28th September,2017

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, 3th Floor,
Plot No. C/1, G Block,
Bandra Kurla Complex, Bandra (East),
Mumbai 400051

Scrip Code: 512289
Symbol: SHIRPUR-G

Sub: Annual Report 2016-17

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 Wednesday,27th September,2017 at 1.30 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

Essel GROUP | 90 YEARS

ZEE GOLD

32nd Annual Report 2016-17

SHIRPUR GOLD REFINERY LIMITED

SHIRPUR GOLD REFINERY LIMITED

(An ISO 9001:2015 Company)

(CIN:L51900MH1984PLC034501)

CORPORATE INFORMATION

BOARD OF DIRECTORS

Amit Goenka
Non- Executive Chairman

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

AUDITORS

M/s. B. S. Sharma and Co.
Chartered Accountants
303, Guruprabha CHS Ltd.,
507-508, Sundernagar,
Senapati Bapat Road,
Dadar (West), Mumbai 400 028

REGISTRAR AND SHARE TRANSFER AGENTS

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

BANKERS

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

18th Floor, "A" wing, Marathon Futurex,
N.M.Joshi Marg, Lower Parel,
Mumbai – 400 013
Tel: 022 7108 5486
Fax: 022 7154 5940
E-mail: investorinfo@shirpurgold.com
www.shirpurgold.com

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NOTICE

Notice is hereby given that the 32nd Annual General Meeting of the Equity Shareholders of **Shirpur Gold Refinery Limited** will be held on **Wednesday, 27th September,2017** at 1.30 p.m at the registered office of the Company at Refinery Site, Shirpur, Dist. Dhule, Maharashtra - 425405 to transact the following business:

ORDINARY BUSINESS:

1. To receive, consider and adopt the audited Financial Statements of the Company on a standalone and consolidated basis, for the financial year ended 31st March, 2017 including the Balance Sheet as at 31st March, 2017, 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 Statutory Audit for the Financial Year 2017-18, 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** in supersession of the Special Resolution passed by the members at the 31st Annual General Meeting held on August 27,2016 and pursuant to Section 94 of the Companies Act, 2013 (Áct') 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 / Debenture holders / 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 -101, 247 Park, LBS. Marg, Vikhroli (West), Mumbai 400083, instead of the Registered Office of the Company."

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

Place : Mumbai
Date : 28th April, 2017

Shyamal Padhiar
CompanySecretary

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. Corporate Members are requested to send to the Registered Office of the Company, a duly certified copy of the Board Resolution, pursuant to Section 113 of the Companies Act, 2013, authorising their representative to attend and vote at the Annual General Meeting.
3. Explanatory Statement pursuant to Section 102 of the Companies Act, 2013, relating to the Special Business to be transacted at the Annual General Meeting is annexed.
4. Additional information, pursuant to SEBI (Listing Obligations and Disclosure Requirements) Regulations,2015, on Directors recommended by the Board for appointment / re-appointment at the Annual General Meeting is annexed to the Notice.
5. Members who are holding Company's shares in dematerialized mode are requested to bring details of their Beneficiary Account Number for identification.
6. Members who wish to obtain information on the Financial Statements for the year ended 31st March, 2017, may send their queries at least seven days before the AGM to the Company Secretary at the corporate office of the Company or at Email ID investorinfo@shirpurgold.com so as to enable the management to keep the information ready at the meeting.
7. Electronic Copy of the Annual Report for 2016-17 is being sent to all the members whose email IDs are registered with the Company/Depository Participants(s) for communication. For members who have not registered their email address, physical copies of the Annual Report is being sent in permitted mode. The Annual Report can be accessed at the Company's Website www.shirpurgold.com
8. Members are requested to notify immediately about any change in their address / e-mail address /dividend mandate / bank details to their Depository Participant (DP) in respect of their shareholding in Demat mode and in respect of their physical shareholding to the Company's Registrar and Share Transfer Agent, M/s Link Intime India Pvt. Ltd., at C-101, 247 Park, L.B.S.Marg, Vikhroli West, Mumbai-400 083. Shareholders holding Equity Shares of the Company in physical form may

register their email address with the Registrar and Share Transfer agent of the Company to receive all communications by the Company including Annual Report and Notice of Meeting(s) by email, by sending appropriate communication on rnt.helpdesk@linkintime.co.in.

9. E-voting

In compliance with Section 108 of the Companies Act, 2013 read with Companies (Management and Administration) Rules, 2014 and Regulation 44 of the SEBI (LODR) Regulation 2015, the Company is pleased to provide members facility to exercise their right to vote at the 32nd 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 Saturday, 23rd September,2017 at 9.00 a.m. and will end on Tuesday, 26th September,2017 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 21st September,2017, 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. 21st September,2017 may refer the e-voting instructions annexed to this notice or send their query at helpdesk.evoting@cdslindia.com. or rnt.helpdesk@linkintime.co.in.

11. The facility for voting by way of Ballot / Poll paper shall also be made available at the venueof 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 21st September,2017.

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, will first count the votes cast at the meeting and thereafter unblock the votes cast through remote e-voting in the presence of at least two witnesses not in the employment of the Company and shall make, within 48 hours of the conclusion of the AGM, a consolidated scrutinizer's report of the total votes cast in favour or against, if any, to the Chairman or Company Secretary, who shall countersign the same and declare the result of the voting forthwith.

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

18. 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

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** 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. Incase 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.
- 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 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 e-mail to investorinfo@shirpurgold.com with a copy marked to helpdesk.evoting@cdslindia.com.

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 under help section or write an email to CDSL on helpdesk.evoting@cdslindia.com or to the Investor relations officer of the Company on 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 Wednesday, 20th September,2017 to Wednesday,27th September,2017 (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

In compliance with the requirements of Section 94 of the Companies Act, 2013, Members of the Company at the 31st Annual General Meeting held on August 27, 2016, had approved a proposal for maintaining the Register & Index of Members / Preference Shareholders, Share Transfer Register and other particulars including Annual Returns and annexures thereto at the office of the Registrar & Share Transfer Agent of the Company M/s Link Intime India Pvt Ltd ('RTA Agent') located at C-13, Pannalal Silk Mills Compound, LBS Road, Bhandup West, Mumbai 400 078, rather than at the Registered Office of the Company.

Since the RTA Agent has shifted its Registered Office to their own premises, approval of Members is sought for maintaining Register & Index of Equity / Preference Shareholders, Share Transfer Register and related details including Annual Returns etc. at the new location at C 101, 247 Park, LBS Marg, Vikhroli (West), Mumbai 400 083.

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 is in any way concerned or interested in the resolution

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

Name	**Amit Goenka**
Age	41 years
Qualification	Graduate in Business Administration
Experience	17 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 17 years in industry, he has successfully launched a number of new businesses. He is Recipient of Gem & Jeweller Trade Council of India's (GJTCI) 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 betweenDirectors inter-se (As per Section 2(76) and 2(77) ofthe Companies Act,2013	He is Promoter Director but not related with any other Director.

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

Place : Mumbai
Date : 28th April,2017

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 32nd Annual Report of your Company together with Audited Statement of Accounts for the year ended 31st March 2017.

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 2016-2017, your Directors confirm that:

a) The Financial Statements of the Company - comprising of the Balance Sheet as at 31st March, 2017 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;

b) Accounting policies selected were applied consistently and the judgments and estimates related to the financial statements have been made on a prudent and reasonable basis, so as to give a true and fair view of the state of affairs of the Company as at 31st March, 2017, and, of the profit of the Company for the year ended on that date; and

c) 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;

d) Requisite Internal Financial Controls had been laid down and that such internal financial controls are adequate and were operating effectively; and

e) 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 2016-17 is summarized in the following table:

(₹ in Millions)

Particulars	Standalone – Year Ended		Consolidated – Year Ended	
	31.03.2017	31.03.2016	31.03.2017	31.03.2016
Total Revenue	17,069	38,993	49,558	39,529
Total Expenses	16,685	38,175	49,071	38,767
Operating Profit	384	818	487	763
Finance Cost	232	547	346	578
Depreciation and Amortisation Expenses	68	67	79	67
Profit before Tax	**84**	**204**	**62**	**117**
Less : Current Tax	(18)	(45)	(18)	(45)
Deferred Tax Liability	(16)	(22)	(16)	(22)
Profit after Tax	**50**	**137**	**28**	**50**

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 2016-17.

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 ₹ 17,069.31 Millions as against ₹ 38,993.17 Millions showing decrease of 56 % over previous year. Your Company has registered operating profit of ₹ 384.01 Millions as against ₹ 818.64 Millions, showing decrease of 53 % over the previous financial year. The Profit before tax stood at ₹ 83.63 Millions as against ₹204.51 Millions in the previous financial year. The Profit after tax stood at ₹ 49.96 Millions as compared to ₹ 137.50 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, weighment, shape, size and aesthetic look.

As reported in the preceding year's Note No. 47 of the Annual Report, on 24th April 2015, 60 Kgs of Gold, during transit to factory at Shirpur, was robbed near Nashik, Maharashtra, of which the seizure made was 13.6939 kgs including 2 kgs from site of robbery and other assets of the robbers, were in Police Custody. On 19th April 2017, the company has taken possession of the said seized 13.6939 Kgs of Gold pursuant to the Order of the Hon'ble Session Court. The said seized gold was accounted in the preceding year as part of inventories and is valued as per Ind AS 2.The Claim for balance gold of 46.3061 Kgs valued at ₹ Millions 124.34 including expenses of ₹ Millions1.83 is pending for settlement with the Insurance company and is accounted as "Claims Receivables" under Other Current Assets. On Finalization of Claim by the insurance company, the difference, if any, between the amount claimed and the actual claim received, which the management does not expect to be material will be charged to Statement of Profit & Loss.

BUSINESS EXCELLENCE & RECOGNISITON

- In recognition for its excellent achievements, the Company was ranked in following manner by Dun and Bradstreet (D&B) in 'India's Top 500 Companies 2017' :
  - 204th in terms of Total Income,

- 453rd in terms of Net Profit
- 471th in terms of Return on Net Worth,

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

SUBSIDIARIES

INTERNATIONAL OPERATIONS

As on March 31, 2017, 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,

As part of expansion plan, 'Zee Gold' Dubai subsidiary is in process of acquiring 70 % of the shareholding rights of Metallic Exploration And Mining, Mali ("MEAM" or "Target Company") for Gold Mines located at Mali from Midas Gems & Jewellery, DMCC, Dubai ("Midas") and expected to complete the above acquisition in fiscal 2017-18.

'Shirpur Gold Mining', subsidiary is yet to commence it's operations. During the year under review, 'PMMRL', step down subsidiary has commenced it's trial operations and the 1st trial shipment of gold dore bar was sent to the Company in India.

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.

In accordance with the Accounting Standard (AS) – 21 on Consolidated Financial Statements the Audited Consolidated Financial Statements is provided in and forms part of this Annual Report.

REGISTRAR AND SHARE TRANSFER AGENT

During the year under review, M/s Link Intime India Private Limited the Registrar & Share Transfer Agent ('RTA') of the Company shifted their registered office from C-13, Pannalal Silk Mills Compound, LBS Marg, Bhandup (West), Mumbai 400 078 to their own premises at C 101, 247 Park, LBS Marg, Vikhroli (West), Mumbai 400 083.

Requisite proposal seeking shareholders' approval for maintaining Register & Index of Equity / Preference Shareholders, Register of Transfer and other Registers including Annual Return at the new office of the RTA forms part of Notice of ensuing Annual General Meeting.

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. Additionally, Directors Familiarisation Programme and Terms and Conditions for appointment of Independent Directors can be viewed on Company's corporate website www.shirpurgold.com.

In compliance with regulatory requirements, the Nomination and Remuneration Committee of your Board has fixed criteria for nominating a person on the Board which inter alia include desired size and composition of the Board, age limit, qualification / experience, areas of expertise and independence of individual.

DIRECTORS AND KEY MANAGERIAL PERSONNEL (KMP)

Your Board currently comprises of 4 Directors including 3 Independent Directors and 1 Non-Executive Director. 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 2016-17 your Board met 5 (Five) times details of which are available in Corporate Governance Report annexed to this report.

Mr.Vimal Kumar Agarawal, Non Executive Non Independent Director resigned from the post of Director with effect from 31st January, 2017. Further, Consequent to the resignation from the Board of Company, he had also vacated his position as Managing Director of Zee Gold DMCC, Dubai and as Director of Shirpur Gold Mining Company Pvt. Ltd., Singapore and Precious Metals Mining and Refining Limited, Papua New Guiana, overseas subsidiaries of the Company, with effect from 31st January, 2017.

In compliance with 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 30th Annual General Meeting of the Company held on 15th September,2015, Mr. Subhash Pareek was re-appointed as 'Manager' of the Company for a period of three years w.e.f. 5th November,2015.

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.

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

Apart from the resignation of Mr.Vimal Kumar Agarawal, there is no changes 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 it's 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 COMMITTES

In compliance with the requirements of Companies Act, 2013 and Listing Regulations, your Board had constituted various Board Committees including Audit Committee, Nomination & Remuneration Committee, Stakeholders Relationship Committee and Corporate Social Responsibility Committee. Details of the constitution of these Committees, which are in accordance with regulatory requirements, have been uploaded on the website of the Company viz. www.shirpurgold.com. Details of scope, constitution, terms of reference, number of meetings held during the year under review along with attendance of Committee Members therein form part of the Corporate Governance Report annexed to this report.

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

AUDITORS

Statutory Audit

The Statutory Auditors M/s B.S.Sharma and Co., Chartered Accountants, Mumbai, having Firm Registration No 128249W, has carried out Statutory Audit of the Company for the financial year 2016-17 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 2017-18 will be in the best interests of the Company and therefore, Members are requested to ratify their re-appointment to carry out the statutory audit for the financial year ended on March 31,2018. 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 (CP No. 6364) as secretarial auditor of the Company for the financial year 2016-17. 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, 2017, 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 the Directors report.

II. RELATED PARTY TRANSACTIONS

All the related parties transactions entered by the Company during the financial year under review were on arm's length basis, in the ordinary course of business and in compliance with the applicable provisions of the Companies Act,2013 and Listing Regulations. During FY 2016-17, there are no materially significant Related Party Transactions by the Company with Promoters, Directors, Key Managerial Personnel or other designated persons which may have a potential conflict with the interest of the Company at large.

During the year under review, there have been no materially significant related party transactions as defined under Section 188 of the Act and Regulations 23 the Listing Regulations and accordingly no transactions are required to be reported in Form AOC-2 as per Section 188 of the Companies Act, 2013.

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. 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 31st March,2017.

