

SHIRPUR GOLD REFINERY LIMITED

35th ANNUAL REPORT 2019-20

SHIRPUR GOLD REFINERY LIMITED

(An ISO 9001:2015 Company)

(CIN: L51900MH1984PLC034501)

CORPORATE INFORMATION

BOARD OF DIRECTORS

Amit Goenka

Non- Executive Chairman

Anish Goel

Independent Director

Manoj Agarwal

Independent Director

Kavita Kapahi

Independent Director

KEY MANAGERIAL PERSONNEL

Ashok Sanghavi

CFO

Shyamal Padhiar

Company Secretary

AUDITORS

M/s. Parikh & Parikh

Chartered Accountants

BANKERS

IFCI Ltd.

Ratnakar Bank Ltd.

Punjab National Bank Ltd.

AXIS Bank Ltd.

Kotak Mahindra Bank Ltd.

Bank of Maharashtra

State Bank of India Ltd.

REGISTERED OFFICE & PLANT

Refinery Site, Shirpur, Dist. Dhule,

Maharashtra – 425 405

CORPORATE OFFICE

135, Continental Building, Dr. A.B. Road,

Worli, Mumbai – 400 018

Tel: 022 7106 1234

Fax: 022 7154 5940

E-mail: investorinfo@shirpurgold.com

www.shirpurgold.com

REGISTRAR AND SHARE TRANSFER AGENTS

M/s Link Intime India Pvt. Ltd.

C 101, 247 Park,

LBS Marg, Vikhroli (West),

Mumbai – 400 083.

Tel : +91 22- 4918 6000

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

CONTENTS	PAGE No.
Statutory Reports	
<i>Notice</i>	3
<i>Directors' Report</i>	7
<i>Corporate Governance Report</i>	30
<i>Management Discussion and Analysis</i>	43
<i>Financial Statements</i>	49
<i>Standalone</i>	50
<i>Consolidated</i>	95
<i>Attendance Slip and Proxy Form</i>	138

Notice

Notice is hereby given that the 35th Annual General Meeting of the Equity Shareholders of Shirpur Gold Refinery Limited will be held on Thursday, 31st December, 2020 at 10.00 a.m. at the registered office of the Company at Refinery Site, Shirpur, Dist. Dhule, Maharashtra - 425405 to transact the following business:

ORDINARY BUSINESS:

1. To receive, consider and adopt the audited Financial Statements of the Company on a standalone and consolidated basis, for the financial year ended 31st March, 2020 including the Balance Sheet as at 31st March, 2020, the Statement of Profit & Loss for the financial year ended on that date, and the Reports of the Auditors and Directors thereon.
2. To appoint a Director in place of Mr. Amit Goenka (DIN: 00017707), who retires by rotation and being eligible, offers himself for re-appointment.

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

Place: Mumbai
Date: 6th November, 2020

Shyamal Padhiar
Company Secretary

Registered Office:

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

NOTES:

1. A member entitled to attend and vote at the meeting may appoint a proxy to attend and vote on a poll on his behalf. A proxy need not be a member of the Company. A person can act as proxy on behalf of not exceeding fifty Members and holding in the aggregate not more than 10% of the total Equity Share Capital of the Company. Any Member holding more than 10% of the total Equity share capital of the Company may appoint a single person as proxy and in such a case, the said person shall not act as proxy for any other person or member. The instrument appointing proxy should, however, be deposited at the Registered Office of the Company not less than 48 hours before the commencement of the Meeting.
2. Corporate Members are requested to send to the Registered Office of the Company, a duly certified copy of the Board

Resolution, pursuant to Section 113 of the Companies Act, 2013, authorising their representative to attend and vote at the Annual General Meeting.

