EVSN for the relevant [Shirpur Gold Refinery Ltd.] on which you choose to vote.
- k. On the voting page, you will see Description of Resolution(s) and option for voting Yes/No for voting. Select the option yes or no as desired. The option 'YES' implies that you assent to the resolution & 'NO' implies that you dissent to the resolution.
- l. Click on the Resolution file link if you wish to view the entire Notice.

- m. After selecting the resolution you have decided to vote on, click on 'SUBMIT'. A confirmation box will be displayed. If you wish to confirm your vote, click on 'OK', else to change your vote, click on 'CANCEL' and accordingly modify your vote.

- n. Once you 'CONFIRM' your vote on the resolution, you will not be allowed to modify your vote.

- o. You can also take out print of the voting done by you by clicking on 'Click here to print' option on the Voting page.

- p. If Demat account holder has forgotten the changed password then enter the User ID and Captcha Code click on Forgot password & enter the details as prompted by the system.

- Institutional Shareholders (i.e. other than individuals, HUF, NRI etc) are required to log on <https://www.evotingindia.com> and register themselves as Corporate.

- They should submit a scanned copy of the Registration Form bearing the stamp and sign of the entity to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com).

- After receiving the login details a compliance user should be created using the admin login and password. The Compliance user would be able to link the account(s) for which they wish to vote on.

- The list of accounts linked in the login should be mailed to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com) and on approval of the accounts they would be able to cast their vote.

- A scanned copy of the Board resolution and Power of Attorney which they have issued in favour of the Custodian, if any, should be uploaded in PDF format in the system for the scrutinizer to verify the same and to be e-mailed to the Scrutinizer through

- q. In case you have any queries or issues regarding e-voting, you may refer the Frequently Asked Questions and e-voting manual available at [www.evotingindia.com](http://www.evotingindia.com) under help section or write an email to CDSL on [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com) or to the Investor relations officer of the Company on [investorinfo@shirpurgold.com](mailto:investorinfo@shirpurgold.com)

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 Saturday, 20<sup>th</sup> August, 2016 to Saturday, 27<sup>th</sup> August, 2016 (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 4

Your company has appointed M/s Link Intime India Private Limited as the Registrar & Share Transfer Agents ('R&T Agent') effective from July 1, 2016 for providing services relating to transfer, transmission etc of Equity Shares of the Company replacing the earlier R&T Agent M/s Sharepro Services (India) Pvt Ltd. Since the R&T agent has been charged with the duty *inter alia* of maintaining and updating the Register & Index of Members and Share Transfer Register and other particulars, including Annual Returns and annexure thereto, it will be convenient for them to maintain if these are located at their office at C-13, Pannalal Silk Mills Compound, LBS Road, Bhandup West, Mumbai 400 078, rather than at the Registered office of the Company.

Section 94 of the Companies Act, 2013, permits the Company to maintain its Registers and Annual Returns at any place other than its Registered Office subject to Members approval by way of a Special Resolution. A copy of the proposed resolution is being forwarded in advance to the Registrar of Companies, Maharashtra, Mumbai, as required under the said Section 94 (1) of the Companies Act, 2013.

Your Board recommends the Special Resolution set out at Item No. 4 of the Notice for approval by the shareholders.

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

### Item 5

With a view to expand Company's operations globally, the Company had in 2013 formed a Wholly owned Subsidiary in Dubai in the name and style of Shirpur Gold Trading DMCC (Now known as Zee Gold DMCC). Pursuant to approval accorded by your Board of Directors at the Meeting held on 19<sup>th</sup> May, 2015, Mr. Vimal Kumar Agarwal, Non-Executive Director of the Company was appointed as Managing Director of Zee Gold for a period of 3 years with effect from April 1, 2015, at a remuneration which was within the limits prescribed under Section 188 of the Companies Act, 2013 read with Companies (Meetings of Board and its Powers) Rules, 2014.

Subsequent to commencement of full-fledged business operations of Zee Gold DMCC ('Zee Gold') from January 2016, in order to compensate Mr. Vimal Kumar Agarwal for his time and contributions towards business operations of Zee Gold, based on recommendations of the Audit Committee, your Board had at the meeting held on May 19, 2016 approved in-principle increase in remuneration payable to Mr Vimal Kumar Agarwal as Managing Director of Zee Gold DMCC, Dubai as detailed in the resolution. As per Section 188 of the Act, the said revised remuneration payable to Mr. Vimal Kumar Agarwal as Managing Director of Zee Gold shall exceed the threshold prescribed under Companies (Meetings of Board and its Power) Rules, 2014 and therefore payment of such remuneration would be subject to approval of Unrelated Shareholders (i.e. Shareholders other than those forming part of Promoters and Promoter Group and other related parties) by way of Ordinary Resolution.

Mr. Vimal Kumar Agarwal, a qualified Chartered Accountant, Company Secretary and Cost Accountant, has 23 years of business experience in handling business mechanisms, strategy and acquisitions. He also holds a Post Graduate Diploma in Business Management from Narsee Monjee Institute of Management Studies, Mumbai and has completed a Senior Management Programme at IIM, Calcutta.

Other details in connection with said related party transactions are as mentioned herein:

- A. Name of Related Party & Nature of Interest – Mr. Vimal Kumar Agarwal, Non-Executive Director of the Company
- B. Brief Terms of arrangement: Remuneration of Mr. Vimal Kumar Agarwal who was appointed as Managing Director of Zee Gold DMCC, a wholly owned overseas subsidiary of the Company for a period of 3 years with effect from April 1, 2015, shall stand revised as under effective September 1, 2016:
  - a) **Salary:** Mr Vimal Kumar Agarwal shall be eligible for an annual salary not exceeding USD 200,000/- (equivalent to INR 13.44 Million based on current exchange rate), with effect from 1<sup>st</sup> September, 2016, with the authority to the Board of Zee Gold DMCC to determine any merit based increase in the salary from time to time.
  - b) **Performance Bonus / Incentive:** In addition to salary, Mr Vimal Kumar Agarwal would be entitled to Annual Performance Bonus or Incentive as may be approved by the Board of Zee Gold DMCC based on the pre-defined performance criteria from time to time.
  - c) **Perquisites & Allowances:** In addition to the Salary & Performance Bonus / Incentive, Mr. Vimal Kumar Agarwal shall be entitled to perquisites and allowances as per rules of Zee Gold DMCC including but not limited to Free accommodation, Food & Transportation Facility, Telecommunication facilities at Dubai residence, Personnel accident & medical insurance, Leave Travel Allowance, etc.
  - d) **Overall Remuneration:** The aggregate of salary, perquisites and/or allowances in any one financial year payable to Mr Vimal Kumar Agarwal as Managing Director of Zee Gold shall not exceed USD 300,000/-
- C. **Other relevant information** – Nil

Considering experience and expertise of Mr Vimal Kumar Agarwal and responsibilities being shouldered by him as Managing Director of Zee Gold, your Board recommends the Ordinary Resolution as set out in Item No. 5 of the Notice for approval of unrelated equity shareholders.

None of the Directors and Key Managerial Personnel of the Company or their relatives except Mr. Vimal Kumar Agarwal, Director, are concerned or interested in the said Ordinary Resolution.



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

Name	<b>Amit Goenka</b>
Brief Resume	
Age	40 years
Qualification	Graduate in Business Administration
Experience	16 years
Date of Appointment on the Board of the Company	26.04.2011
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 Zee Entertainment Enterprises Limited (ZEEL). Under his leadership, ZEEL is taking the right steps to achieve its global ambitions, set for the year 2020. He has an intense knack in identifying, evaluating & pursuing new Business Opportunities and developing Market Strategies for Essel Group. During his 16 years in industry, he has successfully launched a number of new businesses. He is Recipient of Gem & Jeweller Trade Council of India's (GJTCl) Excellence Award for the year 2014 in gold refining sector.
Name of the other Companies in which Directorship held	ATL Media Limited, Mauritius
Name of the other Companies in which He / she is Chairman / member of the Committee	-
No. of shares held of ₹10/- each ( including holding of dependents)	-
Relationship between Directors inter-se ( As per Section 2(76) and 2(77) of the Companies Act,2013	He is Promoter Director but not related with any other Director of the Company

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

Place : Mumbai  
Date : 19<sup>th</sup> May,2016

**Shyamal Padhiar**  
**Company Secretary**

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

## DIRECTORS' REPORT

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

Yours Directors take pleasure in presenting the 31<sup>st</sup> Annual Report of your Company together with Audited Statement of Accounts for the year ended 31<sup>st</sup> March 2016.

### 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 2015-2016, your Directors confirm that:

- The Financial Statements of the Company - comprising of the Balance Sheet as at 31<sup>st</sup> March, 2016 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 31<sup>st</sup> March, 2016, 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.
- 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 2015-16 is summarized in the following table:

(₹ in Millions)

Particulars	For the year ended	
	31 <sup>st</sup> March 2016	31 <sup>st</sup> March 2015
Total Revenue	38,993	32,222
Total Expenses	38,175	31,426
Operating Profit	818	796
Finance Cost	547	492
Depreciation and Amortisation Expenses	67	87
<b>Profit before Tax</b>	<b>204</b>	<b>217</b>
Provision for Tax		
Current Tax	45	42
Deferred Tax Liability	22	21
<b>Profit after Tax</b>	<b>137</b>	<b>154</b>

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 2015-16.

### DIVIDEND

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

### TURNOVER AND COMPANY PERFORMANCE

The total revenue for the financial year under review was ₹38,993 Millions as against ₹32,222 Millions showing a increase of 21 % over previous year. Your Company has witnessed marginal growth during this financial year and registered operating profit of ₹818 Millions as against ₹795 Millions, showing an increase of 3% over the previous financial year. The Profit before tax stood at ₹204 Millions as against ₹217 Millions in the previous financial year. The Profit after tax stood at ₹137 Millions as compared to ₹154 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 Company is selling products under 'Zee Gold' which is well known brand. The products of your Company meet the stringent quality standards of purity, weightment, shape, size and aesthetic look.

### BUSINESS EXCELLENCE & RECOGNISITON

- In recognition for its excellent achievements, Dun and Bradstreet (D&B) in 'India's Top 500 Companies 2015' has ranked your company as under:
  - 350<sup>th</sup> in terms of Total Income,
  - 457<sup>th</sup> in terms of Net Profit
  - 471<sup>th</sup> in terms of Return on Net Worth,
- The Company was selected as Indian Good Delivery bar manufacturer and supplier for National Commodity and Derivatives Exchange (NCDEX) platform.
- The Company was selected as authorised Refinery for the Gold Monetization Scheme (GMS) by the Government of India.
- The Company was certified 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 9001:2008 standard certificate and expected to receive ISO 9001: 2015 standard certificate for Gold Refinery.

## SUBSIDIARIES

### INTERNATIONAL OPERATIONS

As on March 31, 2016, your Company has two Wholly Owned Subsidiaries namely, Zee Gold DMCC, Dubai ("Zee Gold") and Shirpur Gold Mining Company Private Limited, Singapore ("Shirpur Gold Mining"). and one step down subsidiary namely 'Precious Metals Mining and Refining Limited' ("PMMRL"), Papua New Guinea. During the year under review, the Company has neither formed any new subsidiary, associate or Joint venture nor any company ceased to be subsidiary, however floated a step down subsidiary namely 'Precious Metals Mining and Refining Limited' ("PMMRL"), Papua New Guinea.

During the year under review, in order to provide clear focus on Dubai operations, Mr. Vimal Kumar Agarawal, Non Executive Director of the Company was appointed as Managing Director of Zee Gold subsidiary w.e.f. 1<sup>st</sup> April, 2015 and Mr. Jeffrey Rhodes as CEO w.e.f. 15<sup>th</sup> August, 2015. 'Zee Gold' has commenced it's operations effective from January, 2016. The subsidiary was registered as trading company with the Dubai Multi Commodity Centre and licensed for precious metals trading. The subsidiary has also been approved by the Dubai Gold and Commodity Exchange as a Trade / Clearing member and appointed as a Swap Physical Provider to the DGCX spot gold contract.

'Shirpur Gold Mining', subsidiary is yet to commence it's operations. 'PMMRL', step down subsidiary also has not commenced it's operations but expected to commence the same shortly.

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 financials of the each of the subsidiary have been placed on the website of the Company, [www.shirpurgold.com](http://www.shirpurgold.com).

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

### REGISTRAR AND SHARE TRANSFER AGENT

During the first quarter of calendar year 2016, there were certain allegations of fraud and malpractices in the conduct and operations of Sharepro Services (India) Pvt.Ltd. ("Sharepro"), who has been the Registrar and Share Transfer (R&T) Agent of the Company and upon preliminary investigations, SEBI had issued an order dated March 22, 2016 inter alia restraining Sharepro from involving in market related activities. The Assurance Audit of records and systems of Sharepro done at the behest of the Company by M/s MKB Associates, Company Secretaries did not reveal any irregularity or violations with respect to transfer of securities during the audit period of 11 years from April, 2005.

Subsequently, in pursuance of the advisory issued by SEBI vide Order dated March 22, 2016 and considering that key employees were leaving Sharepro which could affect R&T services at Sharepro

in future, your Company has appointed M/s Link Intime India Private Ltd. as the R&T Agent in place of Sharepro. The said changeover of R&T agent shall take effect from July 1, 2016.

### 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 SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations") and applicable provisions of the Companies Act, 2013.

In terms of Schedule V of Listing Regulations, a separate report on Corporate Governance together with the Statutory Auditors' Certificate on compliance is attached to this Annual Report. Management's Discussion and Analysis Report for the year under review, as stipulated under 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](http://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](http://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.

### DIRECTORS AND KEY MANAGERIAL PERSONNEL (KMP)

Your Board currently comprises 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 2015-16 your Board met 4 (four) times details of which are available in Corporate Governance Report annexed to this report.

Pursuant to Sections 196, 197, 198 and 203 read with Schedule V and other applicable provisions of the Companies Act, 2013 ("Act") and shareholders' approval sought at the 30<sup>th</sup> Annual General Meeting of the Company held on 15<sup>th</sup> September, 2015, Mr. Subhash Pareek was re-appointed as 'Manager' of the Company for a period of three years w.e.f. 5<sup>th</sup> November, 2015.

In compliance with the requirements of Section 203 of Companies Act, 2013, Mr. Subash Pareek, Manager, Mrs. Archia Kothari, CFO and Mr. Shyamal Padhiar, Company Secretary continue as Key Managerial Personnel of the Company.



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

There is no change in the Directorship or Key Managerial Personnel of the Company during the financial year under review.

## **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..

## **BOARD COMMITTEES**

In compliance with the requirements of Companies Act, 2013 and Listing Agreements / 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](http://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 activities initiated by the Company during the year under review, 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 and Co., Chartered Accountants, Mumbai, having Firm Registration No 128249W, has carried out Statutory Audit of the Company for the financial year 2015-16 who holds office until the conclusion of the ensuing Annual General Meeting and is eligible for reappointment.

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 is of the opinion that continuation of M/s. B. S. Sharma and Co., Statutory Auditors for the FY 2016-17 will be in the best interests of the Company and therefore, Members are requested to consider their re-appointment to carry out the statutory audit for the financial year ended on March 31, 2017. The re-appointment

proposed is within the transition period prescribed under the provisions of sub-section (2) of Section 139 of the Companies Act, 2013.

### **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 ( Firm Registration No. 6364) as secretarial auditor of the Company for the financial year 2015-16. A copy of secretarial audit report is annexed to this report.

The reports of the Statutory Audit & the Secretarial Audit for the year ended March 31, 2016, do not contain any qualifications / reservations. 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)(ca) of the Act.

## **DISCLOSURES :**

### **I. PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS U/S 186**

The details of loans, investments and guarantee as required u/s 186 of the Companies Act, 2013 read with the Companies ( Meetings of Board and its Powers ) Rules, 2014 are annexed to this report.

### **II. RELATED PARTY TRANSACTIONS**

None of the transactions with related parties fall under the scope of Section 188(1) of the Act. Further, there are no material related party transactions during the year under review. Accordingly, the information pursuant to Section 134(3)(h) of the Act, read with rule 8(2) of the Companies (Accounts) Rules, 2014, in form AOC-2 is not applicable.

### **III. INTERNAL FINANCIAL CONTROL AND THEIR ADEQUACY**

Your Company has approved internal financial controls and policies/procedures to be adopted by the Company 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.

### **IV. EXTRACT OF THE ANNUAL RETURN**

The extract of Annual Return in Form MGT-9 as required under Section 92(3) of the Act read with Companies (Management & Administration) Rules, 2014 is annexed to this report.

### **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 thereunder. During the year under review, no complaint on sexual harassment was received during the financial year under review.

## 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. MATERIAL EVENT

On 24<sup>th</sup> April 2015, 60 Kgs of Gold, during transit to plant of the Company at Shirpur, was robbed near Nashik, Maharashtra. Of the said robbed gold, the Crime Branch has so far seized 11.433 kgs of Gold and other assets of the robbers. Thus the total gold under possession of the police is 13.433 kgs including 2 kgs gold recovered from robbery site on the date of robbery. Legal procedure for repossession of seized gold and assets under police custody is in progress. The said Gold of 13.433 Kgs has been considered in closing inventories and valued at lower of cost or realizable value and shown in books as lying with the law enforcing agency, pending repossession. Investigation by law enforcing agencies is in progress for the balance gold. The company has also lodged on account claim of the lost gold with the Insurance company. On account insurance claim for the balance of 46.567 kgs of gold valued at ₹1122.86 lacs, is accounted as "Claims Receivables" under Other Current Assets. On finalization of claim by the insurance company, post final investigation report by crime branch, 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.

## VIII. PUBLIC DEPOSITS

Your Company has not accepted any public deposits and as such no amount on account of principal or interest on public deposits under Section 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 31<sup>st</sup> March, 2016.

## IX. 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.

## HUMAN RESOURCES AND 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 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 ₹ 60 Lacs per annum/ Rs 5 Lacs per month or more during the FY 2015-16.

## 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 34 to 35 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.

For and on behalf of the Board

Place : Mumbai  
Date : May 19, 2016

**Amit Goenka**  
Chairman

## ANNEXURE TO DIRECTOR'S 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, 2016

(₹ in Millions)

Name of the Subsidiary	Zee Gold DMCC	Shirpur Gold Mining Company Pvt Ltd	Precious Metals Mining & Refining Limited*
Share Capital	333.05	66.33	0.54
Reserves & Surplus	(85.79)	(3.29)	-
Total Assets	1,702.55	398.27	38.73
Total Liabilities	1,455.28	335.22	38.19
Investments (Other than Subsidiary)	-	-	-
Turnover	537.71	-	-
Profit before Taxation	(83.78)	(1.81)	-
Provision for Taxation	-	-	-
Profit after Taxation	(83.78)	(1.81)	-
Dividend proposed / paid	-	-	-
% of shareholding	100%	100%	100%

**Note :**

- \* Held through Zee Gold DMCC
- The Company do not have any Associates / Joint Venture.

**For & on behalf of the Board of Directors**

Place : Mumbai  
Date : 19th May, 2016

Amit Goenka  
Director

V. K. Agarawal  
Director

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

(₹ In Millions)

	2015	Given	Repaid	2016
<b>a) Loans &amp; Advances given</b>				
Wholly owned Subsidiary	2.21	1,867.38	131.995	1,737.59
(Includes foreign currency realignment)				

**Notes**

- All Loans are given to wholly owned subsidiary entities on interest.
  - 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. 11 in the Financial Statements.
- c) Guarantees given**  
There are no guarantees given during the year.
- 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 31<sup>ST</sup> MARCH, 2016.

#### 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.

##### 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. Upgradation of plant machinery has achieved more production with less power consumption (in terms of kg produced/Unit of power) compared to previous Financial year.
5. 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 .
6. The water consumption for Irrigation has been reduced by introducing Drip irrigation.
7. The Company has replaced metal halide lamps with CFL & LED .

