



29th ANNUAL REPORT
2013 - 14

SHIRPUR GOLD REFINERY LIMITED
CIN : L51900MH1984PLC034501

SHIRPUR GOLD REFINERY LIMITED

(An ISO 9001:2008 company)

CORPORATE INFORMATION

BOARD OF DIRECTORS

Amit Goenka

Non- Executive Chairman

V. K. Agarawal

Non-Executive Director

Anish Goel

Independent Director

Manoj Agarwal

Independent Director

KEY MANAGERIAL PERSONNEL

Subhash Pareek

Manager

Hemangi Patil

Company Secretary

Archita Kothari

Chief Financial Officer

BANKERS

Punjab National Bank Ltd.

AXIS Bank Ltd.

ING Vysya Bank Ltd

Bank of Maharashtra

State Bank of India Ltd.

OFFICES

Registered

Refinery Site, Shirpur, Dist. Dhule,

Maharashtra – 425 405

Corporate

5 A, Trishla Premises,

122, Sheikh Memon Street,

Mumbai - 400 002

www.shirpurgold.com

E-mail: sgri@shirpurgold.com

AUDITORS

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

Chartered Accountants

303, Guruprabha Apartments,

507-508, Sundernagar,

Senapati Bapat Road,

Dadar (West), Mumbai 400 028

REGISTRAR AND SHARE TRANSFER AGENTS

Sharepro Services (India) Private Limited

13 AB, Samhita Warehousing Complex,

2nd Floor, Sakinaka Telephone Exchange Lane,

Off Andheri-Kurla Road, Sakinaka,

Andheri (East), Mumbai – 400 072

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NOTICE

Notice is hereby given that the **29th Annual General Meeting** of the Members of **Shirpur Gold Refinery Limited** will be held on Wednesday, 27th August, 2014 at 2.30 p.m. at the Registered Office of the Company at Refinery Site, Shirpur - 425 405, Dist. Dhule, Maharashtra 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, 2014 including the Balance Sheet as at 31st March, 2014, 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 at this Annual General Meeting and being eligible has offered 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 hold such office from the conclusion of this meeting until the conclusion of the next Annual General Meeting at a remuneration to be determined by the Board of Directors of the Company.

SPECIAL BUSINESS :

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

“RESOLVED THAT pursuant to the provisions of Sections 149, 152 read with Schedule IV and all other applicable provisions of the Companies Act, 2013 and the Companies (Appointment and Qualification of Directors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force), Mr. Anish Goel (DIN: 00552332), Independent Director of the Company, who was earlier appointed as a Director liable to retire by rotation, be and is hereby appointed as an Independent Director not liable to retire by rotation for a period upto March 31, 2019.”

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

“RESOLVED THAT pursuant to the provisions of Sections 149, 152 read with Schedule IV and all other applicable provisions of the Companies Act, 2013 and the Companies (Appointment and Qualification of Directors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force) Mr. Manoj Agarwal (DIN 00773999), Independent Director of the Company, who was earlier appointed as a Director liable to retire by rotation, be and is hereby appointed as an Independent Director not liable to retire by rotation for a period upto March 31, 2019.”

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

“RESOLVED THAT in supersession of the resolution passed by the Members under Section 293(1)(d) of the Companies Act, 1956 on November 30, 2010 and pursuant to Section 180(1)(c) of the Companies Act, 2013 and the rules made thereunder (including any statutory modification(s) or re-enactment thereof for the time being in force), the Board of Directors of the Company (the term shall include any Board Committee duly authorised by the Board) be and is hereby authorised to raise or borrow from time to time such sum or sums as they may deem appropriate for the purposes of the company notwithstanding that the monies already borrowed and the monies to be borrowed (apart from temporary loans obtained from company's bankers in the ordinary course of business) will exceed the paid-up capital and free reserves of the company. Provided

that the total amount upto which monies may be raised or borrowed by the Board of Directors shall not exceed the aggregate of the paid up capital and free reserves of the company by more than ₹ 2,000 crores (Rupees Two Thousand Crores only) at any point of time.”

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

Place : Mumbai
Date : 23rd May 2014

Hemangi Patil
Company Secretary

Registered Office:

Refinery Site, Shirpur, Dist. Dhule,
Maharashtra - 425 405
CIN : L51900MH1984PLC034501
E mail: hemangi.patil@shirpurgold.com

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/her 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 Paid-up Share Capital of the Company. Any Member holding more than 10% of the total Paid-up Share Capital of the Company may appoint a single person as proxy and in such a case, the said person shall not act as proxy for any other person or member. The instrument appointing proxy should, however, be deposited at the Registered Office of the Company not less than 48 hours before the commencement of the Meeting.
2. Explanatory Statement pursuant to Section 102 of the Companies Act, 2013, relating to the Special Business to be transacted at the Annual General Meeting is annexed.
3. Corporate Members are requested to send to the Registered Office of the Company, a duly certified copy of the Board Resolution, pursuant to Section 113 of the Companies Act, 2013, authorising their representative to attend and vote at the Annual General Meeting.
4. Relevant information, pursuant to Clause 49 of the Listing Agreement with Stock Exchanges, in respect of the Directors recommended by the Board for re-appointment at the Annual General Meeting forms part of the Report on Corporate Governance in the Annual Report.
5. Members who are holding Company's shares in dematerialized mode are requested to bring details of their Beneficiary Account Number for identification.
6. Queries on accounts and operations of the Company, if any, may be sent at least seven days before the AGM to the Company Secretary at the corporate office of the Company or by email at hemangi.patil@shirpurgold.com so as to enable the management to keep the information ready at the meeting.
7. Copy of the Annual Report for 2013-14 is being sent by e-mail to all the members whose email address is registered with the Company/Depository Participant(s) for communication. For members who have not registered their email address, physical copies of the Annual Report for financial year 2013 - 14 is being sent in permitted mode. The Annual Report may also be accessed on 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 Sharepro Services (India) Pvt. Ltd., at 13AB, Samhita Warehousing Complex, Second Floor, Sakinaka Telephone Exchange Lane, Off Andheri Kurla Road, Sakinaka, Andheri (East), Mumbai-400 072 and/or at 912, Raheja Centre, Free Press Journal Road, Nariman Point, Mumbai-400 021. 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 sharepro@shareproservices.com.

9. E-voting

In compliance with Clause 35B of the Listing Agreement entered into with the Stock Exchanges and Section 108 of the Companies Act, 2013 and Companies (Management and Administration) Rules, 2014, the Company is pleased to provide members facility to exercise their right to vote at the 29th Annual General Meeting (AGM) by electronic means and all the business may be transacted through e-voting Services provided by Central Depository Services (India) Limited (CDSL).

The e-voting period for all items of business contained in this Notice shall commence from Thursday, the 21st August, 2014 at 9.00 a.m. and will end on Saturday, the 23rd August, 2014 at 6.00 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 28th July, 2014, 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.

The voting rights of Members shall be in proportion to their equity shareholding in the paid up equity share capital of the Company as on 28th July, 2014.

10. The Company has appointed Mr. Vishal Manseta (CP No. 8981), Practising Company Secretary to act as Scrutiniser to conduct the e-voting in a fair and transparent manner. The Scrutiniser shall within a period of not exceeding 3 working days from the conclusion of voting period, shall unblock the votes in presence of two witnesses, who are not in employment of the Company and after scrutinising such votes received shall make a Scrutiniser's Report of the votes cast in favor or against or invalid votes in connection with the resolution(s) mentioned in the Notice of the Meeting and submit the same forthwith to the Company.

11. The Results of e-voting shall be declared at the AGM of the Company and the results 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.

12. The instructions and process for e-voting are as under:

- Open your web browser during the voting period and log on to the e-voting website www.evotingindia.co.in
- Now click on 'Shareholders' tab to cast your votes
- Now, select the 'Electronic Voting Sequence Number (EVSN)' along with 'Shirpur Gold Refinery Limited' from the drop down menu and click on 'SUBMIT'
- Now 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 Captcha Code as displayed) and Click on Login.
- If you are holding shares in Demat form and had logged on to www.evotingindia.co.in and casted your vote earlier for EVSN of any company, then your existing password is to be used. If you are a first time user follow the steps given below.
- Now, fill up the following details in the appropriate boxes:

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 Demat Account /folio number in the PAN field.

Please enter any one of the details in order to login. In case either of the details are not recorded with the depository, please enter number of shares held in the Dividend Bank details field.

- After entering these details appropriately, click on 'SUBMIT'.
- Shareholders holding Equity shares in Physical form will then reach directly to the EVSN 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.

- Equity Shareholders holding shares in physical form can use these details only for e-voting on the resolutions contained in this Notice.
 - Click on the relevant EVSN on which you choose to vote.
 - 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.
 - Click on the Resolution file link if you wish to view the entire Notice.
 - 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.
 - Once you 'CONFIRM' your vote on the resolution, you will not be allowed to modify your vote.
 - You can also take out print of the voting done by you by clicking on 'Click here to print' option on the Voting page.
 - 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 Equity Shareholders (i.e. other than individuals, HUF, NRI etc) are required to log on <https://www.evotingindia.co.in> and register themselves as Corporates. After receiving the login details they have to link the account(s) which they wish to vote on and then cast their vote. They should upload a scanned copy of the Board Resolution and Power of Attorney which they have issued in favour of the Custodian, if any, in PDF format in the system for the scrutiniser to verify the same.
 - 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.co.in under help section or write an email to CDSL on helpdesk.evoting@cdslindia.com or to the Company Secretary of the Company on hemangi.patil@shirpurgold.com
13. Relevant documents referred to in the accompanying Notice and the Statement are open for inspection by the members at the Registered Office of the Company on all working days, except Saturdays, during business hours up to the date of the Meeting.
14. The Register of Members and the Share Transfer Books of the Company will remain closed from Wednesday, 20th August 2014 to Wednesday, 27th August 2014 (both days inclusive) for the purpose of Annual General Meeting.
15. Members holding shares in single name and physical form are advised to make nomination in respect of their shareholding in the Company. The nomination form will be made available on request to the Company's Registrar and Share Transfer Agent.

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

Item Nos. 4 and 5

Mr. Anish Goel and Mr. Manoj Agarwal are Independent Directors of the Company and have held the positions as such for more than 5 (five) years and 2 (two) years respectively.

The Securities and Exchange Board of India (SEBI) has amended Clause 49 of the Listing Agreement inter alia stipulating the conditions for the appointment of independent directors by a listed company.

It is proposed to appoint Mr. Anish Goel and Mr. Manoj Agarwal as Independent Directors, not liable to retire by rotation under Section 149 of the Companies Act, 2013 and Clause 49 of the Listing Agreement to hold office for 5 (five) years for a term up to March 31, 2019.

Mr. Anish Goel and Mr. Manoj Agarwal are not disqualified from being appointed as Directors in terms of Section 164 of the Companies Act, 2013 and have given their consent to act as Directors.

The Company has received declarations from Mr. Anish Goel and Mr. Manoj Agarwal that they meet with the criteria of independence as prescribed both under sub-section (6) of Section 149 of the Companies Act, 2013 and under Clause 49 of the Listing Agreement.

In the opinion of the Board, Mr. Anish Goel and Mr. Manoj Agarwal fulfill the conditions for appointment as Independent Directors as specified in the Act and the Listing Agreement. Mr. Anish Goel and Mr. Manoj Agarwal are independent of the management.

Brief resume of Mr. Anish Goel and Mr. Manoj Agarwal, nature of their expertise in specific functional areas and names of companies in which they hold directorships and memberships / chairmanships of Board Committees, shareholding and relationships between directors inter-se as stipulated under Clause 49 of the Listing Agreement with the Stock Exchanges, are provided in the Corporate Governance Report forming part of the Annual Report.

This Statement may also be regarded as a disclosure under Clause 49 of the Listing Agreement with the Stock Exchanges.

None of the Directors and /or Key Managerial Personnel of the Company or their relatives, except Mr. Anish Goel and Mr. Manoj Agarwal (whose appointments are proposed in resolution no. 4 & 5) are in any way concerned or interested in the resolutions.

Your Board recommends the Ordinary Resolutions set out at Item Nos. 4 and 5 of the Notice for approval by the shareholders.

Item No. 6

In compliance with Section 293(1)(d) of the Companies Act, 1956, Members of the Company had on November 30, 2010 authorised the Board of Directors to borrow in excess of paid-up capital and reserves upto an amount not exceeding ₹ 2,000 Crores. Consequent to repeal of Section 293(1)(d) of the Companies Act, 1956 and provision of Section 180(1)(c) of the Companies Act, 2013 coming into effect from September 12, 2013 and in accordance with clarification issued by the Ministry of Corporate Affairs vide circular no. 04/2014 dated March 25, 2014, the Ordinary Resolution passed by the Members on November 30, 2010 will be valid till September 11, 2014.

In view of the above, and to facilitate funding needs of enhanced business operations of the company, it is recommended that your Board be authorised to borrow from time to time amounts which shall not exceed the aggregate of the paid up capital and free reserves of the Company by more than ₹ 2,000 Crores at any point in time.

As per Section 180(1)(c) of the Companies Act, 2013, the Board of Directors can borrow in excess of paid-up capital and reserves of the Company subject to approval of the Members by way of Special Resolution.

None of the Directors and Key Managerial Personnel of the Company or their relatives is concerned or interested, financial or otherwise, in the resolution set out at Item No. 6.

Your Board recommends the Special Resolution as set out in Item No. 6 for the approval of the members.

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

Place : Mumbai
Date : 23rd May 2014

Hemangi Patil
Company Secretary

Registered Office:

Refinery Site, Shirpur,
Dist. Dhule, Maharashtra - 425 405
CIN : L51900MH1984PLC034501
E mail: hemangi.patil@shirpurgold.com

DIRECTORS' REPORT

To

The Members of

Your Directors take pleasure in presenting the 29th Annual Report of your Company together with Audited Statement of Accounts for the year ended 31st March 2014.

RESPONSIBILITY STATEMENT

Pursuant to the requirement under Section 217 (2AA) of the Companies Act, 1956 and based on representations received from the operating management, your Directors confirm that:

- (i) in the preparation of the Financial Statements for the year ended March 31, 2014, the applicable Accounting Standards have been followed and there are no material departures;
- (ii) they have selected such accounting policies in consultation with the Statutory Auditors and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company as at the end of the financial year and of the profit of the Company for the financial year ended March 31, 2014;
- (iii) they have taken proper and sufficient care to the best of their knowledge and ability for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956. They confirm that there are adequate systems and controls for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities; and
- (iv) they have prepared the Annual Financial Statements on a going concern basis.

FINANCIAL PERFORMANCE

The financial performance of operations of your Company during the Financial Year 2013-14 is summarized in the following table:

(₹ Millions)

Particulars	For the year ended	
	31 st March 2014	31 st March 2013
Total Revenue	17,442.57	40,486.71
Total Expenses	16,871.82	39,992.07
Operating Profit	570.75	494.64
Finance Cost	343.86	313.57
Depreciation and Amortisation Expenses	163.78	163.40
Profit before Tax	63.11	17.67
Deferred Tax Assets	(5.11)	5.13
Profit after Tax	58.00	22.80

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 PROFITS

The year 2013-14 was one of the toughest years for the Indian economy with the GDP growth falling below 5%. The Indian Rupee weakened considerably during the year before recovering towards the end of the financial year. The Reserve Bank of India initiated measures to contain the Current Account Deficit by increasing the customs duty on gold and suspending credit on gold imports for domestic consumption.

The total revenue for the financial year under review were Rs./Millions 17,442.57 as against Rs./Millions 40,486.71 showing a decrease of 56.91% over previous financial year. Your Company has registered operating profit of Rs./Millions 570.75 as against operating profit of Rs./Millions 494.64, showing an increase of 15.39 % over the previous financial year. The Profit before tax stood at Rs./Millions 63.11 as against a profit of Rs./Millions 17.67

in the previous financial year, showing an increase of 257.16 % over the previous financial year. The Profit after tax stood at Rs./Millions 58.00 as against a profit of Rs./Millions 22.80 in the previous financial year, showing an increase of 154.39% over the previous financial year.

The Company had the most challenging time, hit by a very adverse regulatory and macro-economic environment, and managed to grow by 154.39% to Rs./Millions 35.2. Customer sentiments were affected by inflation, uncertain economic conditions and the significant movements in gold rate, which was more pronounced during the second half of 2013-14.

The Government and the Reserve Bank of India also initiated a slew of measures to contain the Current Account Deficit by increasing the customs duty on gold, discontinuation of credit on gold imports and importantly, restricting the quantity of gold imported by relating it to the quantum of gold exports. This resulted in severe supply constraints and consequently a sharp increase in gold prices in India compared to global rates as premium on gold purchased in India rose significantly.

BUSINESS OVERVIEW

Your company's products mainly Gold Bars, Gold coins and Gold Jewellery are well established in the market.

The year gone by was the most challenging one in a long time as GDP growth slowed down with inflation at a high level. The efficient performance of the Company has resulted in a turnover of Rs./Millions 17,442.57 in FY 2014. The Company recorded a 257.16% increase in PBT despite of 56.91% decrease in Revenue compared to the previous year.

SUBSIDIARIES

As on 31st March 2014, your Company had 2 wholly owned subsidiaries in Dubai and Singapore.

As the Members are aware, the Ministry of Corporate Affairs has granted general exemption to companies from complying with Section 212 (8) of the Companies Act, 1956, provided that such companies publish the Audited Consolidated Financial Statements in the Annual Report. Your Board has decided to avail the said general exemption, and accordingly, the Annual Financial Statements of the Subsidiaries for the financial year ended March 31, 2014 are not being attached with this Annual Report. Requisite financial highlights of the said subsidiary forms part of the Report. The Audited Annual Accounts and related information of the subsidiary will be made available, upon request or for inspection at the registered office, by any shareholder of the Company.