3. Additional information, pursuant to SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, on Directors recommended by the Board for appointment / re-appointment at the Annual General Meeting is annexed to the Notice.
4. Members who are holding Company's shares in dematerialized mode are requested to bring details of their Beneficiary Account Number for identification.
5. Members who wish to obtain information on the Financial Statements for the year ended 31st March, 2020, may send their queries at least seven days before the AGM to the Company Secretary at the corporate office of the Company or at Email ID investorinfo@shirpurgold.com so as to enable the management to keep the information ready at the meeting.
6. Electronic Copy of the Annual Report for 2019-20 is being sent to all the members whose email IDs are registered with the Company/Depository Participants(s) for communication. In terms of Ministry of Corporate Affairs circular, physical copies of the Annual Report is not required to be sent to any shareholders. The Annual Report can be accessed at the Company's Website www.shirpurgold.com
7. Members are requested to notify immediately about any change in their address / e-mail address / dividend mandate / bank details to their Depository Participant (DP) in respect of their shareholding in Demat mode and in respect of their physical shareholding to the Company's Registrar and Share Transfer Agent, M/s Link Intime India Pvt. Ltd., at C-101, 247 Park, L.B.S. Marg, Vikhroli West, Mumbai-400 083. Shareholders holding Equity Shares of the Company in physical form may register their email address with the Registrar and Share Transfer agent of the Company to receive all communications by the Company including Annual Report and Notice of Meeting(s) by email, by sending appropriate communication on rnt.helpdesk@linkintime.co.in.
8. **E-voting**
In compliance with Section 108 of the Companies Act, 2013 read with Companies (Management and Administration) Rules, 2014 and Regulation 44 of the SEBI Listing Obligations and Disclosure Regulations, 2015, (Listing Regulations), the Company is pleased to provide members facility to

exercisetheir right to vote at the 35thAnnual General Meeting (AGM) by electronic means.The facility of casting votes by a member using an electronic voting system (remote e-voting) from a place other than venue of the AGM will be provided by Link Intime India Private Limited (LIPL) for all the business as detailed in this notice.

The remote E-voting period for all items of business contained in this Notice shall commence fromSunday,27th December,2020at 9.00 a.m. and will end on Wednesday,30th December,2020 at 5.00p.m. During this period equity shareholders of the Company holding shares either in physicalform or in dematerialised form as on the cutoff date of24th December,2020 may cast their voteelectronically. The e-voting module shall be disabled by LIPL for voting thereafter.Oncethe vote on a resolution is cast by any Member, he/she shall not be allowed to change itsubsequently.

10. Any person, who acquires equity shares of the Company and become member of the Company after dispatch of the notice and holding shares as of the cut-off date i.e. 24th December,2020 may refer the e-voting instructions annexed to this notice or send their query at enotices@linkintime.co.in.
11. The facility for voting by way of Ballot / Poll paper shall also be made available at the venueof the meeting and members, as on the cut-off date, attending the meeting who have not already cast their vote by remote e-voting shall be able to exercise their right at the meeting.
12. The Members who have cast their vote by remote e-voting may also attend the meeting but shall not be entitled to cast their vote again.
13. The voting rights of Members either by way of remote e-voting prior to the meetingor by way of Ballot / Poll paper at the meeting shall be in proportion to their equityshareholding in the paid up equity share capital of the Company as on the Cut-off date24th December,2020.
14. At the AGM, the Chairman of the meeting shall after discussions on all the resolutions on which voting is to be held, allow voting by use of Ballot / Poll Paper by all those members who are present at the AGM but have not cast their votes by availing the remote e-voting facility.
15. The Company has appointed M/s Shravan Gupta& Associates, PractisingCompany Secretaries as Scrutinizer to supervise remote e-voting process as well as conduct the Ballot/Poll Paper voting process at the Annual General Meeting in a fair and transparent manner.
16. The Scrutinizer shall, after the conclusion of voting at the general meeting, first count the votes cast at the meeting and

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

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

18. Remote e-Voting Instructions for shareholders:

1. Open the internet browser and launch the URL: <https://instavote.linkintime.co.in>

Those who are first time users of LIPL e-voting platform or holding shares in physical mode have to mandatorily generate their own Password, as under:

- Click on "Sign Up" under 'SHARE HOLDER' tab and register with your following details:

- A. User ID: Enter your User ID
 - Shareholders/ members holding shares in CDSL demat account shall provide 16 Digit Beneficiary ID
 - Shareholders/ members holding shares in NSDL demat account shall provide 8 Character DP ID followed by 8 Digit Client ID
 - Shareholders/ members holding shares in physical form shall provide Event No + Folio Number registered with the Company
- B. PAN: Enter your 10-digit Permanent Account Number (PAN) (Members who have not updated their PAN with the Depository Participant (DP)/ Company shall use the sequence number provided to you, if applicable.
- C. DOB/DOI: Enter the Date of Birth (DOB) / Date of Incorporation (DOI) (As recorded with your DP / Company - in DD/MM/YYYY format)
- D. Bank Account Number: Enter your Bank Account Number (last four digits), as recorded with your DP/Company.
 - Shareholders/ members holding shares in CDSL demat account shall provide either 'C' or 'D'; above
 - Shareholders/ members holding shares in NSDL demat account shall provide 'D'; above
 - Shareholders/ members holding shares in physical form but have not recorded 'C' and 'D'; shall provide their Folio number in 'D' above