##### The capital investment on energy conservation equipments: 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.

- a. Technology imported: The Company had upgraded aqua-regia technology, by importing a plant from Germany & Italy.
- b. Year of Import: 2015
- c. Whether the technology has been fully absorbed : Yes
- d. Benefits arrived by absorbing new technology: By upgrading this technology, the processing time was reduced. This process has also resulted in reduction in cost of production and increase in efficiency.

The expenditure incurred on Research and Development is NIL.

For and on behalf of the Board

Place : Mumbai  
Date : 19<sup>th</sup> May, 2016

**Amit Goenka**  
Chairman

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

	2015 – 16	2014 – 15
<b>POWER AND FUEL CONSUMPTION:</b>		
<b>1 Electricity :</b>		
a) <b>Purchased Units</b> (KWH in Thousands)	<b>1382.82</b>	1403.29
Total amount ( ₹ In Millions )	<b>12.76</b>	12.29
Rate/Unit (₹)	<b>9.23</b>	8.75
<b>b) Own Generation :</b>		
i. Through D G Power Plant		
Units (KWH in Thousands)	<b>Nil</b>	Nil
Fuel Cost / Unit (₹)	<b>Nil</b>	Nil
ii. Through Diesel Generator		
Units (KWH in Thousands)	<b>15.10</b>	26.37
Fuel Cost / Unit (₹)	<b>21.35</b>	27.40
iii. Through Steam Turbine		
Generated by Coal/Oil		
Units (KWH in Thousands)	<b>Nil</b>	Nil
Fuel Cost / Unit (₹)	<b>Nil</b>	Nil
<b>2 Coal :</b>		
Quantity in M.T.	<b>Nil</b>	Nil
Total Cost (₹ In Millions)	<b>Nil</b>	Nil
Average Rate (₹/M.T.)	<b>Nil</b>	Nil
<b>3 Furnace Oil :</b>		
Quantity in K. Ltrs.	<b>Nil</b>	Nil
Total Cost (₹ In Millions)	<b>Nil</b>	Nil
Average Rate (₹ M.T.)	<b>Nil</b>	Nil
<b>4 Others :</b>		
Quantity in M.T.	<b>Nil</b>	Nil
Total Cost (₹ In Millions)	<b>Nil</b>	Nil
Average Rate (₹/M.T.)	<b>Nil</b>	Nil

For and on behalf of the Board

Place : Mumbai  
Date : 19<sup>th</sup> May, 2016

**Amit Goenka**  
Chairman

## ANNEXURE TO THE DIRECTORS' REPORT

### ANNUAL REPORT ON CORPORATE SOCIAL RESPONSIBILITY (CSR) ACTIVITIES FOR FY 2015-2016

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	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.  The CSR Policy of the Company is displayed on <a href="http://www.shirpurgold.com">www.shirpurgold.com</a>
2	The Composition of CSR Committee	The CSR Committee of the Board comprises of 3 Directors. Mr. Amit Goenka, Promoter Director as Chairman, Mr. Vimal Kumar Agarwal, Non Executive Non Independent Director as member and Mr. Manoj Agarwal, Independent Director as member.
3	Average net profit of the Company for last three financial year	₹ 95.33 Million
4	Prescribed CSR expenditure ( 2 % of the average net profits for last three years)	₹ 1.91 Million
5	Details of CSR spent during FY a) Amount to be spent in FY b) Unspent Amount c) Amount Spent d) Areas where spent i. CSR Projects or activities identified	₹ 1.91 Million ₹ 1.41 Million ₹ 0.5 Million  'Khilo', an initiative to empower and educate the girl child by providing quality education to underprivileged girls from Mumbai Slums.
	ii. Sector in which the project is covered	Educational Development
	iii. Projects or programs Local area or other, specify the State and district where projects or programs was undertaken	Mumbai, Maharashtra
	iv. Amount outlay (budget) project or program wise	₹ 0.5 Million
	v. Amount spent on project or program	₹ 0.5 Million
	vi. Cumulative expenditure upto the reporting period	₹ 0.5 Million
	vii. Amount Spent : Direct or through implementing agency	Fort Convent Alumni Association

Note : CSR spend contributed / remitted by the Company to NGO or agency mentioned above, which may be pending utilization for specified purposes at the year end.

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 19, 2016

**Amit Goenka**  
Chairman

**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 2015-16, the ratio of the remuneration of each of the director to the median remuneration of the employees of the company for the financial year 2015-16 and comparison of remuneration of each KMP against Company's Standalone Performance

Name of the Director / Key Managerial Personnel	Total Remuneration (₹ in Millions)	% of increase in remuneration	Ratio of Remuneration of director to the Median remuneration	Comparison of remuneration of each KMP against Company's performance	
				% of Turnover	% of Net Profit before Tax
<b>Non-Executive Directors</b>					
Amit Goenka	0.12	-	0.35:1	NA	NA
Manoj Agarwal	0.20	-	0.59:1	NA	NA
Vimal Kumar Agarawal	-	-	-	NA	NA
Anish Goel	0.04	-	0.11:1	NA	NA
Kavita Kapahi	0.16	-	0.47:1	NA	NA
<b>Key Managerial Personnel</b>					
Subhash Pareek	1.20	10	NA	0.00	0.58
Archita Kothari	4.87	13	NA	0.01	2.38
#Shyamal Padhiar	1.00	-	NA	0.00	0.49

#### Notes :

- The Company does not have any Executive Director.
- # Not eligible for increment as appointed as Key Managerial Personnel during the FY 2014-15.
- 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 2015-16 is 13 %
  - The Company has 80 permanent employees on the rolls of the Company as on March 31, 2016.
  - Explanation on the relationship between average increases in remuneration and company performance: The average increase of 11.07 % in the remuneration of all employees in the financial year 2015-16 was in line with the market trend. In order to ensure that remuneration reflects Company Performance, the performance is also linked to organization performance, apart from individual performance.
  - Comparison of the remuneration of the Key Managerial Personnel against the performance of the Company (Standalone): The aggregate remuneration of Key Managerial Personnel was 0.01 % of the turnover and 3.45 % of Net Profit (before Tax) during the financial year.
  - Details of Variations in the market capitalizations and Share Price Earning ratio and the closing price of the shares of the Company as at the end of the financial year

	31.03.2016	31.03.2015	% Increase / (decrease)
<b>Market Capitalization (₹ in Millions)</b>	2202.77	1892.46	16.40
<b>Price Earning Ratio</b>	16	12	33.33

- The closing shares price of the Company on BSE as on 31.03.2016 being ₹ 75.60/- per Equity share of face value of ₹ 10/- each has increased by 656 % since last Right Issue made by the Company in the year 1995 ( Offer Price was ₹10/- per equity share of face value of ₹10/- each)
- Average increase in the salaries of the employees other than the managerial personnel during the financial year 2015-16 was 10.81 % while average increase in the managerial remuneration was 10 %
- The key parameters for any variable component of remuneration availed by the directors – Not Applicable as the Company has not paid any variable component of remuneration to it's Directors.
- The ratio of remuneration of the highest paid director to that of the employees who are not directors but receive remuneration in excess of the highest paid director during the year – Not Applicable as the Company did not have any Executive Director as at March 31,2016)
- 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, 2016

To,  
**The Members,  
Shirpur Gold Refinery Limited**

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 audit period covering the financial year ended on 31st March, 2016 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, 2016 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 Act, 1992 ('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 (Issue of Capital and Disclosure Requirements) Regulations, 2009;
  - d. The Securities and Exchange Board of India (Employee Stock Purchase Scheme) Guidelines, 1999 and (Share Based Employee Benefit) SEBI Regulations, 2014;
  - e. The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008; (Not applicable to the Company during the Audit Period)
  - f. The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;

- g. The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009; (Not applicable to the Company during the Audit Period) and
- h. The Securities and Exchange Board of India (Buyback of Securities) (Amendment) Regulations, 2015; (Not applicable to the Company during the Audit Period)
- vi. Other acts
  - a. Bureau of Indian Standards Act 1986
  - b. Factories Act, 1948
  - c. The Payment of Wages Act, 1936
  - d. Employees Provident Fund and Miscellaneous Provisions Act, 1952
  - e. Payment of Bonus Act, 1965
  - f. Payment of Gratuity Act, 1972

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 following:

- (i) Secretarial Standards issued by The Institute of Company Secretaries of India.
- (ii) The Listing Agreements entered into by the Company with Bombay Stock Exchange (BSE) and National Stock Exchange (NSE).

During the period under review the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, etc. mentioned above.

I further report that:

The Board of Directors of the Company is duly constituted with proper balance of Non-Executive Directors and Independent Directors. There was no changes in the composition of the Board of Directors during the period under review.

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, 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.

Majority decision is carried through while the dissenting members' views are captured and recorded as part of the minutes.

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.

Place: Mumbai  
Date : May 19, 2016

**MITA SANGHAVI**  
**FCS No.7205**  
**CP No. 6364**

## ANNEXURE TO THE DIRECTOR'S REPORT

### EXTRACT OF ANNUAL RETURN

(Pursuant to section 92(3) of the Companies Act, 2013 and Rule 12(1) of the Companies (Management and Administration) Rules, 2014)

#### I. REGISTRATION AND OTHER DETAILS

i.	CIN	L51900MH1984PLC034501
ii	Registration Date	9 <sup>th</sup> November, 1984
iii	Name of the Company	SHIRPUR GOLD REFINERY LIMITED
iv	Category of the Company Sub-category of the Company	Company Limited by shares / Indian Non-Gov. Company
v	Address of the Registered Office and contact details	Refinery Site, Shirpur, Dist. Dhule, Maharashtra – 425 405 Tel : 02563 – 258002 Fax : 02563 – 261357 E-mail : <a href="mailto:investorinfo@shirpurgold.com">investorinfo@shirpurgold.com</a> Website : <a href="http://www.shirpurgold.com">www.shirpurgold.com</a>
vi	Whether Listed Company Name of the Stock Exchanges on which shares of the company are Listed	Yes BSE Ltd. The National Stock Exchange of India Ltd.
vii	Name, address and contact details of Registrar and Share Transfer Agent	Sharepro Services (India) Private Limited, 13AB, Samhita Warehousing Complex, Second Floor, Sakinaka Telephone Exchange Lane, Off Andheri -Kurla Road, Sakinaka, Andheri (East), Mumbai - 400 072, India Tel: 022 6772 0300 / 400; Fax: 022 2859 1568 / 2850 8927 E-Mail: <a href="mailto:sharepro@shareproservices.com">sharepro@shareproservices.com</a>

Note : With effect from July 1, 2016, M/s Link Intime India Pvt.Ltd. having it's office at C-13, Pannalal Silk Mills Compound, L.B.S.Road, Bhandup(West), Mumbai – 400078, has been appointed as Registrar and Share Transfer Agent of the Company in place of M/s Sharepro Services (India) Private Ltd.

#### II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY

All the business activities contributing 10 % or more of the total turnover of the Company

S.No.	Name and description of main products	NIC Code of the Product	% to total turnover of the Company
1	Manufacturing of Gold Bar	3835	80.17
2	Manufacturing of Gold Jewellery	3831	19.73

#### III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES

S. No.	Name and Address of the Company	CIN / GLN	HOLDING / SUBSIDIARY / ASSOCIATE	% of Shares held	Applicable Section
1	Jayneer Capital Pvt. Ltd. Continental Bldg, 135, Dr. Annie Besant Road, Worli, Mumbai – 400 018.	U61190MH1986PTC039204	Holding	72.71	2(46)
2	Zee Gold DMCC Unit No.806, Swiss Tower, Plot No. JLT-PH2-Y3A, Jumeirah Lake Towers, Dubai, UAE.	DMCC3773	Subsidiary	100	2(87)
3	Shirpur Gold Mining Company Pvt. Ltd., 1, North Bridge Road, #07-10 High Street Centre, Singapore 179094	201305221C	Subsidiary	100	2(87)

S. No.	Name and Address of the Company	CIN / GLN	HOLDING / SUBSIDIARY / ASSOCIATE	% of Shares held	Applicable Section
4	Precious Metals Mining and Refining Ltd. * B4- Unit 1, Lot 33, Section 38, Hohola, Steamships Compound, Port Moresby, National Capital District, Papua New Guinea	1-106179	Subsidiary	100	2(87)

\* Held through Zee Gold DMCC

#### IV. SHAREHOLDING PATTERN ( Equity Share Capital Breakup as percentage of Total Equity )

##### (i) Category-wise Share Holding

Category of Shareholders		No. of shares held at the beginning of the year ( As on 01.04.2015 )				No. of shares held at the end of the year ( As on 31.03.2016 )				% change during the year
		Demat	Physical	Total	% of Total shares	Demat	Physical	Total	% of Total shares	
<b>A.</b>	<b>Promoters</b>									
<b>1.</b>	<b>Indian</b>									
	<b>Bodies Corp.</b>	21185703	-	21185703	72.71	21185703	-	21185703	72.71	-
	<b>Sub-Total (A) (1)</b>	<b>21185703</b>	<b>-</b>	<b>21185703</b>	<b>72.71</b>	<b>21185703</b>	<b>-</b>	<b>21185703</b>	<b>72.71</b>	<b>-</b>
<b>2.</b>	<b>Foreign</b>	-	-	-	-	-	-	-	-	-
	<b>Sub-Total (A) (2)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
	<b>Total Shareholding of Promoter (A) = (A)(1) + (A) (2)</b>	<b>21185703</b>	<b>-</b>	<b>21185703</b>	<b>72.71</b>	<b>21185703</b>	<b>-</b>	<b>21185703</b>	<b>72.71</b>	<b>-</b>
<b>B.</b>	<b>Public Shareholding</b>									
<b>1.</b>	<b>Institutions</b>	-	-	-	-	-	-	-	-	-
	<b>FIs</b>	740000	-	740000	2.54	740000	-	740000	2.54	-
	<b>Sub-Total (B) (1)</b>	<b>740000</b>	<b>-</b>	<b>740000</b>	<b>2.54</b>	<b>740000</b>	<b>-</b>	<b>740000</b>	<b>2.54</b>	<b>-</b>
<b>2.</b>	<b>Non-Institutions</b>									
<b>a)</b>	<b>Bodies Corp.</b>									
	<b>i) Indian</b>	1917604	300	1917904	6.59	1638490	300	1638790	5.62	(0.97)
	<b>ii) Overseas</b>	39900	-	39900	0.14	39900	-	39900	0.14	-
<b>b)</b>	<b>Individuals</b>									
	<b>i) Individual shareholders holding nominal share capital upto ₹ 1 Lakh</b>	2721712	41512	2763224	9.48	2686494	43012	2729506	9.37	(0.11)
	<b>ii) Individual shareholders holding nominal share capital in excess of ₹ 1 Lakh</b>	2433849	25000	2458849	8.44	2510722	25000	2535722	8.70	0.26
<b>c)</b>	<b>NBFC</b>	-	-	-	-	240100	-	240100	0.82	0.82
<b>d)</b>	<b>Others</b>									
	<b>i. NRI</b>	28126	-	28126	0.09	21685	-	21685	0.07	(0.02)
	<b>ii. Trusts</b>	995	-	995	0.00	995	-	995	0.00	-
	<b>iii. Foreign Nationals</b>	2501	-	2501	0.01	4801	-	4801	0.02	0.01
	<b>Sub-Total (B) (2)</b>	<b>7144687</b>	<b>66812</b>	<b>7211499</b>	<b>24.75</b>	<b>7143187</b>	<b>68312</b>	<b>7211499</b>	<b>24.75</b>	<b>-</b>



	<b>Total Public Shareholding (B) = (B) (1) + (B) (2)</b>	<b>7884687</b>	<b>66812</b>	<b>7951499</b>	<b>27.29</b>	<b>7883187</b>	<b>68312</b>	<b>7951499</b>	<b>27.29</b>	<b>-</b>
<b>C.</b>	<b>Shares held by Custodian for GDRs &amp; ADRs</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
	<b>Grand Total (A+B+C)</b>	<b>29070390</b>	<b>66812</b>	<b>29137202</b>	<b>100.00</b>	<b>29070390</b>	<b>68312</b>	<b>29137202</b>	<b>100.00</b>	<b>-</b>

## ii) Shareholding of Promoters

Shareholder's name	Shareholding at the beginning of the year as on 01.04.2015			Shareholding at the end of the year as on 31.03.2016			% change in shareholding during the year
	No. of Shares	% of total shares of the Company	% of shares pledged / encumbered to the total shares	No. of Shares	% of total shares of the Company	% of shares pledged / encumbered to the total shares	
Jayneer Capital Pvt. Ltd.	21185703	72.71	14300000	21185703	72.71	5000000	-
<b>Total</b>	<b>21185703</b>	<b>72.71</b>	<b>14300000</b>	<b>21185703</b>	<b>72.71</b>	<b>5000000</b>	<b>-</b>

## iii) Change in Promoter's Shareholding

There are no changes in the shareholding of Promoter's during the period from 01.04.2015 to 31.03.2016.

## iv) Change in Shareholding Pattern of Top 10 Shareholders

Name of Shareholder	Shareholding at the beginning of the year ( April 1,2015)		Shareholding at the end of the year (March 31,2016)	
	No. of Shares	% Equity Capital	No. of Shares	% Equity Capital
Polus Global Fund #	740000	2.54	740000	2.54
Religare Securities Ltd #	916708	3.15	670850	2.30
Kruti Bhupesh Patel #	300000	1.03	300000	1.03
International Financial Services Ltd. @	26590	0.09	225000	0.77
Ketki Mukesh Patel #	200400	0.69	200400	0.69
Disha Bhupesh Patel #	200000	0.69	200000	0.69
Sneha Amarish Patel #	200000	0.69	200000	0.69
Amarish Rasiklal Patel Huf #	199000	0.68	199000	0.68
Vincent Trading Pvt.Ltd. #	201000	0.69	201000	0.69
Meha Mukesh Patel #	129000	0.44	129000	0.44
Jayashri Amarish Patel \$	118200	0.41	118200	0.41

### Note :

- The shares of the Company are substantially held in dematerialized form and are traded on a daily basis and hence date wise increase / decrease in shareholding is not indicated.
- # denotes common top 10 shareholders as on April 1,2015 and March 31,2016  
\$ denotes top 10 shareholders only as on April 1,2015  
@ denotes top 10 shareholders only as on March 31,2016

## v) Change in Shareholding of Directors and Key Managerial Personnel:

Mr. Vimal Kumar Agarawal, Director was holding (including holding of dependents) 8554 Equity Shares of the Company at the beginning of the year i.e. April 1,2015. There is no movement in his holding during the financial year 2015-16 and balance equity holding as at the end of year i.e. March 31,2016 is 8554 Equity shares.

None of the Directors / Key Managerial Personnel except mentioned above is either holding any shares of the Company at the beginning of the year i.e. April 1,2015 or at the end of the year i.e. March 31,2016 or dealt in the Equity Shares of the Company during financial year 2015-16 and information in this regard is Nil.

## V. INDEBTEDNES

### Indebtedness of the Company including interest outstanding / accrued but not due for payment

(Amount in ₹ / Millions)

	Secured Loans excluding deposits	Unsecured Loans	Deposit	Total Indebtedness
Indebtedness at the beginning of the financial year				
i) Principal Amount	767.21	1043.95	-	1811.16
ii) Interest due but not paid		10.47	-	10.47
iii) Interest accrued but not due				
<b>Total ( i+ii+iii)</b>	<b>767.21</b>	<b>1054.42</b>	<b>-</b>	<b>1821.63</b>
Changes in Indebtedness during the financial year				
• Addition	997.70	-	-	997.70
• Reduction	-	(488.09)	-	(488.09)
<b>Net Change</b>	<b>997.70</b>	<b>(488.09)</b>	<b>-</b>	<b>509.61</b>
Indebtedness at the end of the financial year				
i) Principal Amount	1764.91	559.30	-	2324.21
ii) Interest due but not paid		7.03	-	7.03
iii) Interest accrued but not due				
<b>Total</b>	<b>1764.91</b>	<b>566.33</b>	<b>-</b>	<b>2331.24</b>

## VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

### A. Remuneration to Managing Director, Whole- time Directors and / or Manager.

(Amount in ₹ / Millions)

S.No.	Particulars of Remuneration	Name of the Manager
		<b>Subhash Pareek</b>
1	Gross salary as per Income Tax Act	
	(a) Salary	1.20
	(b) Perquisites	-
	(c) Profits in lieu of salary	-
2	Stock Option	-
3	Sweat Equity	-
4	Commission	-
5	Others	-
	<b>Total ( A)</b>	<b>1.20</b>
	<b>Ceiling as per Act</b>	5 % of the Net Profits as per Section 198 of the Companies Act,2013 is ₹ 103.73 Millions

Note : The Company does not have any Managing Director or Whole-time Director.