CONSOLIDATED FINANCIAL STATEMENT

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

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 58A and Section 58AA of the Companies Act, 1956, read with Companies (Acceptance of Deposits) Rules, 1975, was outstanding as on the date of the Balance Sheet.

CORPORATE GOVERNANCE

Your Company is committed to maintain the highest standards of Corporate Governance. Your Directors adhere to the stipulations set out in the Listing Agreement(s) with the Stock Exchanges. A separate detailed 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 Clause 49 of the Listing Agreement with the Stock Exchanges is presented in a separate section forming part of the Annual Report.

Certificate from the Statutory Auditors of the Company, M/s B. S. Sharma & Co., Chartered Accountants, confirming compliance with the provisions of Corporate Governance as stipulated in Clause 49, is annexed to the said Corporate Governance Report.

CORPORATE SOCIAL RESPONSIBILITY COMMITTEE

In line with recent regulatory requirement your Board has constituted a Corporate Social Responsibility Committee, which is in process of formulating a formal CSR policy.

DIRECTORS

Mr. Amit Goenka, Mr. Anish Goel, Mr. V. K. Agarawal and Mr. Manoj Agarwal continue to remain Directors of the Company.

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

As per the provisions of Companies Act, 2013, Independent Directors are required to be appointed for a term of maximum of 5 (five) years and Independent Directors shall not be liable to retire by rotation. Accordingly, Mr. Anish Goel and Mr. Manoj Agarwal, Director, who were earlier appointed as an Independent Director liable to retire by rotation and retiring at the ensuing AGM as per the terms of their earlier appointments, are proposed to be appointed as an Independent Director not liable to retire by rotation for a period of 5 years until 31st March, 2019. Your Board recommends the said appointments.

Brief resume and details of Directors proposed to be re-appointed at the ensuing Annual General Meeting are included in the Corporate Governance Report.

STATUTORY AUDITORS

The Statutory Auditors M/s B. S. Sharma and Co., Chartered Accountants, Mumbai, having Firm Registration No 128249W, hold office until the conclusion of the ensuing Annual General Meeting and is eligible for re-appointment.

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 during FY 2014-15 will be in the best interests of the Company and therefore, Members are requested to consider their re-appointment as Statutory Auditors of the Company from the conclusion of ensuing Annual General Meeting till next Annual General Meeting at remuneration as may be decided by the Board.

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 217(1)(e) of the Companies Act, 1956 has been given in **Annexure- A** forming part of this Annual Report.

II. Foreign Exchange Earning and Outgo :

Particulars of Foreign exchange earnings and outgo during the year under review are given in Note No.35 and 36 to the Notes to the Accounts forming part of Financial Statements.

PARTICULARS OF EMPLOYEES

Your Company has not employed any person whose remuneration is equal to or above the monetary limits as prescribed under Section 217(2A) of the Companies Act, 1956 read with the Companies (Particulars of Employees) Rules, 1975, as amended.

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 : 23rd May 2014

Amit Goenka

Chairman

ANNEXURES TO DIRECTORS' REPORT

ANNEXURE A

REPORT OF THE BOARD OF DIRECTORS UNDER SECTION 217(1)(E) OF THE COMPANIES ACT, 1956, READ WITH COMPANIES (DISCLOSURE OF PARTICULARS IN THE REPORT OF BOARD OF DIRECTORS) RULES, 1988 FOR THE FINANCIAL YEAR ENDED ON 31ST MARCH 2014.

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 exclusively on energy management. Energy consumed is monitored daywise and separate energy report prepared and circulated to create awareness amongst all consumers within the refinery.

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

B. RESEARCH AND DEVELOPMENT AND TECHNOLOGY ABSORPTION, ADAPTATION AND INNOVATION

During the year under review, the Company has not carried out any activities involving Research and Development and Technology Absorption, etc. and therefore the particulars to be mentioned under this item is NIL.

For and on behalf of the Board

Place : Mumbai

Date : 23rd May 2014

Amit Goenka

Chairman

ANNEXURES TO DIRECTORS' REPORT

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

	2013 - 14 Total	2012 - 13 Total
POWER AND FUEL CONSUMPTION :		
1. Electricity :		
a) Purchased Units (KWH in Thousands)	728.599	724.557
Total amount (₹ In Millions)	7.03	7.12
Rate/Unit (₹)	9.64	9.83
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)	5.040	4.268
Fuel Cost / Unit (₹)	27.85	27.20
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

ANNEXURES TO DIRECTORS' REPORT

Statement pursuant to Section 212 of the Companies Act, 1956 relating to Subsidiary Companies

No.	Name of the Subsidiary	Shirpur Gold Trading, DMCC, Dubai	Shirpur Gold Mining Company Private Limited, Singapore
1	The Financial year of the subsidiary company ended on	March 31, 2014	March 31, 2014
2	Holding Company	Shirpur Gold Refinery Limited	Shirpur Gold Refinery Limited
3	Extent of holding Company's interest	100%	100%
4	Face value per equity share	AED 1000	SGD 10
5	No. of Equity shares held by the holding company	50	600010
6	Net aggregate amount of profit/(loss) of the subsidiary so far as it concerns the members of the holding company and is dealt with in account of holding company: i) For the financial year ended on March 31, 2014 ii) For the previous financial years of the subsidiaries since it became a subsidiary	NIL NIL	NIL NIL
7	Net aggregate amount of profit/(loss) of the subsidiary so far as it concerns the members of the holding company and is not dealt with in account of holding company: i) For the financial year ended on March 31, 2014 (₹ in million) ii) For the previous financial years of the subsidiaries since it became a subsidiary (₹ in million)	(1.18) NIL	(0.63) NIL

For and on behalf of the Board

Place : Mumbai
Date : 23rd May 2014

Amit Goenka
Chairman

CORPORATE GOVERNANCE REPORT

CORPORATE GOVERNANCE PHILOSOPHY

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

BOARD OF DIRECTORS

Composition and Category of Directors

Your Company is in strict compliance of Board composition requirements of the Listing Agreement.

Composition of the Board as on 31st March 2014

Category of Directors	No. of Directors	% to total No. of Directors
Executive Director	0	0
Non-Executive Independent Directors	2	50%
Other Non-Executive Directors	2	50%
Total	4	100%

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

Board Meetings and procedures

During the financial year under review, four (4) meetings of the Board of Directors were held on 30th May 2013; 12th August 2013; 11th November 2013 and 10th February 2014. In compliance with Clause 49 of the Listing Agreement, the gap between two Board meetings did not exceed four months.

Particulars of Directors, their attendance at the Annual General Meeting and Board Meetings held during the financial year 2013-14 and also their other directorships in Public Companies (excluding Foreign Companies and Section 25 Companies) and Membership/ Chairmanship of Audit and Share Transfer Committees of other Companies as at 31st March 2014 are as under:

Name of Director	Category	Attendance at		No. of Directorships of other Public Companies	No. of Memberships/ Chairmanship of other Board Committees
		Board Meetings (4 meetings)	28th AGM held on 23.09.2013		
Mr. Amit Goenka	Promoter non-executive Non-Independent	2	No	5	Nil
Mr. V. K. Agarawal	Non-Executive Non-Independent	4	Yes	Nil	Nil
Mr. Anish Goel	Non-Executive Independent	4	Yes	Nil	Nil
Mr. Manoj Agarwal	Non-Executive Independent	4	Yes	Nil	Nil

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

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

Brief profile of Directors proposed to be appointed/ re-appointed at the ensuing Annual General Meeting

Mr. Amit Goenka, 38, Director, is a Graduate in Business Administration, with a work experience of more than fourteen years. He is one of the promoters of Essel Group and currently spearheading the technology front of Essel Group. He has an intense knack in identifying, evaluating & pursuing new Business Opportunities and developing Market Strategies for Essel Group. Mr. Amit lends his know-how to several Essel Group Companies where he plays an active role as a Board member.

Mr. Goenka has been recipient of **Gem & Jewellery Trade Council of India's** (GJTCI) Excellence Award for the year 2014 in Gold refining sector.

Apart from the Company, Mr. Goenka holds directorship in 5 other Indian Public Companies viz., Essel Ship Breaking Limited, Aplab Limited, Diligent Media Corporation Limited, Essel Bhind Mihona Gopalpur Toll Roads Limited, Essel Bina Khimlasa Malthon Toll Roads Limited.

Mr. Goenka does not hold any equity shares of the Company in his name as at 31st March 2014.

Mr. Anish Goel, 49, Non- Executive Independent Director of the Company holds Diploma in Mechanical Engineering. After completing his engineering, he went for technical training to Switzerland. He introduced the brand Victorinox in India and has run it for 18 years. In 2007 a subsidiary was formed in India with Mr. Goel being the head of operations.

Mr. Goel neither holds any equity shares of the Company in his name as at 31st March 2014 nor hold Directorship in any other Public Limited Company.

Mr. Manoj Agarwal, 46, Non-Executive Independent Director of the Company. He holds a Bachelor of Commerce degree from Delhi University. He has an Entrepreneurial background. Mr. Agarwal is Director and Member of Super Dynic Clothing Private Limited, a Company engaged in the business of Home Textile, since 22 years. Apart from textile business, Mr. Agarwal also has keen interest in Steel business. He is an active member of renowned charitable institute Pranami Seva Samiti, Delhi.

Mr. Agarwal neither holds any equity shares of the Company in his name as at 31st March 2014 nor hold Directorship in any other Public Limited Company.

CODE OF CONDUCT

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

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 2014.

Subhash Pareek
Manager
Shirpur, 23rd May 2014

BOARD COMMITTEES

Your Board has constituted various Board and Executive Committees for smooth and efficient operation of day-to-day business of the Company. Apart from Audit Committee, Nomination & Remuneration Committee (earlier known as Remuneration Committee) and Stakeholders Relationship Committee (earlier known as Shareholders'/ Investors' Grievance Committee), your Board has constituted a Corporate Social Responsibility Committee in accordance with Section 135 of the Companies Act, 2013, a Finance Committee, for approving financing facilities sanctioned to the Company from time to time and banking arrangements. Your Board has provided for detailed guidelines on constitution, quorum, scope and procedures to be followed by these Committees. Minutes of the proceedings of each meeting of the Committee's held between two Board meetings are circulated to the Board Members along with agenda papers and taken on record by the Board at its meetings.

Relevant particulars of Audit Committee, Nomination & Remuneration Committee and Stakeholders Relationship Committee are as detailed hereunder.

AUDIT COMMITTEE

Terms of reference

The role and the powers of the Audit Committee is as set out in Clause 49 of the Listing Agreement(s) with Stock Exchanges and Section 177 of the Companies Act, 2013 (Corresponding to section 292 A of the Companies Act, 1956). The terms of reference of the Audit Committee broadly includes:

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

Constitution

As on March 31, 2014, the Audit Committee comprises of three (3) Directors and is chaired by Mr. Manoj Agarwal an Independent Director. During the year under review, Audit Committee met for four (4) times on 30th May 2013; 12th August 2013, 11th November 2013 and 10th February 2014.

The details of composition of the Audit Committee, which complies with the requirements of Section 177 of the Companies Act, 2013 and Clause 49 of the Listing Agreement(s), along with attendance of the Committee members at the meetings held during financial year 2013-14 are as detailed hereunder:

Name and Designation of Committee Member	Category	No. of Meetings attended during the year under review
Mr. Manoj Agarwal, Chairman	Independent Director	4
Mr. Anish Goel, Member	Independent Director	4
Mr. Amit Goenka, Member	Promoter Non- Independent Director	2

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.

NOMINATION & REMUNERATION COMMITTEE (earlier known as Remuneration Committee)

Terms of reference

In accordance with Section 178 of the Companies Act, 2013, the Remuneration Committee of the Board was re-named as Nomination & Remuneration Committee with effect from May 23, 2014. The terms of reference of the Committee, as revised by the Board with effect from May 23, 2014, inter alia, consists of (i) 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; (ii) Carrying out evaluation of every director's performance; (iii) 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; (iv) 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; (v) Ensuring that relationship of remuneration to performance is clear and meets appropriate performance benchmarks; and (vi) Formulating policy with regard to remuneration to 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. Additionally the Committee has been vested with the powers for administration and implementation of Company's Employees Stock Option Scheme.

Constitution

As on March 31, 2014, the Nomination & Remuneration Committee comprises 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 26th April, 2013.

The said meeting was attended by all the Members of the Committee.

Details of Remuneration Paid

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

Mr. Subhash Pareek, Manager of the Company has been appointed in terms of resolution passed by the shareholders at the 28th AGM held on 23rd September 2013 for a period of three years with effect from November 5, 2012. The elements of the remuneration package of Mr. Pareek comprises of salary, perquisites and allowances comprising of house rent allowance, personnel allowance, other allowances includes medical and leave travel allowance, and leave encashment facilities in accordance with rules of the Company.

The details of the remuneration paid to Mr. Subhash Pareek as Manager of the Company for the period from 1st April 2013 to 31st March 2014 is as under:

(₹ Millions)

Particulars	
Salary and Allowances	0.83
Employer's Contribution to Provident Fund	NIL
Total	0.83

STAKEHOLDERS RELATIONSHIP COMMITTEE (earlier known as Shareholders & Investors Grievance Committee)

Terms of reference

In accordance with Section 178 of the Companies Act, 2013 the Shareholders & Investors Grievance Committee was renamed as Stakeholders Relationship Committee with effect from May 23, 2014.

Main function of Stakeholders Relationship Committee is to strengthen investor relations; 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 Executives 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 Shareholder Relationship Committee.

Constitution

As on March 31, 2014, the Stakeholders Relationship Committee comprises of Mr. Manoj Agarwal, Non-Executive Independent Director as Chairman and Mr. Amit Goenka, Non- Executive Director and Mr. V. K. Agarawal, Non-Executive Director as its Members. The Company Secretary is the Secretary of the Committee.

During the year under review, the Committee met four (4) times on 30th May 2013; 12th August 2013; 11th November 2013 and 10th February 2014.

No complaints / investors grievances were pending at the beginning of financial year and none were received during the financial year 2013-14.

GENERAL MEETINGS

The 29th Annual General Meeting of the Company for the Financial Year 2013-14 will be held on Wednesday, the 27th August 2014 at 2.30 p.m. at the registered office of the Company at Refinery Site, Shirpur, Dist. Dhule, Maharashtra 425 405.

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

Year	Date and Time	Special Resolutions passed	Venue
2012-13	23.09.2013 - 2.30 p.m.	Appointment of Mr. Subhash Pareek as Manager of the Company and payment of remuneration to him	Refinery Site, Shirpur 425405, Dist. Dhule, Maharashtra
2011-12	06.09.2012 - 2.30 p.m.	Alteration of Articles of Association of the Company	
2010-11	29.08.2011 - 4.30 p.m.	None	

The above Special Resolutions were passed with requisite majority.

No Special Resolutions was passed through Postal Ballot during the Financial Year 2013 - 14. None of the resolution(s) proposed at the ensuing 29th Annual General Meeting requires to be put through Postal Ballot.

DISCLOSURES

a) Related parties transactions

There are no materially significant related party transactions, which have potential conflict with the interest of the Company. The transactions with the related parties are disclosed in Notes to Financial Statements.

b) Compliances by the Company

The Company has complied with the requirements of the Stock Exchanges, SEBI and other Statutory authorities on all matters relating to capital markets during the year under review. No penalties or strictures have been imposed on the Company by any Stock Exchanges, SEBI or other statutory authorities during last three years.

COMPLIANCE WITH NON-MANDATORY REQUIREMENTS

The Company confirms that it has complied with all mandatory requirements to Clause 49 of the Listing Agreement(s). Particulars of non mandatory requirements complied by the Company are as detailed hereunder:

Remuneration Committee – The Company had setup Remuneration Committee to recommend/ review overall compensation policy, service agreements and other employment conditions of managerial personnels. The said Committee was renamed as Nomination & Remuneration Committee with effect from May 23, 2014 and the term of reference were revised in line with the provision of the Companies Act, 2013.

Whistle Blower Policy – The Board of Directors of the Company have approved the Whistle Blower Policy, pursuant to which employees can raise concern relating to the fraud, malpractice or any other untoward activity or event which is against the interest of the Company and/or its stakeholders. As per the Whistle Blower Policy of Company, no employee has been denied access to the Audit Committee of the Board.

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 newspapers 'Navshakti (Marathi)' as per the requirements of the Stock Exchanges and requisite information are filed with Stock Exchange(s) in compliance with the Listing Agreement(s). Official news releases and 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.

AUDITORS' CERTIFICATE

To,

The Members of

Shirpur Gold Refinery Limited

We have examined the compliance of the conditions of Corporate Governance by **Shirpur Gold Refinery Limited** ('the Company'), for the year ended 31st March 2014 as stipulated in Clause 49 of the Listing Agreement of the Company with the Stock Exchanges in India.

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. 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 Clause 49 of the above mentioned Listing Agreement.

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

Mumbai; 23rd May 2014

SHAREHOLDERS' INFORMATION

1 Date, Time and Venue of Shareholder's Meeting	Meeting : Annual General Meeting Day and Date : Wednesday, August 27, 2014 Time : 2.30 p.m. Venue : Refinery Site, Shirpur 425 405, Dist. Dhule, Maharashtra
2 Financial Year	1 st April, 2013 to 31 st March 2014
3 Date of Book Closure	Wednesday, August 20, 2014 to Wednesday, August 27, 2014 (both days inclusive)
4 Registered office / Plant Location	Refinery Site, Shirpur, Dist. Dhule, Maharashtra - 425405 Tel: 02563 258002 Fax: 02563 261357 Website: www.shirpurgold.com
5 Corporate Office	5A, Trishla Premises, 122, Sheikh Memon Street, Zaveri Bazar, Mumbai - 400 002 Tel: 022 4910 6400 Fax: 022 4910 6464
6 Listing on Stock Exchanges	BSE Limited (BSE) National Stock Exchange of India Limited (NSE)
7 Stock Code	BSE 512289 NSE SHIRPUR-G
8 ISIN No.	Equity - INE196B01016
9 Corporate Identity Number	L51900MH1984PLC034501
10 Registrar and Share Transfer Agent	Sharepro Services (India) Private Limited, 13AB, Samhita Warehousing Complex, Second Floor, Sakinaka Telephone Exchange Lane, Off Andheri -Kurla Road, Sakinaka, Andheri (East), Mumbai - 400 072 Tel: 022 6772 0300 / 400 Fax: 022 2859 1568 / 2850 8927 E-Mail: sharepro@shareproservices.com
11 Investor Relation Officer	Ms. Hemangi Patil, Company Secretary 5A, Trishla Premises, 122, Sheikh Memon Street, Zaveri Bazar, Mumbai - 400 002 Tel: 022 4910 6000 • Fax: 022 4910 6464 E-mail: hemangi.patil@shirpurgold.com

12 Dividend

During the year 2013-14, the Board of Directors has not recommended payment of any dividend.