- Set the password of your choice (The password should contain minimum 8 characters, at least one special Character (@!#\$%&*), at least one numeral, at least one alphabet and at least one capital letter).
- Click “confirm” (Your password is now generated).

NOTE: If Shareholders/ members are holding shares in demat form and have registered on to e-Voting system of LIPL: <https://instavote.linkintime.co.in>, and/or voted on an earlier event of any company then they can use their existing password to login.

2. Click on ‘Login’ under ‘SHARE HOLDER’ tab.
3. Enter your User ID, Password and Image Verification (CAPTCHA) Code and click on ‘Submit’.
4. After successful login, you will be able to see the notification for e-voting. Select ‘View’ icon.
5. E-voting page will appear.
6. Refer the Resolution description and cast your vote by selecting your desired option ‘Favour / Against’ (If you wish to view the entire Resolution details, click on the ‘View Resolution’ file link).
7. After selecting the desired option i.e. Favour / Against, click on ‘Submit’. A confirmation box will be displayed. If you wish to confirm your vote, click on ‘Yes’, else to change your vote, click on ‘No’ and accordingly modify your vote.
8. Institutional shareholders (i.e. other than Individuals, HUF, NRI etc.) and Custodians are required to log on the e-voting system of LIPL at <https://instavote.linkintime.co.in> and register themselves as ‘Custodian / Mutual Fund / Corporate Body’. They are also required to upload a scanned certified true copy of the board resolution / authority letter/power of attorney etc. together with attested specimen signature of the duly authorised representative(s) in PDF format in the ‘Custodian / Mutual Fund / Corporate Body’ login for the Scrutinizer to verify the same.
If you have forgotten the password:
 - Click on ‘Login’ under ‘SHARE HOLDER’ tab and further Click ‘forgot password?’
 - Enter User ID, select Mode and Enter Image Verification (CAPTCHA) Code and Click on ‘Submit’.

- In case shareholders/ members is having valid email address, Password will be sent to his / her registered e-mail address.
- Shareholders/ members can set the password of his/ her choice by providing the information about the particulars of the Security Question and Answer, PAN, DOB/DOI, Bank Account Number (last four digits) etc. as mentioned above.
- The password should contain minimum 8 characters, at least one special character (@!#\$%&*), at least one numeral, at least one alphabet and at least one capital letter.
- It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.

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

During the voting period, shareholders/ members can login any number of time till they have voted on the resolution(s) for a particular “Event”.

Shareholders/ members holding multiple folios/demat account shall choose the voting process separately for each of the folios/demat account.

In case shareholders/ members have any queries regarding e-voting, they may refer the Frequently Asked Questions (‘FAQs’) and InstaVote e-Voting manual available at <https://instavote.linkintime.co.in>, under Help section or send an email to enotices@linkintime.co.in or contact on: - Tel: 022 –4918 6000.

19. Members are requested to bring their attendance slip along with their copy of Annual Report to the Meeting.
20. The Register of Members and the Share Transfer Books of the Company will remain closed from Thursday,24th December,2020 to Thursday,31st December,2020(both days inclusive) for the purpose of Annual GeneralMeeting.
21. Members who have not registered their e-mail addresses so far are requested to register their e-mail address for receiving all communication including Annual Report, Notices, Circulars, etc. from the Company electronically