VIII. INSURANCE & RISK MANAGEMENT

The Company has obtained adequate insurance on all of it's 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 it's 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 it's 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 RESORCES AND PARTICULARS OF EMPLOYEES

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

Requisite disclosures in terms of the provisions of Section 197 of the Act read with Rule 5 (1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 is annexed to this report. None of the employee of the Company is in receipt of remuneration of ₹ 1.02 Crores per annum/ Rs 8.50 Lacs per month or more during the FY 2016-17. The information required under Rule 5 (2) & 5(3) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, will be provided upon request.

In compliance with provisions of section 136(1) of the Companies Act, 2013, the Report and Accounts are sent to the every member of the Company and other entitled thereto, excluding the information on employees' particulars, which is available for inspection at the Corporate Office of the company during business day & working hours up to the date of ensuing Annual General Meeting. Any member who is interested in obtaining copy thereof, such member may write to the Company Secretary.

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

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

I. Energy Conservation and Technology Absorption:

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

II. Foreign Exchange Earning and Outgo :

Particulars of foreign currency earnings and outgo during the year are given in Note 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 : 28th April, 2017

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, 2017

(₹ in Millions)

Name of the Subsidiary	Zee Gold DMCC	Shirpur Gold Mining Company Pvt Ltd	Precious Metals Mining & Refining Limited*
Share Capital	326.00	64.84	0.51
Reserves & Surplus	(61.82)	(24.08)	(22.50)
Total Assets	2,227.52	253.64	20.96
Total Liabilities	1,963.34	212.88	42.95
Investments (Other than Subsidiary)	-	-	-
Turnover	32,483.92	-	29.24
Profit before Taxation	674.34	(21.10)	(23.15)
Provision for Taxation	-	-	-
Profit after Taxation	674.34	(21.10)	(23.15)
Dividend proposed / paid	-	-	-
% of shareholding	100%	100%	100%

Note :

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

For & on behalf of the Board of Directors

Place : Mumbai
Date : 28th April, 2017

Amit Goenka
Director

Manoj Agarwal
Director

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

(₹ In Millions)

	2016	Given	Repaid	2017
a) **Loans & Advances given**				
Wholly owned Subsidiary	1737.59	651.55	1,512.80	876.34
(Includes foreign currency realignment)				

Notes

1. All Loans are given to wholly owned subsidiary entities on interest.
2. All the advances are provided for business purpsoes 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.10 in the Financial Statements.

c) Guarantees given (₹ In Millions)

SBLC Issued in favour of Zee Gold DMCC. 1364.30

d) Securities given

There are no securities given during the year.

ANNEXURE TO DIRECTOR'S REPORT

REPORT OF THE BOARD OF DIRECTORS UNDER SECTION 134 OF THE COMPANIES ACT, 2013, READ WITH COMPANIES (ACCOUNTS) RULES, 2014 FOR THE FINANCIAL YEAR ENDED ON 31ST MARCH 2017.

A. **CONSERVATION OF ENERGY**

Energy conservation measures taken:

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

i) Steps taken to conserve the energy:

1. The Company has installed Drives (VFD) to Pollution control equipment to save energy.
2. The Company has replaced Irrigation pump by energy efficient pump which resulted in significant power saving.
3. The Company has earned 7 % rebate on energy bill amount by maintaining Power Factor Unity.
4. Up gradation of plant machinery has achieved more production with less power consumption (in terms of kg produced/ Unit of power) compare to previous Financial year.

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

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

iii) The capital investment on energy conservation equipment: NIL

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

B. **TECHNOLOGY ABSORPTION & RESEARCH & DEVELOPMENT**

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

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 : 28th April, 2017

Amit Goenka
Chairman

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

		2016 – 17	2015– 16
POWER AND FUEL CONSUMPTION:			
1	**Electricity :**		
	a) ***Purchased Units*** (KWH in Thousands)	**602.535**	1382.822
	Total amount (₹ In Millions)	**6.74**	12.76
	Rate/Unit (₹)	**11.20**	9.23
	b) Own Generation :		
	i. Through D G Power Plant		
	Units (KWH in Thousands)	**Nil**	Nil
	Fuel Cost / Unit (₹)	**Nil**	Nil
	ii. Through Diesel Generator		
	Units (KWH in Thousands)	**5.38**	15.10
	Fuel Cost / Unit (₹)	**23.87**	21.35
	iii. Through Steam Turbine		
	Generated by Coal/Oil		
	Units (KWH in Thousands)	**Nil**	Nil
	Fuel Cost / Unit (₹)	**Nil**	Nil
2	**Coal :**		
	Quantity in M.T.	**Nil**	Nil
	Total Cost (₹ In Millions)	**Nil**	Nil
	Average Rate (₹/M.T.)	**Nil**	Nil
3	**Furnace Oil :**		
	Quantity in K. Ltrs.	**Nil**	Nil
	Total Cost (₹ In Millions)	**Nil**	Nil
	Average Rate (₹ M.T.)	**Nil**	Nil
4	**Others :**		
	Quantity in M.T.	**Nil**	Nil
	Total Cost (₹ In Millions)	**Nil**	Nil
	Average Rate (₹/M.T.)	**Nil**	Nil

For and on behalf of the Board

Place : Mumbai
Date : 28th April, 2017

Amit Goenka
Chairman

ANNEXURE TO THE DIRECTORS' REPORT

ANNUAL REPORT ON CORPORATE SOCIAL RESPONSIBILITY (CSR) ACTIVITIES FOR FY 2016-2017

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 www.shirpurgold.com
2	The Composition of CSR Committee	As on March 31, 2017, the CSR Committee of the Board comprises of 3 Directors. Mr.Amit Goenka, Promoter Director as Chairman, Ms Kavita Kapahi Independent Director as member and Mr. Manoj Agarwal, Independent Director as member.
3	Average net profit of the Company for last three financial year	₹ 158.91 Millions
4	Prescribed CSR expenditure (2 % of the average net profits for last three years)	₹ 3.18 Millions
5	Details of CSR spent during FY a) Amount to be spent in FY (including unspent amount of FY 15-16) b) Unspent Amount c) Amount Spent d) Areas where spent	 ₹ 4.59 Millions ₹ 4.59 Millions NIL NA as the Company couldn't find any appropriate project / activities for CSR spent.

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

Place : Mumbai,
Date : 28th April, 2017

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 2016-17, the ratio of the remuneration of each of the director to the median remuneration of the employees of the company for the financial year 2016-17 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
Non-Executive Directors					
Amit Goenka	-	-	-	NA	NA
Manoj Agarwal	0.20	-	0.90:1	NA	NA
Vimal Kumar Agarawal	-	-	-	NA	NA
Anish Goel	-	-	-	NA	NA
Kavita Kapahi	0.18	-	0.81:1	NA	NA
Key Managerial Personnel					
Subhash Pareek	1.01	-	NA	0.00	1.20
Archita Kothari	4.13	-	NA	0.02	4.93
Shyamal Padhiar	1.01	-	NA	0.00	1.20

Notes :

1. The Company does not have any Executive Director.
2. The Company has paid remuneration to it's Directors by way of sitting fees only.

i) Percentage increase in the median remuneration of employees in the financial year 2016-17 is NIL

ii) The Company has 53 permanent employees on the rolls of the Company as on March 31, 2017.

iii) Average increase in the salaries of the employees other than the managerial personnel during the financial year 2016-17 was NIL while average increase in the managerial remuneration was NIL.

iv) 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, 2017

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, 2017 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, 2017 according to the provisions of:

i. The Companies Act, 2013 (the Act) and the rules made thereunder;

ii. The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder;

iii. The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;

iv. Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings;

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

   a. The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;

   b. The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;

   c. The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009 and amendments from time to time.

   d. 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;

   e. The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('Listing Regulations');

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 Secretarial Standards 1 & 2 issued by the Institute of Company Secretaries of India.

During the Audit period under review, based on the said verifications and as per representations and clarifications provided by the management, I confirm that the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards etc. as mentioned hereinabove.

I further report that:

a) Compliance of applicable financial laws including Direct and Indirect Tax laws by the Company has not been reviewed in this Audit since the same has been subject to review by the Statutory Auditors and other designated professionals.

b) The Board of Directors of the Company is duly constituted. During the Audit period Mr. Vimal Kumar Agarawal Resigned from Board on 31st January, 2017

c) 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.

d) Decisions at the Board Meetings, as represented by the management and recorded in the minutes, were generally unanimous.

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

MITA SANGHAVI
FCS No.7205
CP No. 6364

Place: Mumbai
Date : 28th April, 2017

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	9th 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 405Tel : 02563 – 258002 Fax : 02563 – 261357 E-mail : investorinfo@shirpurgold.com Website : www.shirpurgold.com
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	M/s Link Intime India Pvt.Ltd. C 101, 247 Park, LBS Marg, Vikhroli (West), Mumbai – 400 083. Tel : +91 22- 4918 6000 Fax : +91 22-4918 6060 E-Mail: rnt.helpdesk@linkintime.co.in

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 Jewellery	3831	42.36
2	Wholesale Trade of Precious Metals	6192	35.56
3	Manufacturing of Gold Bar	3835	22.08

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.	U92190MH2005PTC152972	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)
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 01.04.2016)				No. of shares held at the end of the year (As on 31.03.2017)				% change during the year
	Demat	Physical	Total	% of Total shares	Demat	Physical	Total	% of Total shares	
A. Promoters									
1. Indian									
Bodies Corp.	21185703	-	21185703	72.71	21185703	-	21185703	72.71	-
Sub-Total (A) (1)	**21185703**	**-**	**21185703**	**72.71**	**21185703**	**-**	**21185703**	72.71	-
2. Foreign	-	-	-	-	-	-	-	-	-
Sub-Total (A) (2)	-	-	-	-	-	-	-	-	-
Total Shareholding of Promoter (A) = (A)(1) + (A) (2)	**21185703**	**-**	**21185703**	**72.71**	**21185703**	**-**	**21185703**	72.71	-
B. Public Shareholding									
1. Institutions	-	-	-	-	-	-	-	-	-
Foreign Portfolio Investor	740000	-	740000	2.54	654600	-	654600	2.24	(0.30)
Financial Institutions / banks	-	-	-	-	61740	-	61740	0.21	0.21
Sub-Total (B) (1)	**740000**	**-**	**740000**	**2.54**	**716340**	**-**	**716340**	**2.45**	**(0.09)**
2. Non-Institutions									
a) Bodies Corp.									
i) Indian	1607392	-	1607392	5.52	1357704	-	1357704	4.66	(0.86)
ii) Overseas	39900	-	39900	0.14	39900	-	39900	0.14	-
b) Individuals									
i) Individual shareholders holding nominal share capital upto ₹ 1 Lakh	2528564	43312	2571876	8.83	2610318	43312	2653630	9.11	0.28
ii) Individual shareholders holding nominal share capital in excess of ₹ 1 Lakh	2159439	25000	2184439	7.50	2251554	25000	2276554	7.82	0.32
c) Others									
i. NRI	21685	-	21685	0.07	240026	-	240026	0.82	0.75
ii. Trusts	995	-	995	0.00	995	-	995	0.00	-
iii. Foreign Nationals	4801	-	4801	0.02	12001	-	12001	0.04	0.02
iv. HUF	509213	-	509213	1.74	554763	-	554763	1.91	0.17
v. Clearing Member	271198	-	271198	0.93	99586	-	99586	0.34	(0.59)
Sub-Total (B) (2)	**7143187**	**68312**	**7211499**	**24.75**	**7166847**	**68312**	**7235159**	**24.84**	0.09
Total Public Shareholding (B) = (B)(1) + (B) (2)	**7883187**	**68312**	**7951499**	**27.29**	**7883187**	**68312**	**7951499**	**27.29**	-
C. Shares held by Custodian for GDRs & ADRs	-	-	-	-	-	-	-		-
Grand Total (A+B+C)	**29068890**	**68312**	**29137202**	**100.00**	**29068890**	**68312**	**29137202**		**-**

ii) Shareholding of Promoters

Shareholder's name	Shareholding at the beginning of the year as on 01.04.2016			Shareholding at the end of the year as on 31.03.2017			% 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	5000000	21185703	72.71	5000000	-
Total	21185703	72.71	5000000	21185703	72.71	5000000	-

iii) Change in Promoter's Shareholding

There are no changes in the shareholding of Promoter's during the period from 01.04.2016 to 31.03.2017.

iv) Change in Shareholding Pattern of Top 10 Shareholders

Name of Shareholder	Shareholding at the beginning of the year (April 1,2016)		Shareholding at the end of the year (March 31,2017)	
	No. of Shares	% Equity Capital	No. of Shares	% Equity Capital
Polus Global Fund #	740000	2.54	654600	2.24
Vincent Trading Pvt.Ltd. #	201000	0.69	525381	1.80
Religare Securities Ltd #	671050	2.30	385289	1.32
Kruti Bhupesh Patel #	300000	1.03	300000	1.03
Farheen Majeed Khan @	-	-	230270	0.79
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
Mohammed Arshad @	-	-	174094	0.59
Meha Mukesh Patel #	129000	0.44	129000	0.44
International Financial Services Ltd. $	225000	0.77	-	-

Note :

1. 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.
2. # denotes common top 10 shareholders as on April 1,2016 and March 31,2017

   $ denotes top 10 shareholders only as on April 1,2016

   @ denotes top 10 shareholders only as on March 31,2017

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

Mr. Vimal Kumar Agarwal, erstwhile Director of the Company was holding (including holding of dependents) 8554 Equity Shares of the Company at the beginning of the year i.e. April 1, 2016. His dependent sold 4000 shares during the financial year 2016-17 however he is ceased to be Director of the Company w.e.f. 31st January, 2017.

None of the Directors / Key Managerial Personnel except as mentioned above is holding any shares of the Company at the beginning of the year i.e. April 1,2016 or at the end of the year i.e. March 31,2017 or dealt in the Equity Shares of the Company during financial year 2016-17 and information in this regard is Nil.