13 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 2014, 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 are held in dematerialised form.

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.

17 Shareholders' Correspondence

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

The Company endeavours to reply all letters received from the shareholders within a period of 5 working days.

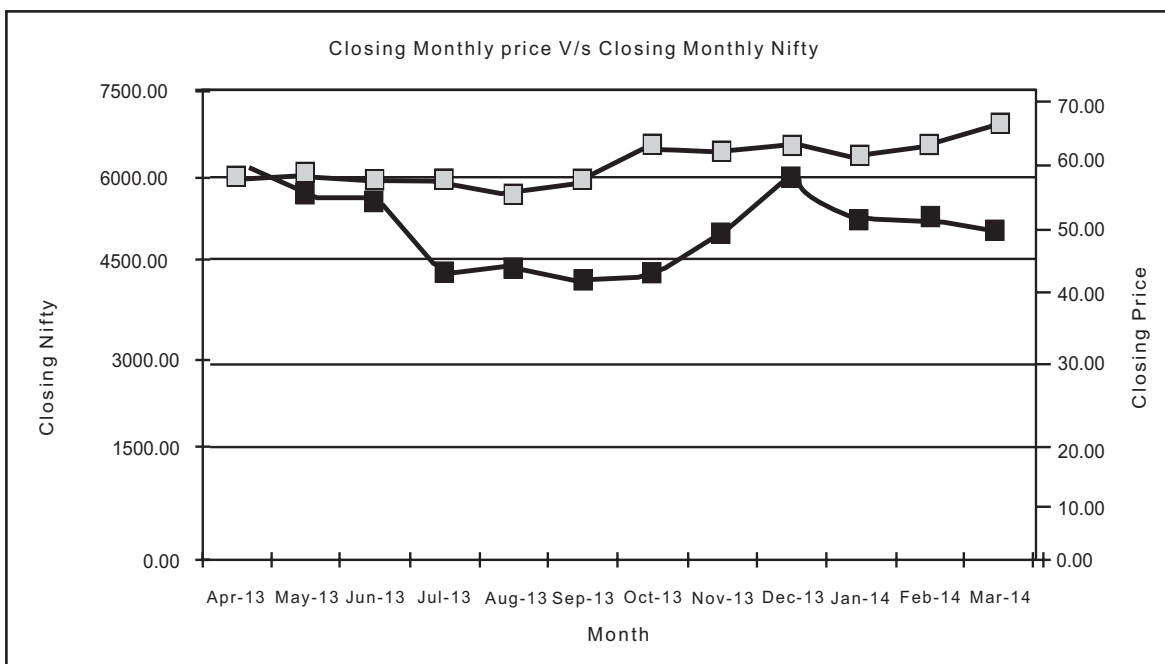
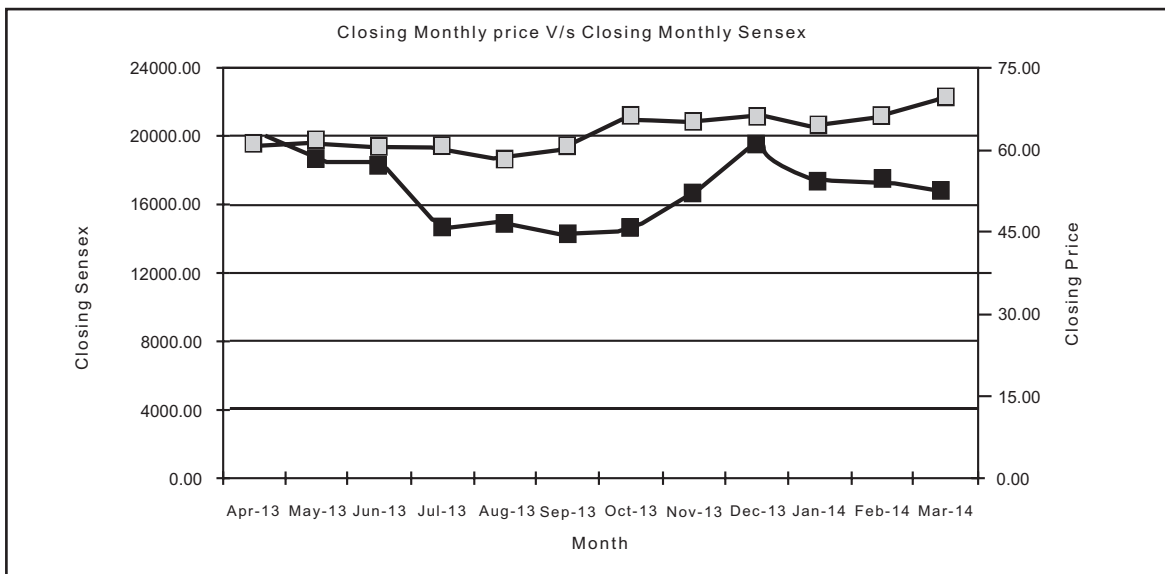
All correspondence may please be addressed to the Registrar and Share Transfer Agent at the address given above. In case any shareholder is not satisfied with the response or do not get any response within reasonable period, they may approach the Investor Relation Officer of the Company.

18 Stock Market Data Relating to Shares Listed in India

Monthly high and low quotations and volume of shares traded on BSE and NSE for financial year 2013-2014 are:

Month	BSE			NSE		
	High (₹)	Low (₹)	Volume of Share Traded	High (₹)	Low (₹)	Volume of Share Traded
April 2013	69.90	55.50	2,45,798	72.00	54.00	16,251
May 2013	68.95	57.15	77,336	71.95	57.00	16,019
June 2013	62.75	55.05	88,432	63.00	53.00	22,397
July 2013	60.25	39.50	1,53,666	61.30	39.15	23,448
August 2013	54.60	42.65	97,134	54.75	41.55	38,218
September 2013	51.00	42.10	74,291	51.95	41.60	30,611
October 2013	49.50	42.95	95,433	50.00	40.00	37,141
November 2013	65.90	43.65	2,83,646	65.00	43.25	77,373
December 2013	65.80	49.60	1,13,298	66.25	50.25	23,763
January 2014	62.25	51.15	79,902	61.50	51.30	8,646
February 2014	57.50	45.30	55,264	57.25	44.25	5,237
March 2014	58.00	50.50	1,23,184	58.00	48.25	17,466

19. Relative performance of Shirpur Gold Shares Vs. BSE Sensex and Nifty Index



20. Distribution of Shareholding as on 31st March 2014 :

No. of Equity Shares	Share Holders		No. of Shares	
	Number	% of Holders	Number	% of Shares
1 to 500	8147	86.53%	1047608	3.60%
501 to 1000	619	6.58%	488429	1.68%
1001 to 5000	499	5.30%	1113588	3.82%
5001 to 10000	79	0.84%	574657	1.97%
10000 to 20000	39	0.41%	558459	1.92%
20000 to 30000	9	0.10%	231964	0.79%
30001 to 40000	2	0.02%	70200	0.24%
40001 to 50000	1	0.01%	46800	0.16%
50001 to 100000	6	0.06%	461258	1.58%
100001 and above	14	0.15%	24544239	84.24%
TOTAL	9415	100.00%	29137202	100.00%

21. Categories of Shareholders as on 31st March 2014 :

Category	% Shareholding	No. of Shares held
Promoters	72.71%	21185703
Individuals	17.80%	5187788
FII's, OCBs and NRIs	2.85%	831387
Domestic Companies	6.63%	1931329
Trust	0.01%	995
TOTAL	100.00%	29137202

22. Particulars of Shareholding
Promoter Shareholding as on 31st March 2014

Sr. No.	Name of Shareholder	No of Shares held	% of Shareholding
1	Jayneer Capital Private Ltd	2,11,85,703	72.71%
	TOTAL	2,11,85,703	72.71%

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:

1. OVERALL SCENARIO OF BUSINESS:

A) Global Scenario

The gold market had become polarised in 2013 as 21% growth in demand from consumers and value-seeking investors contrasted due to the large-scale outflows of Exchange Traded Funds (ETF). It resulted a sharp decline (15%) against the overall gold demand in a year. However jewellery, bar and coin demands reached an all-time high. Chinese consumers benchmarked a new annual record, while Indian precious metal market was resilient on the account of import restrictions. The sharp fall in the gold price in the second quarter engrossed a strong and swift response from consumers in Asia and the Middle East, also its effect was extended to western markets.

Consumers exhibited an impressive strength last year, which resulted in generation of 21% increase in demand for jewellery, small bars and coins (collectively referred to as 'consumer demand') to a historic high of 3,863.5 tonnes (t). Much of the growth was concentrated in the first half of the year, unsurprisingly given the sharp declines in the price in April and June, which prompted a swift and strong reaction from consumers in the more price-sensitive markets such as India and China. The second half of the year continued this trend as the impact of low prices was felt more globally, particularly in the jewellery sector.

B) Indian Scenario

Gold imports in 2013-14 stood at 638 tones, a decline of 25 per cent over the previous fiscal. During the year government increased the customs duty from 6 to 10% with mandate to reduce import of gold. Further, in order to check the increasing current account deficit (CAD) the government introduced various restrictions for import of gold. In line with this, Reserve Bank of India (RBI) made drastic changes in to the existing Gold Import Financing Policy. Consignment basis import of gold by the nominated agencies for supply to precious metal dealers was stopped. Further, RBI advised the Banks to obtain 100% margin from gold buyers for gold loan. Most important clause which had adverse impact on gold import that the importers of gold were asked to export gold jewellery equal to 20% of gold import. Because of the above imposed restrictions by the Indian Government with aim to curtail gold import, precious metal business affected quite badly and the jewellery export also suffered set back. Further, the restrictions caused shortage in availability of physical gold resulting in higher premium.

2. OVERVIEW SGRL:

Shirpur Gold Refinery Limited, a part of the Esselgroup, is the first and the largest gold and silver refinery in India with installed capacity to refine 217 MT p.a. of gold and silver respectively. It has set up a green field project for refining of gold and silver with technical capability of achieving fineness of 999.9 parts per thousand. The company has production lines for gold and silver bars, minting of gold and silver coins and gold jewellery.

3. BUSINESS EXCELLENCE AND RECOGNITION:

In recognition for its excellent achievements 'India's Top 500 Companies 2014' by Dun and Bradstreet (D&B) has ranked the company for the first time as 5th largest in Gems and Jewellery segment. Further, among other criteria for the Top 500 companies 2014, Shirpur Gold has been ranked as follows.

- 176th in terms of Total Income,
- 451st in terms of Return on Net Worth,
- 457th in terms of Net Profit

4. EXPANSION & CONCRETE MILESTONES:

A) Export Business Expansion

In 2013 - 14 India has exported gold jewellery worth USD 11 billion.

Shirpur Gold now exports to the Middle East and the Far East. Your company exported gold jewellery worth Rs.4750 millions during the year, an increase of 63% over last year. The company is in dialogue with new customers for export of its jewellery products.

Your company expects to increase its export performance and enhance the margins earned in the business.

B) ISO Accreditation

The ISO 9001:2008 accreditation obtained by the Company on 30.5.2013 through TUV Rheinland, GMBH for Refining, Manufacturing and Sales of Gold and Silver Bars & Grains, Chains, Coins and Medallions, have streamlined the operations of the plant to a great extent. Having achieved this, your company has taken new initiatives of Assaying Laboratory accreditation.

C) NABL Accreditation

In line with company's commitment to offer quality products to its customers, the company have obtained ISO/IEC 17025:2005 accreditation for its Assaying Laboratory from the National Accreditation Board for Testing and Calibration Laboratories (NABL) for General Requirements for the Competence of Testing & Calibration Laboratories in the discipline of Chemical Testing, which covers the followings:

<u>Metal Alloys</u>	<u>Test performed</u>	<u>Test Method/Specification</u>	<u>Range/Limit of detection</u>
Gold Alloys	Cupellation	IS1418:2009	91.60% to 99.50%
	ICP-OES	ISO 15093:2008	99.90% to 99.99%
	X-RF	W/QAD/06	91.6% to 99.9%
Silver Alloys	ICP-OES	ISO:15093 : 2008	99.90% to 99%
	X-RF	W/QAD/06	99.0% to 99.9%

This is a milestone which your company achieved in a record time to fulfil its commitment for benchmarked quality products.

Our golden practices continue:

- Multiple quality control measures to nurture quality at each level of business.
- Each finished product is subjected to various tests in our well-equipped laboratory to ensure best quality before it is consigned to the market.
- Strict supervision by the quality assurance team at each and every stage, from raw material to finished product.
- Our state-of-the-art facility is empowered with cutting-edge technology, ultramodern machines, dedicated and astute technocrats, quality conscious professionals and diligent workers.
- Our wide distribution network and efficient transport facilities ensure our customers of hassle-free delivery of products.
- The staff members at Shirpur Gold Refinery have been extensively trained on various parameters involving ISO 9001:2008 (Process) and ISO 17025:2005 (Assaying Lab) by way of various awareness programme conducted by internal and external auditor.

5. FUTURE PROSPECTS OF THE COMPANY:

The restrictions imposed by the government have led to certain strains and pressures on the trade. These pressures have led to a breakdown of the fringe elements leaving the core business in the competent area of the specialized players. The company is well entrenched to fully sustain and grow in this strenuous environment owing to its core and implicit competence in the entire range of the precious metal business. The range of activities cover the entire gambit of the precious metal business starting from the direct procurement of gold dore from mines to finished jewellery which includes refining precious metal, sales, exports and minting.

A) Export

The company has increased its export business during the year and intends to concentrate for addition of new customers by venturing into new markets other than the existing Middle East & South East markets.

B) Minting

With a view to have better market visibility for its products, the company is now branding its products as Zee Gold. As Zee is a national brand with international reach, the company is getting good mileage by adopting Zee Gold as its brand. Further, the company is creating a B2C e-commerce platform through which the company would retail all its product range. The company would start a campaign to position the gold coins as corporate gift product. This would be carried out with adequate advertisement support in the social and print media.

C) Jewellery

Year on year Indian jewellery is increasing its market share and presence across world. Your company is setting up facility to cater this increased demand from both domestic and international markets by offering designs of all genres.

D) Mining ventures

The company has tied up with global mines for off take of gold dore and are in dialogue with other gold miners to ensure regular supply of raw material for the refinery.

E) Recycling of Scrap

Your company is now undertaking scrap refining and developing this business by arranging scrap collection from local market.

F) Financial Review:

Rs. in Millions

Particulars	For the year ended	
	31 st March, 2014	31 st March, 2013
Revenue from Operations	17,404.58	40,467.09
Other income	37.99	19.62
Total Revenue	17,442.57	40,486.71
Total Expenses	16,871.82	39,992.07
Operating Profit	570.75	494.64
Finance cost	343.86	313.57
Depreciation	162.51	162.14
Amortization Expenses	1.27	1.26
Profit before Tax	63.11	17.67
Deferred Tax (Assets)/Liability	(5.11)	5.13
Profit after Tax	58.00	22.80

Total revenue achieved is Rs.17442.57 Millions in FY 2014 as against Rs.40,486.71 Millions in FY 2013 decreased by 56.91%. Despite of limited supply of gold during FY 2014, export turnover has increased by 63.18% and domestic turnover has reduced by 33.21% over the previous financial year.

Operational expenses decreased by Rs 23,120.25 Millions or 57.81 % from Rs 39,992.07 Millions in FY 2013 to Rs 16,871.82 Millions in FY 2014. The decrease in operational expenses is mainly on account of decrease in sales during year.

Your Company has registered an Operating Profit of Rs 570.75 Millions in FY 2014 as against the operating profit of Rs 494.64 Millions in FY 2013 showing an increase of 15.39%.

Profit before tax has increased by Rs 45.44 Millions or 257.16 % from Rs 17.67 Millions in FY 2013 to Rs 63.11 Millions in FY 2014. Profit after tax has increased by Rs 35.20 Millions or 154.39% from Rs 22.80 Millions in FY 2013 to Rs 58.00 Millions in FY 2014.

6. STRENGTHS, OPPORTUNITIES, THREATS, RISKS & CONCERNS:

After a thorough internal evaluation, listed below are many advantages and a few challenges in the business the company is engaged in

A) Strengths

(i) Product Range

Shirpur Gold has pleasantly created an entire range of products in the precious metal / jewellery space. Cast bars in various denominations and purity as B2B products for the jewellery industry have been regularly supplied and well accepted in the market. The other product range includes minted coins and minted bars in various denominations and purity catering to the requirements of specific market. Jewellery product range already established and accepted in the market which includes chains and bangles. The company endeavors to continue developing its existing wide range products with additional product segments like, hollow jewellery and designer jewellery

(ii) Product Quality

The manufacturing facility has been able to maintain a Zero defect record over the term largely due to the very strict quality control checks at each level. The established QC rules and testing facilities ensures acceptable quality as per set standard.

(iii) Laboratory

The laboratory facilities set up by Shirpur Gold have met the required standards of National Accreditation Board for Testing and Calibration Laboratories (NABL). NABL has accredited certification to our Laboratory as per ISO 17025:2005.