**B. Remuneration to other Directors**

(Amount in ₹ / Millions)

S. No.	Name of the Director	Sitting Fees	Commission	Others	Total
	<b>Non Executive Directors</b>				
1	Amit Goenka	0.12	-	-	
2	Manoj Agarwal	0.20	-	-	
3	Anish Goel	0.04	-	-	
4	Vimal Kumar Agarawal	-	-	-	-
5	Kavita Kapahi	0.16	-	-	
	<b>Total</b>	<b>0.52</b>	<b>-</b>	<b>-</b>	
	Ceiling as per Act	NA as the Company has not paid any remuneration except sitting fees			

**C. Remuneration to Key Managerial Personnel other than MD / MANAGER / WTD**

(Amount in ₹ / Millions)

S. No.	Particulars of Remuneration	Chief Financial Officer	Company Secretary
1	Gross salary as per Income Tax Act		
	(a) Salary	4.63	0.94
	(b) Perquisites	-	-
	(c) Profits in lieu of salary	-	-
2	Stock Option	-	-
3	Sweat Equity	-	-
4	Commission	-	-
5	Others		
	- Contribution to Provident Fund	0.24	0.06
	<b>Total</b>	<b>4.87</b>	<b>1.00</b>

**VII. PENALTIES / PUNISHMENT / COMPOUNDING OF OFFENCES - None**

## 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. Securities and Exchange Board of India (SEBI) with a view to consolidate and streamline the provisions of the exiting Listing Agreements with the Stock Exchanges, has notified SEBI( Listing Obligations and Disclosure Requirements ) Regulations, 2015 (hereinafter referred as "Listing Regulations") on September 2, 2015. The effective date of Listing Regulations was December 1, 2015.

### Policies

In compliance with the requirements of Listing Regulations and Companies Act, 2013, Board of Directors of the Company has approved various policies, as detailed herein:

#### Whistle Blower & Vigil Mechanism Policy

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. The policy is uploaded on the Company's website, '[www.shirpurgold.com](http://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](http://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 31<sup>st</sup> March 2016.

Mumbai, 19<sup>th</sup> May, 2016

Subhash Pareek  
Manager

### Related Party Transaction Policy

In compliance with 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 Company's website at [www.shirpurgold.com](http://www.shirpurgold.com)

### Policies & Code as per SEBI Insider Trading Regulations

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.

Mr Shyamal Padhiar, Company Secretary of the Company is Compliance Officer for the purposes of Insider Trading Code, while Ms. Archita Kothari, Chief Financial Officer of the Company has been appointed as Chief Investor Relations Officer for the purpose of Fair Disclosure Policy.

### Familiarization Programme for Independent Directors

In compliance with Regulation 25 of Listing Regulations, Independent Directors are familiarized with their roles, rights and responsibilities in the Company as well as with the nature of industry and business model of the Company through induction programs at the time of their appointment as Directors and at regular intervals. While review and approval of quarterly and annual financial statements of the Company are taken up detailed presentation covering *inter alia* economy and industry overview, key regulatory developments, strategy and performance of the Company is made to the Board.

Apart from the above policies, the Board in accordance with the requirements of Companies Act, 2013 and Listing Regulations approved and adopted Policy for determining Material Subsidiary, Remuneration Policy, Material Events Determination and Disclosure Policy, Document Preservation Policy and Corporate Social Responsibility Policy. These policies can be viewed at Company's website at [www.shirpurgold.com](http://www.shirpurgold.com)



## Board of Directors

### Composition and Category of Directors

The composition of the Board of the Company is in conformity with the requirements of Regulation 17(1) of Listing Regulations. The composition of the Board complies with the requirements of minimum number of independent Directors and non-executive Directors including women director. All the Directors comply with the ceiling for holding maximum number of Directorship and committee positions under various statutes. None of the Directors on the Board is a Member of more than 10 Committees and Chairman of more than 5 Committees (as per Regulation 26(1) Listing Regulations) across all the Companies in which he is a Director. 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.

### Composition of the Board as on 31<sup>st</sup> March, 2016

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

During the financial year under review, four (4) meetings of the Board of Directors were held on 19<sup>th</sup> May 2015; 10<sup>th</sup> August 2015; 6<sup>th</sup> November 2015 and 12<sup>th</sup> February 2016.

Particulars of Directors, their attendance at the Annual General Meeting and Board Meetings held during the financial year 2015-16 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 31<sup>st</sup> March 2016 are as under:

Name of Director	Category	Attendance at		No. of Directorships of other Public Companies	No. of Memberships/ Chairmanship of other Board Committees
		Board Meetings (4 meetings)	30th AGM held on 15.09.2015		
Mr. Amit Goenka	Promoter non- executive Non-Independent	2	No	Nil	Nil
Mr. Vimal Kumar Agarawal	Non-Executive Non-Independent	4	Yes	Nil	Nil
Mr. Anish Goel	Non-Executive Independent	1	Yes	Nil	Nil
Mr. Manoj Agarwal	Non-Executive Independent	4	Yes	Nil	Nil
Ms. Kavita Kapahi	Non-Executive Independent	4	Yes	2	1

Except Mr. Vimal Kumar Agarawal who is holding 8554 shares (including holding of dependents) of the Company, none of the Directors of the Company holding any shares as at March 31, 2016. None of the Directors are related to each other.

### Board Procedure

The Board Meetings of the Company are governed by a structured agenda. 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.

### Board Committees

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

	Audit Committee	Nomination & Remuneration Committee	Stakeholder's Relationship Committee	Corporate Social Responsibility Committee
<b>No. of Meeting held</b>	4	1	4	1
<b>Directors' Attendance</b>				
Mr. Amit Goenka	2	1	2	1
Mr. Vimal Kumar Agarawal	NA	NA	4	-
Mr. Anish Goel	1	-	NA	NA
Mr. Manoj Agarwal	4	1	4	1
*Ms. Kavita Kapahi	3	NA	NA	NA

Note :

1. \* Appointed as Audit Committee Member w.e.f. 29.04.2015.
2. NA denotes that the director is not member of such committee.

In compliance with Regulation 25 of Listing Regulations and Section 149 read with Schedule IV of the Companies Act, 2013, a meeting of the independent directors of the Company was held on 15<sup>th</sup> March, 2016 to review the performance of the non-independent directors and the Board as a whole including performance of the Chairman and the quality, quantity and timeliness of flow of information between the company management and the Board.

### Details of Board Committees

#### A) Audit Committee

##### Constitution

As at March 31, 2016, the Audit Committee comprised of four (4) Directors including Mr. Manoj Agarwal, Independent Director as Chairman, Mr. Amit Goenka, Promoter Director, Mr. Anish Goel, Independent Director and Ms. Kavita Kapahi, Independent Director as its Members.

During the year under review, four (4) Audit Committee meetings were held on 19<sup>th</sup> May 2015; 10<sup>th</sup> August 2015; 6<sup>th</sup> November 2015 and 12<sup>th</sup> February 2016.

##### 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

Nomination & Remuneration Committee comprised of Mr. Manoj Agarwal, Independent Director as Chairman, Mr. Anish Goel, Non-

Executive Independent Director and Mr. Amit Goenka, Promoter Non-Executive Director as its Members. The Company Secretary is the Secretary of the Committee.

During the year under review, one meeting of the Nomination and Remuneration Committee was held on 19<sup>th</sup> May, 2015.

##### 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.

##### Performance Evaluation Criteria for Independent Directors

Performance of each of the Independent Directors are evaluated every year by the entire board with respect to various factors like personal traits which include business understanding, communication skills, ability to exercise objective judgment in the best interest of the Company and on specific criteria which include commitment, guidance to management, deployment of knowledge and expertise, management of relationship with various stakeholders, Independence of behaviour and judgment, maintenance of confidentiality and contribute to corporate governance practice with the Company.

##### 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.

##### Remuneration Paid to Executive Directors

The Company does not have any Executive Director.

Mr. Subhash Pareek, Manager of the Company has been re-appointed in terms of resolution passed by the shareholders at the 30<sup>th</sup> AGM held on 15<sup>th</sup> September, 2015 for a period of three years with effect from November 5, 2015. The elements of the remuneration package of Mr. Pareek comprises of basic salary, house rent allowance, personnel allowance, other allowances including medical and 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 period from 1<sup>st</sup> April 2015 to 31<sup>st</sup> March 2016 is as under:

Particulars	(₹ In Millions)
Salary and Allowances	1.20

#### Remuneration Paid to Non - Executive Directors

All Non-Executive directors except Mr. Vimal Kumar Agarwal 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	0.12
2	Mr. Anish Goel	0.04
3	Mr. Manoj Agarwal	0.20
4	Ms. Kavita Kapahi	0.16
	<b>Total</b>	<b>0.52</b>

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.

Mr. Vimal Kumar Agarwal, Non-Executive Non Independent Director is drawing remuneration as 'Managing Director' of 'Zee Gold DMCC' Wholly Owned Dubai Subsidiary of the Company w.e.f. 1<sup>st</sup> April, 2015.

#### C) Stakeholders Relationship Committee

##### Constitution

The Stakeholders Relationship Committee comprised of Mr. Manoj Agarwal, Non-Executive Independent Director as Chairman and Mr. Amit Goenka, Non- Executive Director and Mr. Vimal Kumar Agarwal, Non-Executive Director as its Members.

During the year under review, the Committee met four (4) times on 19<sup>th</sup> May 2015; 10<sup>th</sup> August 2015; 6<sup>th</sup> November 2015 and 12<sup>th</sup> February 2016.

##### Terms of reference

Terms of reference of Stakeholders Relationship Committee is to supervise and ensure efficient transfer of shares and proper and timely attendance of investor's grievances. The Committee has delegated various powers including approving requests for transfer, transmission, rematerialisation and dematerialization, etc. of equity shares, to the Company Secretary of the Company and 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 and the Company has not received any complaint during the financial year 2015-16.

#### Other Board Committees

##### i) 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 Committee comprising of Mr. Amit Goenka, Promoter Director as Chairman, Mr. Vimal Kumar Agarwal, Non-Executive Director and Mr. Manoj Agarwal, Independent Director as its members. During the year under review, the Committee met once on 14<sup>th</sup> March, 2016.

##### ii) 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 constituted a Finance Sub-Committee comprising of Mr. Amit Goenka, Non-Executive Director as Chairman 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 31<sup>st</sup> Annual General Meeting of the Company for the Financial Year 2015-16 will be held on **Saturday, 27<sup>th</sup> August, 2016** at 2.00 p.m. at the registered office of the Company at Refinery Site, Shirpur, Dist. Dhule, Maharashtra 425 405.

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

Year	Date and Time	Special Resolutions passed	Venue
2014-15	15.09.2015 - 2.00 p.m.	Re-appointment of Mr. Subhash Pareek as Manager of the Company and payment of remuneration to him	Refinery Site, Shirpur, Dist - Dhule, Maharashtra - 425 405
2013-14	27.08.2014 - 2.30 p.m.	Authority to Board of Directors to borrow money u/s 180(1)(c) of the Companies Act, 2013	
2012-13	23.09.2013 - 2.30 p.m.	Appointment of Mr. Subhash Pareek as Manager of the Company and payment of remuneration to him	

The above 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 31<sup>st</sup> Annual General Meeting requires to be put through Postal Ballot.

### Disclosures

The Whistle Blower & Vigil Mechanism Policy approved by the Board has been implemented and no personnel has been denied access for making disclosure or report under the Policy to the Vigilance Officer and/or Audit Committee.

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. Details of related party transactions are disclosed elsewhere in the Annual Report.

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.

### Compliance with Non- Mandatory Requirements

The Company has complied with all mandatory Corporate Governance requirements of Listing Regulations. The details of compliance with non-mandatory requirements as specified in Listing Regulations are as under:

**Audit Qualification** – The financial statements of the Company are unqualified.

### Means of Communication

The Company believes that all stakeholders should have access to adequate information, regarding the Company's position to enable them to accurately assess its future potential.

The Company has promptly reported all material information which could have a material bearing on the Company's share price 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](http://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 'Business Standard' and in a vernacular language newspaper 'Mumbai Lakshadeep (Marathi)' as per the requirements of the Stock Exchanges and requisite information are filed with Stock Exchange(s) in compliance with the SEBI Listing Regulations.

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

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

## 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 period from 1<sup>st</sup> April, 2015 to 30<sup>th</sup> November, 2015 as stipulated in Clause 49 of the Listing Agreement with the Stock Exchanges in India and from 1<sup>st</sup> December, 2015 to 31<sup>st</sup> March, 2016 as stipulated in Securities and Exchange Board of India ( Listing Obligations and Disclosure Requirements ) Regulations, 2015. (hereinafter referred as "Listing Regulations.")

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 Listing Agreement / Regulations.

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 and Co.,**  
Chartered Accountants  
Firm Registration Number 128249W

**CA B. S. Sharma**  
Proprietor  
FCA 031578

Place : Mumbai  
Date : 19<sup>th</sup> May, 2016



## GENERAL SHAREHOLDER INFORMATION

<b>1</b>	<b>Date, Time and Venue of Shareholder's Meeting</b>	Meeting Day and Date Time Venue	Annual General Meeting Saturday, 27 <sup>th</sup> August, 2016 2.00 p.m. Registered Office at Refinery Site, Shirpur 425 405, Dist. Dhule, Maharashtra
<b>2</b>	<b>Financial Year</b>	1 <sup>st</sup> April, 2015 to 31 <sup>st</sup> March 2016	
<b>3</b>	<b>Date of Book Closure</b>	Saturday, 20 <sup>th</sup> August, 2016 to Saturday, 27 <sup>th</sup> August, 2016 (both days inclusive)	
<b>4</b>	<b>Dividend Payment Date</b>	The Company has not declared any dividend for the financial year 2015-16.	
<b>5</b>	<b>Registered office / Plant Location</b>	Refinery Site, Shirpur, Dist. Dhule, Maharashtra - 425405 Tel: 02563 258001 Fax: 02563 261357 Website: www.shirpurgold.com	
<b>6</b>	<b>Corporate Office</b>	135, Continental Building, Dr. A.B. Road, Worli, Mumbai - 400 018 Tel: 022 7122 7436 Fax: 022 7122 7474 E-mail: investorinfo@shirpurgold.com	
<b>7</b>	<b>Listing on Stock Exchanges</b>	BSE Limited (BSE) National Stock Exchange of India Limited (NSE) The Company has paid Listing Fees for the financial year 2016-17 to the above stock exchanges.	
<b>8</b>	<b>Stock Code</b>	BSE	512289
		NSE	SHIRPUR-G
<b>9</b>	<b>ISIN No.</b>	Equity - INE196B01016	
<b>10</b>	<b>Corporate Identity Number</b>	L51900MH1984PLC034501	
<b>11</b>	<b>Registrar and Share Transfer Agent</b>	M/s Link Intime India Pvt.Ltd. C-13, Pannalal Silk Mills Compound, LBS Marg, Bhandup(West), Mumbai – 400 078. Tel : +91 22- 2594 6970 Fax : +91 22-2594 6969 E-Mail: rnt.helpdesk@linkintime.co.in	
<b>12</b>	<b>Investor Relation Officer</b>	Mr. Shyamal Padhiar, Company Secretary 135, Continental Building, Dr.A.B.Road, Worli, Mumbai - 400 018 Tel: 022 7122 7436 Fax: 022 7122 7474 E-mail: shyamal.padhiar@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 compulsorily traded in the Dematerialized form. As on 31<sup>st</sup> March 2016, 99.77 % of the total issued and paid-up Equity Share capital of the Company were held in Dematerialized form and the balance 0.23 % 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 16<sup>th</sup> December, 2010, there were no shares lying in the suspense account which are unclaimed/undelivered as on 31<sup>st</sup> March, 2016.

## 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

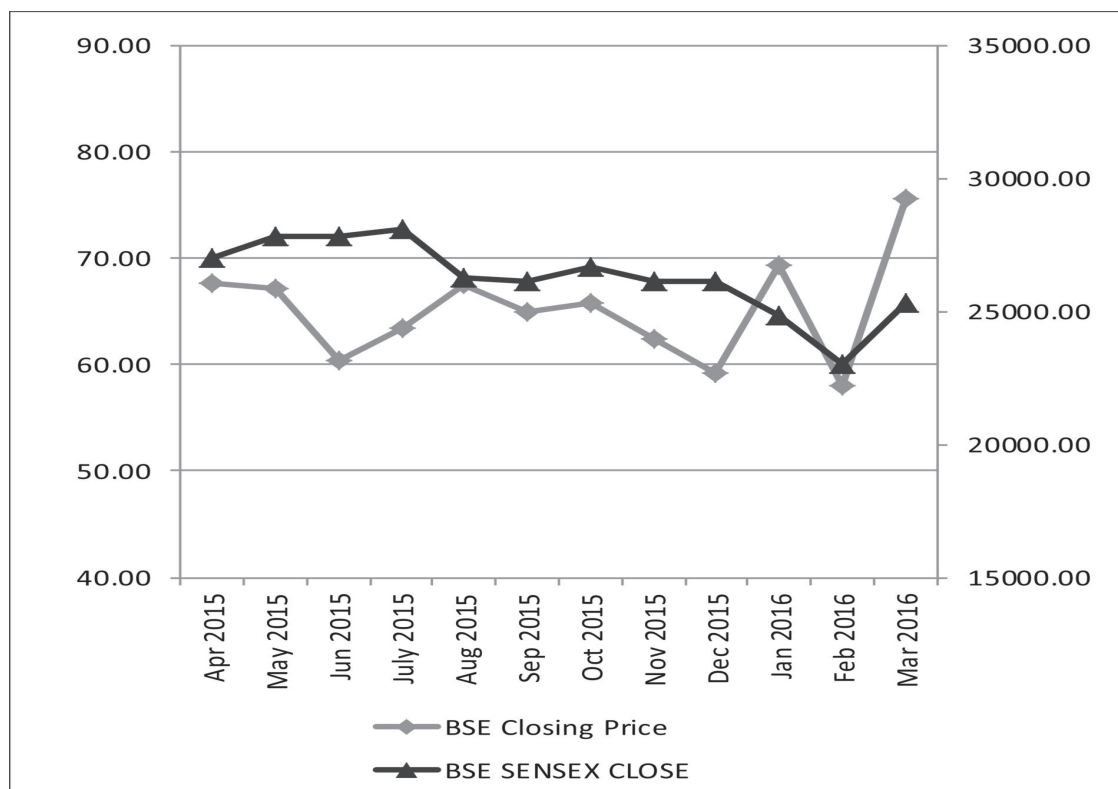
Monthly high and low Prices on BSE and NSE and volume traded for financial year 2015-2016 are:

	BSE			NSE		
	High (₹)	Low (₹)	Volume (In Nos.)	High (₹)	Low (₹)	Volume (In Nos.)
April 2015	89.70	64.10	1,77,478	89.30	64.35	2,09,645
May 2015	80.00	63.55	83,036	85.30	64.20	86,315
June 2015	67.35	56.00	2,15,487	71.50	55.65	1,56,135
July 2015	71.50	60.20	1,31,130	71.95	60.50	83,330
August 2015	83.25	54.30	2,20,303	79.90	54.70	2,37,941
September 2015	73.85	64.35	57,118	73.90	63.45	48,101
October 2015	69.00	64.50	91,242	71.95	61.80	66,894
November 2015	75.00	59.00	1,04,603	74.50	54.00	97,381
December 2015	64.00	55.25	2,03,070	62.75	54.70	95,525
January 2016	74.70	49.00	8,54,051	73.65	46.30	5,94,347
February 2016	70.50	54.75	4,35,082	69.90	55.45	4,17,545
March 2016	78.00	56.70	10,80,326	77.75	57.05	16,32,190

## 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 31,2016 :

No. of Equity Shares	Share Holders		No. of Shares	
	Number	% of Holders	Number	% of Shares
1 to 500	6423	83.98	8,57,564	2.94
501 to 1000	521	6.81	4,11,627	1.41
1001 to 5000	539	7.05	11,69,993	4.02
5001 to 10000	80	1.04	5,87,014	2.02
10001 to 20000	42	0.55	5,91,004	2.03
20001 to 30000	15	0.20	3,86,939	1.33
30001 to 40000	4	0.05	1,45,141	0.49
40001 to 50000	2	0.03	90,343	0.31
50001 to 100000	8	0.11	5,98,424	2.05
100001 and above	12	0.18	2,42,99,153	83.40
<b>TOTAL</b>	<b>7646</b>	<b>100.00</b>	<b>2,91,37,202</b>	<b>100.00</b>

## 21. Categories of Shareholders as on March 31,2016 :

Category	% Shareholding	No. Shares held
Promoters	72.71	2,11,85,703
Individuals	18.07	52,65,228
FII, OCBs and NRIs	2.77	8,06,386
Domestic Companies	5.62	16,38,790
Others	0.83	241,095
<b>TOTAL</b>	<b>100.00</b>	<b>2,91,37,202</b>

## 22. Particulars of Shareholding

Promoter Shareholding as on March 31,2016

Name of Shareholder	No of Equity Shares held	% of Shareholding
Jayneer Capital Private Ltd	2,11,85,703	72.71%

## 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 31.03.2016.

## 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.

## 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 STRUCTURE AND DEVELOPMENTS

India is unique in its consumption pattern of Gold as a commodity. The social and economic relevance of gold in the Indian household carries a far deeper meaning than in other large gold consuming countries of the world. Gold demand in India, although greatly driven by the domestic consumption in the form of jewellery is largely driven by the need to invest in gold as stock and a hedge against inflation. This value addition has led progress to the gold and jewellery industry, created an export market, earned valuable foreign exchange, generated employment in the whole value chain and contributed largely to the economic development. Gold jewellery, which is the preferred form of jewelry in India, contributes to over 20% of the world's gold consumption. The total gem and jewellery sector has contributed over 6% in the country's GDP over the years and is still considered of the fastest growing sectors. The gem and jewelry sector is export and labour oriented which makes it even more socio economically important. It is because of the size and potential that this sector holds an especially important position in the "Make in India" initiative of the Government of India

#### Global Scenario

Investor sentiment, impact of crude and oil price fluctuations and other world economic uncertainties have impacted the world gold market during FY 15-16.