V. **INDEBTEDNESS**

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 ii) Interest due but not paid iii) Interest accrued but not due	5968.47 -	559.31 7.03	- -	6527.78 7.03
Total (i+ii+iii)	5968.47	566.34	-	6534.81
Changes in Indebtedness during the financial year				
• Addition • Reduction	- (1777.60)	- (116.43)	- -	- (1894.03)
Net Change	(1777.60)	(116.43)	-	(1894.03)
Indebtedness at the end of the financial year i) Principal Amount ii) Interest due but not paid iii) Interest accrued but not due	4190.87 -	449.91 -	- -	4640.78 -
Total	4190.87	449.91	-	4640.78

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
		Subhash Pareek
1	Gross salary as per Income Tax Act (a) Salary (b) Perquisites (c) Profits in lieu of salary	 1.01 - -
2	Stock Option	-
3	Sweat Equity	-
4	Commission	-
5	Others	-
	Total (A)	1.01
	Ceiling as per Act	₹.0.49 Millions. However, remuneration paid is within the limits of Schedule V of the Companies Act,2013

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
	Non Executive Directors				
1	Amit Goenka	-	-	-	
2	Manoj Agarwal	0.20	-	-	0.20
3	Anish Goel	-	-	-	-
4	Vimal Kumar Agarawal	-	-	-	-
5	Kavita Kapahi	0.18	-	-	0.18
	Total	**0.38**	**-**	**-**	**0.38**
	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 (b) Perquisites (c) Profits in lieu of salary	 3.89 - -	 0.95 - -
2	Stock Option	-	-
3	Sweat Equity	-	-
4	Commission	-	-
5	Others -Contribution to Provident Fund	 0.24	 0.06
	Total	**4.13**	**1.01**

VII. PENALTIES / PUNISHMENT / COMPOUNDING OF OFFENCES - None

AUDITORS' CERTIFICATE ON COMPLIANCE OF CORPORATE GOVERNANCE

To,
The Members of
Shirpur Gold Refinery Limited

We have examined the compliance of the conditions of Corporate Governance by **Shirpur Gold Refinery Limited** ('the Company'), for the year ended 31st March,2017 as stipulated in applicable regulations and paragraphs C,D and E of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations,2015. (collectively referred as "SEBI Listing Regulations,2015.")

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

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

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

For **B. S. SHARMA and Co.,**
Chartered Accountants
Firm Registration Number 128249W

CA B. S. Sharma
Proprietor
FCA 031578

Place : Mumbai
Date : 28th April,2017

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.

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'

Code of Conduct

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

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

Declaration

I confirm that the Company has obtained from all Directors and Senior Management Personnel of the Company their affirmation of compliance with the Code of Conduct for Members of the Board and Senior Management of the Company for the financial year ended 31st March 2017.

Mumbai, 28th April, 2017 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

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

Board of Directors

Composition and Category of Directors

The Company has a balanced Board containing majority of Non-Executive and Independent Directors to ensure independent functioning and the current composition of the Board is in conformity with the requirements of Regulation 17(1) of Listing Regulations. 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 31st March, 2017

Category of Directors	No. of Directors	% to total No. of Directors
Executive Director	0	-
Non-Executive Independent Directors	3	75.00
Other Non-Executive Directors	1	25.00
Total	**4**	**100.00**

During the financial year under review, five (5) meetings of the Board of Directors were held on 19th May 2016; 10th August 2016; 14th November 2016,24th December,2016 and 14th February 2017.

Particulars of Directors, their attendance at the Annual General Meeting and Board Meetings held during the financial year 2016-17 and also their other directorships in Public Companies (excluding Foreign Companies and Section 8 Companies) and Membership/ Chairmanship of Audit and Stakeholders' Relationship Committees of other Companies as at 31st March 2017 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 (5 meetings)	31st AGM held on 27.08.2016		
Mr. Amit Goenka	Promoter non- executive Non-Independent	3	Yes	Nil	Nil
*Mr. V. K. Agarawal	Non-Executive Non-Independent	3	Yes	Nil	Nil
Mr. Anish Goel	Non-Executive Independent	3	No	Nil	Nil
Mr. Manoj Agarwal	Non-Executive Independent	4	Yes	Nil	Nil
Ms. Kavita Kapahi	Non-Executive Independent	5	Yes	4	1

* Resigned w.e.f. 31st January,2017.

None of the Directors of the Company holding any shares as at March 31,2017. 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
No. of Meeting held	4	1	4	1
Directors' Attendance				
Mr. Amit Goenka	3	1	3	1
*Mr. V.K.Agarawal	NA	NA	3	-
Mr. Anish Goel	2	1	NA	NA
Mr. Manoj Agarwal	4	1	4	1
**Ms. Kavita Kapahi	4	NA	NA	NA

Note :1. * Ceased as Stakeholder's Relationship Committee Member w.e.f. 31.01.2017.

2. ** Appointed as Stakeholder's Relationship Committee Member & Corporate Social Responsibility Committee Member w.e.f. 14.02.2017.

3. 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 21st March,2017 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, 2017, 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 19th May 2016; 10th August 2016; 14th November 2016 and 14th February 2017.

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 19th May, 2016.

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 behavior 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 30th AGM held on 15th 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 1st April 2016 to 31st March 2017 is as under:

Particulars	(₹ In Millions)
Salary and Allowances	1.01

Remuneration Paid to Non - Executive Directors .

All Non–Executive directors except Mr.Amit Goenka, Mr.V.K.Agarawal & Mr.Anish Goel were paid sitting fees @ ₹20,000/- per meeting for attending meetings of the Board and/or its Committees except Stakeholders' Relationship Committee and Finance Committee. The details of sitting fees paid are as under:

S.No.	**Name of the Director**	**Total Sitting Fees paid (₹ In Millions)**
1	Mr. Amit Goenka	-
2	Mr. Anish Goel	-
3	Mr. Manoj Agarwal	0.20
4	Ms. Kavita Kapahi	0.18
	Total	**0.38**

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.V.K.Agarawal, Non-Executive Non Independent Director who has resigned from the Board was drawing remuneration as 'Managing Director' of 'Zee Gold DMCC' Wholly Owned Dubai Subsidiary of the Company till 31st January,2017.

C) Stakeholders Relationship Committee

Constitution

As on March 31, 2017, the Stakeholders Relationship Committee comprised of Mr. Manoj Agarwal, Non-Executive Independent Director as Chairman and Mr. Amit Goenka, Non- Executive Director and Ms. Kavita Kapahi, Non-Executive Director as its Members. During the year under review, the Stakeholders Relationship Committee was reconstituted by nomination of Ms. Kavita Kapahi as Committee Member in place of Mr.V.K.Agarawal w.e.f. 14.02.2017.

During the year under review, the Committee met four (4) times on 19th May 2016; 10th August 2016; 14th November 2016 and 14th February 2017.

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 2016-17.

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 (CSR) Committee. As on March 31, 2017, the Committee comprised of Mr. Amit Goenka, Promoter Director as Chairman, Ms.Kavita Kapahi, Non-Executive Director and Mr.Manoj Agarwal, Independent Director as it's members. During the year under review, the CSR Committee was reconstituted by nomination of Ms. Kavita Kapahi as Committee Member in place of Mr.V.K.Agarawal w.e.f. 14.02.2017.

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 32nd Annual General Meeting of the Company for the Financial Year 2016-17 will be held on Wednesday, 27th September,2017 at 1.30 p.m. at the registered office of the Company at Refinery Site, Shirpur, Dist. Dhule, Maharashtra 425 405.

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

Year	Date and Time	Special Resolutions passed	Venue
2015-16	27.08.2016 - 2.00 p.m.	Register of Members and other documents to be kept and maintained at the office of the Company's Registrar at Mumbai	Refinery Site, Shirpur, Dist – Dhule, Maharashtra – 425 405
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	
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	

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 32nd 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. The financial results, quarterly, half yearly and annual results and other statutory information were communicated to the shareholders by way of advertisement in a English newspaper 'Free Press Journal' and in a vernacular language newspaper 'Navshakti (Marathi)' as per the requirements of the Stock Exchanges and requisite information are filed 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.

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

GENERAL SHAREHOLDER INFORMATION

1	**Date, Time and Venue of Shareholder's Meeting**	Meeting	Annual General Meeting
		Day and Date	Wednesday,27th September,2017
		Time	1.30 p.m.
		Venue	Registered Office at Refinery Site, Shirpur 425 405, Dist. Dhule, Maharashtra
2	**Financial Year**	1st April, 2016 to 31st March 2017	
3	**Date of Book Closure**	Wednesday,20th September,2017 to Wednesday,27th September,2017 (both days inclusive)	
4	**Dividend Payment Date**	The Company has not declared any dividend for the financial year 2016-17	
5	**Registered office / Plant Location**	Refinery Site, Shirpur, Dist. Dhule, Maharashtra - 425405 Tel: 02563 258001 Fax: 02563 261357 Website: www.shirpurgold.com	
6	**Corporate Office**	18th Floor, "A" wing, Marathon Futurex, N.M.Joshi Marg, Lower Parel, Mumbai - 400 018 Tel: 022 7108 5486 Fax: 022 7154 5940 E-mail: investorinfo@shirpurgold.com	
7	**Listing on Stock Exchanges**	BSE Limited (BSE) National Stock Exchange of India Limited (NSE) The Company has paid Listing Fees for the financial year 2017-18 to the above stock exchanges.	
8	**Stock Code**	BSE	512289
		NSE	SHIRPUR-G
9	**ISIN No.**	Equity - INE196B01016	
10	**Corporate Identity Number**	L51900MH1984PLC034501	
11	**Registrar and Share Transfer Agent**	M/s Link Intime India Pvt.Ltd. C 101, 247 Park, LBS Marg, Vikhroli (West), Mumbai – 400 083. Tel : +91 22- 4918 6000 Fax : +91 22-4918 6060 E-Mail: rnt.helpdesk@linkintime.co.in	
12	**Investor Relation Officer**	Mr. Shyamal Padhiar, Company Secretary 18th Floor, "A" wing, Marathon Futurex, N.M.Joshi Marg, Lower Parel, Mumbai – 400 018 Tel: 022 7108 5486 Fax: 022 7154 5940 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 compulsory traded in the Dematerialized form. As on 31st March 2017, 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 16th December, 2010, there were no shares lying in the suspense account which are unclaimed/undelivered as on 31st March,2017.

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

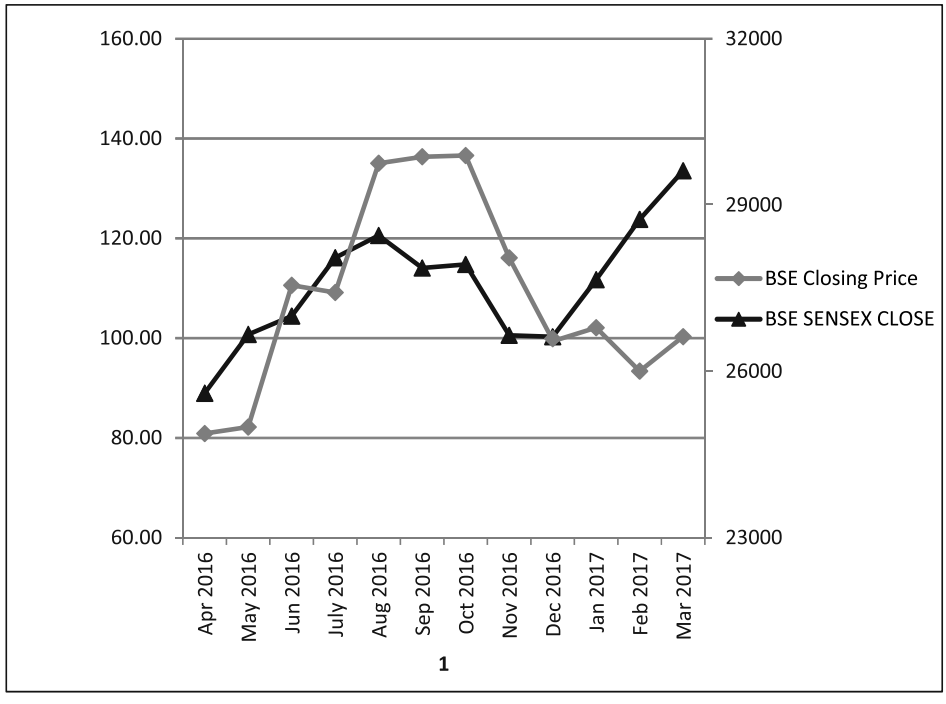
Monthly high and low Prices on BSE and NSE and volume traded for financial year 2016-2017 are:

	BSE			NSE		
	High (₹)	Low (₹)	Volume (In Nos.)	High (₹)	Low (₹)	Volume (In Nos.)
April 2016	91.65	72.60	9,07,116	92.15	71.75	14,82,461
May 2016	100.25	78.05	22,71,022	100.00	77.15	32,87,558
June 2016	113.50	81.90	30,66,478	113.90	81.00	43,92,852
July 2016	115.00	103.00	25,81,214	115.00	102.45	46,21,597
August 2016	141.60	100.60	28,85,448	141.90	92.20	48,57,072
September 2016	179.00	126.00	25,54,991	178.90	125.00	38,83,463
October 2016	167.00	126.55	8,04,551	166.80	126.50	14,94,944
November 2016	138.95	75.85	3,26,509	138.85	71.80	5,32,858
December 2016	134.90	99.00	3,17,718	135.00	98.50	6,59,849
January 2017	115.20	99.00	87,000	115.60	98.60	1,94,940
February 2017	107.00	90.05	74,813	107.45	89.95	1,67,681
March 2017	108.00	87.20	2,01,733	107.95	89.00	4,97,166

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 31,2017 :

No. of Equity Shares	Share Holders		No. of Shares	
	Number	% of Holders	Number	% of Shares
1 to 500	6836	83.97	9,09,307	3.12
501 to 1000	578	7.10	4,60,695	1.58
1001 to 2000	349	4.29	5,11,191	1.75
2001 to 3000	127	1.56	3,23,303	1.11
3001 to 4000	50	0.61	1,75,743	0.60
4001 to 5000	39	0.48	1,78,927	0.62
5001 to 10000	77	0.95	5,67,670	1.95
10001 and above	85	1.04	2,60,10,366	89.27
TOTAL	**8141**	**100.00**	**2,91,37,202**	**100.00**

21. Categories of Shareholders as on March 31,2017 :

Category	% Shareholding	No. Shares held
Promoters	72.71	2,11,85,703
Individuals	16.92	49,30,184
Foreign Portfolio Investors, OCBs and NRIs	3.21	9,34,526
Domestic Companies	4.66	13,57,704
Others	2.50	7,29,085
TOTAL	100.00	2,91,37,202

22. Particulars of Shareholding

Promoter Shareholding as on March 31,2017

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 31.03.2017.

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 STRUCTRE AND DEVELOPMENTS

Gold is a precious metal which is highly ductile and malleable. As a result of this, it is used for making jewelry and for investment purpose across the globe. Due to the escalating prices of gold, it is at present being oversold in the bearish market. In times of high inflation, currency fluctuations, and geopolitical crisis, gold is considered to be the safest investment.