Our state-of-the-art laboratory covers a diverse range of precious metals, Gold and Silver alloys and combining traditional methods of analysis with the latest technology. Advanced instrumentation includes ICP-OES (inductively coupled plasma-optical emission spectrometry), AAS (Atomic absorption spectroscopy), EDXRF (Energy-dispersive X-ray fluorescence spectrometry), and various other titration systems. One of the most important components of the laboratory is the extensive and modern fire assay facility, which is used for the analysis of precious metals in a variety of materials for Gold alloys. In addition to this, Wet chemical lab is being used for an acid digestion for plant sample.

(iv) Economy of Scales

With the timely and organic updation of facilities, the company is in a position to take full advantage of economy of scales. This gives additional advantages in various areas including procurement of raw material like gold dore, transportation and logistics etc.

(v) Distribution network

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

The company has also created a strong customer base in the international market by having strong and solid channel partners in main hubs of UAE and Hongkong. The company stands to gain in the process of penetration of extended markets like Africa, Europe and USA.

(vi) Financial Strengths

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

(vii) Strong operational, technical and management team

The technical team in charge and the workmen are well trained and adept in the operation as to meet the stringent quality requirement.. The Standard Operational Procedures (SOPs) are implemented and policies are put in place by the management to ensure that the workmen are continuously updated on the new trends and practices of the refining aren.

B) Opportunities

The Government's permission for direct import of Gold dore Bars by the actual user for the purpose of refining and manufacturing of Gold Bars of purity 99.5% and above has offered an opportunity.

The Company is able to import gold dore directly and save the cost of margins charged by nominated importing agencies. The company has been able to establish sources of supply of gold dore on regular basis and this would help the company in increasing the margin.

RBI ban on import of coins by banks – as the company has imported minting plant and has expertise to manufacture international standard coins, the company considers this as an opportunity and would take major share of the coin market.

RBI's 80:20 rule for import of gold dore – under this 20% of the quantity imported is to be exported. The company will leverage and increase its exports through established customer base.

C) Threats

The year witnessed more restrictions on import of gold and its adverse effect on the market. Changes in duty effect the overall sales. Changes in the duty structure, restrictions on import of gold and increase in price of gold do have negative impact on sales. However, slowly & gradually the sentiments of the market gets settled down and the sales accelerate.

D) Risks and Concerns:

Making effective plans involves a thorough evaluation of potential and existing risks. Following are the findings:

(i) Market Risks

Shirpur Gold's domestic sales were around 70% of its total sales. The business is exposed to changes in domestic demand and supply. There are various opportunities in Middle East and other countries for the Company to increase its market presence. The Company continues to work towards diversifying its customer mix and to focus on building relationships with customers and spread geographically.

(ii) 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. Shirpur Gold strives to maintain its operational costs at competitive levels in order to sustain through the commodity price cycles. The Company has established facilities to ensure that adequate hedging mechanisms could be initiated to effectively counter the risk that arises during operations.

(iii) Regulatory Risks

The Company is exposed to regulatory uncertainties facing the mining and precious metal sectors in India. Any changes in the duty, rules and regulations or requirements by the Government of India may require the Company to incur significant expenditure and/or significantly increase its potential liabilities which may impact its financial position adversely. The Company 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.

(iv) Operational Risks

Shirpur Gold adopts a sustainable production platform. Continuous availability of gold dore is critical for the production plans of the company. During the year, the company tied up with global miners for continuous supply of gold dore.

(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 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) 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".

7. INTERNAL CONTROL SYSTEM:

The Company has adequate internal control systems, commensurate with its size and nature of operations so as to ensure seamless operations and compliance with applicable legislation. The Company has a well-defined system of management reporting and periodic businesses review to ensure timely and effective decision-making. It has hired independent internal audit team of professionally qualified financial personnel, which conducts periodic audits of the business of the company to maintain a proper system of checks and control.

The Management Information System (MIS) forms an integral part of the Company's control mechanism. All operating parameters are monitored and controlled. Any material change in the business outlook is reported to the Board of Directors (the Board). Material deviations from the annual planning and budgeting, if any, are reported to the Board on quarterly basis. An effective budgetary control on all capital expenditure ensures that actual spending is in line with the Capital Budget.

8. HUMAN RESOURCES

At Shirpur Gold, our passion is to improve daily living and to create a workplace where every person can reach his or her full potential. We offer opportunities Pan India and our work environment gives employees the freedom to explore and make the most of them.

While the impact of the Govt. regulations has been felt in varied degrees across all the geographies in which the Company operates, keeping the employees cheerful and motivated in these trying times has remained the focus of the Human Resources department. The Organization realizes that its employees are the most valuable human capital and that they play a major role in building the competitive advantage of the Company's business across the geography it operates.

The Company recognizes people as the primary source of its competitiveness and continues to focus on people development by leveraging technology and developing a continuously learning human resource base to unleash their potential and fulfill their aspirations.

It is Shirpur Gold's endeavor to create an environment where people can use all of their capabilities in support of the business. Therefore, we encourage our employees to balance their work and personal responsibilities.

Shirpur Gold is a young Company with an average age of its employees being 37 years. Breakup of its professional workforce is:

MBA's	42%
Engineers	37%
CA/CS/ICWAs	21%

A) Recruitment

Through 2013-2014, the Company has continued to demonstrate that the recruitment of the best of talent and the engagement of its employees is an asset through both high and low demand cycles in the industry.

The Company has continued the recruitment of trainees, graduates and targeted external middle and senior management staff to meet the current need and prepare the bench strength for future operations.

B) Training & Development

The Group has continued to invest in and improve its managerial and technical capabilities through the internal development of its own employees.

To bridge functional skill gaps and to identify candidates for focused learning in line with the current and future needs of Company, various Learning Initiatives were introduced in Shirpur Gold. The emphasis was to create a pool of experts in different technical areas. Apart from creating specialists, the Company also focuses on managerial learning which consists of modular programs.

The Performance Improvement Committee has continued to focus on improving both knowledge management and the adoption of best practices across the Organization.

During the year, a greater focus was assigned to the 'On-the-Job Learning' for executives. This is being offered through cross functional assignment/taskforce, role enhancement/enrichment and improvement Initiatives. The executives were also encouraged to undertake special projects arising from their work assignments which had focused measures and deliverables.

To facilitate continual improvements at the workplace and enhance human assets productivity various training programs were conducted by industries highly experienced faculties which includes Team Behavior, Leadership Development, and Time Management etc.

Employees' safety remains always a top priority for the company. To emulate the theme "Safety Overrides All Production Target", during the year customized programs viz. Safety week celebration, First Aid and Cardiopulmonary resuscitation (CPR) training program and Firefighting training program were conducted for Shirpur Gold employees. It focuses on inculcating safety based mindset and communicating the importance of safety at work and in personal life.

C) Employee Engagement

As part of its initiatives focused at employee health and all-round engagement in the organization, the company provides avenues to gather and participate in co-curricular activities, sports, birth day celebration & other cultural events. Such activities not only inculcate better living and work place camaraderie, they also showcase innate talent & stimulate team spirit/behavior. During the year the company supported various sporting events viz. Health awareness and stress management through YOGA, Shirpur Gold Cricket championship and Shirpur Gold Volleyball tournament in addition to various other cultural events.

D) Leadership Development

Leadership Development across all levels continues to be the focus across the Organization. The Board of Directors owns the development and succession plans for the top positions. With regards to the next level of officers, this is done by the respective talent review committees. During the year, the Company continued to support and sent senior executives to appropriate leadership development programs to fine tune their capabilities.

E) Compensation Management & Better Synergy

It is a fundamental principal of the Organization that all the employees are compensated fairly. Last year, like the previous years, compensation was based on market benchmarking to ensure that the company remains an attractive and competitive employer in the market place. The Performance Improvement Committee has improved both the Knowledge Management and the Adoption of Best Practices Initiatives and this has benefitted the company alongside its other operations.

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 Financial Statements and the Cash Flow Statement of the Company both on Standalone and Consolidated basis for the year ended 31st March 2014 and that to the best of our knowledge and belief :
 - (i) these statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading; and
 - (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 31st March 2014 which are fraudulent, illegal or violative of the Company's code of conduct.
- (c) We accept responsibility for establishing and maintaining internal controls for financial reporting and that we have evaluated the effectiveness of the internal control system of the Company pertaining to financial reporting and have disclosed to the Auditors and the Audit Committee, deficiencies in the design or operation of such internal controls, if any, of which we are aware and steps taken or proposed to be taken to rectify those deficiencies.
- (d) During the year
 - (i) There has not been any significant change in internal control over financial reporting;
 - (ii) There have not been any significant changes in accounting policies; and
 - (iii) There have been no instances of significant fraud of which we are aware that involve management or other employees having significant role in the Company's internal control system over financial reporting.

Place : Mumbai
Date : 23rd May 2014

Subhash Pareek
Manager

Archita Kothari
Chief Financial Officer

INDEPENDENT AUDITORS' REPORT

TO THE MEMBERS OF SHIRPUR GOLD REFINERY LIMITED

REPORT ON THE FINANCIAL STATEMENTS

1. We have audited the accompanying financial statements of Shirpur Gold Refinery Limited ("the Company") which comprise the Balance Sheet as at 31 March, 2014, the Statement of Profit and Loss and Cash Flow Statement for the year then ended and a summary of significant accounting policies and other explanatory information, which have been signed under reference to this report.

MANAGEMENT'S RESPONSIBILITY FOR THE FINANCIAL STATEMENTS

2. The Management is responsible for 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 Standards referred to in sub-section (3C) of Section 211 of the Companies Act, 1956 ("the Act") read with the General Circular 15/2013 dated 13 September 2013 of the Ministry of Corporate Affairs in respect of Section 133 of the Companies Act, 2013 and in accordance with the accounting principles generally accepted in India. This responsibility includes the design, implementation and maintenance of internal control 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.

AUDITORS' RESPONSIBILITY

3. Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India. Those standards require that we comply with ethical requirements, plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.
4. An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Company's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by the management, as well as evaluating the overall presentation of the financial statements.
5. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

OPINION

6. In our opinion and to the best of our information and according to the explanations given to us, the said financial statements together with the notes thereon, give the information required by the Act 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 31 March, 2014;
 - 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.

REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

7. As required by the Companies (Auditor's Report) Order, 2003 ("the Order"), as amended, issued by the Central Government of India in terms of sub-section (4A) of Section 227 of the Act, we give in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the Order.
8. As required by Section 227(3) of the Act, we report that:
 - (i) We have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit;

- (ii) 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;
- (iii) The Balance Sheet, Statement of Profit and Loss and Cash Flow Statement dealt with by this Report are in agreement with the books of account;
- (iv) In our opinion, the Balance Sheet, Statement of Profit and Loss and Cash Flow Statement comply with the Accounting Standards referred to in sub-section (3C) of Section 211 of the Companies Act, 1956 read with the General Circular 15/2013 dated 13 September 2013 of the Ministry of Corporate Affairs in respect of Section 133 of the Companies Act 2013; and
- (v) On the basis of written representation received from the directors as on 31 March 2014 and taken on record by the Board of Directors, none of the directors is disqualified as at 31 March 2014, from being appointed as a director in terms of clause (g) of sub-section (1) of Section 274 of the Act.

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

B. S. SHARMA
PROPRIETOR
Membership No. 031578

Place: Mumbai
Date: 23rd May 2014

ANNEXURE TO THE INDEPENDENT AUDITORS' REPORT

STATEMENT REFERRED TO IN PARAGRAPH (7) UNDER THE HEADING OF "REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS" OF OUR REPORT OF EVEN DATE.

A. FIXED ASSETS:

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

B. INVENTORIES:

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

C. LOANS & ADVANCES:

- (iii) In respect of the loans, advances in the nature of loans, secured or unsecured, granted or taken by the Company to/from companies, firms or other parties covered in the register maintained under Section 301 of the Companies Act 1956 (the Act) we report:
 - (a) As per the information and explanations given, the company has not granted any loans, secured or unsecured, to companies, firms or other entities covered in the register maintained under Section 301 of the Act.
 - (b) As per information and explanation given, the Company has taken unsecured loan from a Company covered in the register maintained under section 301 of the Act. The amount received is ₹/Millions 120.00 and repaid is ₹/Millions 60.00 during the year. The balance at the year end is ₹/Millions 60.00. The terms and conditions of such loan are resonable having regard to prevailing market terms and conditions for such unsecured loans and are not prejudicial to the interest of the Company.

D. INTERNAL CONTROLS:

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

E. TRANSACTIONS U/S 301:

- (v) In respect of contracts or arrangements entered in the Register maintained in pursuance of Section 301 of the Companies Act 1956, to the best of our information and explanations given to us:
 - (a) These particulars of contracts or arrangements referred to in Section 301 that needed to be entered in the register maintained under the said Section, have been so entered.
 - (b) In our opinion and according to the information and explanations given to us, where each of such transactions for cash is in excess of ₹ 5,00,000/- in respect of any party, the transactions have been made at the prevailing market prices at relevant time for cash, which prima facie appears to be reasonable

F. PUBLIC DEPOSITS:

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

the provisions of Clause (vi) of Paragraph 4 of the Order are not applicable to the Company.

G. INTERNAL AUDIT:

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

H. COST RECORDS:

- (viii) In our opinion and according to the information and explanations given to us, the Central Government vide order dated 6h November 2012 has directed the company to maintain the cost records with effect from financial year 2013-14 and obtain Cost Auditor's Report thereon as prescribed under the Companies (Cost Accounting Records) Rules 2011, read with Section 209(1)(d) of the Act. We have broadly examined the books of accounts maintained by the Company pursuant to the said rules and section 209(1) (d) of the Act, in respect of the products mentioned therein and are of the opinion that prima-facie, the prescribed accounts and records have been made and maintained. However, we have not carried out a detailed examination of the records with a view to determine whether these are accurate or complete

I. STATUTORY DUES:

- (ix) According to the records of the company examined by us and information and explanations given to us in respect of statutory dues:

- (a) The Company has generally been regular in depositing with appropriate authorities, undisputed statutory dues including Provident Fund, Investor Education & Protection Fund, Employees' State Insurance, Income Tax, Sales Tax, Custom duty, Excise duty, Cess and other material statutory dues applicable to it.

- (b) There were no undisputed statutory dues including Provident Fund, Investor Education & Protection Fund, Employees' State Insurance, Income Tax, Sales Tax, Custom duty, Excise duty, Cess and other material statutory dues in arrears as at 31st March 2014 for a period of more than six months from the date they became payable.

- (c) Details of dues of Income tax, Sales tax, MVAT and export obligations under EPCG Scheme, which have not been deposited as on 31st March 2014 on account of disputes / under the Schemes are given below:

- (i) MVAT collected till the year end under Sales Tax Incentive Scheme of 1993 by the Government of Maharashtra, (Scheme PSI-1993) is considered in the Accounts as Deferred Sales Tax Liability and stated in Note 3. The Deferred Sales Tax Liability for the years ended from 31st March 2011 to 31st March 2014 aggregating to ₹/Millions 278.61 is repayable in five respective equal annual installments starting from financial year 2021-22 to 2024-25.

- (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 Obligations under EPCG Scheme remaining to be fulfilled by exports is ₹/Millions 4034.21 as per Note no.29.

- (iv) Disputed Liabilities under Income tax Act 1961:

Assessment Year	Forum where pending	Rs in Millions
2001-02	Income tax Appellate Tribunal	
	i. Regular Assessment demand	₹ 0.62
	ii. Penalty u/s 271(1) (c)	₹ 3.32
2008-09	Commissioner of Income tax (Appeals)	
	Penalty u/s 271(1) (c)	₹157.92

- (v) The Income tax department has filed an Appeal before Hon'ble Bombay High Court against the order of the Income Tax Appellate Tribunal in favour of the Company setting aside the penalty of ₹/Millions 111.36 levied under section 271(1)(c) of the Income Tax Act 1961 by

Assessing Officer, for the Assessment year 2007-08 and is pending admission and hearing.

J. ACCUMULATED OR CASH LOSSES:

- (x) The Company does not have any accumulated losses at the end of the financial year and has not incurred cash losses during the Financial year under Audit and in the immediately preceding financial year.

K. OTHER CLAUSES:

- (xi) The company has not defaulted in repayment of dues to banks and financial institutions during the year.
- (xii) The Company has not granted any loans and advances by way of pledge of shares, debentures and other securities.
- (xiii) The Company is not a chit fund/nidhi/mutual benefit fund/society. Therefore, the provisions of clause (xiii) of paragraph 4 of the Order are not applicable to the Company.
- (xiv) The Company is not dealing or trading in shares, securities, debentures or other investments.
- (xv) According to information and explanation given to us, the Company has not given any guarantee/s to banks or financial institutions for loans taken by others.
- (xvi) In our opinion and according to the information and explanations given to us, the term loan has been utilized by the Company for the purpose, wherever stipulated, for which it was obtained.
- (xvii) In our opinion and according to the information and explanations given to us, on an overall examination of the Balance Sheet of the Company, we report that funds raised on short term basis have, prima facie, not been used for long-term investments.
- (xviii) The Company has not made any preferential allotment of shares to parties and companies covered in the register maintained under Section 301 of the Act.
- (xix) During the year the Company has not issued any debentures. Hence the provisions of clause (xix) of the said Order is not applicable.
- (xx) The Company has not raised any money by public issue during the year.
- (xxi) Based on the audit procedures performed and according to the information and explanation given to us, no fraud on or by the company has been noticed or reported during the year.