During FY 2015-16, global gold demand both in terms of bullion and jewellery has been more or less stagnant. According to reports from World Gold Council, global gold demand stood at 4,212 tonnes (t), and global jewellery demand reported at 2414 tones. As per analysts, gold will continue to be balancing commodity in the entire basket of commodities and currencies.

#### Indian Scenario

The year has been of lackluster performance by Gold as a commodity either as an investment tool or as jewellery. The Government of India has launched four major initiatives in the Gold metal space and is still awaiting the desired results. Analysts have attributed the failure of monsoon and draughts across the country for this market scenario in Gold and jewellery. Analysts believe that a good monsoon with further administrative rationalization by the Government will bring about the change in the domestic gold scenario to compensate the demand downtrend of the past year.

#### 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 upto 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 company has also established a key market network for marketing its products at the most efficient transportation and storage costs. The jewellery range is also made specifically for domestic as well as international markets.

#### 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.

The company has introduced Additional systems and processes during the year in line of production, controls and energy management for greater efficiencies.

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

The Company is on the threshold of launching an entire new range of industrial value added products for the domestic and international market. These products would be an addition to the current product range of 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**

Gold demand is fuelled by traditional buying motivations, rising buyer incomes and the safe-haven concept drive. India's competitiveness in the export market is supported by availability of inexpensive and skilled labour, government support and product diversification. Jewellery demand is expected to see material gains as consumers take advantage of the lower price environment.

India is one of the few shining spots on an otherwise gloomy global economic map. While most of the global economies did not fare well in the past year, the process of economic recovery in India continued with the GDP growth

being one of the highest in the world. Renewed industrial activity, sustained low crude oil prices, favorable business sentiments, easing interest rates have spurred the economic growth. The government's promise to stick to the fiscal deficit target for the current year and reduce it for the next year bodes well for the Indian economy. Indian GDP grew at 7.3% for FY16 and is projected to grow at 7.5% in the next fiscal year.

The government's investor friendly policies and positive outlook on Gold as a commodity has further supported expected growth analysis. India is poised to be the hub of the global jewellery market because of its low costs and availability of high-skilled labour. India's gems and jewellery sector has been contributing in a big way to the country's foreign exchange earnings (FEEs). The Government of India has viewed the sector as a thrust area for export promotion.

The improvement in availability along with the reintroduction of low cost gold metal loans and likely stabilisation of gold prices at lower levels is expected to drive volume growth for jewellers over short to medium term. The demand for jewellery is expected to be significantly supported by the recent positive developments in the industry.

"Make in India" concept and the relaxations of restrictions from the Government has provided ease of trade and greater opportunity for growth in the segment. The Gold monetization scheme announced in the Union Budget 2015-16 will increase the supply and help in reducing imports of the precious metal in addition to keep the Current Account Deficit (CAD) under check. The sovereign gold bond, gold monetization scheme and India made gold coins will all ease the supply of gold in the domestic market and provide further opportunity to the domestic players including company who are technologically capable of producing the highest standards products. With additional efforts by the Government to bring the stored household gold into the market will further open avenues of maximum installed capacity.

The gold monetization scheme floated by government of India offers opportunity to NABL accredited refiners in terms of refining scrap gold from Indian households to enter the regularized market. The Company being one of the largest refiner accredited by NABL & BIS to capitalize this opportunity.

**C) Threats**

Availability of raw materials at cheaper rate, unorganized and fragmented players, illegal imports, volatility of gold prices, Government regulations, a slow down of global economy which may have impact on per capita income, are some of the major threats to the domestic and international gems and jewellery industry.

**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, raw material mix and commenced operations in other countries viz Dubai & Papua New Guinea through subsidiary companies. 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

With the Make in India approach and a positive outlook towards Gold as a commodity coupled with the Governments own initiatives in the area of Gold, the outlook for the company looks positive. The vagaries of the past few years resulting out of frequent and drastic changes in regulations and restrictions by the government are a thing of the past providing a longer visible path to chart the growth of the company. The major variables in the pricing i.e. Gold and US\$ are now more in the range which provides the stability in entering into trades with longer term commitments.

The Company's focus on (1) Backward integration (2) Strategic tie-ups/ off take deals and (3) Value addition products is likely to help company to improve operational performance, going forward. In addition, the contribution from its Dubai subsidiary from current fiscal along with the lower interest outgo would help in improving earnings growth.

Zee Gold DMCC, Dubai (100% subsidiary) has just started trading from current fiscal and tapping an opportunity in Africa, Latin America and Australia. The subsidiary company appointed Mr. Jeffrey Rhodes as CEO – a well known and respected person in the Global Bullion industry. Zee Gold DMCC is broker member of Dubai Gold & Commodities Exchange (DGEX).

Backward integration – a key through Precious Metals Mining & Refining Ltd., Papua New Guinea, (100 % step down subsidiary), by joining hands with dore supplier / miners would ensure continuous flow of raw materials. It already got export license and environment clearance from regulatory authorities in PNG.

#### **India - domestic opportunities**

The gold refining industry is looking forward to a modified gold deposit scheme from the RBI to mobilize a portion of the 25000 tonnes of gold held by the general public. The Company was accredited with Bureau of Indian Standards (BIS), license for use of BIS hallmark & NABL, one of the requirements for participating in the Gold Monetisation Scheme (GMS or Scheme). The Company is amongst first four refineries who has been permitted to participate in GMS. The scheme can offer an opportunity of domestic supplies of scrap for refining and Company (being Asia's largest refiner) stands to gain maximum benefit from this scheme. Launching of initiatives of the gold deposit scheme and India coin shows the government efforts to regularize gold. Additional procedural reforms and the ease of imports of the raw material would

eventually add to efficiency of the company. The company has already tied-up with private and public sector banks in India and expecting better margins, however, the gold monetization scheme is yet to start getting traction.

#### **Strong international presence**

The Company has taken various initiatives to improve global footprint gradually by analyzing the customer's requirement. The company has also created a strong customer base in the international market by having strong and solid channel partners in main hubs of UAE and Hongkong, the company stands to gain in the process of penetration of extended markets like Africa, Europe and USA.

## CERTIFICATION ON FINANCIAL STATEMENTS OF THE COMPANY

We, **Subhash Pareek**, Manager and **Archita Kothari**, 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, 2016 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 any statement 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, 2016 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 taken to rectify these deficiencies.
- d) During the year:
  - i) there has not been any significant change in internal control over financial reporting;
  - ii) there have not been any significant changes in accounting policies; and
  - iii) there have been no instances of significant fraud of which we are aware that involve management or other employees having significant role in the Company's internal control system over financial reporting.

**For Shirpur Gold Refinery Limited**

Place : Mumbai  
Date : May 19,2016

**Subhash Pareek**  
Manager

**Archita Kothari**  
Chief Financial Officer

## INDEPENDENT AUDITOR'S REPORT

To,  
The Members of  
SHIRPUR GOLD REFINERY LIMITED

### 1. Report on the Standalone Financial Statements

We have audited the accompanying standalone financial statements of **SHIRPUR GOLD REFINERY LIMITED ("the company")**, which comprise the Balance Sheet as at 31<sup>st</sup> March 2016, the Statement of Profit and Loss, Cash Flow Statement for the year then ended and a summary of significant accounting policies, notes and other explanatory information, which have been signed under reference to this report.

### 2. Management's Responsibility for the Standalone Financial Statements

The Company's Board of Directors is responsible for the matters in section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014. This responsibility also includes the 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 the 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 internal financial control, 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.

### 3. Auditor's Responsibility

Our responsibility is to express an opinion on these standalone financial statements based on our audit.

We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder.

We conducted our audit in accordance with the Standards on Auditing specified under section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. 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. In making those risk assessments, the

auditor considers internal financial control relevant to the Company's preparation of the financial statements that give true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by Company's Directors, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the standalone financial statements.

### 4. Emphasis of Matter

- Reference is invited to Note no. 39 relating to assignment of Sales Tax incentive of ₹/ Millions 904.89 to a body corporate for a consideration of ₹/Millions 352.06 and the transfer of the balance of ₹/Millions 552.83 to capital reserve.
- We draw attention to Note No. 47 wherein details about robbery of gold weighing 60 kgs during transit have been given. Gold in the possession of the police has been shown in closing inventory. As regards the balance of gold for which investigation by Law Enforcing Agencies is in progress, adjustment has been made in the accounts in respect of insurance claim of ₹/ Millions 112.29 and shown under "claim receivable". The loss if any on finalization of the claim will be adjusted in the statement of Profit and Loss of the subsequent years.

Our opinion is not modified in respect of the above matter.

### 5. Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India:

- In the case of the Balance Sheet, of the state of affairs of the Company as at 31<sup>st</sup> March, 2016;
- In the case of the Statement of Profit and Loss, of the profit of the Company for the year ended on that date; and
- In the case of the Cash Flow Statement, of the cash flows of the Company for the year ended on that date.

### 6. Report on other Legal and Regulatory Requirements

- As required by the 'Companies (Auditor's Report) Order, 2016 issued by the Central Government of India in terms of Section 143 (11) of the Act (hereinafter referred to as the "Order") and on the basis of such checks of the books and records of the Company as we considered appropriate and according to the information and explanations given to us, we give in the **Annexure "A"** a statement on the matters specified in paragraphs 3 and 4 of the Order.



- b. As required by section 143(3) of the Act, we report that:
- 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.
  - In our opinion proper books of account as required by law have been kept by the company so far as appears from our examination of those books.
  - The Balance Sheet, the Statement of Profit and Loss, and the Cash Flow Statement dealt with by this Report are in agreement with the books of accounts.
  - In our opinion, the aforesaid financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
  - On the basis of written representations received from the directors as on 31<sup>st</sup> March, 2016, taken on record by the Board of Directors, none of the directors is disqualified as on 31<sup>st</sup> March, 2016, from being appointed as a director in terms of Section 164(2) of the Act.
  - With respect to the adequacy of the internal financial Controls over financial reporting of the Company and the operating effectiveness of such

controls, refer to our separate Report in “Annexure B” and

- With respect to the other matters included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules 2014, in our opinion and to the best of our information and according to the explanations given to us:
  - The Company has disclosed the impact of pending litigations on its financial position in its financial statements – Refer Note 30 .
  - The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
  - There has been no amount required to be transferred to the Investor Education and Protection Fund by the Company during the year ended 31<sup>st</sup> March, 2016.

**For B S SHARMA & CO.,  
Chartered Accountants  
FR No. 128249W**

**CA B S SHARMA,  
PROPRIETOR,  
Membership No.031578**

**Place: Mumbai  
Dated: 19<sup>th</sup> May, 2016**

## **ANNEXURE “A” TO INDEPENDENT AUDITOR’S REPORT**

**(Referred to in para 6(a) 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 2016)**

### **i) Fixed Assets:**

- The company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
- The Company has a regular program of physical verification of its fixed assets, by which fixed assets are verified in phased manner designed to cover all the items during the year. In accordance with this program, fixed assets have been physically verified by the Management during the year and no material discrepancies were noticed on such verification. In our opinion, this program and periodicity is reasonable having regard to the size of the company and the nature of its assets.
- In our opinion and according to information and explanations given to us and on the basis of an examination of the records of the Company, the title deeds of immovable properties, as disclosed in Note no.10 on fixed assets to the financial statements, 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 procedure of such physical verification of inventories followed by the management is reasonable and adequate in relation to the size of the company and nature of its business. No material discrepancies were noticed on such physical verification of inventories as compared to book records

### **iii) Loans, secured or unsecured granted covered u/s 189 of the Act:**

According to the information and explanations given to us, the Company has not granted any secured or unsecured loans (except to its wholly owned subsidiary) covered in the Register maintained under Section 189 of the Act.

### **iv) Loan to directors, investment and guarantees u/s 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/guarantees given and investments made.

**v) Public Deposits:**

In our opinion and according to the information and explanations given to us, the company has not accepted deposits from the public in accordance with the provision of Sections 73 to 76 or any other relevant provisions of the Act and the rules framed there under.

**vi) Cost Records:**

According to the 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 this clause is not applicable.

**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, 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 31<sup>st</sup> March, 2016 for a period of more than six months from the date they became payable.

- b) According to the information and explanations given to us and the records of company examined by us, details of dues of Income tax, Sales tax, which have not been deposited as on 31st March, 2016 on account of dispute and/or under the State Government's MVAT Deferral Scheme and the export obligations to be fulfilled as per the terms of the import licenses, detailed hereunder:

- i. MVAT collected till the year end under Sales Tax Incentive Scheme of 1993 by the Government of Maharashtra, (Scheme PSI-1993) is considered in the Accounts as Deferred Sales Tax Liability and stated in Note 39. for the years ended 31st March 2011 to 31st March 2016 aggregating to ₹/Millions 904.89 is repayable in five respective equal annual installments starting from financial year 2021-22 to 2026-27. However, during the year the said liability has been assigned under an Agreement for Debt Defeasancing dated 31.03.2016 in respect of assignment of Deferred Sales Tax (MVAT entitlement) collection of ₹/ Millions 904.89 to a body corporate for a consideration at Net Present value of ₹/ Millions 352.06 and the difference of ₹/ Millions 552.83 between the such collection and

consideration paid has been credited to 'Capital Reserve'.

- ii. Sales Tax Demand for F.Y. 2004-05 of ₹/Millions 0.87 and F.Y. 2007-08 of ₹/Millions 0.59 against which ₹/Millions 0.10 and ₹/Millions 0.20 is deposited respectively and stay obtained pending hearing of the appeal and disposal.
- iii. Export Obligation under EPCG Scheme remaining to be fulfilled by financial year up to 2020-21, 2019-20 & 2020-21 respectively as stipulated in the licenses is ₹/Millions 68.69.

**iv. 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	0.62	2001 - 02	Income Tax Appellate Tribunal, Mumbai
Income Tax	157.92	2008 - 09	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, the Company has not defaulted during the year in repayment of dues to its financial institutions, bankers and Government. The Company did not have any outstanding debentures during the year.

**ix) Application Of term loans and public offers:**

The Company did not have any term loans outstanding during the year. The Company has not raised money by way of initial public offer or further public offer (including debt instruments) or borrowed any Term Loan during the year. Hence, this clause is not applicable.

**x) Frauds:**

In our opinion and according to the information and explanations given to us, no material fraud by the Company or on the Company by its officers or employees has been noticed or reported during the course of our Audit.

**xi) Managerial remuneration:**

According to the information & explanations given to us, managerial remuneration has been paid or provided in accordance with the requisite approvals mandated by the provisions of Section 197 read with Schedule V of 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, all transactions with the related parties are in compliance with the section 177 & 188 of the Act, and the details have been disclosed in the Financial statements as required by the applicable accounting standards.

**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.

**xv) Non-cash transactions with Directors:**

According to the information and explanations given to us and based on our examination of the records, the Company has not entered into non-cash transactions with directors or person connected with them.

**xvi) Registration with Reserve Bank of India:**

According to the information and explanations given to us, Company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934.

**For B S SHARMA & CO.,**  
**Chartered Accountants**  
**FR No. 128249W**

**CA B S SHARMA,**  
**PROPRIETOR,**  
 Membership No.031578  
 Place: Mumbai,  
 Dated: 19<sup>th</sup> May, 2016

## **ANNEXURE “B” TO INDEPENDENT AUDITOR’S REPORT**

**(Referred to in para 6(b)(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 2016)**

**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 31<sup>st</sup> March, 2016 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 Act.