A barrage of policy initiatives, aimed at purging India of black money and instilling greater transparency, have rocked the country's economy, including its gold market. The impact of some of the headwinds was offset due to implementation of the 7th Pay Commission recommendations which spurred domestic consumption in FY 2016-17. The overall retail inflation tapered down to 3.8% in March 2017, from 5.6% in April 2016. The dollar-rupee exchange rate too came down favourably to ₹ 64.5 levels. All of these augur well for consumer spending, which is likely to surge forward. The GDP growth estimate is a strong 7.1% (Source – Central Statistics Office) for the year in review and is expected to further strengthen in FY 2017-18, helping India retain its status as the world's fastest growing large economy. The revival of consumer interest, hopes of a good monsoon, and India's underlying economic strength are factors supporting growth prospects.

Global Scenario

Rising prices for much of the year, regulatory and fiscal hurdles in India and China's softening economy were key reasons for weakness in the sector. World gold demand stood at 4,308 tonnes (t) showing an increase of 2% as compared to FY 15. Hit by high gold prices, annual global jewellery demand fell to a seven-year low of 2,041 tones, showing decrease of 15% as compared to FY 15.

Indian Scenario

2016-17 was a year of uncertainties. The first half of the year was marked by weak wedding and festive seasons and disruptions during the Akshaya Tritiya festival (April 2016), and a normal but prediction-belying monsoon. The second half, however, saw a much better consumer sentiment despite demonetisation, driven largely by good festive and wedding seasons (October-March) and low inflation. Neilsen's Consumer Confidence Index in the October-December period showed a steady gain from the previous period, demonstrating this.

Indian annual jewellery demand fell to a 7 year low amid strikes, regulation and high gold prices. Circumstances in India during 2016 created a very challenging environment. In Q1 FY 16, the nationwide jewellers' strike effectively shut down the gold industry. Further difficulties arose when the government's clampdown on undeclared income – which reached its pinnacle in Q4 FY 16 with the demonetisation policy – drove an element of gold demand into the shadier grey market.

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 State Of Company's Affairs/ Developments

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

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

STRENGTHS, OPPORTUNITIES, THREATS, RISKS & CONCERNS :

A Strengths

(i) Product Range

Currently, The Company is selling it's 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

The purchase of gold is expected to rise as consumers are focusing on long-term investments. As the confidence over bullion as a secure mode of investment is rising, the demand for gold is also rising at a considerable rate. Geographically, Asia Pacific emerged dominant in terms of production as well as consumption of gold. The maximum consumption of gold in the region was observed among South East Asian countries. The rising industrial demand for gold from countries such as China, India, and other South East Asian countries is expected to augment the growth of the gold market in Asia Pacific. In terms of growth, Europe dominated the market with Russia as the leading producer of gold in the region. Leading players operating in the global gold market are focusing on capitalizing the opportunities arising in developing countries in Asia Pacific.

India's gold market is highly fragmented. Jewellery's retailing landscape is dominated by small businesses – regional and national chains only account for around 30% of the market. The picture in jewellery manufacturing is more extreme, with 95% of the industry consisting of small-scale operations.

Due to proposed implementation of Goods & Service Tax (GST) effective from July 1,2017 in India, while gold consumers will face a slightly higher tax rate, and the industry will go through a period of adjustment, but the net impact on the gold industry as being positive. The gold supply chain should become more transparent and efficient, and the tax reform can boost economic growth, which can be seen as supporting gold demand.

"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

Factors such as degrading ore grades, technical issues, and strikes are anticipated to hamper the growth of the global gold market. The global gold market is likely to be affected by the fluctuating supply of mined gold as the global gold production is a mix of scrap recovery, central bank supply, and mined gold.

GST may be disruptive in the short term as the industry adjusts to the new tax regime. Manufacturers' and retailers' working capital could be tied up because of inter-state gold

stock transfers. Small-scale artisans and retailers with varying degrees of tax compliance may struggle to adapt. Consumer demand faces a headwind from the higher rate of tax. And consumers and jewellers may try to conduct recycling transactions under the counter, away from the prying eye of the tax man.

D) Risks & Concerns:

(i) **Market Risks**

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

(ii) **Regulatory Risks**

The Company is exposed to regulatory uncertainties facing the gems and jewellery industry in India. Any changes in the duty, rules and regulations, Import and Export policies or requirements by the Government of India may require the Company to revise business strategies which may impact its financial position adversely. The Company in order to reduce loss of revenue and market share due to any changes in the policies of the Government of India, has diversified sales mix, product range, and raw material mix. However, the management cannot totally eliminate the risks involved in such volatile trades.

(iii) **Operational Risks**

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

(iv) **Commodity Price Risks**

The prices of Gold and Silver are largely governed by movements at major precious metal exchanges of London, New York, Tokyo and others. The local precious metal prices are an algorithm of these movements on 'spot' basis and Indian currency Rates. Prices may fluctuate widely for all products affecting demands in the market. The Company has adopted adequate hedging mechanisms to effectively counter the risk that arises during operations. However, the management cannot totally eliminate the risks involved in such volatile trades.

(v) **Currency Risk**

This exposes the Company to metal and foreign exchange risks. The Company has established a dealing room and placed hedging policies and procedures for mitigating the risks in gold prices and foreign exchange transactions. However, the management cannot totally eliminate the risks involved in such volatile trades.

(vi) **Competition Risk**

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

(vii) **Internal Control Systems**

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

(viii) **Attrition Risk**

The Company has a strong management and technical team to oversee the operations and growth of its business. The Company's ability to sustain its growth largely depends, on its ability to attract, train, motivate and retain high skilled employees. An increase in the rate of attrition of experienced employees, would adversely affect the Company business. In view of above, to curtail attrition of high potential employees, the Company always strives to create conducive work environment, platform for innovation & creativity, creation of learning & growth opportunity and sense of belongingness. As a part of its retention strategy the Company is putting its endeavor to identify & ring fence of "High Potential Employees".

SEGMENTAL PERFORMANCE

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

OUTLOOK

After a challenging 2016, India's gold market faces headwinds. As well as the lingering effect of the policies implemented last year, the industry has more to contend with in 2017. The ban on cash transactions over Rs 300,000 could hurt rural Indian demand while GST could adversely affect the industry in the short-term.

But after falling so sharply last year, demand is unlikely to fall further. Headwinds will be off-set by strong tailwinds. A banking system flush with liquidity, the bumper crop after a good monsoon, and central government employees' and pensioners' inflation-busting wage hike will all support economic growth. GST will streamline India's byzantine tax structure which, as well as boosting the economy,

GST, in long run, should eliminate double taxation and improve supply chains efficiency. GST can make the gold industry more transparent which, coupled with recent hallmarking legislation, should ensure gold buyers have confidence in the gold products they buy, rather than continuing to suffer from the gross level of under-carating they have previously endured. And India's entire economy is on a rapid journey to becoming more organised and more transparent, boosting economic growth. This is vitally important for India's gold market. Our econometric analysis reveals that income growth is the single biggest driver of gold demand in India.

In India, the government's decision to remove large denomination rupee notes (₹ 500 and ₹ 1,000) took around 86% of India's circulating cash out of its economy. While the purpose is to replace them with newly printed notes, the liquidity squeeze could have a temporary negative effect on economic growth, and may also affect gold demand in the short term. But more importantly, the transition to transparency and formalisation of the economy will lead to stronger Indian growth in the longer term, thus benefitting gold.

Demonetisation is also boosting large jewellery retailers, and they will continue to grab a larger share of the market. Over time, consumers will move away from cash towards digital payments, and organised players should benefit from this trend. This change in market dynamics will result in more transparency and a better deal for consumers, protecting them from shady practices such as under-carating.

Zee Gold DMCC, Dubai (100% subsidiary) has commenced trading activities in FY 16 and tapping opportunities in countries like Africa, Latin America and Australia.

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, 2017 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, 2017 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

      (i) system over financial reporting.

For Shipru Gold Refinery Limited

Subhash Pareek
Manager

Archita Kothari
Chief Financial Officer

Place : Mumbai,
Date **:** 28th April, 2017

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 31st March 2017, 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 provision 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. Auditors' Responsibility

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

In conducting 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 and evaluating the appropriateness of accounting policies used for 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 include evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the 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

a. Reference is invited to Note no. 47 relating to assignment of Sales Tax incentive of ₹ Millions 49.74 (₹ Millions 904.89) to a body corporate for a consideration of ₹ Millions 17.06 (₹ Millions 352.06) and the transfer of the balance of ₹ Millions 32.68 (₹/ Millions 552.83) to capital reserve.

b. We draw attention to Note No 48, in continuation of the preceding year's note No. 47 wherein details of the robbery of gold weighing 60 kgs during transit had been given. Of the said 60 Kgs Gold, the seizure made was 13.6939 kgs including 2 kgs from site of robbery and other assets of the robbers, were in Police Custody, had been taken possession by the Company on 19th April 2017, pursuant to the Order of the Session Court. For the balance gold of 46.3061 Kgs valued at ₹ Millions 124.34 including expenses of ₹ Millions 1.83 is pending for settlement with the Insurance company

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:

(a) In the case of the Balance Sheet, of the state of affairs of the Company as at 31st March, 2017;

(b) In the case of the Statement of Profit and Loss, of the profit of the Company for the year ended on that date; and

(c) 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

a. As required by the 'Companies (Auditor's Report) Order, 2017' 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:

(a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.

(b) In our opinion proper books of account as required by law have been kept by the company so far as appears from our examination of those books.

(c) 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.

(d) 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.

(e) On the basis of written representations received from the directors as on 31st March, 2017, taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2017, 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 Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure B" and

(g) 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:

i. The Company has disclosed the impact of pending litigations on its financial position in its financial statements – Refer Note 30 .

ii. The Company 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 Company during the year ended 31st March, 2017.

iv. The Company has provided requisite disclosures in the financial statements as to holdings as well as dealings in Specified Bank Notes as defined in the Notification S.O., 3407(E) dated 08.11.2016 of the Ministry of Finance, during the period from 8th November, 2016 to 30th December, 2016. Based on the audit procedures performed and relying on the management representation, we report that the disclosures are in accordance with books of account maintained by the Company and as produced before us by the Management – Refer to Note 50 to the financial statements.

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

CA B S SHARMA,
PROPRIETOR,
Membership No.031578

Place: Mumbai
Dated: 28th April, 2017

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 2017)

i) Fixed Assets:

a) The company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.

b) The Company has a regular program of physical verification of its fixed assets, in phased manner designed to cover all the items during the year. In accordance with this program, fixed assets have been physically verified by the Management during the year and as per the information and explanations given, records produced, we observe that no material discrepancies were noticed on such verification. In our opinion, this program and periodicity is reasonable having regard to the size of the company and the nature of its assets.

c) 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, 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 & 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 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 to the Company.

vii) Payment of statutory dues:

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

There are no undisputed amounts payable in respect of the aforesaid dues, which were in arrears as at 31st March, 2017 for a period of more than six months from the date they became payable.

b) According to information and explanations given to us and the records of company examined by us, details of dues of Income tax, Sales tax, which have not been deposited as on 31st March, 2017 on account of dispute and/or under the State Government MVAT Deferral Scheme and as per the export obligations to be fulfilled as per the terms of the import licenses, detailed hereunder:

i. In continuation of the preceding year's Note, the Company during the year 2016-17 (2011-12 to 2015-16) had collected MVAT of ₹ Millions 49.74 (₹ Millions 904.89) under Sales Tax Incentive Scheme of 1993 by the Government of Maharashtra, (Scheme PSI-1993) and is required to be repaid in five respective equal annual installments starting from financial year 2026-27 to 2031-32 (2021-22 to 2026-27). However, during the year the said liability has been assigned on the same terms and conditions as contained in an Agreement for Debt Defeasancing dated 31.03.2016 executed by and between the company and a body corporate, in respect of assignment of Deferred Sales Tax (MVAT entitlement) collection of ₹ Millions 49.74 (₹ Millions 904.89) for a consideration at Net Present value of ₹ Millions 17.06 (₹ Millions 352.06). The difference of ₹ Millions 32.68 (₹/Millions552.83) between 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 Year 2020-21, 2019-20 & 2020-21 respectively as stipulated in the licenses is ₹/Millions Nil (₹/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

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 repayments 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 offer:

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:

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

xi) Managerial remuneration:

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

xvi) Registration with Reserve Bank of India:

According to information & 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: 28th April, 2017

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 2017)

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

We have audited the internal financial controls over financial reporting of **SHIRPUR GOLD REFINERY LIMITED ("the Company")** as at 31st March, 2017 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 read with the notes to financial statements hereto and such internal financial controls over financial reporting were, checked on test basis, considering the size and nature of business operations, is operating effectively as at March 31, 2017, 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: 28th April, 2017

BALANCE SHEET AS AT 31ST MARCH, 2017

(₹ Millions)

PARTICULARS	Note	2017	2016
EQUITY AND LIABILITIES			
Shareholders' Funds			
(a) Share Capital	1	291.37	291.37
(b) Reserves and Surplus	2	3,042.15	2,959.51
		3,333.52	3,250.88
Non-Current Liabilities			
(a) Long-Term Borrowings	3	449.91	491.90
(b) Other Long Term Liabilities	4	15.36	28.81
(c) Long Term Provisions	5	5.63	6.67
		470.90	527.38
Current Liabilities			
(a) Short-Term Borrowings	6	4,190.87	6,042.91
(b) Trade Payables	7	1,618.86	369.99
(c) Other Current Liabilities	8	127.66	62.91
(d) Short-Term Provisions	9	106.78	49.27
		6,044.17	6,525.08
TOTAL		**9,848.59**	**10,303.34**
ASSETS			
Non-Current Assets			
(a) Fixed Assets	10		
- Tangible		1,644.93	1,709.85
(b) Non-Current Investments	11	393.94	393.94
(c) Deferred Tax Assets (net)	12	475.44	491.61
(d) Long Term Loans and Advances	13	4.83	4.83
(e) Other Non-Current Assets	14	25.51	47.40
		2,544.65	2,647.63
Current Assets			
(a) Inventories	15	254.96	1,416.68
(b) Trade Receivables	16	4,868.28	2,804.86
(c) Cash and Cash Equivalents	17	617.49	679.29
(d) Short Term Loans and Advances	18	1,563.21	2,754.88
		7,303.94	7,655.71
TOTAL		**9,848.59**	**10,303.34**
Notes Forming Part of Financial Statement	1 to 52		

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 : 28th April, 2017

For & on behalf of the Board of Directors

Amit Goenka	- Director
Manoj Agrarwal	- Director
Subhash Pareek	- Manager
Archita Kothari	- CFO
Shyamal Padhiar	- Company Secretary

STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31 ST MARCH, 2017

(₹ Millions)

PARTICULARS	Note	2017	2016
REVENUE			
(a) Revenue from Operations	19	**17,017.34**	39,239.42
Less - Excise duty		**32.16**	286.01
Net Revenue		**16,985.18**	**38,953.41**
(b) Other Income	20	**84.13**	39.76
TOTAL		**17,069.31**	**38,993.17**
EXPENDITURE			
(a) Cost of Materials Consumed	21	**9,760.98**	38,770.48
(b) Purchase of Stock-in-Trade	22	**5,799.79**	-
(c) Changes in Inventories of Finished Goods, Work-in-Progress and Stock-in-Trade	23	**978.06**	(822.03)
(d) Employee Benefit Expense	24	**42.41**	59.71
(e) Finance Costs	25	**232.79**	547.29
(f) Depreciation & Amortization Expense	26	**67.60**	66.84
(g) Other Expenses	27	**104.05**	166.37
			-
TOTAL		**16,985.68**	**38,788.66**
			-
Profit Before tax		**83.63**	**204.51**
Exceptional Items		**-**	**-**
Profit after exceptional items		**83.63**	**204.51**
Tax Expense:			-
Less : Current Tax under MAT		**17.50**	44.52
Less : Deferred Tax Liability		**16.17**	22.49
Profit After Tax		**49.96**	**137.50**
Earning per Equity Share of face value of ₹ 10/- each			
Basic and Diluted	38	1.71	4.72
Notes Forming Part of Financial Statements	1 to 52		

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 : 28th April, 2017

For & on behalf of the Board of Directors

Amit Goenka	-	Director
Manoj Agrarwal	-	Director
Subhash Pareek	-	Manager
Archita Kothari	-	CFO
Shyamal Padhiar	-	Company Secretary

CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2017

(₹ Millions)

	PARTICULARS	2017	2016
A.	**CASH FLOW FROM OPERATING ACTIVITIES : -**		
	Net Profit before Taxation and Extraordinary Items	**83.63**	**204.51**
	Adjustment for :		
	Depreciation and Amortization Expenses	67.60	66.84
	Finance Cost	232.79	547.29
	Net Gain on exchange difference	(73.54)	188.74
	Excess Provision Liabilities written back	(142.51)	4.08
	Dividend Received	(0.03)	(0.03)
	Operating Profit /(Loss) before Working Capital Changes	**167.94**	**1,011.43**
	Adjustment for :		
	Change in Current Assets & Current Liabilities		
	(Increase) /Decrease in Inventory	1,161.72	(674.85)
	(Increase)/ Decrease in Short Term Loans & Advances	1,191.66	(2,253.18)
	(Increase)/ Decrease in Trade Receivables	(1,989.88)	1,551.39
	Increase/(Decrease) in Long Term Liabilities & Provisions	(14.50)	0.83
	Increase/(Decrease) in Trade Payables & Current Liabilities	1,496.15	(499.79)
	Cash Generated from Operation	**1,845.15**	**(1,875.60)**
	Less: Direct taxes paid (Net)		
	Net Cash flow from Operating Activities	**2,013.09**	**(864.17)**
B.	**CASH FLOW FROM INVESTING ACTIVITIES :**		
	Purchase of Fixed Assets	(2.68)	(35.11)
	Preoperative Expenses		(1.62)
	Dividend Received	0.03	0.03
	Investment in Foreign Subsidiaries	-	(52.05)
	Net Cash Generated in Investing Activities	**(2.65)**	**(88.75)**
C.	**CASH FLOW FROM FINANCING ACTIVITIES :**		
	Finance Cost	(232.79)	(547.29)
	Investment in Fixed Deposits	(17.70)	1,187.29
	Increase/(Decrease) in Long Term Borrowings	(9.31)	98.80
	Increase/(Decrease) in Short Term Borrowings	(1,852.04)	365.87
	Increase/(Decrease) in Long Term Loans and Advances	21.90	(4.08)
	Net Cash Generated in Financing Activities	**(2,089.94**	**1,100.59**
	NET CASH FLOW DURING THE YEAR (A+B+C)	**(79.50)**	**147.67**
	Cash and cash equivalents at the beginning of the year*	240.66	92.99
	Cash and cash equivalents at the end of the year*	**161.16**	**240.66**

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 : 28th April, 2017

For & on behalf of the Board of Directors

Amit Goenka	- Director
Manoj Agrarwal	- Director
Subhash Pareek	- Manager
Archita Kothari	- CFO
Shyamal Padhiar	- Company Secretary

NOTES FORMING PART OF FINANCIAL STATEMENTS

1. Share Capital

(₹ Millions)

Particulars	2017	2016
Authorised	350.00	350.00
35,000,000 (35,000,000) Equity Shares of ₹ 10/- each		
Issued, Subscribed and Paid up		
29,137,202 (29,137,202) Equity Shares of ₹ 10/- each, fully paid up	291.37	291.37
Total	**291.37**	**291.37**

(a) Reconciliation of number of shares and share capital

Particulars	2017		2016	
	Number	₹ Million	Number	₹ Million
Shares outstanding at the beginning of the year	29,137,202	291.37	29,137,202	291.37
Changes during the year	-	-	-	-
Shares outstanding at the end of the year	29,137,202	291.37	29,137,202	**291.37**

(b) Details of shares held by its holding company

Particulars	Nature of Relationship	% of Holding	2017	2016
			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 ₹ 10 per share.All the share are ranking pari- passu in all respect. Each holder of equity share is entitled to one vote per share. As per the Companies Act, 1956, the holders of equity shares will be entitled to receive remaining assets of the company, after distribution of all preferential amounts in the event of liquidation of the company. However no such preferential amounts exist currently. The distribution will be in proportion to the number of equity shares held by the Shareholders.

(e) Neither bonus shares are issued nor any shares bought back during the five years preceding 31st March 2017.

NOTES FORMING PART OF FINANCIAL STATEMENTS

2. Reserves and Surplus

(₹ Millions)

Particulars	2017	2016
Securities Premium Account	1,435.00	1,435.00
General Reserve	1,068.59	1,068.59
Capital Reserve	585.51	552.83
Surplus /(Deficit) in Statement of Profit and Loss		
As per Last Balance Sheet (Deficit)	(96.91)	(234.41)
Add: Net Profit (Loss) for the year	49.96	137.50
Net (Deficit)	(46.95)	(96.91)
Total	**3,042.15**	**2,959.51**

3. Long Term Borrowings - Unsecured

(₹ Millions)

Particulars	2017	2016
Sales Tax Deferment Scheme-Government of Maharashtra	0.01	0.01
Loans and advances	449.90	491.89
Total	**449.91**	**491.90**

4. Other Long Term Liabilities

(₹ Millions)

Particulars	2017	2016
Other Payables *	0.16	13.61
Advances from others	15.20	15.20
Total	**15.36**	**28.81**

* Refer Note No. 8 for Current Liabilities

5. Long Term Provisions

(₹ Millions)

Particulars	2017	2016
Provision for employee benefits (unfunded)*		
Gratuity	4.27	4.97
Leave benefits	1.36	1.70
Total	**5.63**	**6.67**

* Refer Note No. 9 for Short Term Provisions

6. Short Term Borrowings

(₹ Millions)

Particulars	2017	2016
Loans from banks* - Secured	4,190.87	5,968.47
Unsecured		74.44
Total	**4,190.87**	**6,042.91**

*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.

NOTES FORMING PART OF FINANCIAL STATEMENTS

7. Trade Payables **(₹ Millions)**

Particulars	2017	2016
Sundry Creditors for Materials	1,618.86	369.99
Total	**1,618.86**	**369.99**

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

Particulars	2017	2016
Statutory Dues	80.86	1.75
Sundry Creditors for General Purchase & Expenses*	32.52	34.43
Advance from customers	2.61	26.73
Others	11.67	
Total	**127.66**	**62.91**

*Out of total Sundry Creditors for General Purchases and Expenses of ₹ Millions 32.68 (48.04), ₹ Millions 32.52 (34.43) represents current portion and ₹ Millions 0.16 (13.61) represents non current portion as shown in note 4 above.

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

Particulars	2017	2016
Provision for employee benefits		
Contribution to PF	0.29	0.25
Contribution to ESIC	0.02	0.01
Gratuity*	0.48	0.59
Leave benefits*	0.44	0.66
Provision for Income Tax	105.55	47.76
Total	**106.78**	**49.27**

* Refer Note No. 5 for Long Term Provisions

NOTES FORMING PART OF FINANCIAL STATEMENTS

10 . FIXED ASSETS

(₹ Millions)

Particulars	GROSS BLOCK				DEPRECIATION				NET BLOCK	
	As At 01 st April, 2016	Additions	Deductions	As at 31st March 2017	As at 01st April 2016	For the Year	Deductions	As at 31st March 2017	As at 31st March 2017	As at 31st March 2016
Freehold Land	5.45			**5.45**	-	-	-	**-**	**5.45**	5.45
Land Development	26.57			**26.57**	20.38	0.27	-	**20.65**	**5.92**	6.19
Buildings	160.89			**160.89**	115.80	2.03	-	**117.83**	**43.06**	45.09
Other Building	143.84			**143.84**	66.21	1.59	-	**67.80**	**76.04**	77.63
Plant & Machinery	3,094.43	2.58	-	**3,097.01**	1,543.46	59.43	-	**1,602.89**	**1,494.12**	1,550.97
Electrical Installation Factory	59.04	0.03	-	**59.07**	51.04	2.03	-	**53.07**	**6.00**	8.00
Airport Complex	52.69		-	**52.69**	39.91	0.72	-	**40.63**	**12.06**	12.78
Office Equipment	7.62	0.01		**7.63**	6.52	0.40	-	**6.92**	**0.71**	1.10
Furniture & Fixtures	43.38			**43.38**	42.98	0.34	-	**43.32**	**0.06**	0.40
Electrical Installation Others	14.14			**14.14**	13.40	0.03	-	**13.43**	**0.71**	0.74
Computers	22.19	0.06	-	**22.25**	20.70	0.76	-	**21.46**	**0.79**	1.49
Vehicles	0.41		-	**0.41**	0.40		-	**0.40**	**0.01**	0.01
Current Year	**3,630.65**	**2.68**	**-**	**3,633.33**	**1,920.80**	**67.60**	**-**	**1,988.40**	**1,644.93**	**1,709.85**
Previous Year	**3,595.55**	**35.11**	**0.01**	**3,630.65**	**1,853.96**	**66.84**		**1,920.80**	**1,709.85**	**-**

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. 29(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

11. Non Current Investments (Valued at cost unless otherwise stated) **(₹ Millions)**

Particulars	2017	2016
In Wholly owned Subsidiary - fully paid up		
18450 (18450) Equity Shares of Zee Gold Trading DMCC of AED 1000 each	337.28	337.28
100000 (100000) Equity shares of Shirpur Gold Mining Co. Pvt Ltd of US $ 10 each	56.34	56.34
In others		
Investment in equity instrument (unquoted)		
8500 (8500) Equity Shares of Shirpur People Co-op. Bank Ltd. of ₹ 10/- each, fully paid up	0.21	0.21
Investment in Gold	0.11	0.11
Total	**393.94**	**393.94**
Aggregate amount of unquoted investments	393.83	393.83

12. Deferred Tax Assets **(₹ Millions)**

Particulars	2017	2016
As per last year Balance Sheet	491.61	514.10
Add : Deferred Tax Assets	-	25.17
Less : Deferred Tax Liability	16.17	47.66
Deferred Tax Assets (Net)	**475.44**	**491.61**

13. Long Term Loans and Advances (Unsecured, considered good) **(₹ Millions)**

Particulars	2017	2016
Security Deposits	4.83	4.83
Total	**4.83**	**4.83**

14. Other Non-Current Assets (Unsecured and considered good) **(₹ Millions)**

Particulars	2017	2016
Preoperative expenses - Mines	19.31	19.31
Others	6.20	6.10
Fixed Deposit with Banks *	-	21.99
Total	**25.51**	**47.40**

* Fixed Deposits with Banks represents non current portion (Refer note 17 below for current portion)

15. Inventories (Valued at lower of cost or realisable value) **(₹ Millions)**

Particulars	2017	2016
Raw Materials and components	36.50	220.66
Work-in-progress	169.29	266.24
Finished goods	36.83	917.94
Stores and spares	12.34	11.84
Total	**254.96**	**1,416.68**

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

Particulars	2017	2016
Over six months	-	-
Others	4,868.28	2,804.86
Total	**4,868.28**	**2,804.86**

NOTES FORMING PART OF FINANCIAL STATEMENTS

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

Particulars	2017	2016
Cash and Cash Equivalents		
Balances with Banks		
In Current accounts	160.06	239.82
In Deposit accounts	454.99	383.10
Cash in hand	1.09	0.84
	616.14	623.76
Other Bank Balances		
Balances with Banks		
In Deposit accounts	1.35	77.52
Less : Non current portion of Fixed Deposits (Refer note 14)	-	21.99
	1.35	55.53
Total	**617.49**	**679.29**

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

Particulars	2017	2016
Prepaid Expenses	52.33	79.49
Advance to suppliers	39.43	205.70
Advance income tax / refund due	126.87	43.82
Loan to subsidiaries	796.99	1,677.60
Claims receivable *	473.80	686.85
Others	73.79	61.42
Total	**1,563.21**	**2,754.88**

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

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

Particulars	2017	2016
Sale of products		
Traded Goods	5,970.94	-
Manufactured Goods		
Local Sales	4,884.92	36,931.36
Export Sales	5,969.46	2,073.53
Total	16,825.32	39,004.89
Less : Excise Duty	32.16	286.01
Net Sales	16,793.16	**38,718.88**
Other operating revenues *	192.02	234.53
Total	**16,985.18**	**38,953.41**

* Other operating revenues includes Gain from forward contract of ₹ Millions 40.57 (16.69) and forex gain on trade receivable and trade payable of ₹ Millions 73.54 (159.34).