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

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

Place: Mumbai
Date: 23rd May 2014

BALANCE SHEET AS AT 31ST MARCH

(₹ Millions)

PARTICULARS	Note	2014	2013
EQUITY AND LIABILITIES			
Shareholders' Funds			
(a) Share Capital	1	291.37	291.37
(b) Reserves and Surplus	2	2,119.81	2,061.81
		2,411.18	2,353.18
Non-Current Liabilities			
(a) Long-Term Borrowings	3	754.92	673.93
(b) Other Long-Term Liabilities	4	2.68	2.79
(c) Long-Term Provisions	5	2.96	2.67
		760.56	679.39
Current Liabilities			
(a) Short-Term Borrowings	6	508.18	28.51
(b) Trade Payables	7	4,214.90	3,867.13
(c) Other Current Liabilities	8	47.18	147.10
(d) Short-Term Provisions	9	1.42	0.42
		4,771.68	4,043.16
TOTAL		7,943.42	7,075.73
ASSETS			
Non-Current Assets			
(a) Fixed Assets	10		
- Tangible		1,826.44	1,973.54
(b) Non-Current Investments	11	339.35	0.32
(c) Deferred Tax Assets (net)	12	532.46	537.57
(d) Long-Term Loans and Advances	13	5.40	5.62
(e) Other Non-Current Assets	14	25.81	34.81
		2,729.46	2,551.86
Current Assets			
(a) Inventories	15	654.92	520.65
(b) Trade Receivables	16	1,437.58	804.87
(c) Cash and Cash Equivalents	17	875.01	715.73
(d) Short-Term Loans and Advances	18	2,246.45	2,482.62
		5,213.96	4,523.87
TOTAL		7,943.42	7,075.73
Notes forming part of financial statements	1 to 50		

In terms of our report of even date attached

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

CA B S SHARMA
Proprietor
Membership No.031578

Place : Mumbai
Date : 23rd May 2014

For and on Behalf of the Board of Directors

Amit Goenka – Director
V K Agarawal – Director
Subhash Pareek – Manager
Archita Kothari – Chief Financial Officer
Hemangi Patil – Company Secretary

STATEMENT OF PROFIT & LOSS FOR THE YEAR ENDED 31ST MARCH

(₹ Millions)

PARTICULARS	Note	2014	2013
REVENUE			
(a) Revenue from Operations	19	17,456.07	40,468.85
Less - Excise		51.49	1.76
Net Revenue		17,404.58	40,467.09
(b) Other Income	20	37.99	19.62
TOTAL		17,442.57	40,486.71
EXPENDITURE			
(a) Cost of Materials Consumed	21	11,480.36	13,630.15
(b) Purchase of Stock-in-Trade	22	5,121.04	25,868.44
(c) Changes in Inventories of Finished Goods, Work-in-Progress and Stock-in-Trade	23	48.30	352.63
(d) Employee Benefit Expense	24	40.10	26.35
(e) Other Expenses	25	182.02	114.50
TOTAL		16,871.82	39,992.07
Profit before Finance Cost, Depreciation and Amortization		570.75	494.64
Expense and Tax			
Finance Costs	26	343.86	313.57
Depreciation & Amortization Expense	27	163.78	163.40
TOTAL		507.64	476.97
Profit Before tax		63.11	17.67
Tax expense			
Less:- Current Tax		-	-
Deferred Tax Assets/(Liability)		(5.11)	5.13
Profit After Tax		58.00	22.80
Earning per Equity Share of face value of ₹ 10/- each			
Basic and Diluted	39	1.99	0.78
Notes Forming Part of Financial Statements	1 to 50		

In terms of our report of even date attached

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

CA B S SHARMA
Proprietor
Membership No.031578

Place : Mumbai
Date : 23rd May 2014

For and on Behalf of the Board of Directors

Amit Goenka – Director
V K Agarawal – Director
Subhash Pareek – Manager
Archita Kothari – Chief Financial Officer
Hemangi Patil – Company Secretary

CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH

(₹ Millions)

PARTICULARS	2014	2013
A. CASH FLOW FROM OPERATING ACTIVITIES :-		
Net Profit before Taxation and Extraordinary Items	63.11	17.67
Adjustment for :		
Depreciation and Amortization Expenses	163.78	163.40
Finance Cost	343.86	313.57
Net Loss/(Gain) on exchange difference	47.60	(0.11)
Excess Provision Liabilities written back	(0.67)	0.94
Dividend Received	(0.03)	(0.03)
Operating Profit before Working Capital Changes	617.66	495.44
Adjustment for :		
Change in Current Assets & Current Liabilities		
(Increase)/Decrease in Inventory	(134.29)	208.44
(Increase)/Decrease in Short Term Loans & Advances	236.17	(792.47)
(Increase)/Decrease in Trade Receivables	(685.53)	(496.92)
Increase/(Decrease) in Long Term Liabilities & Provisions	0.18	-
Increase/(Decrease) in Current Liabilities	254.75	1,152.64
Cash Generated from Operation	(328.72)	71.69
Less: Direct taxes paid (Net)	-	-
Net Cash flow from Operating Activities	288.94	567.13
B. CASH FLOW FROM INVESTING ACTIVITIES :		
Purchase of Fixed Assets	(15.42)	(36.67)
Preoperative Expenses	(2.90)	(3.41)
Preoperative Expenses - Foreign Subsidiary	0.86	(0.85)
Dividend Received	0.03	0.03
Investment in Foreign Subsidiaries	(339.04)	-
Net Cash Generated in Investing Activities	(356.47)	(40.90)
C. CASH FLOW FROM FINANCING ACTIVITIES :		
Finance Cost	(343.86)	(313.57)
Investment in Fixed Deposits	(42.58)	(170.37)
Increase/(Decrease) in Long Term Borrowings	80.99	310.09
Increase/(Decrease) in Short Term Borrowings	479.68	(171.77)
Increase/(Decrease) in Long Term Loans and Advances	0.22	(0.16)
Net Cash Generated in Financing Activities	174.45	(345.78)
NET CASH FLOW DURING THE YEAR (A+B+C)	106.92	180.45
Cash and cash equivalents at the beginning of the year*	202.17	21.72
Cash and cash equivalents at the end of the year*	309.09	202.17

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 : 23rd May 2014

For and on Behalf of the Board of Directors

Amit Goenka – Director
V K Agarawal – Director
Subhash Pareek – Manager
Archita Kothari – Chief Financial Officer
Hemangi Patil – Company Secretary

Notes :

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

NOTES FORMING PART OF FINANCIAL STATEMENTS

1. Share Capital

(₹ Millions)

Particulars	2014	2013
Authorised 35,000,000 (35,000,000) Equity Shares of ₹ 10/- each	350.00	350.00
Issued, Subscribed and Paid up 29,137,202 (29,137,202) Equity Shares of ₹ 10/- each, fully paid up	291.37	291.37
Total	291.37	291.37

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

Particulars	2014		2013	
	Number	₹ Millions	Number	₹ Millions
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	2014	2013
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 shares are ranking pari- passu in all respect. Each holder of equity share is entitled to one vote per share. As per the Companies Act, 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) 13,574,202 Equity Shares of ₹ 10/- each fully paid up out of issued, subscribed and paid up share capital allotted were without payments being received in cash in the preceding five years pursuant to the Scheme of amalgamation as approved by the Hon'ble Bombay High Court vide its order dated 11th June, 2010. Except for the said allotment there was no other shares issued for consideration other than cash in the preceding five years to the one under the audit.

(f) Neither bonus shares are issued nor any shares bought back during the five years preceding 31st March 2014.

NOTES FORMING PART OF FINANCIAL STATEMENTS

2. Reserves & Surplus (₹ Millions)

Particulars	2014	2013
Securities Premium Account As per Last Balance Sheet	1,435.00	1,435.00
General Reserve As per Last Balance Sheet	1068.59	1068.59
Surplus / (Deficit) in Statement of Profit and Loss As per Last Balance Sheet (Deficit)	(441.78)	(464.58)
Add:- Net Profit for the year	58.00	22.80
Net (Deficit)	(383.78)	(441.78)
Total	2,119.81	2,061.81

3. Long Term Borrowings - Unsecured (₹ Millions)

Particulars	2014	2013
Sales Tax Deferment Scheme-Govt of Maharashtra	278.62	197.63
Loans and advances from related parties*	449.90	449.90
Advance from others	26.40	26.40
Total	754.92	673.93

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

4. Other Long Term Liabilities (₹ Millions)

Particulars	2014	2013
Other Payables*	2.68	2.79
Total	2.68	2.79

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

5. Long-Term Provision (₹ Millions)

Particulars	2014	2013
Provision for employee benefits (unfunded) Gratuity	2.24	1.29
Leave Encashment	0.72	1.38
Total	2.96	2.67

NOTES FORMING PART OF FINANCIAL STATEMENTS

6. Short Term Borrowings (₹ Millions)

Particulars	2014	2013
Loans from banks*	448.18	28.51
Unsecured**	60.00	-
Total	508.18	28.51

*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 based on RBI PLR and are repayable on demand.

**Unsecured from related parties represents amount received from Pan India Network Limited.

7. Trade Payables (₹ Millions)

Particulars	2014	2013
Sundry Creditors for Materials	4,214.90	3,867.13
Total	4,214.90	3,867.13

8. Other Current Liabilities (₹ Millions)

Particulars	2014	2013
Statutory Dues	1.08	1.24
Sundry Creditors for General Purchase and Expenses*	36.91	32.89
Advance from customers	7.69	112.97
Others	1.50	-
Total	47.18	147.10

*Out of total Sundry Creditors for General Purchases and Expenses of ₹ Millions 39.59 (35.68), ₹ Millions 36.91 (32.89) represents current portion and ₹ Millions 2.68 (2.79) represents non current portion as shown in note 4 above.

9. Short Term Provisions (₹ Millions)

Particulars	2014	2013
Provision for employee benefits		
Contribution to PF & ESIC	0.33	0.15
Gratuity	0.31	0.03
Leave benefits	0.78	0.24
Total	1.42	0.42

NOTES FORMING PART OF FINANCIAL STATEMENTS

10. Fixed Assets

(₹ Millions)

DESCRIPTION	GROSS BLOCK			DEPRECIATION			NET BLOCK	
	As at 1st April 2013	Additions	Deductions	As at 31st March 2014	For the year	Deductions	As at 31st March 2014	As at 31st March 2013
Tangible Assets (Not under Lease)								
Freehold Land	5.45	-	-	5.45	-	-	5.45	5.45
Land Development	26.57	-	-	26.57	0.75	-	19.83	7.48
Factory Building	160.11	0.06	-	160.17	5.66	-	109.15	56.62
Other Building	142.50	-	-	142.50	4.15	-	63.62	83.03
Plant & Machinery	3,044.04	12.12	-	3,056.16	144.80	-	1,429.16	1,759.47
Electrical Installation Factory	58.66	0.22	-	58.88	2.79	-	27.54	34.12
Airport Complex	52.69	-	-	52.69	1.67	-	37.66	16.70
Office Equipment	6.48	0.19	-	6.67	0.30	-	4.71	2.07
Furniture & Fixtures	42.07	0.94	-	43.01	0.98	-	38.08	4.97
Electrical Installation Others	14.10	-	-	14.10	0.30	-	12.73	1.67
Computers	18.81	1.89	-	20.70	1.10	-	17.98	1.93
Vehicles	0.41	-	-	0.41	-	-	0.40	0.01
Grand Total	3,571.90	15.42	-	3,587.32	162.51	-	1,760.87	1,973.54
Previous Year	3,535.23	36.67	-	3,571.90	162.14	-	1,598.36	-

NOTE : Depreciation is calculated on the basis of Straight Line Method in case of Plant & Machinery and on other assets it is calculated as per Written Down Value Method.

NOTES FORMING PART OF FINANCIAL STATEMENTS

11. Non current investments (Valued at cost unless otherwise stated) (₹ Millions)

Particulars	2014	2013
In Subsidiary - wholly owned Fully Paid up		
50 (Nil) Equity Shares of Shirpur Gold Trading DMCC of AED 1000 each	1.57	-
600010 (Nil) Equity Shares of Shirpur Gold Mining Co. Pvt Ltd of SGD 10 each	337.46	-
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	339.35	0.32
Aggregate amount of unquoted investments	339.24	0.21

12. Deferred Tax Assets (₹ Millions)

Particulars	2014	2013
As per last year Balance Sheet	537.57	532.44
Deferred Tax Assets	55.24	9.28
Arising on account of timing difference of depreciation, losses and expenses		
Deferred Tax Liability	60.35	4.15
Arising on account of timing difference in employees retirement benefits, disallowances and expenses		
Deferred Tax Assets (Net)	532.46	537.57

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

Particulars	2014	2013
Security Deposits	5.40	5.62
Total	5.40	5.62

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

Particulars	2014	2013
Professional fees - Preliminary Exp	0.32	0.64
Stamp duty for merger	0.95	1.89
Preoperative expenses - Mines	14.40	11.50
Preoperative expenses - Foreign Subsidiary	-	0.86
Fixed Deposit with Banks*	10.14	19.92
Total	25.81	34.81

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

NOTES FORMING PART OF FINANCIAL STATEMENTS

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

Particulars	2014	2013
Raw Materials and components	326.55	1.93
Work-in-progress	17.60	56.12
Finished goods	304.13	457.05
Stores and spares	6.64	5.55
Total	654.92	520.65

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

Particulars	2014	2013
Over six months	0.02	0.02
Others	1,437.56	804.85
Total	1,437.58	804.87

17. Cash and Cash Equivalents (₹ Millions)

Particulars	2014	2013
Balances with banks*	884.38	735.20
Less : Non current portion of Fixed Deposits (Refer note 14)	10.14	19.92
	874.24	715.28
Cash on hand	0.77	0.45
Total	875.01	715.73

*Includes current portion of Fixed Deposite ₹/Millions 565.93 (513.56).

18. Short - Term Loans And Advances (Unsecured and considered good) (₹ Millions)

Particulars	2014	2013
Security deposit	-	1.00
Prepaid Expenses	113.73	54.66
Advance to suppliers	1,851.50	2,272.45
Advance income tax / refund due (net)	12.45	6.89
Claims receivable *	222.44	145.81
Others**	46.33	1.81
Total	2,246.45	2,482.62

*Claim receivable includes advances given to wholly owned subsidiaries of ₹/Millions 2.18(Nil).

**Others include forward premium receivable on forward exchange contract of ₹/Millions 44.52(Nil).

NOTES FORMING PART OF FINANCIAL STATEMENTS

19. Revenue from Operations		(₹ Millions)	
Particulars	2014	2013	
Sale of products			
Traded Goods	4,739.17	26,214.98	
Manufactured Goods			
(i) Local Sales	7,351.89	11,009.44	
(ii) Export Sales	4,749.39	2,910.53	
Gross Sale	16,840.44	40,134.95	
Less - Excise	51.49	1.76	
Net Sales	16,788.95	40,133.19	
Other operating revenues*	615.63	333.90	
Total	17,404.58	40,467.09	

*Other operating revenues includes gain from forward contract of Rs/Millions 63.90(Nil).

20. Other Income		(₹ Millions)	
Particulars	2014	2013	
Dividend income	0.03	0.03	
Foreign exchange gain*	36.63	18.66	
Other income	1.33	0.93	
Total	37.99	19.62	

*On account of restatement of Trade receivable, Trade Payable, foreign currency in hand and advances given to wholly owned subsidiaries.

21. Cost of Material Consumed		(₹ Millions)	
Particulars	2014	2013	
Inventory at the beginning of the year	145.07	0.83	
Add: Purchases	11,655.60	13,770.98	
	11,800.67	13,771.81	
Less: Inventory at the end of the year	326.55	145.07	
Cost of raw material consumed	11,474.12	13,626.74	
Other materials (Stores and Spares)	6.24	3.41	
Total	11,480.36	13,630.15	

Break up of Raw Materials Consumed		(₹ Millions)	
Particulars	2014	2013	
Gold	11,471.78	13,626.64	
Silver	2.33	0.10	
Other materials (Stores and Spares)	6.24	3.41	
Total	11,480.36	13,630.15	

NOTES FORMING PART OF FINANCIAL STATEMENTS

22. Purchase of Stock-in-Trade (₹ Millions)

Particulars	2014	2013
Gold	5,121.04	25,868.44
Total	5,121.04	25,868.44

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

a. Inventory at the end of the year (₹ Millions)

Particulars	2014	2013
Stock in Trade		
Gold	-	98.01
Work in Progress		
Gold	17.60	56.12
Finished Goods		
Gold	303.03	215.58
Silver	1.10	0.32
Total	321.73	370.03

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

Particulars	2014	2013
Stock in Trade		
Gold	98.01	253.49
Work in Progress		
Gold	56.12	436.26
Finished Goods		
Gold	215.58	32.90
Silver	0.31	-
Total	370.03	722.66

c. Net (a - b) (₹ Millions)

24. Employee Benefit Expense (₹ Millions)

Particulars	2014	2013
Salaries & wages	36.89	23.67
Contribution to provident & other funds	2.29	1.88
Staff welfare expenses	0.92	0.80
Total	40.10	26.35

NOTES FORMING PART OF FINANCIAL STATEMENTS

(₹ Millions)

25. Other Expenses

Particulars	2014	2013
Power and fuel	6.17	6.26
Rent	4.76	3.54
Repairs to buildings	0.22	0.25
Repairs to plant & machinery	0.99	0.43
Insurance	4.61	4.29
Rates and taxes	0.05	0.97
Auditors' Remuneration	1.13	0.87
Miscellaneous expenses	164.09	97.89
Total	182.02	114.50

26. Finance Costs

(₹ Millions)

Particulars	2014	2013
Interest expense. net (Refer Note 42)	131.82	113.84
Bank charges	78.50	49.74
Other financial charges	133.55	149.99
Total	343.86	313.57

27. Depreciation and Amortization Expense

(₹ Millions)

Particulars	2014	2013
Depreciation	162.51	162.14
Preliminary Expenses written off	1.27	1.26
Total	163.78	163.40

NOTES FORMING PART OF FINANCIAL STATEMENTS

28. SIGNIFICANT ACCOUNTING POLICIES

CORPORATE INFORMATION

Shirpur Gold Refinery Limited is incorporated in the state of Maharashtra, India. The Company is in the business of refining, manufacturing and marketing of precious metal mainly in gold bars, gold coins, gold jewellery.