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

Name	Amit Goenka
Age	44 years
Qualification	Graduate in Business Administration
Experience	20 years
Date of Appointment on the Board of the Company	18.12.2018
Nature of expertise in Specific Functional Area	He is one of the promoters of Essel Group and presently CEO, International Broadcast Business, is responsible for spearheading the International Business of ZeeEntertainment Enterprises Limited (ZEEL). Under his leadership, ZEEL is taking the right steps to achieve its global ambitions, set for the year 2020. Prior to this role, Mr. Goenka has successfully managed the technology business of the Essel Group, and has played a vital role in the setting up the state-of-the-art processes in all the group companies. Mr. Goenka's first venture was Cyquator Technologies Ltd - a company which deals into web hosting and e-solutions space. In the past, He has served as Promoter Director of "Shirpur Gold Refinery Ltd."
Name of the other Companies in which Directorship held	-
Name of the other Companies in which He / she is Chairman / member of the Committee	-
No. of shares held of Shirpur Gold Refinery Ltd.	-
Relationship between Directors inter-se	He is Promoter Director but not related with any other Director.

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

Place: Mumbai
Date: 6th November, 2020

Shyamal Padhiar
Company Secretary

Directors' Report

To
The Members of
SHIRPUR GOLD REFINERY LIMITED

Yours Directors take pleasure in presenting the 35th Annual Report of your Company together with Audited Statement of Accounts for the year ended 31st March 2020 prepared as per Indian Accounting Standards prescribed under Section 133 of the Companies Act, 2013.

DIRECTORS' RESPONSIBILITY STATEMENT

Pursuant to the requirement under Section 134(3) of the Companies Act, 2013, in relation to the Annual Financial Statements for the Financial Year 2019-20, your Directors confirm that:

- The Financial Statements of the Company - comprising of the Balance Sheet as at 31st March, 2020 and the Statement of Profit & Loss for the year ended on that date, have been prepared on a going concern basis following applicable accounting standards and that no material departures have been made from the same;
- Accounting policies selected were applied consistently and the judgments and estimates related to the financial statements have been made on a prudent and reasonable basis, so as to give a true and fair view of the state of affairs of the Company as at 31st March, 2020, and, of the loss of the Company for the year ended on that date; and
- Proper and sufficient care has been taken for maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 2013, for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- Requisite Internal Financial Controls had been laid down and that such internal financial controls are adequate and were operating effectively; and
- Proper systems have been devised to ensure compliance with the provisions of all applicable laws and that systems were adequate and operating effectively.

FINANCIAL HIGHLIGHTS

(₹ in Millions)

Particulars	Standalone – Year Ended		Consolidated – Year Ended	
	31.03.2020	31.03.2019	31.03.2020	31.03.2019
Total Revenue	5,422.01	18,959.61	35,663.66	42,745.66
Total Expenses	6,896.62	18,899.49	37,069.12	42,519.39
Profit / (Loss) before Tax	(1,474.61)	60.12	(1,405.46)	226.27
Less:				
Exceptional Item	-	(19.56)	-	-
Current Tax	-	(8.35)	-	(8.35)
Deferred Tax	-	(4.71)	-	(4.71)
Profit / (Loss) after Tax	(1,474.61)	27.50	(1,405.46)	213.21

There have been no material changes and commitments that have occurred after close of the financial year till the date of this report, which affect the financial position of the Company. Based on the internal financial control framework and compliance systems established in the Company, the work performed by Statutory, Internal, Secretarial Auditors and reviews performed by the management and/or relevant Audit and other Committees of the Board, your Board is of the opinion that the Company's internal financial controls were adequate and working effectively during financial year 2019-20.

DIVIDEND

In view of the losses incurred by the Company during current year, your Directors do not recommend any dividend for the year under review.

TURNOVER AND COMPANY PERFORMANCE

The total revenue for the financial year under review was Rs. 5,422.01 Millions as against Rs. 18,959.61 Millions showing decrease over previous year. Your Company has registered the Net Loss before tax of Rs. 1,474.61 Millions as against Profit of Rs. 40.56 Millions in the previous financial year. The Loss after tax stood at Rs. 1,474.61 Millions as compared to profit after tax of Rs. 27.50 Millions in the previous financial year.

COVID -19

The outbreak of Corona virus (COVID-19) pandemic globally and in India is causing significant disturbance and slowdown of economic activity. In many countries, businesses are being forced to cease or limit their operations for long or indefinite periods of time. Measures taken to contain the spread of the virus, including travel bans, quarantines, social distancing and closures of non-essential services have triggered significant disruptions to businesses worldwide, resulting in an economic slowdown.