NOTES FORMING PART OF FINANCIAL STATEMENTS

20. Other Income (₹ Millions)

Particulars	2017	2016
Dividend income	0.03	0.03
Balance written back	73.80	0.78
Foreign exchange gain	-	29.41
Other income	10.30	9.54
Total	**84.13**	**39.76**

21. Cost of Material Consumed (₹ Millions)

Particulars	2017	2016
Inventory at the beginning of the year	220.66	370.44
Add: Purchases	9,573.44	38,606.46
	9,794.10	38,976.90
Less: Inventory at the end of the year (includes stock in transit of ₹ Millions Nil (₹ Millions 140.05)	36.50	220.66
Cost of raw material consumed	9,757.60	38,756.24
Other materials (Stores and Spares)	3.38	14.24
Total	**9,760.98**	**38,770.48**

Break up of Raw Materials consumed (₹ Millions)

Particulars	2017	2016
Gold	9,757.60	38,733.46
Silver	-	22.78
Other materials (Stores and Spares)	3.38	14.24
Total	**9,760.98**	**38,770.48**

22. Purchase of Trading Goods (₹ Millions)

Particulars	2017	2016
Gold	5,799.79	-
Total	**5,799.79**	**-**

23. Changes in Inventories of Finished Goods, Work-in-progress and Stock-in-Trade (₹ Millions)

a. Inventory at the end of the year

Particulars	2017	2016
Work in Progress		
Gold	169.29	266.24
Finished Goods		
Gold	35.93	917.57
Silver	0.90	0.37
Total	**206.12**	**1,184.18**

NOTES FORMING PART OF FINANCIAL STATEMENTS

b. Inventory at the beginning of the year (₹ Millions)

Particulars	2017	2016
Stock in Trade		
Gold	-	9.98
Work in Progress		
Gold	266.24	87.98
Finished Goods	-	
Gold	917.58	263.25
Silver	0.36	0.94
Total	**1,184.18**	**362.15**
c. Net (b-a)	**978.06**	**(822.03)**

24. Employee Benefit Expenses (₹ Millions)

Particulars	2017	2016
Salaries & wages	39.48	54.92
Contribution to provident & other funds	2.55	3.17
Staff welfare expenses	0.38	1.62
Total	**42.41**	**59.71**

25. Finance Costs (₹ Millions)

Particulars	2017	2016
Interest expense (Net) Refer Note 40	(55.11)	189.88
Bank charges	65.69	100.00
Other financial charges	222.21	257.41
Total	**232.79**	**547.29**

26. Depreciation (₹ Millions)

Particulars	2017	2016
Depreciation on Fixed assets (Note No. 10)	67.60	66.84
Total	**67.60**	**66.84**

27. Other Expenses (₹ Millions)

Particulars	2017	2016
Auditors' Remuneration	2.23	2.11
Power and fuel	6.49	12.68
Rent	1.22	5.45
Repairs to buildings	0.44	0.04
Prior period expenses	0.14	0.67
Repairs to plant & machinery	0.08	1.49
Insurance	7.42	6.62
Rates and taxes	-	0.11
Miscellaneous expenses	86.03	137.20
Total	**104.05**	**166.37**

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 has been estimated as 05-60 years (on a single shift basis), which is different from that prescribed in Schedule II of the Companies Act, 2013.

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

Depreciation on additions to assets or on sale/ 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 atlower 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

NOTES FORMING PART OF FINANCIAL STATEMENTS

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, dutiesand 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 partof 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 thevalue of Non -Current investments is made only if in the opinion of management, such declineis 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 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

NOTES FORMING PART OF FINANCIAL STATEMENTS

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.

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 wherethe 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	2017	2016
1	Estimated amount of Export obligation to be fulfilled under EPCG *	Nil	68.69
2	Disputed Sales Taxes	1.46	1.46
3	Disputed Direct Taxes ** (Excludes ₹ 157.92 Millions since appeal decided in favour of the Company and penalty is deleted).	0.62	158.54

*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.

**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	2017	2016
Bank Guarantees issued by banks & balance outstanding at year end [against the said bank guarantees ₹/ Millions 456.23 (455.36) has been kept as margin money]	4,763.20	4,289.10

32. DETAILS OF CONSUMPTION OF IMPORTED AND INDIGENOUS STOCKS

Raw Material Consumed **(₹ Millions)**

Particulars	2017	2016
Imported	361.94	3,008.73
Indigenous	9,395.66	35,747.51
TOTAL	**9,757.60**	**38,756.24**

NOTES FORMING PART OF FINANCIAL STATEMENTS

33. INVENTORY AND TURNOVER

(₹ Millions)

Gold	Sales Value	Closing Inventory	Opening Inventory
Manufactured Goods	10,822.22	242.62	1404.91
	(38,718.88)	(1,404.91)	(722.61)
Traded Goods	5,970.94	-	-
	(-)	(-)	(9.98)
TOTAL	**16,793.16**	**242.62**	**1,404.91**
	(38,718.88)	**(1,404.91)**	**(732.59)**

(₹ Millions)

Stores & Spares	Closing Inventory	Opening Inventory
Stores and Spares	12.34	11.84
	(11.84)	(9.24)

34. EARNINGS IN FOREIGN EXCHANGE

(₹ Millions)

Particulars	2017	2016
FOB Value of Export	5,965.85	2,072.42
Interest Income	61.54	30.69

35. (A) EXPENDITURE IN FOREIGN CURRENCY

(₹ Millions)

Particulars	2017	2016
Travelling and Related Expenses	0.20	2.71
Consultancy Fees	-	0.10

(B) CIF Value of Imports

(₹ Millions)

Particulars	2017	2016
Import of Gold	222.33	3,332.20
Capital Equipments& others	1.82	0.83

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	2017	2016
Salary and allowances	1.01	1.20

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	2017	2016
Audit Fee	1.28	1.26
Tax Audit Fee	0.13	0.11
Other Services & reimbursement of expenses	0.83	0.74
TOTAL	**2.24**	**2.11**

38. EARNINGS PER SHARE

(₹ Millions)

Particulars	2017	2016
Profit after tax available for appropriation to equity shareholders	49.95	137.50
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 ₹)	1.71	4.72

39. Balances appearing in the financial statements are pending confirmation and reconciliation.

40. Interest expense is net of interest income of ₹/ Millions 296.13(78.65).

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	2017	2016
Payables	243.93	972.90
Receivables	-	-

Figures indicated in Indian Rupees have been restated as per the RBI reference rate as on 31st March' 2017.

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

(₹ Millions)

Particulars	2017	2016
Currency Future Contract (₹ Millions)	-	1,928.50
MCX Commodity (₹ Millions)	51.74	526.14

NOTES FORMING PART OF FINANCIAL STATEMENTS

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 31st March, 2017, 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 :

***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	2017	2016
Current Service Cost	0.65	1.21
Interest on Defined Benefit Obligation	0.42	0.29
Net Actuarial Losses / (Gains) Recognized in Year	(1.19)	0.32
Total, included in "Employees Benefit Expense"	(0.12)	1.82

II Net Asset / Liability recognized in the Balance Sheet

(₹ Millions)

Particulars	2017	2016
Present Value of Unfunded Obligations	4.75	5.57
Net Liability	4.75	5.57
Liability	4.75	5.57
Net Liability accounted in Books	4.75	5.57

III Reconciliation ofNet Asset / Liability recognized in the Balance Sheet

(₹ Millions)

Particulars	2017	2016
Net (Liability) at the beginning of year	(5.57)	(3.80)
Expenses as per I above	0.12	(1.82)
Benefits Paid	0.70	0.05
Closing Defined Benefit Obligation	**4.75**	**5.57**

IV Actuarial assumptions at the valuation date

(₹ Millions)

Particulars	2017	2016
Discount Rate (p.a.)	6.84 %	8.00 %
Salary Escalation Rate (p.a.)	7.00 %	7.00 %

V Experience Adjustments

(₹ Millions)

Particulars	2017	2016	2015	2014	2013
Defined Benefit Obligation	4.75	5.57	3.80	2.56	1.32
Surplus / (Deficit)	(4.75)	(5.57)	(3.80)	(2.56)	(1.32)
Experience Adjustments on Plan Liabilities	-	-	-	-	0.01

***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 31st March	2017	2016
Shirpur Gold Mining Company Pvt Ltd	213.12	334.76
Zee Gold DMCC	639.89	1,423.64

Maximum amount outstanding during the year	2017	2016
Shirpur Gold Mining Company Pvt Ltd	348.11	334.76
Zee Gold DMCC	1,402.83	1423.64

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

NOTES FORMING PART OF FINANCIAL STATEMENTS

46. RELATED PARTY DISCLOSURES

List of Related Parties
Holding Company
Jayneer Capital Pvt. Ltd.

Wholly Owned Subsidiaries
Shirpur Gold Mining Company Pvt Ltd – Singapore
Zee Gold DMCC - Dubai

Step down Subsidiary
Precious Metals Mining and Refining Limited

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)

Directors / Key Management Personnel
Shri Amit Goenka (Non-Executive Chairman),
Shri SubhashPareek (Manager)

Related party Transactions during the year

(₹ Millions)

(A)	Transactions	2017	2016
	Wholly owned Subsidiary Company		
	Shirpur Gold Mining Company Pvt Ltd		
	Share Capital Investments / (Reduction)	--	(282.81)
	Loans &Advance given (Equity Converted to Loan)	139.05	282.81
	Interest receivable on Loan given accrued	21.05	0.88
	Zee Gold DMCC		
	Share Capital Investments	--	335.71
	Loans & Advance given	731.53	1523.47
	Loans & Advance received back	1473.09	131.99
	Reimbursement of Expenses	38.32	0.16
	Interest receivable on Loan given accrued	40.49	29.81
	Key Managerial personnel (KMP)		
	Remuneration		
	Mr. Subhash Pareek – Manager	1.01	1.20
	Sitting fees to		
	Shri Amit Goenka (Non-Executive Chairman)	Nil	0.12
	The Company in which Director is interested		
	Diligent Media Corporation Limited – Sale of goods	15.43	7.32
	Super Dynic Clothing Pvt. Ltd. - Sale of goods	-	0.05

(B)	Balances at the end of the year		
	Shirpur Gold Mining Company Pvt Ltd		-
	Share Capital Investment	56.33	56.33
	Loans & Advances given	213.12	334.76
	Zee Gold DMCC		
	Share Capital Investment	337.28	337.28
	Loans & Advances given	639.89	1423.64
	Diligent Media Corporation Limited		
	Advance taken	-	0.01

47. AGREEMENT FOR DEBT DEFEASANCING

In continuation of the preceding year's Note no.39, the Company during the year 2016-17 (2011-12 to 2015-16) had collected MVAT of ₹Millions 49.74 (₹ Millions 904.89) under Sales Tax Incentive Scheme of 1993 by the Government of Maharashtra, (Scheme PSI-1993) is required to repay MVAT in five respective equal annual installments starting from financial year 2026-27 to 2031-32 (2021-22 to 2026-27). However, during the year the said liability has been assigned on the same terms and conditions as contained in an Agreement for Debt Defeasancing dated 31.03.2016 executed by and between the company and a body corporate, in respect of assignment of Deferred Sales Tax (MVAT entitlement) collection of ₹Millions 49.74 (₹ Millions 904.89) for a consideration at Net Present value of ₹Millions 17.06 (₹ Millions 352.06) and the difference of ₹Millions 32.68 (₹/Millions 552.83) between collection and consideration paid has been credited to 'Capital Reserve'.

48. ROBBERY OF UNREFINED GOLD IN TRANSIT

As reported in the preceding year's Note No. 47 of the Annual Report, on 24th April 2015, 60 Kgs of Gold, during transit to factory at Shirpur, was robbed near Nashik, Maharashtra, of which the seizure made was 13.6939 kgs including 2 kgs from site of robbery and other assets of the robbers, were in Police Custody. On 19th April 2017, the company has taken possession of the said seized 13.6939 Kgs of Gold pursuant to the Order of the Hon'ble Session Court. The said seized gold was accounted in the preceding year as part of inventories and is valued as per Ind AS 2.The Claim for balance gold of 46.3061 Kgs valued at ₹ Millions124.34 including expenses of ₹ Millions1.83 is pending for settlement with the Insurance company and is accounted as "Claims Receivables" under Other Current Assets. On Finalization of Claim by the insurance company, the difference, if any, between the amount claimed and the actual claim received, which the management does not expect to be material will be charged to Statement of Profit & Loss.

NOTES FORMING PART OF FINANCIAL STATEMENTS

49 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 3.18 for the year against which ₹ Millions Nil has been spent on activities specified in Schedule VII of the Companies Act, 2013. The accumulated balance of such unspent amount is ₹ 4.59 Million (₹ 1.41 Million)

50. Disclosure on specified bank notes in accordance with notification dated 8th November, 2016 by the Ministry of Corporate Affairs:

(Amount in ₹)

Particulars	Specified Bank Notes (SBNs)	Other denomination notes	Total
Closing cash in hand as on November 8, 2016	**12,57,000**	**1,412**	**12,58,412**
(+) Permitted receipts	-	400,409	**400,409**
(-) Permitted payments	-	234,845	**234,845**
(-) Amount deposited in Banks	12,57,000	-	**12,57,000**
Closing cash in hand as on December 30, 2016	**-**	**1,66,976**	**1,66,976**

51. PRIOR YEAR COMPARATIVES

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

52. 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 : 28th April, 2017

For & on behalf of the Board of Directors

Amit Goenka	-	Director
Manoj Agrarwal	-	Director
Subhash Pareek	-	Manager
Archita Kothari	-	CFO
Shyamal Padhiar	-	Company Secretary

INDEPENDENT AUDITOR'S REPORT ON CONSOLIDATED FINANCIAL STATEMENTS

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 including the step down subsidiary, 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 31st March 2017, 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. 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, 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 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 31st March, 2017;

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 the wholly owned foreign subsidiaries in U.A.E including its step down subsidiary 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. 47, relating to assignment of Sales Tax incentive of ₹/Millions 49.74 (₹/Millions 904.89) to a body corporate for a consideration at net present value of ₹/ Millions 17.06 (₹/ Millions 352.06) and the transfer of the balance of ₹/ Millions 32.68 (₹/Millions 552.83) to capital reserve.

c. We draw attention to Note No 48, wherein details of the robbery of gold weighing 60 kgs during transit had been given. Of the said 60 Kgs Gold, the seizure made was 13.6939 kgs including 2 kgs from site of robbery and other assets of the robbers, were in Police Custody, had been taken possession by the Company on 19 April 2017, pursuant to the Order of the Session Court. For the balance gold of 46.3061 Kgs valued at ₹ millions 124.34 including expenses of ₹ millions 1.83 is pending for settlement with the Insurance company

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 2,494.67 (₹/Millions 2,137.99) as 31st March, 2017, total revenue of ₹/Millions 32,513.16 (₹/Millions 85.59) and net cash flows amounting to ₹/Millions 45.85 (₹/Millions 108.95) for the year ended on that date, as considered in the consolidated financial statements. Theses 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, 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 31st March, 2017 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 31st March, 2017 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, only in respect of Holding company, since the subsidiaries are foreign one hence the report on such internal financial control over the financial reporting is to be read as given in Annexure A to the Independent Auditor's Report.