**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 31<sup>st</sup> March, 2016, 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**  
**FR No. 128249W**

**CA B S SHARMA,**  
**PROPRIETOR,**  
 Membership No.031578  
 Place: Mumbai,  
 Dated: 19<sup>th</sup> May, 2016

## BALANCE SHEET AS AT 31<sup>ST</sup> MARCH, 2016

(₹ Millions)

PARTICULARS	Note	2016	2015
<b>EQUITY AND LIABILITIES</b>			
<b>Shareholders' Funds</b>			
(a) Share Capital	1	291.37	291.37
(b) Reserves and Surplus	2	2,959.51	2,269.18
		<b>3,250.88</b>	<b>2,560.55</b>
<b>Non-Current Liabilities</b>			
(a) Long-Term Borrowings	3	491.90	945.92
(b) Other Long-Term Liabilities	4	28.81	30.03
(c) Long-Term Provisions	5	6.67	4.63
		<b>527.38</b>	<b>980.58</b>
<b>Current Liabilities</b>			
(a) Short-Term Borrowings	6	1,839.35	875.71
(b) Trade Payables	7	4,573.55	5,650.64
(c) Other Current Liabilities	8	62.91	84.30
(d) Short-Term Provisions	9	49.27	42.96
		<b>6,525.08</b>	<b>6,653.61</b>
<b>TOTAL</b>		<b>10,303.34</b>	<b>10,194.74</b>
<b>ASSETS</b>			
<b>Non-Current Assets</b>			
(a) Fixed Assets	10		
- Tangible		1,709.85	1,741.60
(b) Non-Current Investments	11	393.94	341.89
(c) Deferred Tax Assets (net)	12	491.61	514.10
(d) Long-Term Loans and Advances	13	4.83	5.44
(e) Other Non-Current Assets	14	47.40	19.14
		<b>2,647.63</b>	<b>2,622.17</b>
<b>Current Assets</b>			
(a) Inventories	15	1,416.68	741.83
(b) Trade Receivables	16	2,804.86	4,520.54
(c) Cash and Bank Balances	17	679.29	1,740.87
(d) Short-Term Loans and Advances	18	2,754.88	569.33
		<b>7,655.71</b>	<b>7,572.57</b>
<b>TOTAL</b>		<b>10,303.34</b>	<b>10,194.74</b>

Notes Forming Part of Financial Statement

1 to 50

In terms of our report of even date attached

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

Chartered Accountants

FR.No.128249W

CA B S SHARMA,  
Proprietor  
Membership No. 031578  
Place : Mumbai  
Date : 19th May 2016

**For & on behalf of the Board of Directors**

Amit Goenka - Director  
V. K. Agarawal - Director  
Subhash Pareek - Manager  
Archita Kothari - CFO  
Shyamal Padhiar - Company Secretary



## STATEMENT OF PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31 ST MARCH, 2016

		(₹ Millions)	
PARTICULARS	Note	2016	2015
<b>REVENUE</b>			
(a) Revenue from Operations	19	39,239.42	33,062.59
Less - Excise		286.01	850.99
Net Revenue		<b>38,953.41</b>	<b>32,211.60</b>
(b) Other Income	20	39.76	10.50
<b>TOTAL</b>		<b>38,993.17</b>	<b>32,222.10</b>
<b>EXPENDITURE</b>			
(a) Cost of Materials Consumed	21	38,770.48	27,018.46
(b) Purchase of Stock-in-Trade	22	-	4,229.72
(c) Changes in Inventories of Finished Goods, Work-in-Progress and Stock-in-Trade	23	(822.03)	(40.42)
(d) Employee Benefit Expense	24	59.71	45.97
(e) Finance Costs	25	547.29	492.06
(f) Depreciation & Amortization Expense	26	66.84	86.81
(g) Other Expenses	27	166.37	172.72
<b>TOTAL</b>		<b>38,788.66</b>	<b>32,005.32</b>
<b>Profit Before tax</b>		<b>204.51</b>	<b>216.78</b>
Less : Tax Expense			
Current Tax under MAT		44.52	41.50
Deferred Tax Liability		(22.49)	(20.92)
<b>Profit After Tax</b>		<b>137.50</b>	<b>154.36</b>
<b>Earning per Equity Share of face value of Rs. 10/- each</b>			
Basic and Diluted	38	4.72	5.30
Notes Forming Part of Financial Statements	1 to 50		

In terms of our report of even date attached

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

Chartered Accountants

FR.No.128249W

CA B S SHARMA,  
Proprietor  
Membership No. 031578  
Place : Mumbai  
Date : 19th May 2016

**For & on behalf of the Board of Directors**

Amit Goenka - Director  
V. K. Agarawal - Director  
Subhash Pareek - Manager  
Archita Kothari - CFO  
Shyamal Padhiar - Company Secretary

## CASH FLOW STATEMENT FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2016

		(₹ Millions)	
PARTICULARS	2016	2015	
<b>A CASH FLOW FROM OPERATING ACTIVITIES :</b>			
Profit before Tax	204.51	216.77	
Adjustment for :			
Depreciation and Amortization Expenses	66.84	86.81	
Finance Cost (Net)	547.29	492.07	
Net Gain on exchange difference	188.74	(217.21)	
Excess Provision / Liabilities written back	4.08	(9.93)	
Dividend Received	(0.03)	(0.03)	
<b>Operating Profit before Working Capital Changes</b>	<b>1,011.43</b>	<b>568.48</b>	
Adjustment for :			
<b>Change in Current Assets &amp; Current Liabilities</b>			
(Increase) / Decrease in Inventory	(674.85)	(86.89)	
(Increase)/ Decrease in Short Term Loans & Advances	(2,253.18)	1,677.12	
(Increase)/ Decrease in Trade Receivables	1,551.39	(2,936.89)	
Increase/(Decrease) in Long Term Liabilities & Provisions	0.83	2.60	
Increase/(Decrease) in Trade Payables & Current Liabilities	(1,097.56)	1,553.95	
<b>Cash Generated from Operation</b>	<b>(2,473.37)</b>	<b>209.89</b>	
<b>Net Cash flow from Operating Activities</b>	<b>(1,461.94)</b>	<b>778.38</b>	
<b>B CASH FLOW FROM INVESTING ACTIVITIES :</b>			
Purchase of Fixed Assets	(35.11)	(8.23)	
Preoperative Expenses	(1.62)	(3.28)	
Dividend Received	0.03	0.03	
Investment in Foreign Subsidiaries	(52.05)	(2.53)	
<b>Net Cash Generated in Investing Activities</b>	<b>(88.75)</b>	<b>(14.02)</b>	
<b>C CASH FLOW FROM FINANCING ACTIVITIES :</b>			
Finance Cost (Net)	(547.29)	(492.07)	
Investment in Fixed Deposits	1,187.29	(1,071.84)	
Increase/(Decrease) in Long Term Borrowings	98.80	217.40	
Increase/(Decrease) in Short Term Borrowings	963.64	367.53	
Increase/(Decrease) in Long Term Loans and Advances	(4.08)	(1.47)	
<b>Net Cash Generated in Financing Activities</b>	<b>1,698.36</b>	<b>(980.45)</b>	
<b>NET CASH FLOW DURING THE YEAR (A+B+C)</b>	<b>147.67</b>	<b>(216.09)</b>	
<b>Cash and cash equivalents at the beginning of the year*</b>	<b>92.99</b>	<b>309.08</b>	
<b>Cash and cash equivalents at the end of the year*</b>	<b>240.66</b>	<b>92.99</b>	

### NOTES :

- Cash Flow Statement has been prepared under the indirect method as set out in the Accounting Standard AS-3 "Cash Flow Statements" as specified in the Companies (Accounting Standards) Rules, 2006.
- Fixed deposit beyond a year's maturity is shown in Note 14 as Other Non-current asset.
- 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

FR.No.128249W

CA B S SHARMA,

Proprietor

Membership No. 031578

Place : Mumbai

Date : 19th May 2016

**For & on behalf of the Board of Directors**

Amit Goenka

- Director

V. K. Agarawal

- Director

Subhash Pareek

- Manager

Archita Kothari

- CFO

Shyamal Padhiar

- Company Secretary

## NOTES FORMING PART OF FINANCIAL STATEMENTS

### 1. Share Capital

(₹ Millions)

Particulars	2016	2015
Authorised		
35,000,000 (35,000,000) Equity Shares of ₹ 10/- each	350.00	350.00
Issued, Subscribed and fully Paid up		
29,137,202 (29,137,202) Equity Shares of ₹ 10/- each, fully paidup	291.37	291.37
<b>Total</b>	<b>291.37</b>	<b>291.37</b>

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

Particulars	2016		2015	
	Number	₹ Millions	Number	₹ Millions
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 shares held by its holding company

Particulars	Nature of Relationship	% of Holding	2016	2015
			Number	Number
Jayneer Capital Private Limited	Holding Company	72.71%	21,185,703	21,185,703

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

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

#### (d) Terms/Rights attached to Equity Shares

The company has only one class of shares referred to as equity shares having a par value of Rs 10 per share. All the shares are ranking pari- passu in all respect. 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.

#### (e) In the preceding five years, 13,574,202 Equity Shares of Rs. 10/- each fully paid up out of total issued, subscribed and paid up share capital allotted are without payments being received in cash pursuant to the Scheme of amalgamation as approved by the Hon'ble Bombay High Court vide order dated 11th June, 2010.

#### (f) Neither bonus shares are issued nor any shares bought back during the five years preceding 31st March 2016.

## NOTES FORMING PART OF FINANCIAL STATEMENTS

### 2. Reserves and Surplus

(₹ Millions)

Particulars	2016	2015
Capital Reserve (Refer Note 39)	552.83	-
Securities Premium Account	1,435.00	1,435.00
General Reserve	1,068.59	1,068.59
Surplus /(Deficit) in Statement of Profit and Loss		
As per Last Balance Sheet (Deficit)	(234.41)	(383.78)
Add: Net Profit for the year	137.50	154.36
Less : Depreciation adjustment as per Schedule II as per Companies Act, 2013	-	(7.55)
Add : Deferred Tax on depreciation as above	-	2.56
Net (Deficit)	(96.91)	(234.41)
<b>Total</b>	<b>2,959.51</b>	<b>2,269.18</b>

### 3. Long-Term Borrowings - Unsecured

(₹ Millions)

Particulars	2016	2015
Sales Tax Deferment Scheme-Government of Maharashtra (Refer Note 39)	0.01	496.02
Loans and advances	491.89	449.90
<b>Total</b>	<b>491.90</b>	<b>945.92</b>

### 4. Other Long-Term Liabilities

(₹ Millions)

Particulars	2016	2015
Other Payables *	13.61	13.63
Advances from others	15.20	16.40
<b>Total</b>	<b>28.81</b>	<b>30.03</b>

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

### 5. Long-Term Provisions

(₹ Millions)

Particulars	2016	2015
Provision for employee benefits (unfunded)		
Gratuity	4.97	3.36
Leave benefits	1.70	1.27
<b>Total</b>	<b>6.67</b>	<b>4.63</b>

## NOTES FORMING PART OF FINANCIAL STATEMENTS

### 6. Short-Term Borrowings (₹ Millions)

Particulars	2016	2015
Loans from banks*	1,764.91	767.21
Unsecured	74.44	108.50
<b>Total</b>	<b>1,839.35</b>	<b>875.71</b>

\*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.

### 7. Trade Payables (₹ Millions)

Particulars	2016	2015
Sundry Creditors for Materials	4,573.55	5,650.64
<b>Total</b>	<b>4,573.55</b>	<b>5,650.64</b>

### 8. Other Current Liabilities (₹ Millions)

Particulars	2016	2015
Statutory Dues payable	1.75	2.36
Sundry Creditors for General Purchase & Expenses*	34.43	40.66
Advance from customers	26.73	41.28
<b>Total</b>	<b>62.91</b>	<b>84.30</b>

\*Out of total Sundry Creditors for General Purchases and Expenses of ₹ Millions 48.04 (54.30), ₹ Millions 34.43 (40.66) represents current portion and ₹ Millions 13.61 (13.63) represents non current portion as shown in note 4 above.

### 9. Short Term Provisions (₹ Millions)

Particulars	2016	2015
Provision for employee benefits		
Contribution to PF	0.25	0.42
Contribution to ESIC	0.01	0.01
Gratuity	0.59	0.45
Leave benefits	0.66	0.58
Provision for Income Tax	47.76	41.50
<b>Total</b>	<b>49.27</b>	<b>42.96</b>



## NOTES FORMING PART OF FINANCIAL STATEMENTS

### 10 FIXED ASSETS

Particulars	GROSS BLOCK				DEPRECIATION			NET BLOCK	
	As at 01st April 2015	Additions	Deductions	As at 31st March 2016	As at 01st April 2015	For the Year	Deductions	As at 31st March 2016	As at 31st March 2015
Freehold Land	5.45	-	-	5.45	-	-	-	5.45	5.45
Land Development	26.57	-	-	26.57	20.11	0.27	-	20.38	6.46
Buildings - Factory	160.38	0.51	-	160.89	113.18	2.62	-	115.80	47.20
Other Building	143.84	-	-	143.84	65.22	0.99	-	66.21	78.62
Plant & Machinery	3,060.65	33.78	-	3,094.43	1,485.12	58.34	-	1,543.46	1,575.52
Electrical Installation Factory	59.04	-	-	59.04	49.01	2.03	-	51.04	10.04
Airport Complex	52.69	-	-	52.69	39.20	0.71	-	39.91	13.49
Office Equipment	7.20	0.42	-	7.62	6.12	0.40	-	6.52	1.08
Furniture & Fixtures	43.21	0.18	0.01	43.38	42.64	0.34	-	42.98	0.57
Electrical Installation Others	14.10	0.04	-	14.14	13.30	0.10	-	13.40	0.81
Computers	22.01	0.18	-	22.19	19.66	1.04	-	20.70	2.35
Vehicles	0.41	-	-	0.41	0.40	-	-	0.40	0.01
<b>Current Year</b>	<b>3,595.55</b>	<b>35.11</b>	<b>0.01</b>	<b>3,630.65</b>	<b>1,853.96</b>	<b>66.84</b>	-	<b>1,920.80</b>	<b>1,741.60</b>
<b>Previous Year</b>	<b>3,587.32</b>	<b>8.23</b>	-	<b>3,595.55</b>	<b>1,760.87</b>	<b>85.54</b>	-	<b>1,741.60</b>	-

Note :

Pursuant to the enactment of the Companies Act 2013, the company has applied the estimated useful life, as specified in Schedule II, except in respect of certain assets as disclosed in Note no. 28(5) of Accounting policy on Depreciation and Amortisation. Accordingly the unamortised carrying value is being depreciated/amortised over the revised /remaining useful lives.

## NOTES FORMING PART OF FINANCIAL STATEMENTS

<b>11. Non Current Investments (Valued at cost unless otherwise stated)</b>	<b>(₹ Millions)</b>	
<b>Particulars</b>	<b>2016</b>	<b>2015</b>
In Wholly owned Subsidiary - Unquoted		
18450 (100) Equity Shares of Zee Gold DMCC of AED 1000 each	337.28	2.43
100000 (602010) Equity shares of Shirpur Gold Mining Co. Pvt Ltd of US \$ 10 each	56.34	339.14
In others - Unquoted		
8500 (8500) Equity Shares of Shirpur People Co-op. Bank Ltd. of Rs. 10/- each, fully paid up	0.21	0.21
Investment in Gold	0.11	0.11
<b>Total</b>	<b>393.94</b>	<b>341.89</b>
Aggregate amount of unquoted investments	393.83	341.78
<b>12. Deferred Tax Assets (Net)</b>	<b>(₹ Millions)</b>	
<b>Particulars</b>	<b>2016</b>	<b>2015</b>
As per last year Balance Sheet	514.10	532.46
Add : Deferred Tax Assets		
Arising out of timing difference of depreciation, losses and expenses	25.17	29.54
Depreciation/Amortisation as per Schedule II of Companies Act, 2013	-	2.56
Less : Deferred Tax Liability		
Timing difference in employees retirement benefits	47.66	50.46
<b>Total</b>	<b>491.61</b>	<b>514.10</b>
<b>13. Long-Term Loans and Advances (Unsecured, considered good )</b>	<b>(₹ Millions)</b>	
<b>Particulars</b>	<b>2016</b>	<b>2015</b>
Security Deposits	4.83	5.44
<b>Total</b>	<b>4.83</b>	<b>5.44</b>
<b>14. Other Non-Current Assets (Unsecured and considered good)</b>	<b>(₹ Millions)</b>	
<b>Particulars</b>	<b>2016</b>	<b>2015</b>
Stamp duty for merger	-	0.01
Preoperative expenses - Mines	19.31	17.68
Others	6.10	1.42
Fixed Deposit with Banks *	21.99	0.03
<b>Total</b>	<b>47.40</b>	<b>19.14</b>
* Fixed Deposits with Banks represents non current portion (Refer note 17 below for current portion)		

## NOTES FORMING PART OF FINANCIAL STATEMENTS

<b>15. Inventories (Valued at lower of cost or realisable value)</b>	<b>(₹ Millions)</b>	
<b>Particulars</b>	<b>2016</b>	<b>2015</b>
Raw Materials	220.66	370.44
Work-in-progress	266.24	87.98
Finished goods	917.94	274.17
Stores and spares	11.84	9.24
<b>Total</b>	<b>1,416.68</b>	<b>741.83</b>
<b>16. Trade Receivables (Unsecured and considered good)</b>	<b>(₹ Millions)</b>	
<b>Particulars</b>	<b>2016</b>	<b>2015</b>
Over six months	-	32.17
Others	2,804.86	4,488.37
<b>Total</b>	<b>2,804.86</b>	<b>4,520.54</b>
<b>17. Cash and Bank Balances</b>	<b>(₹ Millions)</b>	
<b>Particulars</b>	<b>2016</b>	<b>2015</b>
<b>Cash and Cash Equivalents</b>		
Balances with Banks -		
In Current accounts	239.82	92.24
In Deposit accounts	383.10	1356.92
Cash in hand	0.84	0.75
	623.76	1449.91
<b>Other Bank Balances</b>		
Balances with Banks		
In Deposit accounts	77.52	290.99
Less : Non current portion of Fixed Deposits (Refer note 14)	21.99	0.03
	55.53	290.96
<b>Total</b>	<b>679.29</b>	<b>1,740.87</b>
<b>18. Short-term loans and advances (Unsecured and considered good)</b>	<b>(₹ Millions)</b>	
<b>Particulars</b>	<b>2016</b>	<b>2015</b>
Prepaid Expenses	79.49	123.15
Advance to suppliers	205.70	144.71
Advance income tax / refund due	43.82	18.35
Loan to subsidiaries	1,677.60	3.32
Claims receivable *	686.85	279.12
Others	61.42	0.68
<b>Total</b>	<b>2,754.88</b>	<b>569.33</b>

\* Claims receivable includes forward premium receivable on forward exchange contract of Rs/Millions 59.50 (10.94).

## NOTES FORMING PART OF FINANCIAL STATEMENTS

<b>19. Revenue from Operations</b>	<b>(₹ Millions)</b>	
Particulars	2016	2015
Sale of products		
Traded Goods	-	4,415.27
Manufactured Goods		
Local Sales	36,931.36	21,677.34
Export Sales	2,073.53	6,579.63
Total	39,004.89	32,672.24
Less : Excise Duty	286.01	850.99
Net Sales	38,718.88	31,821.25
Other operating revenues *	234.53	390.35
<b>Total</b>	<b>38,953.41</b>	<b>32,211.60</b>
* Other operating revenues includes Gain from forward contract of ₹ Millions 16.69 (44.70) and forex gain on trade receivable and trade payable of ₹ Millions 159.34 (184.82 ).		
<b>20. Other Income</b>	<b>(₹ Millions)</b>	
Particulars	2016	2015
Dividend income	0.03	0.03
Balance written back	0.78	9.94
Foreign exchange gain (Net)	29.41	0.42
Other income	9.54	0.11
<b>Total</b>	<b>39.76</b>	<b>10.50</b>
<b>21. Cost of Material Consumed</b>	<b>(₹ Millions)</b>	
Particulars	2016	2015
Inventory at the beginning of the year	370.44	326.55
Add: Purchases	38,606.46	27,051.50
	<b>38,976.90</b>	<b>27,378.05</b>
Less: Inventory at the end of the year (includes stock in transit of ₹ Millions 140.05 (₹ Millions 206.23)	220.66	370.44
Cost of raw material consumed	<b>38,756.24</b>	<b>27,007.61</b>
Other materials ( Stores and Spares)	14.24	10.85
<b>Total</b>	<b>38,770.48</b>	<b>27,018.46</b>
<b>Break up of Raw Materials consumed</b>	<b>(₹ Millions)</b>	
Particulars	2016	2015
Gold	38,733.46	26,997.53
Silver	22.78	10.08
Other materials ( Stores and Spares)	14.24	10.85
<b>Total</b>	<b>38,770.48</b>	<b>27,018.46</b>
<b>22. Purchase of Stock-in-Trade</b>	<b>(₹ Millions)</b>	
Particulars	2016	2015
Gold	-	4,229.72
<b>Total</b>	<b>-</b>	<b>4,229.72</b>

## NOTES FORMING PART OF FINANCIAL STATEMENTS

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

<b>a. Inventory at the end of the year</b>		(₹ Millions)
<b>Particulars</b>	<b>2016</b>	<b>2015</b>
Stock in Trade		
Gold	-	9.98
Silver	-	-
Work in Progress		
Gold	266.24	87.98
Silver	-	-
Finished Goods		
Gold	917.57	263.25
Silver	0.37	0.94
<b>Total</b>	<b>1,184.18</b>	<b>362.15</b>
<b>b. Inventory at the beginning of the year</b>		(₹ Millions)
<b>Particulars</b>	<b>2016</b>	<b>2015</b>
Stock in Trade		
Gold	9.98	273.67
Work in Progress		
Gold	87.98	17.60
Finished Goods		-
Gold	263.25	29.36
Silver	0.94	1.10
<b>Total</b>	<b>362.15</b>	<b>321.73</b>
<b>c. Net (a - b)</b>	<b>(822.03)</b>	<b>(40.42)</b>

<b>24. Employee Benefit Expenses</b>	(₹ Millions)	
<b>Particulars</b>	<b>2016</b>	<b>2015</b>
Salaries & wages	54.92	41.49
Contribution to provident & other funds	3.17	2.53
Staff welfare expenses	1.62	1.95
<b>Total</b>	<b>59.71</b>	<b>45.97</b>

<b>25. Finance Costs</b>	(₹ Millions)	
<b>Particulars</b>	<b>2016</b>	<b>2015</b>
Interest expense (Net) (Refer note 40)	189.88	169.66
Bank charges	100.00	91.83
Other financial charges	257.41	230.57
<b>Total</b>	<b>547.29</b>	<b>492.06</b>



## NOTES FORMING PART OF FINANCIAL STATEMENTS

<b>26. Depreciation and Amortization Expenses</b>	<b>(₹ Millions)</b>	
<b>Particulars</b>	<b>2016</b>	<b>2015</b>
Depreciation	66.84	85.54
Preliminary Expenses written off	-	1.27
<b>Total</b>	<b>66.84</b>	<b>86.81</b>
<b>27. Other Expenses</b>	<b>(₹ Millions)</b>	
<b>Particulars</b>	<b>2016</b>	<b>2015</b>
Rent	5.45	4.76
Repairs to plant & machinery	1.49	1.00
Repairs to buildings	0.04	0.55
Insurance	6.62	2.99
Rates and taxes	0.11	0.08
Power and fuel	12.68	12.01
Auditors' Remuneration	2.11	1.53
Prior period expenses	0.67	1.92
Corporate Social Responsibility expenses (Refer Note 48)	1.91	-
Miscellaneous expenses	135.29	147.88
<b>Total</b>	<b>166.37</b>	<b>172.72</b>

## NOTES FORMING PART OF FINANCIAL STATEMENTS

### 28. CORPORATE INFORMATION

Shirpur Gold Refinery Limited is incorporated in the state of Maharashtra, India. The Company has been in the business of manufacturing and trading of gold bars, gold coins, gold jewellery and export of gold jewellery.