The Government of India in order to contain the spread of the COVID-19 pandemic announced a nationwide Lockdown on 25th March 2020. Accordingly, Company continued with shut down of its manufacturing / trading operations at facilities in India. Company is ensuring compliance with the directives issued by the Central Government, State Governments and local government and is maintaining social distancing and taking the required precautions for all employees of the Company.

There is no material impact due to countrywide lockdown on account of COVID-19 pandemic and considering the business segment (Precious Metals) in which company operates, there was no material impact which require any adjustment in financial statement as the Company did temporarily stop manufacturing and trading operations due to paucity of funds, the notice from

lenders for possession of the factory premises, and various legal and regulatory actions against the company.

BUSINESS OVERVIEW

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

BUSINESS EXCELLENCE & RECOGNITION

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

CREDIT RATING

During the year under review, CRISIL and CARE had revised the Long term rating of the Company from 'BB + Stable' to 'D' and short term rating from 'A4' + to 'D' on account of delay in debt servicing.

SUBSIDIARIES

INTERNATIONAL OPERATIONS

As at March 31, 2020, your Company had 1 Wholly Owned Subsidiary namely, Shirpur Gold DMCC, Dubai, the name of which changed from 'Zee Gold DMCC' effective from 23.01.2020 and 2 step down subsidiaries namely 'Precious Metals Mining and Refining Limited' ("PMMRL"), Papua New Guinea and Metallic Exploration And Mining, Mali.

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

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

In line with amendments of threshold for determining Material Subsidiary as stated in Regulation 16(1)(c) of Listing Regulations, Shirpur Gold DMCC, a wholly owned overseas subsidiary remains a Material Subsidiary of the Company.

The policy for determining material subsidiaries of the Company

is available on the website of the Company www.shirpurgold.com.

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

Further as per Section 136 of the Companies Act, 2013, the Audited financial statements including the consolidated financial statements and related information of the Company and audited accounts of each of the subsidiaries are available on the website of the Company www.shirpurgold.com.

CORPORATE GOVERNANCE AND POLICIES

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

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

In compliance with the requirements of Companies Act, 2013 and Listing Regulations, your Board has approved various Policies including Code of Conduct for Directors & Senior Management, Material Subsidiary Policy, Insider Trading Code, Document Preservation Policy, Material Event Determination and Disclosure Policy, Fair Disclosure Policy, Corporate Social Responsibility Policy, Whistle Blower and Vigil Mechanism Policy, Related Party Transaction Policy and Remuneration Policy. All these policies and codes have been uploaded on Company's corporate website www.shirpurgold.com. Additionally, Directors Familiarisation Programme and Terms and Conditions for appointment of Independent Directors can be viewed on Company's corporate website www.shirpurgold.com.

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

initial term of an Independent Director shall not exceed 5 years.

DIRECTORS AND KEY MANAGERIAL PERSONNEL (KMP)

As at March 31,2020, Your Board comprised of 4 Directors including 3 Independent Directors and 1 Non-Executive Director. Independent Directors provide their declarations both at the time of appointment and annually confirming that they meet the criteria of independence as prescribed under Companies Act, 2013 and Listing Regulations.

During the year under review, Mr. Vipin Choudhary Non Executive Nominee Director resigned with effect from October 31,2019. Your Board places on record it's appreciation for contribution of Mr. Vipin Choudhary as Director.

Mr. Amit Goenkawho was appointed as additional Non Executive Promoter Director of the Company effective from 18th December,2018 was regularized as Director of the Company at the last Annual General Meeting after obtaining requisite approval of shareholders. He is liable to retire by rotation at the ensuing AGM and being eligible, offers himself for re-appointment. Your Board recommends his re-appointment.

During the year under review and after seeking requisite shareholders approval, Ms. Kavita Kapahiwho holds the office of Independent Director of the Company until March 30, 2020 and in respect of whom the Company has received notice in writing from a member under Section 160 of the Act proposing her re-appointment for second term, re-appointed for the second term as an Independent Director not liable to retire by rotation for a period of five years from March 31,2020 until March 30, 2025.

In terms of Regulation 25(8) of the Listing Regulations, they have confirmed that they are not aware of any circumstances or situation which exists or may be reasonably anticipated that could impair or impact their ability to discharge their duties. Based on the declarations received from the Independent Directors, the Board has confirmed that they meet the criteria of independence as mentioned under Regulation 16(1)(b) of the Listing Regulations and that they are independent of the management.