1) Basis of Preparation

- The financial statements of the Company have been 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, 1956 (the Companies Act) (which continue to be applicable in respect of Section 133 of the Companies Act, 2013 (the 2013 Act) in terms of General Circular 15/2013 dated 13th September, 2013 of the Ministry of Corporate Affairs) and the relevant provisions of the 1956 Act, 2013 Act, as applicable. The financial statements have been prepared on accrual basis under the historical cost convention. The accounting policies adopted in the preparation of the financial statements are consistent with those followed in the previous year.
- The Company follows mercantile system of accounting and recognizes income and expenditure on accrual basis.
- The financial statements are prepared on the Going Concern concept of accounting.

2) Use of Estimates

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

3) Revenue Recognition

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

4) Tangible Fixed Assets

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

5) Depreciation and Amortization

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

6) Impairment of Assets

- As at the Balance Sheet date, the Company assesses whether there is any indication that an asset may be impaired and if any such indication exists, the Company estimates the recoverable amount of the asset. If such recoverable amount of the asset or the recoverable amount of the cash generating unit, to which the asset belongs, is less than its carrying value, the carrying amount is reduced to its recoverable amount. The reduction is treated as an impairment loss and is recognized in the Statement of Profit and Loss.

NOTES FORMING PART OF FINANCIAL STATEMENTS

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

7) Inventories

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

8) Financial Derivative for Commodity Hedging Transactions

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

9) Borrowing Cost

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

10) Investments

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

11) Transactions in Foreign Exchange

- **Initial recognition** : Foreign currency transactions are accounted at the exchange rate prevailing on the date of such transactions.
- **Measurement of Foreign Currency items at the Balance Sheet date** : Foreign currency monetary assets and liabilities at the Balance Sheet date are translated at the closing rate. Gains or losses resulting there from on settlement are recognized in the Statement of Profit and Loss.

NOTES FORMING PART OF FINANCIAL STATEMENTS

- **Forward Exchange Contracts:** The premium or discount arising at the inception of forward exchange contract is amortized and recognized as an expense/income over the life of the contract. Any profit or loss arising on cancellation or renewal of such forward exchange contract is recognized as income or expense for the period, in the Statement of Profit and Loss.

12) Retirement Benefits

- a. **Short Term Employee Benefit:** All employee benefits payable wholly within twelve months of rendering the services are classified as short term employee benefits and they are recognized in the period in which the employee renders the related services. The company recognizes the amount of short term employee benefits expected to be paid in exchange for services rendered as a liability (accrued Expenses) after deducting any amount already paid.

- b. **Post-Employment Benefits**

- **Defined Contribution Plans :** Defined contribution plans are Employees State Insurance and Government administered Pension fund scheme for eligible employees. The company's contribution to defined contribution plans are recognized in the Statement of Profit and Loss in the financial year to which they relate.

- **Defined Benefit Plans**

Provident Fund Scheme : The Company is covered under the provisions of Provident Fund and Miscellaneous Funds Act, 1952. Contribution payable by the Company to the concerned Government Authorities in respect of Provident Fund and Family Pension Fund are charged to the Statement of Profit and Loss.

Gratuity Scheme : The Company's Liability towards unfunded Gratuity is determined on the basis of year end Actuarial Valuation in accordance with Accounting Standard 15 (Revised 2005) prescribed under the Companies (Accounting Standards) Rules, 2006.

Other Long Term Employee Benefits : Entitlement to annual leave and sick leave are recognized when they accrue to employees concerned. Sick leave can only be availed while annual leave can either be availed or encashed subject to a restriction on the maximum number of accumulation of leave and minimum number of availment of leave in a year. The Company determines the liability for such accumulated leaves using the Projected Accrued Benefit Method with actuarial valuations being carried out at each Balance sheet date. Liability for Leave Encashment is accounted on accrual basis and expensed out. The company presents this liability as current and non-current in the balance sheet as per actuarial valuations and certificate issued by the independent actuary.

13) Accounting for taxes on Income

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

14) Earnings per share

Basic EPS is computed and disclosed using the weighted average number of equity shares outstanding

NOTES FORMING PART OF FINANCIAL STATEMENTS

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

15) Provisions

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

16) Contingent Liabilities

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

17) Contingencies and Events occurring after the Balance Sheet date

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

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

18) Preliminary Expenses

Preliminary expenses are amortized over a period of 5 years.

29. CONTINGENT LIABILITIES AND COMMITMENTS

Contingent Liabilities		(₹ Millions)	
	Particulars	2014	2013
1	Estimated amount of Export obligation to be fulfilled in terms of Duty saved value against Import of Plant and Machinery under EPCG up to 2014*, 2020** & 2019***	4,034.21	8,714.02
2	Claims against the Company not acknowledged as debt Sales Tax Matters in Dispute under appeal for the FY- 2004-05 & FY- 2007-08 and stay granted against demand of ₹/Millions 1.46 on payment of ₹/Millions 0.30 is deposited.	1.46	1.46

- a) *The company had imported at concessional rate of duty Plant & Machineries during 2000, 2001 and 2002 against three licenses issued under Export & Import Policy 1997-2002 by the Government of India, with an obligation to export five times of the CIF value of Capital Goods under EPCG Scheme on FOB basis within a period of eight years from the date of issue of such licenses. However, in view of discontinuation of manufacturing operations during financial years 2004-05 till 10th July 2010 the said obligations could not be fulfilled. The company had been sanctioned changed method of quantification of such obligations from CIF Value to FOB value to total duty saved method and has also received extension of time for fulfillment of such obligations in respect of all licenses from the competent authority. Such export obligations are now required to be fulfilled during the period from 2012 to 2014, as stipulated in the respective licenses.

The company has fulfilled the export obligation by exporting gold jewellery in respect of two of the licenses (issued during 2001 and 2002) as on date of signing of the Balance Sheet where it was required to be completed by 2012 and 2013. The export obligation under other licenses is being fulfilled

NOTES FORMING PART OF FINANCIAL STATEMENTS

by continuing exports. Considering the above, export obligation remaining to be fulfilled as on date of signing of Financial Statement is ₹/Millions 3,263.90.

**The company had imported at concessional rate of duty Plant & Machineries during 2012 against two licenses issued under Foreign Trade Policy 2009-2014 by the Government of India, with an obligation to export eight times of the duty saved value of Capital Goods under EPCG Scheme on FOB basis within a period of eight years from the date of issue of such licenses. Such export obligations are now required to be fulfilled during the period from 2012 to 2020, as stipulated in the respective licenses. Export obligation remaining to be fulfilled as on date of signing of Financial Statement is ₹/Millions 49.06.

***The company had imported at concessional rate of duty Plant & Machineries during 2013 against one license issued under Foreign Trade Policy 2009-2014 by the Government of India, with an obligation to export six times of the duty saved value of Capital Goods under EPCG Scheme on FOB basis within a period of six years from the date of issue of such license. Such export obligations are now required to be fulfilled during the period from 2012 to 2019, as stipulated in the respective license. Export obligation remaining to be fulfilled as on date of signing of Financial Statement is ₹/Millions 8.25.

- b) The Income tax department has filed an appeal before Hon'ble Bombay High Court against the order of the Income Tax Appellate Tribunal in favour of the Company setting aside the penalty of ₹/Millions 111.36 levied under section 271(1)(c) of the Income Tax Act 1961 by Assessing Officer, for the Assessment year 2007-08 and is pending admission by the said High Court.
- c) Income tax Assessment has been completed up to Assessment Year 2011-12 and there are no demand pending, except disputed demand of ₹ /Millions 3.94 for Assessment year 2001-02 and ₹/Millions 157.92 for Assessment year 2008-09 pending hearing and disposal by appellate authorities.

Commitments

(₹ Millions)

Particulars	2014	2013
Bank Guarantees issued by bankers and outstanding as on 31st March 2014 in favour of		
Creditors for supply of Raw Material	4,386.60	3,830.00
The Commissioner of Sales Tax, Maharashtra for VAT Refund	93.30	191.25
Excise	84.38	10.86
Others	10.35	0.20
[against the said bank guarantees ₹/Millions 473.52 (429.26) has been kept as margin money]		

30. IMPAIRMENT OF FIXED ASSETS

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

31. CURRENT ASSETS, LOANS AND ADVANCES

Inventories have been valued at lower of cost or realizable value and are taken, verified, certified by the management. In the opinion of the Management, the current assets, loans and advances are approximately of the value stated, if realized in the ordinary course of business and provision for all known liabilities have been made in the accounts as at March 31, 2014.

32. CURRENT LIABILITIES AND PROVISIONS

The current liabilities are stated at carrying cost, irrespective of their period of outstanding and in some of the cases pending confirmation.

NOTES FORMING PART OF FINANCIAL STATEMENTS

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

33. DETAILS OF CONSUMPTION OF IMPORTED AND INDIGENOUS STOCKS

Raw Material Consumed

(₹ Millions)

Particulars	2014	2013
Imported	424.01	171.23
Indigenous		
Gold	11,047.78	13,455.41
Silver	2.33	0.10
Total	11,474.12	13,626.74

Stores and Spares Consumed

(₹ Millions)

Particulars	2014	2013
Spares & Stores Consumed	6.24	3.41

34. INVENTORY AND TURNOVER

(₹ Millions)

Gold	Sales Value	Closing Inventory	Opening Inventory
Manufactured Goods	12,049.78	374.61	417.09
	(13,918.21)	(417.09)	(470.00)
Traded Goods	4739.17	273.67	98.01
	(26,214.98)	(98.01)	(253.49)
Total	16,788.95	648.28	515.10
	(40,133.19)	(515.10)	(723.49)

(₹ Millions)

Stores & Spares	Closing Inventory	Opening Inventory
Stores and Spares	6.65	5.55
	(5.55)	(5.60)

35. EARNINGS IN FOREIGN EXCHANGE

(₹ Millions)

Particulars	2014	2013
FOB Value of Export	4,688.06	2,905.68

NOTES FORMING PART OF FINANCIAL STATEMENTS

36. EXPENDITURE IN FOREIGN CURRENCY

(₹ Millions)

Particulars	2014	2013
Travelling and Related Expenses	1.21	2.29
Consultancy Fees	-	0.15

37. MANAGERIAL REMUNERATION

Remuneration paid or provided in accordance with Section 198 of the Companies Act, 1956 to Manager is included in Employee benefit expense is as under :

(₹ Millions)

Particulars	2014	2013
Salary and allowances	0.83	1.55
Provident fund contributions	-	0.06

Note : Salary and allowances include basic salary, personal allowance, house rent allowance, medical reimbursement and leave travel allowance.

38. PAYMENT TO AUDITORS

(₹ Millions)

Particulars	2014	2013
Audit Fee	0.90	0.67
Tax Audit Fee	0.11	0.11
For Other Services	0.06	0.08
TOTAL	1.07	0.86

39. EARNINGS PER SHARE

Particulars	2014	2013
Profit/(Loss) after tax as per Statement of Profit & Loss (₹ Millions)	57.99	22.80
Basic and Diluted Earning per share (in ₹)	1.99	0.78
Face Value per equity share (in ₹)	10.00	10.00

40. MVAT collected till the year end under Sales Tax Incentive Scheme of 1993 by the Government of Maharashtra, Scheme PSI-1993 is considered in the Accounts as Deferred Sales Tax Liability and stated in Note 3. The Deferred Sales Tax Liability for the year ended 31st March, 2014, 31st March, 2013, 31st March, 2012 and 31st March, 2011 of ₹/Millions 80.99, ₹/Millions 110.09, ₹/ Millions 67.73 and ₹/Millions 19.80 respectively is repayable in five equal annual installments starting from financial year 2024-25, 2023-24, 2022-23 and financial year 2021-22 respectively."

41. Other Operating Revenues is a profit realized on gold contract and forward exchange contract.

42. Interest expense is net of interest income of ₹/ Millions 53.68 (41.96).

43. 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.

Currency	(US \$ Millions)				(₹ Millions)			
	Payable		Receivable		Payable		Receivable	
	2014	2013	2014	2013	2014	2013	2014	2013
US \$	12.46	31.03	-	2.41	748.6	1687.62	-	131.06

NOTES FORMING PART OF FINANCIAL STATEMENTS

Figures indicated in Indian Rupees have been restated as per the RBI reference rate as on 31st March' 2014. Outstanding Derivative Contracts entered into by the Company and outstanding at the year end

Particulars	2014	2013
Currency Future Contract (US \$ Millions)	5.82	1.04
MCX Commodity (₹ Millions)	307.93	-

44. 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.

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

46. EMPLOYEE BENEFITS

The liability towards short term employee benefits and post employment benefits for the year ended 31st March 2014 has been recognized in statement of Profit & Loss account. The Following disclosures are made as per actuarial certificate in accordance with AS-15 (Revised) pertaining to Defined Benefit Plans :

Net Asset / Liability recognized in the Balance Sheet (₹ Millions)

Particulars	2014	2013
Present Value of Funded Obligations	-	-
Fair Value of Plan Assets	-	-
Present Value of Unfunded Obligations	2.56	1.32
Unrecognized Past Service Cost	-	-
Amount not Recognized as an Asset (limit in Para 59(b))	-	-
Net Liability	2.56	1.32
Amounts in Balance Sheet	-	-
Liability	2.56	1.32
Assets	-	-
Net Liability accounted in Books	2.56	1.32

Expenses recognized in statement of Profit & Loss Account (₹ Millions)

Particulars	2014	2013
Current Service Cost	0.85	0.35
Interest on Defined Benefit Obligation	0.11	0.09
Expected Return on Plan Assets	-	-
Net Actuarial Losses / (Gains) Recognized in Year	0.29	0.07
Past Service Cost	-	-
Losses / (Gains) on "Curtailments & Settlements"	-	-

NOTES FORMING PART OF FINANCIAL STATEMENTS

Losses / (Gains) on "Acquisition / Divestiture"	-	-
Effect of the limit in Para 59(b)	-	-
Total, included in "Employees Benefit Expense"	1.25	0.51
Actual Return on Plan Assets	-	-

Reconciliation of benefit obligation & plan assets for the year (₹ Millions)

Particulars	2014	2013
Change in Defined Benefit Obligation	-	-
Opening Defined Benefit Obligation	1.32	0.81
Current Service Cost	0.85	0.35
Interest Cost	0.11	0.09
Actuarial Losses / (Gain)	0.28	0.07
Past Service Cost	-	-
Actuarial Losses / (Gain) due to Curtailment	-	-
Liabilities Extinguished on Settlements	-	-
Liabilities Assumed on Acquisition / (Settled on Divestiture)	-	-
Exchange Difference on Foreign Plans	-	-
Benefits Paid	-	-
Closing Defined Benefit Obligation	2.56	1.32
Change in Fair Value of Assets	-	-
Opening Fair Value of Plan Assets	-	-
Expected Return on Plan Assets	-	-
Actuarial Gain / (Losses)	-	-
Assets Distributed on Settlements	-	-
Contributions by Employer	-	-
Assets Acquired on Acquisition / (Distributed on Divestiture)	-	-
Exchange Difference on Foreign Plans	-	-
Benefits Paid	-	-
Closing Fair Value of Plan Assets	-	-

Asset Information

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

Experience Adjustments (₹ Millions)

Particulars	2014	2013	2012	2011	2010
Defined Benefit Obligation	2.56	1.32	0.81	0.41	-
Plan Assets	-	-	-	-	-
Surplus / (Deficit)	(2.56)	(1.32)	(0.81)	(0.41)	-
Experience Adjustments on Plan Liabilities	0.10	0.01	0.05	-	-
Experience Adjustments on Plan Assets	-	-	-	-	-

NOTES FORMING PART OF FINANCIAL STATEMENTS

Financial assumptions at the valuation date

Particulars	2014	2013
Discount Rate (p.a.)	9.10 %	8.10 %
Expected Rate of Return on Assets (p.a.)	-	-
Salary Escalation Rate (p.a.)	7.00 %	7.00 %

47. Disclosures as required by clause 32 of the listing agreement

(A) Loans and advances given to Subsidiary

(₹ Millions)

Balances as at 31 st March	2014	2013
Shirpur Gold Mining Company Pvt Ltd	1.68	-
Shirpur Gold Trading DMCC	0.50	-

Maximum amount outstanding during the year	2014	2013
Shirpur Gold Mining Company Pvt Ltd (for share application money)	280.45	-
Shirpur Gold Trading DMCC	0.50	-

(B) None of the subsidiaries have made investments in the shares of the company.

48. RELATED PARTY DISCLOSURES

List of Related Parties

Holding Company

Jayneer Capital Pvt. Ltd.

Wholly Owned Subsidiary Company

Shirpur Gold Mining Company Pvt Ltd incorporated on 27th February 2013

Shirpur Gold Trading DMCC incorporated on 02nd April 2013

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

Essel Corporate Resources Pvt. Ltd., Pan India Network Ltd., Pan India Network Infravest Pvt. Ltd., Mrs. Shreyasi Goenka, Mr. Subhash Pareek.

Related party Transactions during the year

(₹ Millions)

(A)	Transactions	2014	2013
(i)	Wholly owned Subsidiary Company		
	Shirpur Gold Mining Company Pvt Ltd		
	Share Capital Investments	337.46	-
	Share Application payment	280.45	-
	Share Application refund	277.47	-
	Advance	0.35	-
	Shirpur Gold Trading DMCC		
	Share Capital Investments	1.57	-
	Advance	0.50	-
(ii)	Other Related Parties		
	Essel Corporate Resources Pvt. Ltd.		