### 29. SIGNIFICANT ACCOUNTING POLICIES

#### 1) Basis of Preparation

The financial statements are prepared on going concern basis in accordance with Generally Accepted Accounting Principles in India (Indian GAAP) and comply in all material aspects with its accounting standards specified under Section 133 of the Companies Act, 2013 (Act) read with Rule 7 of the Companies (Accounts) Rules, 2014, the provisions of the Act (to the extent notified) and guidelines issued by the Securities and Exchange Board of India (SEBI). The financial statements have been prepared on accrual basis and under the historical cost convention. The accounting policies adopted in the preparation of the financial statements are consistent with those of previous year.

#### 2) Use of Estimates

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

#### 3) Revenue Recognition

- 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.

#### 4) Tangible Fixed Assets

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

### 5) Depreciation / Amortization

#### Tangible assets

Depreciable amount for tangible fixed assets is the cost of an asset, or other amount substituted for cost, less its estimated residual value.

Based on an independent technical evaluation, the useful life of following fixed assets have 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
Concreat Road – GB	60 Years
Airport Complex	30 Years
Plant & Machinery	05-40 years

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

#### Intangible assets

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

### 6) Impairment of Assets

At each Balance Sheet date, the Company reviews the carrying amount of assets to determine whether there is an indication that those assets have suffered impairment loss. If any such indication exists, the recoverable amount of assets is estimated in order to determine the extent of impairment loss. The recoverable amount is higher of the net selling price and value in use, determined by discounting the estimated future cash flows expected from the continuing use of the asset to their present value.

### 7) 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

## NOTES FORMING PART OF FINANCIAL STATEMENTS

other costs incurred in bringing the inventories to their present form.

### 8) 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.

### 9) Borrowing Cost

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

### 10) 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.

### 11) Transactions in Foreign Exchange

- Initial recognition :** Foreign currency transactions are accounted at the exchange rate prevailing on the date of such transactions.
- Measurement of Foreign Currency items at the Balance Sheet date :** Foreign currency monetary 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 amortised 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..

### 12) Retirement Benefits

- Short-term employee benefits are expensed at the undiscounted amount in the Statement of Profit and Loss in the year the employee renders the service.
- Post employment and other long-term employee benefits are recognized as an expense in the Statement of Profit and Loss at the present value of the amount payable determined using actuarial valuation techniques in the year the employee renders the service. Actuarial gains and losses are charged to the Statement of Profit and Loss.
- Payment to defined contribution retirement benefit schemes are recognized as an expense in the Statement of Profit and Loss, when due.

### 13) Accounting for taxes on Income

- Current Tax is determined as the amount of tax payable in respect of taxable income as per the provisions of the Income Tax Act, 1961.
- Deferred tax is recognized, subject to consideration of prudence in respect of deferred tax asset, on timing difference, being the difference between taxable income and accounting income that originate in one period and are capable of reversal in one or more subsequent periods and measured using relevant enacted tax rates and laws.
- Minimum Alternate Tax (MAT) paid in accordance with tax laws, which give rise to future economic benefits in the form of adjustment of future tax liability, is recognized as an asset only when, there is a virtual certainty based on convincing evidence, it is probable that the future economic benefits associated with it will flow to the Company and the assets can be measured reliably.

### 14) Earnings per share

Basic EPS is computed and disclosed using the weighted

## NOTES FORMING PART OF FINANCIAL STATEMENTS

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

### 15) 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.

### 16) 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.

### 17) 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.

### 18) Preliminary Expenses

Preliminary expenses are amortized over a period of 5 years.

## 30. CONTINGENT LIABILITIES AND COMMITMENTS

### Contingent Liabilities

(₹ Millions)

	Particulars	2016	2015
1	Estimated amount of Export obligation to be fulfilled under EPCG *	68.69	1,930.85
2	Disputed Sales Taxes **	1.46	1.46
3	Disputed Direct Taxes ***	158.54	161.86

\* The company had imported Plant & Machineries at concessional rate of duty in the Financial Year 2012-13,

2013-14 & 2014-15 under EPCG licenses with an obligation to export up to Year 2020-21, 2019-20 & 2020-21 respectively as stipulated in the licenses.

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

\*\*Sales Tax Matters under appeal for the FY- 2004-05 & FY- 2007-08 and stay granted. Against demand of ₹/Millions 1.46, payment of ₹/Millions 0.30 is deposited.

\*\*\* 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 its tax cases will be decided in its favour and hence no provision is considered at this stage.

## 31. COMMITMENTS

(₹ Millions)

Particulars	2016	2015
Bank Guarantees issued by banks & balance outstanding at year end [against the said bank guarantees ₹/Millions 455.36 (507.14) has been kept as margin money]	4,289.10	4,617.59

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

### Raw Material Consumed

(₹ Millions)

Particulars	2016	2015
Imported	3,008.73	10,805.75
Indigenous	35,747.51	16,201.86
<b>TOTAL</b>	<b>38,756.24</b>	<b>27,007.61</b>

## 33. INVENTORY AND TURNOVER

(₹ Millions)

Gold	Sales Value	Closing Inventory	Opening Inventory
Manufactured Goods	38,718.88	1,404.84	722.61
	(27,405.98)	(722.61)	(374.61)
Traded Goods	-	-	9.98
	(4,415.27)	(9.98)	(273.67)
<b>TOTAL</b>	38,718.88	1,404.84	732.59
	(31,821.25)	(732.59)	(648.28)

(₹ Millions)

Stores & Spares	Closing Inventory	Opening Inventory
Stores and Spares Consumed	11.84	9.24
	(9.24)	(6.64)

## NOTES FORMING PART OF FINANCIAL STATEMENTS

### 34. EARNINGS IN FOREIGN EXCHANGE

(₹ Millions)

Particulars	2016	2015
FOB Value of Export	2,072.42	6,527.76
Interest Income	30.69	-

### 35. (A) EXPENDITURE IN FOREIGN CURRENCY

(₹ Millions)

Particulars	2016	2015
Travelling and Related Expenses	2.71	1.14
Consultancy Fees	0.10	1.07

### (B) CIF Value of Imports

(₹ Millions)

Particulars	2016	2015
Import of Gold	3,332.20	10,734.11
Capital Equipments & others	0.83	33.67

### 36. 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	2016	2015
Salary and allowances	1.20	0.99

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

### 37. PAYMENT TO AUDITORS

(₹ Millions)

Particulars	2016	2015
Audit Fee	1.26	1.23
Tax Audit Fee	0.11	0.11
Other Services & reimbursement of expenses	0.74	0.19
<b>TOTAL</b>	<b>2.11</b>	<b>1.53</b>

### 38. EARNINGS PER SHARE

(₹ Millions)

Particulars	2016	2015
Profit after tax available for appropriation to equity shareholders	137.50	154.36
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 ₹)	4.72	5.30

39. MVAT collected till the year end under Sales Tax Incentive Scheme of 1993 by the Government of Maharashtra, (Scheme PSI-1993) is considered in the Accounts as Deferred Sales Tax Liability for the years ended 31st March 2011 to 31st March 2016 aggregating to ₹/Millions 904.89 is repayable in five respective equal annual installments starting from financial year 2021-22 to 2026-27. However, during the year the said liability has been assigned under an Agreement for Debt Defeasancing dated 31.03.2016 in respect of assignment of Deferred Sales Tax (MVAT entitlement) collection of ₹/ Millions 904.89 to a body corporate for a consideration at Net Present value of ₹/ Millions 352.06 and the difference of ₹/ Millions 552.83 between the such collection and consideration paid has been credited to 'Capital Reserve'.

40. Interest expense is net of interest income of ₹/ Millions 78.65 (59.75).

41. 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	2016	2015
Payables	972.90	672.07
Receivables	-	-

Figures indicated in Indian Rupees have been restated as per the RBI reference rate as on 31<sup>st</sup> March, 2016.

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

(₹ Millions)

Particulars	2016	2015
Currency Future Contract	1,928.50	227.20
MCX Commodity	526.14	172.98

### 42. SEGMENT REPORTING

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

### 43. MICRO, SMALL AND MEDIUM ENTERPRISES

The Company has no dues to Micro, Small and Medium enterprises as at 31<sup>st</sup> March, 2016, 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.

### 44. EMPLOYEE BENEFITS

As per Accounting Standard 15 "Employee Benefits", the disclosures are as under :

## NOTES FORMING PART OF FINANCIAL STATEMENTS

### 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

(₹ Millions)

Particulars	2016	2015
Current Service Cost	1.21	1.13
Interest on Defined Benefit Obligation	0.29	0.23
Net Actuarial Losses / (Gains) Recognized in Year	0.32	(0.10)
Total, included in "Employees Benefit Expense"	1.82	1.26

#### II Net Asset / Liability recognized in the Balance Sheet

(₹ Millions)

Particulars	2016	2015
Present Value of Unfunded Obligations	5.57	3.80
Net Liability	5.57	3.80
Liability	5.57	3.80
Net Liability accounted in Books	5.57	3.80

#### III Reconciliation of Net Asset / Liability recognized in the Balance Sheet

(₹ Millions)

Particulars	2016	2015
Net Asset / (Liability) at the beginning of year	(3.80)	(2.56)
Expenses as per I above	(1.82)	(1.26)
Benefits Paid	0.05	0.02
Closing Defined Benefit Obligation	5.57	3.80

#### IV Actuarial assumptions at the valuation date

(₹ Millions)

Particulars	2016	2015
Discount Rate (p.a.)	8.00 %	7.78 %
Salary Escalation Rate (p.a.)	7.00 %	7.00 %

#### V Experience Adjustments

(₹ Millions)

Particulars	2016	2015	2014	2013	2012
Defined Benefit Obligation	5.57	3.80	2.56	1.32	0.81
Surplus / (Deficit)	(5.57)	(3.80)	(2.56)	(1.32)	(0.81)
Experience Adjustments on Plan Liabilities	-	-	-	0.01	0.05

### B. Defined Contribution Plan :

"Contribution to provident and other funds" is recognized as an expenses in Note 24 "Employee benefits expenses" of the Statement of Profit & Loss Account.

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

#### A Loans and advances given to Subsidiary

(₹ Millions)

Balances as at 31 <sup>st</sup> March	2016	2015
Shirpur Gold Mining Company Pvt Ltd	334.76	0.37
Zee Gold DMCC	1,423.64	2.19

Maximum amount outstanding during the year	2016	2015
Shirpur Gold Mining Company Pvt Ltd	334.76	1.68
Zee Gold DMCC	1,423.64	2.19

B None of the loanees have made investments in the shares of the company.

### 46. RELATED PARTY DISCLOSURES

#### List of Related Parties

##### Holding Company

Jayneer Capital Pvt. Ltd.

##### Directors / Key Management Personnel

Shri Amit Goenka (Non-Executive Chairman), Shri Subhash Pareek (Manager)

##### Wholly Owned Subsidiaries

Shirpur Gold Mining Company Pvt Ltd – Singapore

Zee Gold DMCC - Dubai

##### Step down Subsidiary

Precious Metals Mining and Refining Limited - Papua New Guinea incorporated on 11.04.2015

Other related parties with whom transaction have taken place and balance outstanding as on the last day of the year Diligent Media Corporation Limited - (up to 24.11.2015)

#### Related party Transactions during the year

(₹ Millions)

(A)	Transactions	2016	2015
	<b>Wholly owned Subsidiary Company</b>		
	<b>Shirpur Gold Mining Company Pvt Ltd</b>		
	Share Capital Investments / (Reduction)	(282.81)	1.68
	Loans & Advance given (Equity Converted to Loan)	282.81	0.37
	Interest receivable on Loan given accrued	0.88	-



## NOTES FORMING PART OF FINANCIAL STATEMENTS

<b>Zee Gold DMCC</b>		
Share Capital Investments	335.71	0.86
Loans & Advance given	1523.47	1.69
Loans & Advance received back	131.99	-
Reimbursement of Expenses	0.16	-
Interest receivable on Loan given accrued	29.81	-
<b>Key Managerial personnel (KMP)</b>		
Remuneration		
Mr. Subhash Pareek – Manager	1.20	0.99
Sitting fees to		
Shri Amit Goenka (Non-Executive Chairman)	0.12	0.08
<b>The Company in which Director is interested</b>		
Diligent Media Corporation Limited – Sale of goods	7.32	8.08
Super Dynic Clothing Pvt. Ltd. - Sale of goods	0.05	-
<b>(B) Balances at the end of the year</b>		
Shirpur Gold Mining Company Pvt Ltd		-
Share Capital Investment	56.33	339.14
Loans & Advances given	334.76	0.87
Zee Gold DMCC		
Share Capital	337.28	2.43
Loans & Advances given	1,423.64	1.33
Diligent Media Corporation Limited		
Advance taken	0.01	0.01

### 47. ROBBERY OF UNREFINED GOLD IN TRANSIT

On 24th April 2015, 60 Kgs of Gold, during transit to factory at Shirpur, was robbed near Nashik, Maharashtra. Of the said robbed gold, the seizure so far made by the Crime Branch is 11.433 kgs and other assets of the robbers. Thus the total gold under possession of the police is 13.433 kgs including 2kgs gold recovered from robbery site on the date of robbery. Legal procedure for repossession of assets

under police custody is in progress. The said Gold of 13.433 Kgs has been considered in closing inventories and valued at lower of cost or realizable value and shown in books as lying with the law enforcing agency, pending repossession. Investigation by law enforcing agencies is in progress for the balance gold. The company has also lodged on account claim of the lost gold with the Insurance company. On account insurance claim for the balance of 46.567 kgs of gold valued at ₹/Millions 112.29, is accounted as "Claims Receivables" under Other Current Assets. On finalization of claim by the insurance company, post final investigation report by crime branch, 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.

### 48. 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 ₹/Millions 1.91 for the year against which ₹/Millions 0.5 has been spent on activities specified in Schedule VII of the Companies Act, 2013.

### 49. PRIOR YEAR COMPARATIVES

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

50. 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

FR.No.128249W

CA B S SHARMA,

Proprietor

Membership No. 031578

Place : Mumbai

Date : 19th May 2016

**For & on behalf of the Board of Directors**

Amit Goenka - Director

V. K. Agarawal - Director

Subhash Pareek - Manager

Archita Kothari - CFO

Shyamal Padhiar - Company Secretary

# INDEPENDENT AUDITOR'S REPORT ON CONSOLIDATED FINANCIAL STATEMENTS

## Independent Auditor's Report To The Members of Shirpur Gold Refinery Limited

### 1. Report on the Consolidated Financial Statements

We have audited the accompanying Consolidated Financial Statement of **Shirpur Gold Refinery Limited** ("hereinafter referred as "the Holding Company") and its foreign subsidiaries, as there is no subsidiary in India (the Holding Company and its subsidiaries together referred to as "the Group"), comprising of the Consolidated Balance Sheet as at 31<sup>st</sup> March 2016, the Consolidated Statement of Profit and Loss, the Consolidated Cash Flow Statement for the year then ended and a summary of significant accounting policies and other explanatory information (hereinafter referred as "the Consolidated Financial Statement"), which have been signed under reference to this report.

### 2. Management's Responsibility for the Consolidated Financial Statements

The Holding Company's Board of Directors is responsible for the preparation of these consolidated financial statements in terms of the requirements of the Companies Act, 2013 (hereinafter referred to as "the Act") that give a true and fair view of the consolidated financial position, consolidated financial performance and consolidated cash flows of the Group, in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014. The respective Board of Directors of the companies 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; the selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the 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, which have been used for the purpose of preparation of the consolidated financial statements by the Directors of the Holding Company, as aforesaid.

### 3. Auditor's Responsibility

Our responsibility is to express an opinion on these consolidated financial statements based on our audit. We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made there under.

We conducted our audit in accordance with the Standards on Auditing specified under Section 143(10) of the Act.

Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the consolidated financial statements. 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. In making those risk assessments, the auditor considers internal financial control relevant to the Holding Company's preparation of the consolidated financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances but not for the purpose of expressing an opinion on whether the Holding Company has an adequate internal financial controls system over financial reporting in place and the operating effectiveness of such controls. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Holding Company's Board of Directors, as well as evaluating the overall presentation of the consolidated financial statements.

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 sub-paragraph of the Other Matters paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on the consolidated financial statements.

### 4. Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid consolidated financial statements, have been prepared by the Company's Management, in accordance with the requirements of Accounting Standard (AS) 21- Consolidated Financial Statements, Accounting Standard (AS)-23 specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.

Based on our audit and on consideration of reports of other auditors on separate financial statements and on the other financial information of the components of the Group as referred to in paragraph 6 below, and to the best of our information and according to the explanations given to us, in our opinion, the aforesaid consolidated financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India.

- i. In the case of Consolidated Balance Sheet, of the state of affairs of the Group, as at 31<sup>st</sup> March, 2016;
- ii. In the case of Consolidated Statement of Profit and Loss of the profit of the Group for the year ended on that date and

- iii. In the case of Consolidated Cash Flows statement, of the Cash Flow of the Group for the year ended on that date.

#### 5. **Emphasis of Matter**

Without qualifying our report, your attention is invited to

- a. The financial statements of the Holding Company in India and having its wholly owned foreign subsidiaries in U.A.E. and Singapore, which have been audited by other Auditors, whose reports have been furnished to us and our opinion in respect of these subsidiaries is based solely on the reports of the auditors concerned and the representation of the Company.
- b. Reference is invited to Note No.39 relating to assignment of Sales Tax incentive of ₹/Millions 904.89 to a body corporate for a consideration of ₹/Millions 352.06 and the transfer of the balance of ₹/Millions 552.83 to capital reserve.
- c. We draw attention to Note No. 47 wherein details about robbery of gold weighing 60 kgs during transit have been given. Gold in the possession of the police has been shown in closing inventory. As regards the balance of gold for which investigation by Law Enforcing Agencies is in progress, adjustment has been made in the accounts in respect of insurance claim of ₹/Millions 112.29 and shown under "claim receivable". The loss if any on finalization of the claim will be adjusted in the statement of Profit and Loss of the subsequent years.