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 disclosed impact of the pending litigations as at 31st March, 2017 having impact on its consolidated financial position as stated in the consolidated financial statements. Refer Note no. 30.

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.

iv. The Company has provided requisite disclosures of the Holding company, since the subsidiaries are foreign subsidiaries, in the financial statements as to holdings as well as dealings in Specified Bank Notes as defined in the Notification S.O., 3407(E) dated 08.11.2016 of the Ministry of Finance, during the period from 8th November, 2016 to 30th December, 2016. Based on the audit procedures performed and relying on the management representation, we report that the disclosures are in accordance with books of account maintained by the Company and as produced before us by the Management – Refer to Note 49 to the financial statements.

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

CA B S SHARMA,
PROPRIETOR,
Membership No.031578

Place : Mumbai
Dated: 28th April, 2017

Annexure A to Independent Auditors' Report–31st March, 2017 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 31st March, 2017, we have audited the internal financial controls over financial reporting of the Holding Company incorporated in India and not of its subsidiary companies incorporated outside India as of that date.

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 -

(a) pertains 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, 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 31st March, 2017, 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: 28th April, 2017

CONSOLIDATED BALANCE SHEET AS AT 31ST MARCH, 2017

(₹ Millions)

PARTICULARS	Note	2017	2016
EQUITY AND LIABILITIES			
Shareholders' Funds			
(a) Share Capital	**1**	291.37	291.37
(b) Reserves and Surplus	**2**	2,926.75	2,874.78
		3,218.12	3,166.15
Non-Current Liabilities			
(a) Long-Term Borrowings	**3**	486.25	491.90
(b) Other Long Term Liabilities	**4**	15.36	28.81
(c) Long Term Provisions	**5**	5.63	6.67
		507.24	527.38
Current Liabilities			
(a) Short-Term Borrowings	**6**	5,440.70	6,078.71
(b) Trade Payables	**7**	1,689.57	369.99
(c) Other Current Liabilities	**8**	121.28	118.64
(d) Short-Term Provisions	**9**	108.07	49.27
		7,359.62	6,616.61
TOTAL		**11,084.98**	**10,310.14**
ASSETS			
Non-Current Assets			
(a) Fixed Assets	**10**		
- Tangible		1,655.06	1,729.87
(b) Non-Current Investments	**11**	0.33	0.34
(c) Deferred Tax Assets (net)	**12**	475.44	491.61
(d) Long Term Loans and Advances	**13**	4.83	4.83
(e) Other Non-Current Assets	**14**	44.10	58.46
		2,179.76	2,285.11
Current Assets			
(a) Inventories	**15**	255.17	1,466.80
(b) Trade Receivables	**16**	6,913.34	2,818.31
(c) Cash and Cash Equivalents	**17**	774.24	790.18
(d) Short Term Loans and Advances	**18**	962.47	2,949.74
		8,905.22	**8,025.03**
TOTAL		**11,084.98**	**10,310.14**

Notes Forming Part of Financial Statement 1 to 51

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 : 28th April, 2017

For & on behalf of the Board of Directors

Amit Goenka	- Director
Manoj Agrarwal	- Director
Subhash Pareek	- Manager
Archita Kothari	- CFO
Shyamal Padhiar	- Company Secretary

STATEMENT OF CONSOLIDATED PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31ST MARCH 2017

(₹ in Millions)

PARTICULARS	Note	2017	2016
REVENUE			
(a) Revenue from Operations	**19**	**49,501.26**	39,777.13
Less - Excise duty		**32.16**	286.01
Net Revenue		**49,469.10**	**39,491.12**
(b) Other Income	**20**	**89.20**	38.45
TOTAL		**49,558.30**	**39,529.57**
EXPENDITURE			
(a) Cost of Materials Consumed	**21**	**10,412.93**	38,770.48
(b) Purchase of Stock-in-Trade	**22**	**37,416.57**	585.95
(c) Changes in Inventories of Finished Goods, Work-in-Progress and Stock-in-Trade	**23**	**1,027.16**	(871.84)
(d) Employee Benefit Expense	**24**	**70.00**	93.74
(e) Finance Costs	**25**	**346.20**	578.35
(f) Depreciation & Amortization Expense	**26**	**79.13**	67.39
(g) Other Expenses	**27**	**144.54**	188.05
TOTAL		**49,496.53**	**39,412.12**
			-
Profit Before tax		**61.77**	**117.45**
Exceptional Items		**-**	-
Profit after exceptional items		**61.77**	**117.45**
Tax Expense:			
Less : Current Tax under MAT		**17.50**	44.52
Less : Deferred Tax Liability		**16.17**	22.49
Profit After Tax		**28.10**	**50.44**
Earning per Equity Share of face value of ₹ 10/- each			
Basic and Diluted	**38**	0.96	1.73
Notes Forming Part of Financial Statements	1 to 51		

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 : 28th April, 2017

For & on behalf of the Board of Directors

Amit Goenka	- Director
Manoj Agrarwal	- Director
Subhash Pareek	- Manager
Archita Kothari	- CFO
Shyamal Padhiar	- Company Secretary

CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2017

(₹ Millions)

	PARTICULARS	2017	2016
A.	**CASH FLOW FROM OPERATING ACTIVITIES : -**		
	Net Profit before Taxation and Extraordinary Items	**61.77**	**117.45**
	Adjustment for :		
	Depreciation and Amortization Expenses	79.13	67.39
	Finance Cost	346.20	578.35
	Net Gain on exchange difference	(73.54)	188.74
	Excess Provision Liabilities written back	(142.51)	4.08
	Dividend Received	(0.03)	(0.03)
	Operating Profit /(Loss) before Working Capital Changes	**271.02**	**955.98**
	Adjustment for :		
	Change in Current Assets & Current Liabilities		
	(Increase) /Decrease in Inventory	1,211.63	(724.97)
	(Increase)/ Decrease in Short Term Loans & Advances	1,987.28	(2,071.39)
	(Increase)/ Decrease in Trade Receivables	(4,021.49)	1,537.93
	Increase/(Decrease) in Long Term Liabilities & Provisions	(14.50)	0.83
	Increase/(Decrease) in Trade Payables & Current Liabilities	1,506.08	(445.21)
	Cash Generated from Operation	**669.00**	**(1,702.81)**
	Less: Direct taxes paid (Net)		
	Net Cash flow from Operating Activities	**940.02**	**(746.83)**
B.	**CASH FLOW FROM INVESTING ACTIVITIES :**		
	Purchase of Fixed Assets	(4.32)	(55.67)
	Preoperative Expenses	(7.53)	(12.69)
	Increase in Capital Reserve	(8.90)	(33.53)
	Dividend Received	0.03	0.03
	Investment in Non Current Assets	21.91	(0.01)
	Net Cash Generated in Investing Activities	**1.19**	**(101.87)**
C.	**CASH FLOW FROM FINANCING ACTIVITIES :**		
	Finance Cost	(346.20)	(578.35)
	Investment in Fixed Deposits	(17.70)	1,187.29
	Increase/(Decrease) in Long Term Borrowings	27.04	98.80
	Increase/(Decrease) in Short Term Borrowings	(638.00)	401.66
	Increase/(Decrease) in Long Term Loans and Advances	-	(4.08)
	Net Cash Generated in Financing Activities	**(974.86)**	**1,105.32**
	NET CASH FLOW DURING THE YEAR (A+B+C)	**(33.65)**	**256.62**
	Cash and cash equivalents at the beginning of the year*	351.55	94.93
	Cash and cash equivalents at the end of the year*	**317.90**	**351.55**

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 : 28th April, 2017

For & on behalf of the Board of Directors

Amit Goenka	- Director
Manoj Agrarwal	- Director
Subhash Pareek	- Manager
Archita Kothari	- CFO
Shyamal Padhiar	- Company Secretary

NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS

1. Share Capital

(₹ Millions)

Particulars	2017	2016
Authorised	350.00	350.00
35,000,000 (35,000,000) Equity Shares of ₹ 10/- each		
Issued, Subscribed and Paid up		
29,137,202 (29,137,202) Equity Shares of ₹ 10/- each, fully paid up	291.37	291.37
Total	**291.37**	**291.37**

(a) Reconciliation of number of shares and share capital

Particulars	2017		2016	
	Number	₹ Million	Number	₹ Million
Shares outstanding at the beginning of the year	29,137,202	291.37	29,137,202	291.37
Changes during the year	-	-	-	-
Shares outstanding at the end of the year	**29,137,202**	**291.37**	**29,137,202**	**291.37**

(b) Details of shares held by its holding company

Particulars	Nature of Relationship	% of Holding	2017	2016
			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 share are ranking pari- passu in all respect. Each holder of equity share is entitled to one vote per share. As per the Companies Act, 1956, the holders of equity shares will be entitled to receive remaining assets of the company, after distribution of all preferential amounts in the event of liquidation of the company. However no such preferential amounts exist currently. The distribution will be in proportion to the number of equity shares held by the Shareholders.

(e) Neither bonus shares are issued nor any shares bought back during the five years preceding 31st March 2017.

2. Reserves and Surplus

(₹ Millions)

Particulars	2017	2016
Securities Premium Account	1,435.00	1,435.00
General Reserve	1,065.46	1,074.36
Capital Reserve	585.50	552.83
As per Last Balance Sheet (Deficit)	(187.31)	(237.75)
Add: Net Profit (Loss) for the year	28.10	50.44
Net (Deficit)	(159.21)	(187.31)
Total	**2,926.75**	**2,874.78**

NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS

3. Long-Term Borrowings - Unsecured (₹ Millions)

Particulars	2017	2016
Sales Tax Deferment Scheme-Government of Maharashtra	0.01	0.01
Loans and advances	486.24	491.89
Total	**486.25**	**491.90**

4. Other Long-Term Liabilities (₹ Millions)

Particulars	2017	2016
Other Payables *	0.16	13.61
Advances from others	15.20	15.20
Total	**15.36**	**28.81**

* Refer Note No 8 for Current Liabilities

5. Long-Term Provisions (₹ Millions)

Particulars	2017	2016
Provision for employee benefits (unfunded)*		
Gratuity	4.27	4.97
Leave benefits	1.36	1.70
Total	**5.63**	**6.67**

*Refer Note No. 9 for Short Term Provisions

6. Short-Term Borrowings (₹ Millions)

Particulars	2017	2016
Loans from banks* - Secured	5,440.70	5,968.48
Unsecured	-	110.23
Total	**5,440.70**	**6,078.71**

*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	2017	2016
Sundry Creditors for Materials	1,689.57	369.99
Total	**1,689.57**	**369.99**

8. Other Current Liabilities (₹ Millions)

Particulars	2017	2016
Statutory Dues	80.86	1.78
Sundry Creditors for General Purchase & Expenses*	37.80	90.13
Advance from customers	2.62	26.73
Total	**121.28**	**118.64**

*Out of total Sundry Creditors for General Purchases and Expenses of ₹ Millions 37.96 (103.74), ₹ Millions 37.80 (90.13) represents current portion and ₹ Millions 0.16 (13.61) represents non current portion as shown in note 4 above.

9. Short Term Provisions (₹ Millions)

Particulars	2017	2016
Provision for employee benefits		
Contribution to PF	0.29	0.25
Contribution to ESIC	0.02	0.01
Gratuity*	1.22	0.59
Leave benefits*	0.99	0.66
Provision for Income Tax	105.55	47.76
Total	**108.07**	**49.27**

* Refer Note No. 5 for Long Term Provisions

NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS

10 FIXED ASSETS **(₹ Millions)**

Particulars	GROSS BLOCK				DEPRECIATION				NET BLOCK	
	As At 01 st April, 2016	Additions	Deductions	As at 31st March 2017	As at 01st April 2016	For the Year	Deductions	As at 31st March 2017	As at 31st March 2017	As at 31st March 2016
Freehold Land	5.45	-		**5.45**	-	-	-	**-**	**5.45**	5.45
Land Development	26.57	-		**26.57**	20.38	0.27	-	**20.65**	**5.92**	6.19
Buildings	160.89	-		**160.89**	115.80	2.03	-	**117.83**	**43.06**	45.09
Other Building	143.84	-		**143.84**	66.21	1.59	-	**67.80**	**76.04**	77.63
Plant & Machinery	3,100.25	3.33	6.46	**3,097.12**	1,543.45	65.89	6.46	**1,602.88**	**1,494.24**	1,556.80
Electrical Installation Factory	59.04	0.03	-	**59.07**	51.04	2.03	-	**53.07**	**6.00**	8.00
Airport Complex	52.69		-	**52.69**	39.91	0.72	-	**40.63**	**12.06**	12.78
Office Equipment	7.74	-	0.10	**7.64**	6.52	0.50	0.10	**6.92**	**0.72**	1.22
Furniture & Fixtures	51.07	0.90	2.25	**49.72**	43.28	3.92	2.25	**44.95**	**4.77**	7.79
Electrical Installation Others	14.14		-	**14.14**	13.40	0.03	-	**13.43**	**0.71**	0.74
Computers	29.11	0.06	0.03	**29.14**	20.94	2.15	0.03	**23.06**	**6.08**	8.17
Vehicles	0.41	-	-	**0.41**	0.40	-	-	**0.40**	**0.01**	0.01
Current Year	**3,651.20**	**4.32**	**8.84**	**3,646.68**	**1,921.33**	**79.13**	**8.84**	**1,991.62**	**1,655.06**	**1,729.87**
Previous Year	**3,595.55**	**55.66**	**0.01**	**3,651.20**	**1,853.94**	**67.39**	**-**	**1,921.33**	**1,729.87**	**-**

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. 29(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

11. Non Current Investments (Valued at cost unless otherwise stated) **(₹ Millions)**

Particulars	2017	2016
In others		
Investment in equity instrument (unquoted)		
8500 (8500) Equity Shares of Shirpur People Co-op. Bank Ltd. of ₹ 10/- each, fully paid up	0.21	0.21
Investment in Gold	0.12	0.13
Total	**0.33**	**0.34**
Aggregate amount of unquoted investments	0.21	0.21

12. Deferred Tax Assets **(₹ Millions)**

Particulars	2017	2016
As per last year Balance Sheet	491.61	514.10
Add : Deferred Tax Assets	-	25.17
Less : Deferred Tax Liability	16.17	47.66
Deferred Tax Assets (Net)	**475.44**	**491.61**

13. Long-Term Loans and Advances (Unsecured, considered good) **(₹ Millions)**

Particulars	2017	2016
Security Deposits	4.83	4.83
Total	**4.83**	**4.83**

14. Other Non-Current Assets (Unsecured and considered good) **(₹ Millions)**

Particulars	2017	2016
Preoperative expenses - Mines	37.90	30.37
Others	6.20	6.11
Fixed Deposit with Banks *	-	21.98
Total	**44.10**	**58.46**

* Fixed Deposits with Banks represents non current portion (Refer note 17 below for current portion)

15. Inventories (Valued at lower of cost or realisable value) **(₹ Millions)**

Particulars	2017	2016
Raw Materials and components	36.50	220.66
Work-in-progress	169.29	266.24
Finished goods	37.04	967.75
Stores and spares	12.34	12.15
Total	**255.17**	**1,466.80**

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

Particulars	2017	2016
Secured, considered good		
Over six months	-	-
Others	6,913.34	2,818.31
Total	**6,913.34**	**2,818.31**

NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS

17. Cash and Cash Equivalents

(₹ Millions)

Particulars	2017	2016
Cash and Cash Equivalents		
in Current accounts	316.24	350.30
in Deposit accounts	454.99	383.10
Cash in hand	1.66	1.25
	772.89	734.65
Other Bank Balances		
Balances with banks		
in Deposit accounts	1.35	77.52
Less : Non current portion of Fixed Deposits (Refer note 14)	-	21.99
	1.35	55.53
Total	**774.24**	**790.18**

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

(₹ Millions)

Particulars	2017	2016
Prepaid Expenses	61.03	82.03
Advance to suppliers	39.43	205.70
Advance income tax / refund due	126.87	43.82
Claims receivable	475.04	700.50
Others	260.10	1,917.69
Total	**962.47**	**2,949.74**

19. Revenue from Operations

(₹ Millions)

Particulars	2017	2016
Sale of products		
Traded Goods	32,483.92	537.71
Manufactured Goods		
Local Sales	10,855.85	36,931.36
Export Sales	5,969.47	2,073.53
Total	49,309.24	39,542.60
Less : Excise Duty	32.16	286.01
Net Sales	49,277.08	39,256.59
Other operating revenues *	192.02	234.53
Total	**49,469.10**	**39,491.12**

* Other operating revenues includes Gain from forward contract of ₹ Millions 40.57 (16.69) and forex gain on trade receivable and trade payable of ₹ Millions 73.54 (159.34).

NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS

20. Other Income (₹ Millions)

Particulars	2017	2016
Dividend income	0.03	0.03
Balance written back	73.80	0.78
Foreign exchange gain	-	28.10
Other income	15.37	9.54
Total	**89.20**	**38.45**

21. Cost of Material Consumed (₹ Millions)

Particulars	2017	2016
Inventory at the beginning of the year	220.66	370.44
Add: Purchases	10,225.39	38,606.46
	10,446.05	**38,976.90**
Less: Inventory at the end of the year	36.50	220.66
Cost of raw material consumed	10,409.55	38,756.24
Other materials (Stores and Spares)	3.38	14.24
Total	**10,412.93**	**38,770.48**

Break up of Raw Materials consumed

Particulars	2017	2016
Gold	10,409.55	38,733.46
Silver	-	22.78
Other materials (Stores and Spares)	3.38	14.24
Total	**10,412.93**	**38,770.48**

22. Purchase of Trading Goods (₹ Millions)

Particulars	2017	2016
Gold	37,416.57	585.95
Total	**37,416.57**	**585.95**

23. Changes in Inventories of Finished Goods, Work-in-progress and Stock-in-Trade (₹ Millions)

a. Inventory at the end of the year

Particulars	2017	2016
Stock in Trade		
Gold	0.21	49.81
Silver		
Work in Progress		
Gold	169.29	266.24
Silver		
Finished Goods		
Gold	36.43	917.57
Silver	0.90	0.37
Total	**206.83**	**1,233.99**

NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS

b. Inventory at the beginning of the year (₹ Millions)

Particulars	2017	2016
Stock in Trade		
Gold	49.81	9.98
Work in Progress		
Gold	266.24	87.98
Finished Goods		
Gold	917.58	263.25
Silver	0.36	0.94
Total	**1,233.99**	**362.15**
c. Net (b-a)	**1,027.16**	**(871.84)**

24. Employee Benefit Expenses (₹ Millions)

Particulars	2017	2016
Salaries & wages	67.07	88.95
Contribution to provident & other funds	2.55	3.17
Staff welfare expenses	0.38	1.62
Total	**70.00**	**93.74**

25. Finance Costs (₹ Millions)

Particulars	2017	2016
Interest expense (Net) Refer Note 40	27.41	220.94
Bank charges	65.68	100.00
Other financial charges	253.11	257.41
Total	**346.20**	**578.35**

26. Depreciation (₹ Millions)

Particulars	2017	2016
Depreciation	79.13	67.39
Total	**79.13**	**67.39**

27. Other Expenses (₹ Millions)

Particulars	2017	2016
Auditors' Remuneration	2.68	2.40
Power and fuel	6.49	12.68
Rent	1.51	8.31
Repairs to buildings	0.44	0.04
Prior period expenses	0.14	0.67
Repairs to plant & machinery	0.08	1.49
Insurance	7.42	6.62
Rates and taxes	-	0.10
Miscellaneous expenses	125.78	155.74
Total	**144.54**	**188.05**

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 (otherthan 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.

NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS

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 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 declineis 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 aninvestment, the difference between its carrying amount and net disposal proceeds is chargedor 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

NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS

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.

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 thatan 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 signingof 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	2017	2016
1	Estimated amount of Export obligation to be fulfilled under EPCG *	Nil	68.69
2	Disputed Sales Taxes	1.46	1.46
3	Disputed Direct Taxes ** (Excludes ₹ 157.92 Millions since appeal decided in favour of the Company and penalty is deleted).	0.62	158.54

*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.

**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	2017	2016
Bank Guarantees issued by banks & balance outstanding at year end [against the said bank guarantees ₹/Millions 456.23 (455.36) has been kept as margin money]	4,763.20	4,289.10

32. DETAILS OF CONSUMPTION OF IMPORTED AND INDIGENOUS STOCKS

Raw Material Consumed

(₹ Millions)

Particulars	2017	2016
Imported	1013.88	3,008.73
Indigenous	9,395.67	35,747.51
TOTAL	**10,409.55**	**38,756.24**

NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS

33. INVENTORY AND TURNOVER

(₹ Millions)

Gold	Sales Value	Closing Inventory	Opening Inventory
Manufactured Goods	16,793.16	242.62	1404.84
	(38,718.88)	(1,404.84)	(722.61)
Traded Goods	32,483.92	0.21	49.81
	(537.71)	(49.81)	(9.98)
TOTAL	49,277.08	242.83	1454.65
	(39,256.59)	(1,454.65)	(732.59)

(₹ Millions)

Stores & Spares	Closing Inventory	Opening Inventory
Stores and Spares	12.34	12.15
	(12.15)	(9.24)

34. EARNINGS IN FOREIGN EXCHANGE

(₹ Millions)

Particulars	2017	2016
FOB Value of Export	5,965.85	2,072.42

35. (A) EXPENDITURE IN FOREIGN CURRENCY

(₹ Millions)

Particulars	2017	2016
Travelling and Related Expenses	4.80	2.71
Consultancy Fees	-	0.10

(B) CIF Value of Imports

(₹ Millions)

Particulars	2017	2016
Import of Gold	874.28	3,332.20
Capital Equipments& others	1.82	0.83

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	2016
Salary and allowances	5.77	27.36

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	2017	2016
Audit Fee	1.28	1.26
Tax Audit Fee	0.13	0.11
Other Services& reimbursement of expenses	0.83	0.74
TOTAL	**2.24**	**2.11**

For Subsidiaries

(₹ Millions)

Particulars	2017	2016
Audit Fee	0.45	0.33
Tax Audit Fee	-	-
For Other Services	-	-
TOTAL	**0.45**	**0.33**

38. EARNINGS PER SHARE

(₹ Millions)

Particulars	2017	2016
Profit after tax available for appropriation to equity shareholders	28.10	50.44
Weighted average number of equity shares for basic and diluted EPS (in numbers)	29,137,202	29,137,202
Nominal Value of equity shares (in ₹)	10.00	10.00
Basic and Diluted Earnings per share (in ₹)	0.96	1.73

39. The financial statements of subsidiaries including step down subsidiaries are audited by other auditors and have been consolidated with the holding company's financial statements by following Accounting Standard 21, as prescribed by the Institute of Chartered Accountants of India.

40. Interest expense is net of interest income of ₹/ Millions 234.59(47.96).

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	2017	2016
Payables	243.93	972.90
Receivables	-	-

Figures indicated in Indian Rupees have been restated as per the RBI reference rate as on 31st March' 2017.

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

NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS

(₹ Millions)

Particulars	2017	2016
Currency Future Contract (₹ Millions)	-	1928.50
MCX Commodity (₹ Millions)	51.74	526.14

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 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 31st March, 2017, 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	2017	2016
	Key Managerial personnel (KMP)		
	Remuneration paid	5.77	27.36
	The Company in which Director is interested		
	Diligent Media Corporation Limited – Sale of goods	15.43	7.32
	Super Dynic Clothing Pvt. Ltd. - Sale of goods	-	0.05
(B)	**Balances at the end of the year**		
	Diligent Media Corporation Limited	-	0.01

45. Balances appearing in the financial statements are pending confirmations and reconciliation from the parties concerned.

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 3.18 (1.91) for the year against which ₹ Millions Nil (0.5) has been spent on activities specified in Schedule VII of the Companies Act, 2013. The accumulated balance of such unspent amount is ₹ 4.59 Million (₹ 1.41 Million)

47. AGREEMENT FOR DEBT DEFEASANCING

In continuation of the preceding year's Note no.39, the Company during the year 2016-17 (2011-12 to2015-16) had collected MVAT of Rs/Millions 49.74 (Rs/ Millions 904.89) under Sales Tax Incentive Scheme of 1993 by the Government of Maharashtra, (Scheme PSI-1993) is required to be repaid in five respective equal annual installments starting from financial year 2026-27 to 2031-32 (2021-22 to 2026-27) . However, during the year the said liability has been assigned on the same terms and conditions as contained in an Agreement for Debt Defeasancing dated 31.03.2016 executed by and between the company and a body corporate, in respect of assignment of Deferred Sales Tax (MVAT entitlement) collection of Rs/Millions 49.74 (Rs/ Millions 904.89) for a consideration at Net Present value of Rs/Millions 17.06 (Rs/ Millions 352.06) and the difference of Rs/Millions32.68 (₹/Millions552.83) between collection and consideration paid has been credited to 'Capital Reserve'.

48. ROBBERY OF UNREFINED GOLD IN TRANSIT

As reported in the preceding year's Note No. 47 of the Annual Report, on 24th April 2015, 60 Kgs of Gold, during transit to factory at Shirpur, was robbed near Nashik, Maharashtra, of which the seizure made was 13.6939 kgs including 2 kgs from site of robbery and other assets of the robbers, were in Police Custody. On 19th April 2017, the company has taken possession of the said seized 13.6939 Kgs of Gold pursuant to the Order of the Hon'ble Session Court. The said seized gold was accounted in the preceding year as part of inventories and is valued as per Ind AS 2.The Claim for balance gold of 46.3061 Kgs valued at ₹ Millions 124.34 including expenses of ₹ Millions 1.83 is pending for settlement with the Insurance company and is accounted as "Claims Receivables" under Other Current Assets. On Finalization of Claim by the insurance company, the difference, if any, between the amount claimed and the actual claim received, which the management does not expect to be material will be charged to Statement of Profit & Loss.

NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS

49. Disclosure on specified bank notes in accordance with notification dated on 8th November, 2016 from Ministry of Corporate Affairs:

(Amount in ₹)

Particulars	Specified Bank Notes (SBNs)	Other denomination notes	Total
Closing cash in hand as on November 8, 2016	**12,57,000**	**1,412**	**12,58,412**
(+) Permitted receipts	-	400,409	**400,409**
(-) Permitted payments	-	234,845	**234,845**
(-) Amount deposited in Banks	12,57,000	-	**12,57,000**
Closing cash in hand as on December 30, 2016	**-**	**1,66,976**	**1,66,976**

50. PRIOR YEAR COMPARATIVES

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

51. 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 : 28th April, 2017

For & on behalf of the Board of Directors

Amit Goenka	-	Director
Manoj Agrarwal	-	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
CIN: **L51900MH1984PLC034501**, **Website:** : www.shirpurgold.com

ATTENDANCE SLIP

(*To be presented at the entrance*)

I / We hereby record my / our presence at the **Thirty Second Annual General Meeting** of the Company held at the Registered Office of the Company at Refinery Site, Shirpur, Dist. Dhule, Maharashtra – 425 405 on **Wednesday,27th September,2017** at 1.30 p.m**.**

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

Reg. Folio No. .....

DP ID No. .....

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

No. of Shares .....

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

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SHIRPUR GOLD REFINERY LIMITED

Registered Office: Refinery Site, Shirpur, Dist. Dhule, Maharashtra – 425 405
Tel: -02563-258001, **Fax :**- 02563-261357, CIN: **L51900MH1984PLC034501**
Website: www.shirpurgold.com

PROXY FORM

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

32nd 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 _____ Signature: _____

as my/our proxy to attend and vote (on a poll) for me/us and on my/our behalf at the 32nd Annual General Meeting of the Company to be held on **Wednesday,27th September,2017** at 1.30 p.m. at Refinery Site, Shirpur, Dist. Dhule, Maharashtra – 425 405 and at any adjournment thereof in respect of such resolutions as are indicated below:
I wish my above proxy to vote in the manner as indicated in the box below

Resolutions	For	Against
1. Adoption of Audited Financial Statements of the Company for the financial year ended March 31, 2017		
2. Re-appointment of Mr. Amit Goenka as a Director of the Company		
3. Re-appointment of M/s B.S.Sharma & Co., Chartered Accountants as Statutory Auditors		
4. Keeping of Registers & Returns at a place other then Registered Office of the Compan		

Signed this _____day of _____2017

Affix Rs.1 Revenue Stamp

Signature of Shareholder_____ Signature of Proxyholder(s)_____

Note: This form in order to be effective should be duly completed and deposited at the Registered Office of the Company at Refinery Site, Shirpur, Dist. Dhule, Maharashtra – 425 405, not less than 48 hours before the commencement of the Meeting.

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ZEE
GOLD
10 grams Fine Gold 999

SHIRPUR GOLD REFINERY LIMITED

(An ISO 9001:2015 company)

Corporate Office : 18th Floor, 'A' Wing, Marathon Futurex, N.M.Joshi Marg, Lower parel, Mumbai - 400 013.

Office: +91-22-7108 5486

www.shirpurgold.com

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