NOTES FORMING PART OF FINANCIAL STATEMENTS

	Professional fees	7.66	5.89
	Pan India Network Infravest Pvt. Ltd.		
	Telephone expenses	0.01	0.11
	Jay Properties Pvt. Ltd.		
	Long Term Borrowings received	-	200.00
	Pan India Network Ltd.		
	Short Term Borrowings received	120.00	-
	Pan India Network Ltd.		
	Short Term Borrowings repaid	60.00	-
	Agrani Telecommunication Ltd.		
	Trade Payables repaid	-	3.00
(B)	Balances at the end of the year		
(i)	Wholly owned subsidiary companies		
	Shirpur Gold Mining Company Pvt Ltd	1.68	-
	Shirpur Gold Trading DMCC	0.50	-
(ii)	Other Related Parties		
	Essel Corporate Resources Pvt. Ltd.	11.36	5.70
	Jay Properties Pvt. Ltd.	449.90	449.90
	Pan India Network Ltd.	60.00	-

Details of remuneration to the Manager is disclosed in Note 37.

During the year, 350 gms.(600 gms) gold bars were sold to directors and their relatives and consideration had been received at the prevailing market price amounting to ₹/Millions 0.97 (1.75). No amount in respect of related parties have been either written off/ written back during the year or has any provision been made for doubtful debts/receivable.

49. PRIOR YEAR COMPARATIVES

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

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

In terms of our report of even date attached

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

CA B S SHARMA
Proprietor
Membership No.031578

Place : Mumbai
Date : 23rd May 2014

For and on Behalf of the Board of Directors

Amit Goenka – Director
V K Agarawal – Director
Subhash Pareek – Manager
Archita Kothari – Chief Financial Officer
Hemangi Patil – Company Secretary

INDEPENDENT AUDITORS' REPORT

TO,

THE BOARD OF DIRECTORS OF SHIRPUR GOLD REFINERY LIMITED

REPORT ON THE CONSOLIDATED FINANCIAL STATEMENTS

1. We have audited the accompanying consolidated financial statements of Shirpur Gold Refinery Limited ("the Company") and its subsidiaries (collectively referred to as "the Group") which comprise the Consolidated Balance Sheet as at 31st March, 2014, the Consolidated Statement of Profit and Loss and the consolidated Cash Flow Statement for the year then ended and a summary of significant accounting policies and other explanatory information which have been signed under reference to this report.

MANAGEMENT'S RESPONSIBILITY FOR THE CONSOLIDATED FINANCIAL STATEMENTS

2. The Management is responsible for the preparation of these consolidated financial statements 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. This responsibility includes the design, implementation and maintenance of internal control 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.

AUDITOR'S RESPONSIBILITY

3. Our responsibility is to express an opinion on these consolidated financial statements based on our audit. We conduct our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India. 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.

OPINION

4. In our opinion and to the best of our information and according to the explanations given to us and based on consideration of the financial statements provided by management of subsidiaries referred to below in the Other Matters, the accompanying consolidated financial statements together with the notes thereon, give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India:
 - a) In the case of the Consolidated Balance Sheet, of the State of Affairs of the Group as at 31 March, 2014;
 - b) In the case of the Consolidated Statement of Profit and Loss, of the Profit of the Group for the year ended on that date; and
 - c) In the case of the Consolidated Cash Flow Statement, of the Cash flows of the Group for the year ended on that date.

OTHER MATTER

5. We did not audit the financial statements and other financial information of subsidiaries have not been subjected to audit either by us or by other auditors and therefore, unaudited financial statement for the year ended 31st March 2014 of these entities have been furnished to us by the management and included in consolidated financial statements and accordingly the consolidated financial statements reflects expenses of ₹/Millions. 1.81 and total assets of ₹/Millions. 363.32 for the year then ended of such subsidiaries.

Our Opinion is not qualified in respect of this matter.

For B.S. SHARMA & Co.,
Chartered Accountants
FRN No.128249W
B. S. SHARMA
PROPRIETOR
Membership No. 031578

Place: Mumbai
Date: 23 May 2014

CONSOLIDATED BALANCE SHEET AS AT 31ST MARCH

(₹ Millions)

PARTICULARS	Note	2014	2013
EQUITY AND LIABILITIES			
Shareholders' Funds			
(a) Share Capital	1	291.37	291.37
(b) Reserves and Surplus	2	2,141.72	2,061.81
		2,433.09	2,353.18
Non-Current Liabilities			
(a) Long-Term Borrowings	3	754.92	673.93
(b) Other Long-Term Liabilities	4	2.68	2.79
(c) Long-Term Provisions	5	2.96	2.67
		760.56	679.39
Current Liabilities			
(a) Short-Term Borrowings	6	508.18	28.51
(b) Trade Payables	7	4,214.90	3,867.13
(c) Other Current Liabilities	8	47.38	147.10
(d) Short-Term Provisions	9	1.42	0.42
		4,771.88	4,043.16
TOTAL		7,965.53	7,075.73
ASSETS			
Non-Current Assets			
(a) Fixed Assets	10		
- Tangible		1,826.44	1,973.54
(b) Non-Current Investments	11	0.32	0.32
(c) Deferred Tax Assets (net)	12	532.46	537.57
(d) Long-Term Loans and Advances	13	5.40	5.62
(e) Other Non-Current Assets	14	25.81	34.81
		2,390.43	2,551.86
Current Assets			
(a) Inventories	15	654.92	520.65
(b) Trade Receivables	16	1,437.58	804.87
(c) Cash and Cash Equivalents	17	876.70	715.73
(d) Short-Term Loans and Advances	18	2,605.90	2,482.62
		5,575.10	4,523.87
TOTAL		7,965.53	7,075.73
Notes forming part of financial statements	1 to 46		

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 : 23rd May 2014

For and on Behalf of the Board of Directors

Amit Goenka – Director
V K Agarawal – Director
Subhash Pareek – Manager
Archita Kothari – Chief Financial Officer
Hemangi Patil – Company Secretary

STATEMENT OF CONSOLIDATED PROFIT & LOSS FOR THE YEAR ENDED 31ST MARCH

(₹ Millions)

PARTICULARS	Note	2014	2013
REVENUE			
(a) Revenue from Operations	19	17,456.07	40,468.85
Less - Excise		51.49	1.76
Net Revenue		17,404.58	40,467.09
(b) Other Income	20	37.99	19.62
TOTAL		17,442.57	40,486.71
EXPENDITURE			
(a) Cost of Materials Consumed	21	11,480.36	13,630.15
(b) Purchase of Stock-in-Trade	22	5,121.04	25,868.44
(c) Changes in Inventories of Finished Goods, Work-in-Progress and Stock-in-Trade	23	48.30	352.63
(d) Employee Benefit Expense	24	40.10	26.35
(e) Other Expenses	25	183.80	114.50
TOTAL		16,873.60	39,992.07
Profit before Finance Cost, Depreciation and Amortization			
Expense and Tax		568.97	494.64
Finance Costs	26	343.90	313.57
Depreciation & Amortization Expense	27	163.78	163.40
TOTAL		507.68	476.97
Profit Before tax		61.29	17.67
Tax expense			
Less:- Current Tax		-	-
Deferred Tax (Assets)/Liability		(5.11)	5.13
Profit After Tax		56.18	22.80
Earning per Equity Share of face value of ₹ 10/- each			
Basic and Diluted	39	1.93	0.78
Notes Forming Part of Financial Statements	1 to 46		

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 : 23rd May 2014

For and on Behalf of the Board of Directors

Amit Goenka – Director
V K Agarawal – Director
Subhash Pareek – Manager
Archita Kothari – Chief Financial Officer
Hemangi Patil – Company Secretary

CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH

(₹ Millions)

PARTICULARS	2014	2013
A. CASH FLOW FROM OPERATING ACTIVITIES :		
Net Profit before Taxation and Extraordinary Items	61.29	17.67
Adjustment for :		
Depreciation and Amortization Expenses	163.78	163.40
Finance Cost	343.90	313.57
Net Loss/(Gain) on exchange difference	47.60	(0.11)
Excess Provision Liabilities written back	(0.67)	0.94
Dividend Received	(0.03)	(0.03)
Operating Profit before Working Capital Changes	615.87	495.44
Adjustment for :		
Change in Current Assets & Current Liabilities		
(Increase) /Decrease in Inventory	(134.29)	208.44
(Increase)/ Decrease in Short Term Loans & Advances	(123.29)	(792.47)
(Increase)/ Decrease in Trade Receivables	(685.53)	(496.92)
Increase/(Decrease) in Long Term Liabilities & Provisions	0.18	-
Increase/(Decrease) in Current Liabilities	254.95	1,152.64
Cash Generated from Operation	(687.98)	71.69
Less: Direct taxes paid (Net)	-	-
Net Cash flow from Operating Activities	(72.11)	567.13
B. CASH FLOW FROM INVESTING ACTIVITIES :		
Purchase of Fixed Assets	(15.42)	(36.67)
Preoperative Expenses	(2.90)	(3.41)
Preoperative Expenses - Foreign Subsidiary	0.86	(0.85)
Increase in Capital Reserve	23.73	-
Dividend Received	0.03	0.03
Net Cash Generated in Investing Activities	6.30	(40.90)
C. CASH FLOW FROM FINANCING ACTIVITIES :		
Finance Cost	(343.90)	(313.57)
Investment in Fixed Deposits	(42.58)	(170.37)
Increase/(Decrease) in Long-Term Borrowings	80.99	310.09
Increase/(Decrease) in Short-Term Borrowings	479.67	(171.77)
Increase/(Decrease) in Long-Term Loans and Advances	0.22	(0.16)
Net Cash Generated in Financing Activities	174.40	(345.78)
NET CASH FLOW DURING THE YEAR (A+B+C)	108.61	180.45
Cash and cash equivalents at the beginning of the year*	202.17	21.72
Cash and cash equivalents at the end of the year*	310.78	202.17

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 : 23rd May 2014

For and on Behalf of the Board of Directors

Amit Goenka – Director
V K Agarawal – Director
Subhash Pareek – Manager
Archita Kothari – Chief Financial Officer
Hemangi Patil – Company Secretary

Notes :

1. Consolidated 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.

NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS

1. Share Capital

(₹ Millions)

Particulars	2014	2013
Authorised 35,000,000 (35,000,000) Equity Shares of ₹ 10/- each	350.00	350.00
Issued, Subscribed and Paid up 29,137,202 (29,137,202) Equity Shares of ₹ 10/- each, fully paid up	291.37	291.37
Total	291.37	291.37

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

Particulars	2014		2013	
	Number	₹ Millions	Number	₹ Millions
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	2014	2013
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 shares are ranking pari- passu in all respect. Each holder of equity share is entitled to one vote per share. As per the Companies Act, 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) 13,574,202 Equity Shares of ₹ 10/- each fully paid up out of issued, subscribed and paid up share capital allotted were without payments being received in cash in the preceding five years pursuant to the Scheme of amalgamation as approved by the Hon'ble Bombay High Court vide its order dated 11th June, 2010. Except for the said allotment there was no other shares issued for consideration other than cash in the preceding five years to the one under the audit.

(f) Neither bonus shares are issued nor any shares bought back during the five years preceding 31st March 2014.

NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS

2. Reserves & Surplus (₹ Millions)

Particulars	2014	2013
Securities Premium Account As per Last Balance Sheet	1,435.00	1,435.00
General Reserve As per Last Balance Sheet	1,092.31	1,068.59
Surplus / (Deficit) in Statement of Profit and Loss As per Last Balance Sheet	(441.78)	(464.58)
Add:- Net Loss for the year	56.19	22.80
	(385.59)	(441.78)
Total	2,141.72	2,061.81

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

Particulars	2014	2013
Sales Tax Deferment Scheme-Govt of Maharashtra	278.62	197.63
Loans and advances from related parties*	449.90	449.90
Advance from others	26.40	26.40
Total	754.92	673.93

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

4. Other Long-Term Liabilities (₹ Millions)

Particulars	2014	2013
Other Payables*	2.68	2.79
Total	2.68	2.79

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

5. Long-Term Provisions (₹ Millions)

Particulars	2014	2013
Provision for employee benefits (unfunded)		
Gratuity	2.24	1.29
Leave Encashment	0.72	1.38
TOTAL	2.96	2.67

NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS

6. Short-Term Borrowings

(₹ Millions)

Particulars	2014	2013
Loans from banks - Secured*	448.18	28.51
Unsecured**	60.00	-
Total	508.18	28.51

*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 based on RBI PLR and are repayable on demand.

**Unsecured from related parties represents amount received from Pan India Network Limited.

7. Trade Payables

(₹ Millions)

Particulars	2014	2013
Sundry Creditors for Materials	4,214.90	3,867.13
Total	4,214.90	3,867.13

8. Other Current Liabilities

(₹ Millions)

Particulars	2014	2013
Statutory Dues	1.08	1.24
Sundry Creditors for General Purchase and Expenses*	36.91	32.89
Advance from customers	7.69	112.97
Others	1.70	-
Total	47.38	147.10

*Out of total Sundry Creditors for General Purchases and Expenses of Rs Millions 39.59 (35.68), Rs Millions 36.91 (32.89) represents current portion and Rs Millions 2.68 (2.79) represents non current portion as shown in note 4 above.

9. Short-Term Provisions

(₹ Millions)

Particulars	2014	2013
Provision for employee benefits		
Contribution to PF & ESIC	0.33	0.15
Gratuity	0.31	0.03
Leave benefits	0.78	0.24
Total	1.42	0.42

NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS

10. Fixed Assets

(₹ Millions)

DESCRIPTION	GROSS BLOCK			DEPRECIATION			NET BLOCK	
	As at 1st April 2013	Additions	Deductions	As at 31st March 2014	For the year	Deductions	As at 31st March 2014	As at 31st March 2013
Tangible Assets (Not under Lease)								
Freehold Land	5.45	-	-	5.45	-	-	5.45	5.45
Land Development	26.57	-	-	26.57	0.75	-	19.83	7.48
Factory Building	160.11	0.06	-	160.17	5.66	-	109.15	56.62
Other Building	142.50	-	-	142.50	4.15	-	63.62	83.03
Plant & Machinery	3,044.04	12.12	-	3,056.16	144.80	-	1,429.16	1,759.47
Electrical Installation Factory	58.66	0.22	-	58.88	2.79	-	27.54	34.12
Airport Complex	52.69	-	-	52.69	1.67	-	37.66	16.70
Office Equipment	6.48	0.19	-	6.67	0.30	-	4.71	2.07
Furniture & Fixtures	42.07	0.94	-	43.01	0.98	-	38.08	4.97
Electrical Installation Others	14.10	-	-	14.10	0.30	-	12.73	1.67
Computers	18.81	1.89	-	20.70	1.10	-	17.98	1.93
Vehicles	0.41	-	-	0.41	-	-	0.40	0.01
Grand Total	3,571.90	15.42	-	3,587.32	162.51	-	1,760.87	1,973.54
Previous Year	3,535.23	36.67	-	3,571.90	162.14	-	1,598.36	-

NOTE : Depreciation is calculated on the basis of Straight Line Method in case of Plant & Machinery and on other assets it is calculated as per Written Down Value Method.

NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS

11. Non current investments (Value at cost unless otherwise stated) (₹ Millions)

Particulars	2014	2013
Other than trade (at cost)		
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	0.32	0.32
Aggregate amount of unquoted investments	0.21	0.21

12. Deferred Tax Assets (₹ Millions)

Particulars	2014	2013
As per last year Balance Sheet	537.57	532.44
Deferred Tax Assets of current year	55.24	9.28
Arising on account of timing difference of depreciation, losses and expenses		
Deferred Tax Liability	60.35	4.15
Arising on account of timing difference in employees retirement benefits, disallowances and expenses		
Deferred Tax Assets (Net)	532.46	537.57

13. Long Term Loans and Advances (₹ Millions)

Particulars	2014	2013
Security Deposits (unsecured, considered good)	5.40	5.62
Total	5.40	5.62

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

Particulars	2014	2013
Professional fees - Preliminary Exp	0.32	0.64
Stamp duty for merger	0.95	1.89
Preoperative expenses - Mines	14.40	11.50
Preoperative expenses - Foreign Subsidiary	-	0.86
Fixed Deposit with Banks*	10.14	19.92
Total	25.81	34.81

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

NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS

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

Particulars	2014	2013
Raw Materials and components	326.55	1.93
Work-in-progress	17.60	56.12
Finished goods	304.13	457.05
Stores and spares	6.64	5.55
Total	654.92	520.65

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

Particulars	2014	2013
Over six months	0.02	0.02
Others	1,437.56	804.85
Total	1,437.58	804.87

17. Cash and Cash Equivalents (₹ Millions)

Particulars	2014	2013
Balances with banks*	886.07	735.20
Less : Non current portion of Fixed Deposits (Refer note 14)	10.14	19.92
	875.93	715.28
Cash in hand	0.77	0.45
Total	876.70	715.73

*Includes current portion of Fixed Deposite ₹/Millions 565.93 (513.56)

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

Particulars	2014	2013
Security deposit	-	1.00
Prepaid Expenses	114.08	54.66
Advance to suppliers	2,212.10	2,272.45
Advance income tax / refund due (net)	12.45	6.89
Claims receivable	220.94	145.81
Others*	46.33	1.81
Total	2,605.90	2,482.62

*Others include forward premium receivable on forward exchange contract of ₹./Millions 44.52(Nil).

NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS

19. Revenue from Operations (₹ Millions)

Particulars	2014	2013
Sale of products		
Traded Goods	4,739.17	26,214.98
Manufactured Goods		
(i) Local Sales	7,351.89	11,009.44
(ii) Export Sales	4,749.39	2,910.53
Gross Sale	16,840.44	40,134.95
Less - Excise	51.49	1.76
Net Sales	16,788.95	40,133.19
Other operating revenues*	615.63	333.90
Total	17,404.58	40,467.09

*Other operating revenues includes gain from forward contract of Rs/Millions 63.90(Nil).