Our opinion is not modified in respect of the above matter.

#### 6. **Other Matters**

We did not audit the financial statements of a two fully owned foreign subsidiaries, whose financial statement reflect total assets of ₹/Millions 2,137.99 as 31<sup>st</sup> March, 2016, total revenue Loss of ₹/Millions 85.59 for the year ended on that date, as considered in the consolidated financial statements. These financial statements have been audited by the 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 these subsidiaries and our report in term of sub section (3) and (11) of the section 143 of the Act, in so far as it relates to the aforesaid subsidiaries, is based solely on the reports of the other auditors.

Our opinion on the consolidated financial statements, and our report on the 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 information certified by the management.

#### 7. **Report on Other Legal and Regulatory Requirements.**

As required by Section 143(3) of the Act, read with Para 5 (a) herein 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 so far as it appears from our examination of those books and the reports of the other auditors;
- c. The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss, and the Consolidated Cash Flow Statement 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 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 of the Holding Company as on 31<sup>st</sup> March, 2016 taken on record by the Board of Directors of the Holding Company and the reports of the statutory auditors of its foreign subsidiary companies, none of the directors of the Group companies, is disqualified as on 31<sup>st</sup> March, 2016 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 of the Group, the operating effectiveness of such controls, refer to our separate Report in "Annexure A".
- g. With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditor's) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
  - i. The Company has no pending litigations as at 31<sup>st</sup> March, 2016 having impact on its consolidated financial position as stated in the consolidated financial statements.
  - ii. The Group has made provision wherever required under the applicable law or accounting standards, for material foreseeable losses/gains, if any, on long term contracts including derivative contracts.
  - iii. There has been no amount required to be transferred to the Investor Education and Protection Fund by the Holding Company.

For **B S Sharma & Co.,**  
**Chartered Accountants**  
**FR No. 128249W**

**CA B S SHARMA,**  
**PROPRIETOR,**  
 Membership No.031578

**Place : Mumbai**  
**Dated: 19<sup>th</sup> May, 2016**

## Annexure A to Independent Auditor's Report-31<sup>st</sup> March, 2016 on the Consolidated Financial Statements

### Report on the Internal Financial Controls Over Financial Reporting under Clause (i) of Subsection 3 of Section 143 of the Companies Act, 2013 ("the Act") as referred to in Para 7 (f) read with Para 5(a) herein above:

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 31<sup>st</sup> March, 2016, we have audited the internal financial controls over financial reporting of the Holding Company incorporated in India and its subsidiary companies incorporated outside India.

#### 1. Management's Responsibility for Internal Financial Controls

The respective Board of Directors of the Holding Company incorporated in India and its subsidiary companies incorporated outside India are 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 Act.

#### 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 ICAI and the Standards on Auditing issued by ICAI and deemed to be 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 on test basis 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 and audit evidence obtained by other auditor in terms of their

report 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 -

- (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 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 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, the Holding Company incorporated in India and its subsidiary companies incorporated outside India, have, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were, checked on test basis, operating effectively as at 31<sup>st</sup> March, 2016, 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 ICAI .

**For B S SHARMA & CO.,  
Chartered Accountants  
FR No. 128249W**

**CA B S SHARMA,  
PROPRIETOR,  
Membership No.031578**

**Place: Mumbai  
Dated: 19<sup>th</sup> May, 2016**

## CONSOLIDATED BALANCE SHEET AS AT 31<sup>ST</sup> MARCH, 2016

		(₹ Millions)	
PARTICULARS	Note	2016	2015
<b>EQUITY AND LIABILITIES</b>			
<b>Shareholders' Funds</b>			
(a) Share Capital	1	291.37	291.37
(b) Reserves and Surplus	2	2,874.78	2,305.04
		<b>3,166.15</b>	<b>2,596.41</b>
<b>Non-Current Liabilities</b>			
(a) Long-Term Borrowings	3	491.90	945.92
(b) Other Long-Term Liabilities	4	28.81	30.03
(c) Long-Term Provisions	5	6.67	4.63
		<b>527.38</b>	<b>980.58</b>
<b>Current Liabilities</b>			
(a) Short-Term Borrowings	6	1,875.15	875.71
(b) Trade Payables	7	4,573.55	5,650.64
(c) Other Current Liabilities	8	118.64	85.44
(d) Short-Term Provisions	9	49.27	42.96
		<b>6,616.61</b>	<b>6,654.75</b>
<b>TOTAL</b>		<b>10,310.14</b>	<b>10,231.74</b>
<b>ASSETS</b>			
<b>Non-Current Assets</b>			
(a) Fixed Assets	10		
- Tangible		1,729.87	1,741.60
(b) Non-Current Investments	11	0.34	0.32
(c) Deferred Tax Assets (net)	12	491.61	514.10
(d) Long-Term Loans and Advances	13	4.83	5.44
(e) Other Non-Current Assets	14	58.46	19.14
		<b>2,285.11</b>	<b>2,280.60</b>
<b>Current Assets</b>			
(a) Inventories	15	1,466.80	741.83
(b) Trade Receivables	16	2,818.31	4,520.54
(c) Cash and Bank Balances	17	790.18	1,742.79
(d) Short-Term Loans and Advances	18	2,949.74	945.98
		<b>8,025.03</b>	<b>7,951.14</b>
<b>TOTAL</b>		<b>10,310.14</b>	<b>10,231.74</b>

Notes Forming Part of Financial Statement

1 to 48

In terms of our report of even date attached

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

Chartered Accountants

FR.No.128249W

CA B S SHARMA,  
Proprietor  
Membership No.031578  
Place : Mumbai  
Date : 19th May 2016

**For & on behalf of the Board of Directors**

Amit Goenka - Director  
V. K. Agarawal - Director  
Subhash Pareek - Manager  
Archita Kothari - CFO  
Shyamal Padhiar - Company Secretary

## STATEMENT OF CONSOLIDATED PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2016

(₹ Millions)

PARTICULARS	Note	2016	2015
<b>REVENUE</b>			
(a) Revenue from Operations	19	39,777.13	33,062.59
Less - Excise		286.01	850.99
Net Revenue		<b>39,491.12</b>	<b>32,211.60</b>
(b) Other Income	20	38.45	10.50
<b>TOTAL</b>		<b>39,529.57</b>	<b>32,222.10</b>
<b>EXPENDITURE</b>			
(a) Cost of Materials Consumed	21	38,770.48	27,018.46
(b) Purchase of Stock-in-Trade	22	585.95	4,229.72
(c) Changes in Inventories of Finished Goods, Work-in-Progress and Stock-in-Trade	23	(871.84)	(40.42)
(d) Employee Benefit Expense	24	93.74	45.97
(e) Finance Costs	25	578.35	492.07
(f) Depreciation & Amortization Expense	26	67.39	86.81
(g) Other Expenses	27	188.05	174.24
<b>TOTAL</b>		<b>39,412.12</b>	<b>32,006.85</b>
<b>Profit Before tax</b>		<b>117.45</b>	<b>215.25</b>
<b>Tax Expense</b>			
Less : Current Tax under MAT		44.52	41.50
Add : Deferred Tax Assets /(Liability)		(22.49)	(20.92)
<b>Profit After Tax</b>		<b>50.44</b>	<b>152.83</b>
<b>Earning per Equity Share of face value of ₹ 10/- each</b>			
Basic and Diluted	38	1.73	5.25
Notes Forming Part of Financial Statements	1 to 48		

In terms of our report of even date attached

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

Chartered Accountants

FR.No.128249W

CA B S SHARMA,  
Proprietor  
Membership No.031578  
Place : Mumbai  
Date : 19th May 2016

**For & on behalf of the Board of Directors**

Amit Goenka - Director  
V. K. Agarawal - Director  
Subhash Pareek - Manager  
Archita Kothari - CFO  
Shyamal Padhiar - Company Secretary



## STATEMENT OF CONSOLIDATED CASH FLOW FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2016

	(₹ Millions)	
PARTICULARS	2016	2015
<b>A CASH FLOW FROM OPERATING ACTIVITIES :-</b>		
Profit before Tax	117.45	215.25
Adjustment for :		
Depreciation and Amortization Expenses	67.39	86.81
Finance Cost (Net)	578.35	492.07
Net Gain on exchange difference	188.74	(217.21)
Excess Provision / Liabilities written back	4.08	(9.93)
Dividend Received	(0.03)	(0.03)
<b>Operating Profit before Working Capital Changes</b>	<b>955.98</b>	<b>566.95</b>
Adjustment for :		
Change in Current Assets & Current Liabilities		
(Increase) /Decrease in Inventory	(724.97)	(86.89)
(Increase)/ Decrease in Short Term Loans & Advances	(2,071.39)	1,659.92
(Increase)/ Decrease in Trade Receivables	1,537.93	(2,936.89)
Increase/(Decrease) in Long Term Liabilities & Provisions	0.83	2.60
Increase/(Decrease) in Trade Payables & Current Liabilities	(1,042.98)	1,554.92
<b>Cash Generated from Operation</b>	<b>(2,300.58)</b>	<b>193.66</b>
<b>Net Cash flow from Operating Activities</b>	<b>(1,344.60)</b>	<b>760.61</b>
<b>B CASH FLOW FROM INVESTING ACTIVITIES :</b>		
Purchase of Fixed Assets	(55.67)	(8.23)
Preoperative Expenses	(12.69)	(3.28)
Increase in Capital Reserve	(33.53)	15.48
Dividend Received	0.03	0.03
Investment in Non Current Investment	(0.01)	-
<b>Net Cash Generated in Investing Activities</b>	<b>(101.87)</b>	<b>3.99</b>
<b>C CASH FLOW FROM FINANCING ACTIVITIES :</b>		
Finance Cost (Net)	(578.35)	(492.07)
Investment in Fixed Deposits	1,187.29	(1,071.84)
Increase/(Decrease) in Long Term Borrowings	98.80	217.40
Increase/(Decrease) in Short Term Borrowings	999.43	367.53
Increase/(Decrease) in Long Term Loans and Advances	(4.08)	(1.47)
<b>Net Cash Generated in Financing Activities</b>	<b>1,703.09</b>	<b>(980.44)</b>
<b>NET CASH FLOW DURING THE YEAR (A+B+C)</b>	<b>256.62</b>	<b>(215.84)</b>
<b>Cash and cash equivalents at the beginning of the year*</b>	<b>94.93</b>	<b>310.77</b>
<b>Cash and cash equivalents at the end of the year*</b>	<b>351.55</b>	<b>94.93</b>

### NOTES :

1. Cash Flow Statement has been prepared under the indirect method as set out in the Accounting Standard AS-3 "Cash Flow Statements" as specified in the Companies (Accounting Standards) Rules, 2006.
2. Fixed deposit beyond a year's maturity is shown in Note 14 as Other Non-current asset.
3. Previous year's figures have been regrouped, rearranged, reclassified wherever applicable.
4. \*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

FR.No.128249W

CA B S SHARMA,  
Proprietor  
Membership No.031578  
Place : Mumbai  
Date : 19th May 2016

**For & on behalf of the Board of Directors**

Amit Goenka - Director  
V. K. Agarawal - Director  
Subhash Pareek - Manager  
Archita Kothari - CFO  
Shyamal Padhiar - Company Secretary

## NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS

### 1. Share Capital

(₹ Millions)

Particulars	2016	2015
Authorised 35,000,000 (35,000,000) Equity Shares of ₹ 10/- each	350.00	350.00
Issued, Subscribed and fully Paid up 29,137,202 (29,137,202) Equity Shares of ₹ 10/- each	291.37	291.37
<b>Total</b>	<b>291.37</b>	<b>291.37</b>

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

Particulars	2016		2015	
	Number	₹ Millions	Number	₹ Millions
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 shares held by its holding company

Particulars	Nature of Relationship	% of Holding	2016 Number	2015 Number
Jayneer Capital Private Limited	Holding Company	72.71%	21,185,703	21,185,703

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

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

#### (d) Terms/Rights attached to Equity Shares

The company has only one class of shares referred to as equity shares having a par value of Rs 10 per share. All the shares are ranking pari- passu in all respect. 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.

#### (e) In the preceding five years, 13,574,202 Equity Shares of Rs. 10/- each fully paid up out of total issued, subscribed and paid up share capital allotted are without payments being received in cash pursuant to the Scheme of amalgamation as approved by the Hon'ble Bombay High Court vide order dated 11th June, 2010.

#### (f) Neither bonus shares are issued nor any shares bought back during the five years preceding 31st March 2016.

## NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS

<b>2. Reserves and Surplus</b>	<b>(₹ Millions)</b>	
Particulars	2016	2015
Capital Reserve	552.83	-
Securities Premium Account	1,435.00	1,435.00
General Reserve	1,074.36	1,107.79
Surplus /(Deficit) in Statement of Profit and Loss		
As per Last Balance Sheet (Deficit)	(237.75)	(385.59)
Add: Net Profit for the year	50.44	152.83
Less : Depreciation adjustment as per Schedule II as per Companies Act, 2013	-	(7.55)
Add : Deferred Tax on depreciation as above	-	2.56
Net (Deficit)	(187.31)	(237.75)
<b>Total</b>	<b>2,874.78</b>	<b>2,305.04</b>

<b>3. Long-Term Borrowings - Unsecured</b>	<b>(₹ Millions)</b>	
Particulars	2016	2015
Sales Tax Deferment Scheme-Government of Maharashtra (Refer Note 39)	0.01	496.02
Loans and advances	491.89	449.90
<b>Total</b>	<b>491.90</b>	<b>945.92</b>

<b>4. Other Long-Term Liabilities</b>	<b>(₹ Millions)</b>	
Particulars	2016	2015
Other Payables *	13.61	13.63
Advances from others	15.20	16.40
<b>Total</b>	<b>28.81</b>	<b>30.03</b>

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

<b>5. Long-Term Provisions</b>	<b>(₹ Millions)</b>	
Particulars	2016	2015
Provision for employee benefits (unfunded)		
Gratuity	4.97	3.36
Leave benefits	1.70	1.27
<b>Total</b>	<b>6.67</b>	<b>4.63</b>

## NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS

### 6. Short-Term Borrowings (₹ Millions)

Particulars	2016	2015
Loans from banks*	1,764.92	767.21
Unsecured	110.23	108.50
<b>Total</b>	<b>1,875.15</b>	<b>875.71</b>

\*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.

### 7. Trade Payables (₹ Millions)

Particulars	2016	2015
Sundry Creditors for Materials	4,573.55	5,650.64
<b>Total</b>	<b>4,573.55</b>	<b>5,650.64</b>

### 8. Other Current Liabilities (₹ Millions)

Particulars	2016	2015
Statutory Dues payable	1.78	2.36
Sundry Creditors for General Purchase & Expenses*	90.13	40.74
Advance from customers	26.73	41.28
Others	-	1.06
<b>Total</b>	<b>118.64</b>	<b>85.44</b>

\*Out of total Sundry Creditors for General Purchases and Expenses of ₹ Millions 48.04 (54.30), ₹ Millions 34.43 (40.67) represents current portion and ₹ Millions 13.61 (13.63) represents non current portion as shown in note 4 above.

### 9. Short Term Provisions (₹ Millions)

Particulars	2016	2015
Provision for employee benefits		
Contribution to PF	0.25	0.42
Contribution to ESIC	0.01	0.01
Gratuity	0.59	0.45
Leave benefits	0.66	0.58
Provision for Income Tax	47.76	41.50
<b>Total</b>	<b>49.27</b>	<b>42.96</b>

## NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS

(₹ Millions)									
10 FIXED ASSETS									
Particulars	GROSS BLOCK			DEPRECIATION			NET BLOCK		
	As at 01st April 2015	Additions	Deductions	As at 31st March 2016	As at 01st April 2015	For the Year	Deductions	As at 31st March 2016	Retained As At 31/03/2016 As At 31.03.2015
Freehold Land	5.45	-	-	5.45	-	-	-	-	5.45
Land Development	26.57	-	-	26.57	20.11	0.27	-	20.38	6.19
Buildings	160.38	0.51	-	160.89	113.18	2.62	-	115.80	45.09
Other Building	143.84	-	-	143.84	65.22	0.99	-	66.21	77.63
Plant & Machinery	3,060.65	39.60	-	3,100.25	1,485.11	58.34	-	1,543.45	1,575.53
Electrical Installation Factory	59.04	-	-	59.04	49.04	2.03	-	51.04	8.00
Airport Complex	52.69	-	-	52.69	39.20	0.71	-	39.91	12.78
Office Equipment	7.20	0.54	-	7.74	6.12	0.40	-	6.52	1.22
Furniture & Fixtures	43.21	7.87	0.01	51.07	42.64	0.64	-	43.28	7.79
Electrical Installation Others	14.10	0.04	-	14.14	13.29	0.11	-	13.40	0.74
Computers	22.01	7.10	-	29.11	19.66	1.28	-	20.94	8.17
Vehicles	0.41	-	-	0.41	0.40	-	-	0.40	0.01
<b>Current Year</b>	<b>3,595.55</b>	<b>55.66</b>	<b>0.01</b>	<b>3,651.20</b>	<b>1,853.94</b>	<b>67.39</b>	<b>-</b>	<b>1,921.33</b>	<b>1,729.87</b>
<b>Previous Year</b>	<b>3,587.32</b>	<b>8.23</b>	<b>-</b>	<b>3,595.55</b>	<b>1,760.87</b>	<b>85.54</b>	<b>-</b>	<b>1,846.41</b>	<b>1,741.60</b>
									<b>-</b>

Note :-

Pursuant to the enactment of the Companies Act 2013, the company has applied the estimated useful life, as specified in Schedule II, except in respect of certain assets as disclosed in Note no. 28(5) of Accounting policy on Depreciation and Amortisation. Accordingly the unamortised carrying value is being depreciated/amortised over the revised /remaining useful lives.

## NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS

<b>11. Non Current Investments (Valued at cost unless otherwise stated)</b>	<b>(₹ Millions)</b>	
<b>Particulars</b>	<b>2016</b>	<b>2015</b>
In others - 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	0.13	0.11
<b>Total</b>	<b>0.34</b>	<b>0.32</b>
Aggregate amount of unquoted investments	0.21	0.21
<b>12. Deferred Tax Assets (Net)</b>	<b>(₹ Millions)</b>	
<b>Particulars</b>	<b>2016</b>	<b>2015</b>
As per last year Balance Sheet	514.10	532.46
Add : Deferred Tax Assets		
Arising out of timing difference of depreciation, losses and expenses	25.17	29.54
Depreciation/Amortisation as per Schedule II of Companies Act, 2013	-	2.56
Less : Deferred Tax Liability		
Timing difference in employees retirement benefits	47.66	50.46
<b>Deferred Tax Assets (Net)</b>	<b>491.61</b>	<b>514.10</b>
<b>13. Long-Term Loans and Advances (Unsecured, considered good )</b>	<b>(₹ Millions)</b>	
<b>Particulars</b>	<b>2016</b>	<b>2015</b>
Security Deposits	4.83	5.44
<b>Total</b>	<b>4.83</b>	<b>5.44</b>
<b>14. Other Non-Current Assets (Unsecured and considered good)</b>	<b>(₹ Millions)</b>	
<b>Particulars</b>	<b>2016</b>	<b>2015</b>
Stamp duty for merger	-	0.01
Preoperative expenses - Mines	30.37	17.68
Others	6.11	1.42
Fixed Deposit with Banks *	21.98	0.03
<b>Total</b>	<b>58.46</b>	<b>19.14</b>
* Fixed Deposits with Banks represents non current portion (Refer note 17 below for current portion)		
<b>15. Inventories (Valued at lower of cost or realisable value)</b>	<b>(₹ Millions)</b>	
<b>Particulars</b>	<b>2016</b>	<b>2015</b>
Raw Materials	220.66	370.44
Work-in-progress	266.24	87.98
Finished goods	967.75	274.17
Stores and spares	12.15	9.24
<b>Total</b>	<b>1,466.80</b>	<b>741.83</b>



## NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS

### 16. Trade Receivables (Unsecured and considered good) (₹ Millions)

Particulars	2016	2015
Over six months	-	32.17
Others	2,818.31	4,488.37
<b>Total</b>	<b>2,818.31</b>	<b>4,520.54</b>

### 17. Cash and Cash Equivalents (₹ Millions)

Particulars	2016	2015
<b>Cash and Cash Equivalents</b>		
Balances with Banks -		
In Current accounts	350.30	94.16
In Deposit accounts	383.10	1356.92
Cash in hand	1.25	0.75
	734.65	1451.83
<b>Other Bank Balances</b>		
Balances with Banks		
In Deposit accounts	77.52	290.99
Less : Non current portion of Fixed Deposits (Refer note 14)	21.99	0.03
	55.53	290.96
<b>Total</b>	<b>790.18</b>	<b>1,742.79</b>

### 18. Short-term loans and advances (Unsecured and considered good) (₹ Millions)

Particulars	2016	2015
Prepaid Expenses	82.03	123.15
Advance to suppliers	205.70	520.24
Advance income tax / refund due	43.82	18.35
Claims receivable *	700.50	280.23
Others	1,917.69	4.01
<b>Total</b>	<b>2,949.74</b>	<b>945.98</b>

\* Claims receivable includes forward premium receivable on forward exchange contract of ₹/Millions 59.50 (10.94).

### 19. Revenue from Operations (₹ Millions)

Particulars	2016	2015
Sale of products		
Traded Goods	537.71	4,415.27
Manufactured Goods		
Local Sales	36,931.36	21,677.34
Export Sales	2,073.53	6,579.63
Total	39,542.60	32,672.24
Less : Excise Duty	286.01	850.99
Net Sales	39,256.59	31,821.25
Other operating revenues *	234.53	390.35
<b>Total</b>	<b>39,491.12</b>	<b>32,211.60</b>

\* Other operating revenues includes Gain from forward contract of ₹ Millions 16.69 (44.70) and forex gain on trade receivable and trade payable of ₹ Millions 159.34 (184.82 ).

## NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS

<b>20. Other Income</b>			(₹ Millions)
<b>Particulars</b>	<b>2016</b>	<b>2015</b>	
Dividend income	0.03	0.03	
Balance written back	0.78	9.94	
Foreign exchange gain (Net)	28.10	0.42	
Other income	9.54	0.11	
<b>Total</b>	<b>38.45</b>	<b>10.50</b>	
<b>21. Cost of Material Consumed</b>			(₹ Millions)
<b>Particulars</b>	<b>2016</b>	<b>2015</b>	
Inventory at the beginning of the year	370.44	326.55	
Add: Purchases	38,606.46	27,051.50	
	38,976.90	27,378.05	
Less: Inventory at the end of the year (includes stock in transit of ₹ Millions 140.05 (₹ Millions 206.23))	220.66	370.44	
Cost of raw material consumed	38,756.24	27,007.61	
Other materials ( Stores and Spares)	14.24	10.85	
<b>Total</b>	<b>38,770.48</b>	<b>27,018.46</b>	
Break up of Raw Materials consumed			(₹ Millions)
<b>Particulars</b>	<b>2016</b>	<b>2015</b>	
Gold	38,733.46	26,997.53	
Silver	22.78	10.08	
Other materials ( Stores and Spares)	14.24	10.85	
<b>Total</b>	<b>38,770.48</b>	<b>27,018.46</b>	
<b>22. Purchase of Stock-in-Trade</b>			(₹ Millions)
<b>Particulars</b>	<b>2016</b>	<b>2015</b>	
Gold	585.95	4,229.72	
<b>Total</b>	<b>585.95</b>	<b>4,229.72</b>	
<b>23. Changes in Inventories of Finished Goods, Work-in-progress and Stock-in-Trade</b>			
<b>a. Inventory at the end of the year</b>			(₹ Millions)
<b>Particulars</b>	<b>2016</b>	<b>2015</b>	
Stock in Trade			
Gold	49.81	9.98	
Work in Progress			
Gold	266.24	87.98	
Finished Goods			
Gold	917.57	263.25	
Silver	0.37	0.94	
<b>Total</b>	<b>1,233.99</b>	<b>362.15</b>	
<b>b. Inventory at the beginning of the year</b>			(₹ Millions)
<b>Particulars</b>	<b>2016</b>	<b>2015</b>	
Stock in Trade			
Gold	9.98	273.67	
Work in Progress			
Gold	87.98	17.60	
Finished Goods			
Gold	263.25	29.36	
Silver	0.94	1.10	
<b>Total</b>	<b>362.15</b>	<b>321.73</b>	
<b>c. Net (a - b)</b>	<b>(871.84)</b>	<b>(40.42)</b>	

## NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS

<b>24. Employee Benefit Expenses</b>	<b>(₹ Millions)</b>	
<b>Particulars</b>	<b>2016</b>	<b>2015</b>
Salaries & wages	88.95	41.49
Contribution to provident & other funds	3.17	2.53
Staff welfare expenses	1.62	1.95
<b>Total</b>	<b>93.74</b>	<b>45.97</b>

<b>25. Finance Costs</b>	<b>(₹ Millions)</b>	
<b>Particulars</b>	<b>2016</b>	<b>2015</b>
Interest expense (Net) (Refer Note 40)	220.94	169.66
Bank charges	100.00	91.84
Other financial charges	257.41	230.57
<b>Total</b>	<b>578.35</b>	<b>492.07</b>

<b>26. Depreciation and Amortization Expenses</b>	<b>(₹ Millions)</b>	
<b>Particulars</b>	<b>2016</b>	<b>2015</b>
Depreciation	67.39	85.54
Preliminary Expenses written off	-	1.27
<b>Total</b>	<b>67.39</b>	<b>86.81</b>

<b>27. Other Expenses</b>	<b>(₹ Millions)</b>	
<b>Particulars</b>	<b>2016</b>	<b>2015</b>
Rent	8.31	5.04
Repairs to plant & machinery	1.49	1.00
Repairs to buildings	0.04	0.55
Insurance	6.62	2.99
Rates and taxes	0.10	0.08
Power and fuel	12.68	12.01
Auditors' Remuneration	2.40	1.69
Prior period expenses	0.67	1.92
Corporate Social Responsibility expenses (Refer Note 46)	1.91	-
Miscellaneous expenses	153.83	148.96
<b>Total</b>	<b>188.05</b>	<b>174.24</b>

## NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS

### 28. CORPORATE INFORMATION

Shirpur Gold Refinery Limited (hereinafter referred to as "the Parent Company") together with subsidiaries (collectively known as "the Group") is in the business of manufacturing and trading of gold bars, gold coins, gold jewellery and export of gold jewellery.

### 29. SIGNIFICANT ACCOUNTING POLICIES

#### 1) Basis of consolidation

The consolidated financial statements of the Group are prepared in accordance with the Generally Accepted Accounting Principles in India (Indian GAAP) to comply with the Accounting Standards notified under Section 211(3C) of the Companies Act, 2013, as applicable and Accounting Standard – 21 on "Consolidated Financial Statements" issued by the Institute of Chartered Accountants of India (ICAI) to the extent possible in the same manner as that adopted by the parent company and the subsidiaries 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 subsidiaries 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 subsidiaries (as listed in the table below). Subsidiaries are 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 DMCC	100 %	Dubai, U.A.E.
Precious Metal Mining and Refining Limited	100% subsidiary of Zee Gold DMCC	Papua New Guinea

#### 2) Use of Estimates

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

#### 3) Revenue Recognition

- 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 is accounted when the right to receive the same is unconditional.

#### 4) Tangible Fixed Assets

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

#### 5) Depreciation and Amortization

##### Tangible assets

Depreciable amount for tangible fixed assets is the cost of an asset, or other amount substituted for cost, less its estimated residual value.

Based on an independent technical evaluation, the useful life of following fixed assets 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
Concreat Road – GB	60 Years
Airport Complex	30 Years
Plant & Machinery	05-40 years

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

##### Intangible assets

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

##### Impairment of Assets

At each Balance Sheet date, the Company reviews the carrying amount of assets to determine whether there is an indication that those assets have suffered impairment loss. If

## NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS

any such indication exists, the recoverable amount of assets is estimated in order to determine the extent of impairment loss. The recoverable amount is higher of the net selling price and value in use, determined by discounting the estimated future cash flows expected from the continuing use of the asset to their present value.

### 7) 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.

### 8) 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.

### 9) Borrowing Cost

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

### 10) 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.

### 11) Transactions in Foreign Exchange

- **Initial recognition :** Foreign currency transactions are accounted at the exchange rate prevailing on the date of such transactions.
- **Measurement of Foreign Currency items at the Balance Sheet date :** Foreign currency monetary assets and liabilities at the Balance Sheet date are translated at the closing rate. Gains or losses resulting there from on settlement are recognized in the Statement of Profit and Loss.
- **Forward Exchange Contracts:** The premium or discount arising at the inception of forward exchange contracts entered into hedge an existing asset/liability, is amortised 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.

### 12) Retirement Benefits

- Short-term employee benefits are expensed at the undiscounted amount in the Statement of Profit and Loss in the year the employee renders the service.
- Post employment and other long-term employee benefits are recognized as an expense in the Statement of Profit and Loss at the present value of the amount payable determined using actuarial valuation techniques in the year the employee renders the service. Actuarial gains and losses are charged to the Statement of Profit and Loss.
- Payment to defined contribution retirement benefit schemes are recognized as an expenses in the Statement of Profit and Loss, when due.

### 13) Accounting for taxes on Income

- Current Tax is determined as the amount of tax payable in respect of taxable income as per the provisions of the Income Tax Act, 1961.
- Deferred tax is recognized, subject to consideration of prudence in respect of deferred tax asset, on timing difference, being the difference between taxable income and accounting income that originate in one period and are capable of reversal in one or more subsequent periods and measured using relevant enacted tax rates and laws.
- Minimum Alternate Tax (MAT) paid in accordance with tax laws, which give rise to future economic benefits in the form of adjustment of future tax liability, is recognized as an asset only when, based on convincing evidence, it is probable that the future economic benefits associated with it will flow to the Company and the assets can be measured reliably.

## NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS

### 14) Earnings per share

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

### 15) 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.

### 16) 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.

### 17) 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.

### 18) Preliminary Expenses

Preliminary expenses are amortized over a period of 5 years.

## 30. CONTINGENT LIABILITIES AND COMMITMENTS

### Contingent Liabilities

(₹ Millions)

	Particulars	2016	2015
1	Estimated amount of Export obligation to be fulfilled under EPCG *	68.69	1,930.85
2	Disputed Sales Taxes **	1.46	1.46
3	Disputed Direct Taxes ***	158.54	161.86

\*The company had imported Plant & Machineries at concessional rate of duty Plant & Machineries in the Financial Year 2012-13, 2013-14 & 2014-15 under EPCG licenses with an obligation to export up to Year 2020-21, 2019-20 & 2020-21 respectively as stipulated in the licenses.

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

\*\*Sales Tax Matters under appeal for the FY- 2004-05 & FY- 2007-08 and stay granted. Against demand of ₹./Millions 1.46, payment of ₹./Millions 0.30 is deposited.

\*\*\*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 its tax cases will be decided in its favour and hence no provision is considered at this stage.

## 31. COMMITMENTS

(₹ Millions)

Particulars	2016	2015
Bank Guarantees issued by banks & balance outstanding at year end [against the said bank guarantees ₹./Millions 455.36 (507.14) has been kept as margin money]	4,289.10	4,617.59

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

### Raw Material Consumed

(₹ Millions)

Particulars	2016	2015
Imported	3,008.73	10,805.75
Indigenous	36,333.45	16,201.86
<b>TOTAL</b>	<b>39,342.18</b>	<b>27,007.61</b>

## 33. INVENTORY AND TURNOVER

(₹ Millions)

Gold	Sales Value	Closing Inventory	Opening Inventory
Manufactured Goods	38,718.88 (27,405.98)	1,404.84 (722.61)	722.61 (374.61)
Traded Goods	537.71 (4,415.27)	49.81 (9.98)	9.98 (273.67)
<b>TOTAL</b>	<b>39,256.59 (31,821.25)</b>	<b>1,454.65 (732.59)</b>	<b>732.59 (648.28)</b>

(₹ Millions)

Stores & Spares Consumed	Closing Inventory	Opening Inventory
Stores and Spares Consumed	11.84 (9.24)	9.24 (6.64)

## 34. EARNINGS IN FOREIGN EXCHANGE

(₹ Millions)

Particulars	2016	2015
FOB Value of Export	2,072.42	6,527.76



## NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS

### 35. (A) EXPENDITURE IN FOREIGN CURRENCY

(₹ Millions)

Particulars	2016	2015
Travelling and Related Expenses	2.71	1.14
Consultancy Fees	0.10	1.07

### (B) CIF Value of Imports

(₹ Millions)

Particulars	2016	2015
Import of Gold	3,332.20	10,734.11
Capital Equipments & others	0.83	33.67

### 36. MANAGERIAL REMUNERATION

Remuneration paid or provided in accordance with Section 198 of the Companies Act, 2013 to Manager is included in Employee benefit expense is as under

(₹ Millions)

Particulars	2016	2015
Salary and allowances	27.36	0.99

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

### 37. PAYMENT TO AUDITORS

#### For Standalone

(₹ Millions)

Particulars	2016	2015
Audit Fee	1.26	1.23
Tax Audit Fee	0.11	0.11
Other Services & reimbursement of expenses	0.74	0.19
<b>TOTAL</b>	<b>2.11</b>	<b>1.53</b>

#### For Subsidiaries

(₹ Millions)

Particulars	2016	2015
Audit Fee	0.33	0.16
Tax Audit Fee	-	-
For Other Services	-	-
<b>TOTAL</b>	<b>0.33</b>	<b>0.16</b>

### 38. EARNINGS PER SHARE

(₹ Millions)

Particulars	2016	2015
Profit after tax available for appropriation to equity shareholders	50.44	152.83
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 ₹)	1.73	5.25

39. MVAT collected till the year end under Sales Tax Incentive Scheme of 1993 by the Government of Maharashtra, (Scheme PSI-1993) is considered in the Accounts as Deferred Sales Tax Liability for the years ended 31st March 2011 to 31st March 2016 aggregating to ₹/Millions 904.89 is repayable in five respective equal annual installments starting from financial year 2021-22 to 2026-27. However, during the year the said liability has been assigned under an Agreement for Debt Defeasancing dated 31.03.2016 in respect of assignment of Deferred Sales Tax (MVAT entitlement) collection of ₹/ Millions 904.89 to a body corporate for a consideration at Net Present value of ₹/ Millions 352.06 and the difference of ₹/ Millions 552.83 between the such collection and consideration paid has been credited to 'Capital Reserve'.

40. Interest expense is net of interest income of ₹/ Millions 47.96 (59.75).

41. 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	2016	2015
Payables	972.90	672.07
Receivables	-	-

Figures indicated in Indian Rupees have been restated as per the RBI reference rate as on 31<sup>st</sup> March 2016.

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

(₹ Millions)

Particulars	2016	2015
Currency Future Contract	1,928.50	227.20
MCX Commodity	526.14	172.98

### 42. 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

## NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS

reportable segments as per AS-17 on "Segment Reporting" notified under the Companies (Accounting Standards) Rules, 2006.

### 43. MICRO, SMALL AND MEDIUM ENTERPRISES

The Company has no dues to Micro, Small and Medium enterprises as at 31<sup>st</sup> March, 2016, 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.

### 44. RELATED PARTY DISCLOSURES

#### List of Related Parties

#### Holding Company

Jayneer Capital Pvt. Ltd.

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

Diligent Media Corporation Limited - (up to 24.11.2015)

#### Related party Transactions during the year

(₹ Millions)

(A)	Transactions	2016	2015
	<b>Key Managerial personnel (KMP)</b>		
	Remuneration paid	27.36	0.99
	<b>The Company in which Director is interested</b>		
	Diligent Media Corporation Limited – Sale of goods	7.32	8.08
	Super Dynic Clothing Pvt. Ltd. - Sale of goods	0.05	-
<b>(B)</b>	<b>Balances at the end of the year</b>		
	Diligent Media Corporation Limited	0.01	0.01

### 45. ROBBERY OF UNREFINED GOLD IN TRANSIT

On 24th April 2015, 60 Kgs of Gold, during transit to factory at Shirpur, was robbed near Nashik, Maharashtra. Of the said robbed gold, the seizure so far made by the Crime Branch is 11.433 kgs and other assets of the robbers. Thus the total gold under possession of the police is 13.433 kgs including 2kgs gold recovered from robbery site on the date of robbery. Legal procedure for repossession of assets under police custody is in progress. The said Gold of 13.433 Kgs has been considered in closing inventories and valued at lower of cost or realizable value and shown in books as lying with the law enforcing agency, pending repossession. Investigation by law enforcing agencies is in progress for the balance gold. The company has also lodged on account claim of the lost gold with the Insurance company. On account insurance claim for the balance of 46.567 kgs of gold valued at ₹/ Millions 112.29, is accounted as "Claims Receivables" under Other Current Assets. On finalization of claim by the insurance company, post final investigation report by crime branch, 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.

### 46. 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 ₹/Millions 1.91 for the year against which ₹/Millions 0.5 has been spent on activities specified in Schedule VII of the Companies Act, 2013.

### 47. PRIOR YEAR COMPARATIVES

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

48. 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

FR.No.128249W

CA B S SHARMA,

Proprietor

Membership No.031578

Place : Mumbai

Date : 19th May 2016

#### For & on behalf of the Board of Directors

Amit Goenka	- Director
V. K. Agarawal	- Director
Subhash Pareek	- Manager
Archita Kothari	- CFO
Shyamal Padhiar	- Company Secretary

## 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

### ATTENDANCE SLIP

*(To be presented at the entrance)*

I / We hereby record my / our presence at the **Thirty First Annual General Meeting** of the Company held at the Registered Office of the Company at Refinery Site, Shirpur, Dist. Dhule, Maharashtra – 425 405 on **Saturday, 27th August, 2016 at 2.00 p.m.**

---

**Name of the Shareholder / Proxy**

---

**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.

THIS PAGE HAS BEEN INTENTIONALLY LEFT BLANK

## 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

(Pursuant to Section 105(6) of the Companies Act, 2013 and Rule 19(3) of the Companies (Management Administration) Rules, 2014)

#### 31<sup>ST</sup> Annual General Meeting

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 Saturday, 27th August, 2016 at 2.00 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
Adoption of Audited Financial Statements of the Company for the financial year ended March 31, 2016		
Re-appointment of Mr. Amit Goenka as a Director of the Company		
Re-appointment of M/s B.S.Sharma & Co., Chartered Accountants as Statutory Auditors		
Keeping of Registers & Returns at a place other than Registered Office of the Company		
Related Party Transactions under Section 188 of the Companies Act, 2013		

Signed this \_\_\_\_\_ day of \_\_\_\_\_ 2016

Signature of Shareholder \_\_\_\_\_

Signature of Proxyholder(s) \_\_\_\_\_

Affix  
One Rupee  
Revenue  
Stamp

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.

THIS PAGE HAS BEEN INTENTIONALLY LEFT BLANK







# **SHIRPUR GOLD REFINERY LIMITED**

**(An ISO 9001:2008 company)**

---

**Corporate Office : 135, Continental Building, Dr. Annie Besant Road, Worli, Mumbai - 400 018, India.**

**Tel. : +91-22-7122 7422 Fax : +91-22-7122 7474**

**[www.shirpurgold.com](http://www.shirpurgold.com)**