20. Other Income (₹ Millions)

Particulars	2014	2013
Dividend income	0.03	0.03
Foreign exchange gain*	36.63	18.66
Other income	1.33	0.93
Total	37.99	19.62

*On account of restatement of trade receivable, trade payables and foreign currency in hand

21. Cost of Material Consumed (₹ Millions)

Particulars	2014	2013
Inventory at the beginning of the year	145.07	0.83
Add: Purchases	11,655.60	13,770.98
	11,800.67	13,771.81
Less: Inventory at the end of the year	326.55	145.07
Cost of raw material consumed	11,474.12	13,626.74
Other materials (Stores and Spares)	6.24	3.41
Total	11,480.36	13,630.15

Break up of Raw Materials consumed (₹ Millions)

Particulars	2014	2013
Gold	11,471.78	13,626.64
Silver	2.33	0.10
Other materials (Stores and Spares)	6.24	3.41
Total	11,480.36	13,630.15

NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENT

22. Purchase of Stock-in-Trade (₹ Millions)

Particulars	2014	2013
Gold	5,121.04	25,868.44
Total	5,121.04	25,868.44

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

a. Inventory at the end of the year (₹ Millions)

Particulars	2014	2013
Stock in Trade		
Gold	-	98.01
Work in Progress		
Gold	17.60	56.12
Finished Goods		
Gold	303.03	215.58
Silver	1.10	0.31
Total	321.73	370.03

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

Particulars	2014	2013
Stock in Trade		
Gold	98.01	253.49
Work in Progress		
Gold	56.12	436.26
Finished Goods		
Gold	215.58	32.90
Silver	0.31	-
Total	370.03	722.66

c. Net (a - b) (₹ Millions)

	48.30	352.63
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24. Employee Benefit Expense (₹ Millions)

Particulars	2014	2013
Salaries & wages	36.89	23.67
Contribution to provident & other funds	2.29	1.88
Staff welfare expenses	0.92	0.80
Total	40.10	26.35

NOTES FORMING PART OF FINANCIAL STATEMENTS

25. Other Expenses		(₹ Millions)	
Particulars	2014	2013	
Power and fuel	6.17	6.26	
Rent	5.03	3.54	
Repairs to buildings	0.22	0.25	
Repairs to plant & machinery	0.99	0.43	
Insurance	4.61	4.29	
Rates and taxes	0.05	0.97	
Auditors' Remuneration	1.35	0.87	
Miscellaneous expenses	165.38	97.89	
Total	183.80	114.50	

26. Finance Costs		(₹ Millions)	
Particulars	2014	2013	
Interest expense - net (Refer Note 42)	131.82	113.84	
Bank charges	78.53	49.74	
Other financial charges	133.55	149.99	
Total	343.90	313.57	

27. Depreciation and Amortization Expense		(₹ Millions)	
Particulars	2014	2013	
Depreciation	162.51	162.14	
Preliminary Expenses written off	1.27	1.26	
Total	163.78	163.40	

NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS

28. SIGNIFICANT ACCOUNTING POLICIES

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 refining, manufacturing and marketing of precious metals mainly in gold bars, gold coins and gold jewellery.

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, 1956 (the Companies Act) (which continue to be applicable in respect of Section 133 of the Companies Act, 2013 (the 2013 Act) in terms of General Circular 15/2013 dated 13th September, 2013 of the Ministry of Corporate Affairs) and the relevant provisions of the 1956 Act, 2013 Act, 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 unaudited 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
Shirpur Gold Trading DMCC	100 %	Dubai, U.A.E.

2) Use of Estimates

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

3) Comparatives

Previous years figures have been regrouped, rearranged or recasted wherever necessary to confirm to this year’s classification. Figures in brackets pertain to previous year. The consolidated financial statements is not comparable, in view of subsidiary incorporated during the current year, as referred above.

4) Revenue Recognition

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

NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS

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

5) Tangible Fixed Assets

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

6) Depreciation and Amortization

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

7) Impairment of Assets

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

8) Inventories

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

9) Financial Derivative for Commodity Hedging Transactions

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

10) Borrowing Cost

- Borrowing cost includes Interest, amortization of ancillary costs incurred in connection with the arrangement of borrowings and exchange differences arising from foreign currency borrowings to the extent they are regarded as an adjustment to the interest cost.

NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS

- 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.

11) Investments

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

12) Transactions in Foreign Exchange

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

13) Retirement Benefits

- a. **Short Term Employee Benefit:** All employee benefits payable wholly within twelve months of rendering the services are classified as short term employee benefits and they are recognized in the period in which the employee renders the related services. The company recognizes the amount of short term employee benefits expected to be paid in exchange for services rendered as a liability (accrued Expenses) after deducting any amount already paid.

- b. **Post-Employment Benefits**

- **Defined Contribution Plans :** Defined contribution plans are Employees State Insurance and Government administered Pension fund scheme for eligible employees. The company's contribution to defined contribution plans are recognized in the Statement of Profit and Loss in the financial year to which they relate.

- **Defined Benefit Plans**

Provident Fund Scheme: The Company is covered under the provisions of Provident Fund and Miscellaneous Funds Act, 1952. Contribution payable by the Company to the concerned Government Authorities in respect of Provident Fund and Family Pension Fund are charged to the Statement of Profit and Loss.

Gratuity Scheme : The Company's Liability towards unfunded Gratuity is determined on the basis of year end Actuarial Valuation in accordance with Accounting Standard 15 (Revised 2005) prescribed under the Companies (Accounting Standards) Rules, 2006.

Other Long Term Employee Benefits: Entitlement to annual leave and sick leave are recognized when they accrue to employees concerned. Sick leave can only be availed while annual leave can either be availed or encashed subject to a restriction on the maximum number of accumulation of leave and minimum number of availment of leave in a year. The Company determines the liability for such accumulated leaves using the Projected Accrued Benefit Method with actuarial valuations being carried out at each Balance sheet date. Liability for Leave Encashment is accounted on accrual basis and expensed out. The company presents this liability as current and non-current in the balance sheet as per actuarial valuations and certificate issued

NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS

by the independent actuary.

14) Accounting for taxes on Income

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

15) Earnings per share

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

16) Provisions

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

17) Contingent Liabilities

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

18) Contingencies and Events occurring after the Balance Sheet date

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

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

19) Preliminary Expenses

Preliminary expenses are amortized over a period of 5 years.

NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS

29. CONTINGENT LIABILITIES AND COMMITMENTS

Contingent Liabilities

(₹ Millions)

	Particulars	2014	2013
1	Estimated amount of Export obligation to be fulfilled in terms of Duty saved value against Import of Plant and Machinery under EPCG up to 2014*, 2020** & 2019***	4,034.21	8,714.02
2	Claims against the Company not acknowledged as debt Sales Tax Matters in Dispute under appeal for the FY- 2004-05 & FY- 2007-08 and stay granted against demand of ₹/ Millions 1.46 on payment of ₹/Millions 0.30 is deposited.	1.46	1.46

- a) *The Company had imported at concessional rate of duty Plant & Machineries during 2000, 2001 and 2002 against three licenses issued under Export & Import Policy 1997-2002 by the Government of India, with an obligation to export five times of the CIF value of Capital Goods under EPCG Scheme on FOB basis within a period of eight years from the date of issue of such licenses. However, in view of discontinuation of manufacturing operations during financial years 2004-05 till 10th July 2010 the said obligations could not be fulfilled. The company had been sanctioned changed method of quantification of such obligations from CIFValue to FOB value to total duty saved method and has also received extension of time for fulfillment of such obligations in respect of all licenses from the competent authority. Such export obligations are now required to be fulfilled during the period from 2012 to 2014, as stipulated in the respective licenses.

The company has fulfilled the export obligation by exporting gold jewellery in respect of two of the licenses (issued during 2001 and 2002) as on date of signing of the Balance Sheet where it was required to be completed by 2012 and 2013. The export obligation under other licenses is being fulfilled by continuing exports. Considering the above, export obligation remaining to be fulfilled as on date of signing of Financial Statement is ₹/Millions 3,263.90.

**The company had imported at concessional rate of duty Plant & Machineries during 2012 against two licenses issued under Foreign Trade Policy 2009-2014 by the Government of India, with an obligation to export eight times of the duty saved value of Capital Goods under EPCG Scheme on FOB basis within a period of eight years from the date of issue of such licenses. Such export obligations are now required to be fulfilled during the period from 2012 to 2020, as stipulated in the respective licenses. Export obligation remaining to be fulfilled as on date of signing of Financial Statement is ₹/Millions 49.06.

***The company had imported at concessional rate of duty Plant & Machineries during 2013 against one license issued under Foreign Trade Policy 2009-2014 by the Government of India, with an obligation to export six times of the duty saved value of Capital Goods under EPCG Scheme on FOB basis within a period of six years from the date of issue of such licenses. Such export obligations are now required to be fulfilled during the period from 2012 to 2019, as stipulated in the respective licenses. Export obligation remaining to be fulfilled as on date of signing of Financial Statement is ₹/Millions 8.25.

- b) The Income tax department has filed an appeal before Hon'ble Bombay High Court against the order of the Income Tax Appellate Tribunal in favour of the Company setting aside the penalty of ₹/Millions 111.36 levied under section 271(1)(c) of the Income Tax Act 1961 by Assessing Officer, for the Assessment year 2007-08 and is pending admission by the said High Court.
- c) Income tax Assessment has been completed up to Assessment Year 2011-12 and there are no demand pending, except disputed demand of ₹ /Millions 3.94 for Assessment year 2001-02 and ₹ Millions 157.92 for Assessment year 2008-09 pending hearing and disposal by appellate authorities.

NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS

Commitments

(₹ Millions)

	Particulars	2014	2013
1	Bank Guarantees issued by bankers and outstanding as on 31 st March 2014 In favour of <ul style="list-style-type: none"> • Creditors for supply of Raw Material • The Commissioner of Sales Tax, Maharashtra for VAT Refund • Excise • Others [against the said bank guarantees ₹/Millions 473.52 (429.26) has been kept as margin money]	4,386.60 93.30 84.38 10.35	3,830.00 191.25 10.86 0.20

30. IMPAIRMENT OF FIXED ASSETS

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

31. CURRENT ASSETS, LOANS AND ADVANCES

Inventories have been valued at lower of cost or realizable value and are taken, verified, certified by the management. In the opinion of the Management, the current assets, loans and advances are approximately of the value stated, if realized in the ordinary course of business and provision for all known liabilities have been made in the accounts as at March 31, 2014.

32. CURRENT LIABILITIES AND PROVISIONS

The current liabilities are stated at carrying cost, irrespective of their period of outstanding and in some of the cases pending confirmation. Provision for retirement benefits viz., gratuity and leave encashment have been made on the basis of actuarial valuation and for other benefits as per the policy of the company for such benefits.

33. DETAILS OF CONSUMPTION OF IMPORTED AND INDIGENOUS STOCKS

Raw Material Consumed

(₹ Millions)

Particulars	2014	2013
Imported	424.01	171.23
Indigenous		
- Gold	11,047.78	13,455.41
- Silver	2.33	0.10
TOTAL	11,474.12	13,626.74

Stores and Spares Consumed

(₹ Millions)

Particulars	2014	2013
Spares & Stores Consumed	6.24	3.41

NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS

34 INVENTORY AND TURNOVER

(₹ Millions)

Gold	Sales Value	Closing Inventory	Opening Inventory
Manufactured Goods	12,049.78	374.61	417.09
	(13,918.21)	(417.09)	(470.00)
Traded Goods	4739.17	273.67	98.01
	(26,214.98)	(98.01)	(253.49)
Total	16,788.95	648.28	515.10
	(40,133.19)	(515.10)	(723.49)

(₹ Millions)

Stores & Spares	Closing Inventory	Opening Inventory
Stores and Spares	6.65	5.55
	(5.55)	(5.60)

35. EARNINGS IN FOREIGN EXCHANGE

(₹ Millions)

Particulars	2014	2013
FOB Value of Export	4,688.06	2,905.68

36. EXPENDITURE IN FOREIGN CURRENCY

(₹ Millions)

Particulars	2014	2013
Travelling and Related Expenses	1.21	2.29
Consultancy Fees	-	0.15

37. PAYMENT TO AUDITORS

For Standalone

(₹ Millions)

Particulars	2014	2013
Audit Fee	0.90	0.67
Tax Audit Fee	0.11	0.11
For Other Services	0.06	0.08
Total	1.07	0.86

For Subsidiaries

(₹ Millions)

Particulars	2014
Audit Fee	0.22
Tax Audit Fee	-
For Other Services	-
Total	0.22

38. EARNINGS PER SHARE

(₹ Millions)

Particulars	2014
Profit/(Loss) after tax as per Statement of Profit & Loss	56.18
Basic and Diluted Earning per share (in Rs.)	1.93
Face Value per equity share (in Rs.)	10.00

NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS

39. MVAT collected till the year end under Sales Tax Incentive Scheme of 1993 by the Government of Maharashtra, Scheme PSI-1993 is considered in the Accounts as Deferred Sales Tax Liability and stated in Note 3. The Deferred Sales Tax Liability for the year ended 31st March, 2014, 31st March, 2013, 31st March, 2012 and 31st March, 2011 of ₹/Millions 80.99, ₹/Millions 110.09, ₹/ Millions 67.73 and ₹ /Millions 19.80 respectively is repayable in five equal annual installments starting from financial year 2024-25, 2023-24, 2022-23 and financial year 2021-22 respectively.”
40. Other Operating Revenues is a profit realized on gold contract and forward exchange contract.
41. Interest expense is net of interest income of ₹ Millions 53.68 (41.96).
42. 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 hedge at the year end is as under.

Currency	(US \$ Millions)				(₹ Millions)			
	Payable		Receivable		Payable		Receivable	
	2014	2013	2014	2013	2014	2013	2014	2013
US \$	12.46	31.03	-	2.41	748.6	1687.62	-	131.06

Figures indicated in Indian Rupees have been restated as per the RBI reference rate as on 31st March' 2014. Outstanding Derivative Contracts entered into by the Company and outstanding at the year end

Particulars	2014	2013
Currency Future Contract (US \$ Millions)	5.82	1.04
MCX Commodity (Rs. Millions)	307.93	-

43. 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.

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

Essel Corporate Resources Pvt. Ltd., Pan India Network Ltd., Pan India Network Infravest Pvt. Ltd., Mrs. Shreyasi Goenka, Mr. Subhash Pareek.

Related party Transactions during the year (₹ Millions)

(A)	Transactions	2014	2013
	Other Related Parties		
	Essel Corporate Resources Pvt. Ltd.		
	Professional fees	7.66	5.89
	Pan India Network Infravest Pvt. Ltd.		
	Telephone expenses	0.01	0.11

NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS

	Jay Properties Pvt. Ltd.		
	Long Term Borrowings received	-	200.00
	Pan India Network Ltd.		
	Short Term Borrowings received	120.00	-
	Pan India Network Ltd.		
	Short Term Borrowings repaid	60.00	-
	Agrani Telecommunication Ltd.		
	Trade Payables repaid	-	3.00
(B)	Balances at the end of the year		
	Other Related Parties		
	Essel Corporate Resources Pvt. Ltd.	11.36	5.70
	Jay Properties Pvt. Ltd.	449.90	449.90
	Pan India Network Ltd.	60.00	-

During the year, 350 gms.(600 gms) gold bars were sold to directors and their relatives and consideration had been received at the prevailing market price amounting to ₹/Millions 0.97 (1.75). No amount in respect of related parties have been either written off/ written back during the year or has any provision been made for doubtful debts/receivable.

45. PRIOR YEAR COMPARATIVES

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

46. 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 : 23rd May 2014

For and on Behalf of the Board of Directors

Amit Goenka – Director
V K Agarawal – Director
Subhash Pareek – Manager
Archita Kothari – Chief Financial Officer
Hemangi Patil – Company Secretary

FINANCIAL HIGHLIGHTS OF SUBSIDIARY COMPANIES FOR THE YEAR ENDED MARCH 31, 2014

Particulars	(₹ Millions)	
	Shirpur Gold Mining Company Pvt Ltd	Shirpur Gold Trading DMCC
Summary Balance Sheet		
Share Capital	361.81	2.16
Reservers & Surplus	(0.63)	(1.18)
Total Assets	361.75	1.57
Total Liabilities	0.57	0.60
Investments (excluding subsidiaries)	-	-
Summary Statement of Profit & Loss		
Total Revenues	-	-
Profit/(Loss) before tax	(0.63)	(1.18)
Tax expense	-	-
Profit after tax	(0.63)	(1.18)



SHIRPUR GOLD REFINERY LIMITED

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

Tel: + 02563-258001, Fax :+ 02563-261357, CIN: L51900MH1984PLC034501, Website: www.shirpurgold.com

ATTENDANCE SLIP 29th Annual General Meeting

I/We hereby record my presence at the 29th Annual General Meeting of the Company at Refinery Site, Shirpur, Dist. Dhule, Maharashtra – 425 405 on Wednesday, 27th August, 2014 at 2.30 p.m.



Name of Shareholder/Proxy: (IN BLOCK LETTERS)

Signature of Shareholder/Proxy

Folio No. _____

Client ID# _____

D.P. ID# _____

No. of Shares: _____

(Applicable for shareholders holding shares in dematerialized form)



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)

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

1. Name: _____ E-mail Id: _____

Address: _____

Signature: _____

or failing him

2. Name: _____ E-mail Id: _____

Address _____

Signature: _____

or failing him

3. 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 29th Annual General Meeting of the Company to be held on Wednesday, 27th August, 2014 at 2.30 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, 2014		
2. Re-appointment of Mr. Amit Goenka as a Director of the Company		
3. Re-appointment of Auditors		
4. Appointment of Mr. Anish Goel as Independent Director		
5. Appointment of Mr. Manoj Agarwal as Independent Director		
6. Authorising the Board of Directors to Borrow in accordance with Section 180(1)(c) of the Companies Act, 2013		

Signed this _____ day of _____ 2014.

Affix
Revenue
Stamp

Signature of Shareholder _____ Signature of Proxyholder(s) _____

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



Shirpur Gold Refinery Limited

(An ISO 9001:2008 company)