A declaration on compliance with Rule 6(3) of the Companies (Appointment and Qualification of Directors) Rules, 2014, along with a declaration as provided in the Notification dated October 22, 2019, issued by the Ministry of Corporate Affairs (MCA), regarding the requirement relating to enrollment in the Data Bank for Independent Directors, has been received from two of the Independent Directors, along with declaration made under Section 149(6) of the Act.

The Company has not appointed any Independent Director during

the year, hence a statement regarding opinion of the Board with regard to integrity, expertise and experience of the independent Directors appointed during the year is not applicable.

During FY 2019-20, your Board met 6 (Six) times details of which are available in Corporate Governance Report annexed to this report.

During the year under review, Mr. Subhash Pareek ' Manager' &Key Managerial Personnel of the Company resigned w.e.f. 6th December,2019.

Ms. Archita Kothari resigned as CFO of the Company and based on recommendations of the Nomination and Remuneration Committee, Mr. Sharvan Kumar Shah was appointed as CFO on her place effective from April 18,2019. Mr. Sharvan Kumar Shah resigned as CFO of the Company effective from September 30,2019 and Mr. Ashok Sanghavi was appointed as CFO effective from October 14,2019.

In compliance with the requirements of Section 203 of Companies Act,2013, as at March 31,2020, Mr.Ashok Sanghavi, CFO and Mr. Shyamal Padhiar, Company Secretary continue as Key Managerial Personnel of the Company.

PERFORMANCE EVALUATION

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

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

BOARD COMMITTEES

In compliance with the requirements of Companies Act, 2013 and Listing Regulations, your Board had constituted various Board Committees including Audit Committee, Nomination & Remuneration Committee, Stakeholders Relationship Committee and Corporate Social Responsibility Committee. Details of the constitution of these Committees, which are in accordance with regulatory requirements, have been uploaded on the website

of the Company viz. www.shirpurgold.com. Details of scope, constitution, terms of reference, number of meetings held during the year under review along with attendance of Committee Members therein form part of the Corporate Governance Report annexed to this report.

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

AUDITORS

Statutory Audit

In compliance with rotational requirements of Statutory Auditors of the Company as per Section 139 of Companies Act, 2013 and after reviewing recommendations of the Audit Committee, M/s Parikh & Parikh, Chartered Accountants, Mumbai (FRN 107526W) was appointed as Statutory Auditors of the Company after obtaining requisite shareholders approval in place of retiring auditors M/s B.S. Sharma & Co., Chartered Accountants, to hold office till the conclusion of general meeting to be held in 2024. Pursuant to the amendment to Section 139 of the Act, with effect from May 7, 2018, the requirement of seeking Shareholders ratification for continuance of Statutory Auditor at every Annual General Meeting is no longer applicable and accordingly the Notice of ensuing AGM does not include the proposal for seeking Shareholders ratification for continuance of Statutory Auditors. The Company has received certificate of eligibility from M/s Parikh & Parikh in accordance with the provisions of the Act, read with rules made there under and a confirmation that they continue to hold valid Peer Review Certificate as required under Listing Regulations.

Secretarial Audit

In compliance with the provisions of Section 204 of the Companies Act, 2013, the Company has appointed Mrs. Mita Sanghavi, Practising Company Secretary (CP No. 6364) as secretarial auditor of the Company for the financial year 2019-20. A copy of secretarial audit report is annexed to this report.

In compliance with the provisions of SEBI Listing Regulations, the Company had submitted Annual Secretarial Compliance Report for the year ended 31.03.2020 to the stock exchanges which was issued by Mrs. Mita Sanghavi, Secretarial Auditor.

The reports of the Statutory Audit for the year ended March 31, 2020, do not contain any qualifications / observations. However, the Management's reply with regards to observations in Secretarial Audit and Annual Secretarial Compliance Report were as under:

1. *The vacancy, in the office of KMP in the category of CEO, caused due to resignation of Manager w.e.f. December 6, 2019 has not been filled as the manufacturing operations of the Company at plant is temporarily closed since February, 2020.*
2. *While the Board had approved nomination of one of the Independent Director on the Board of Company's Material overseas subsidiary w.e.f. February 19, 2020, Regulation 24(1) was not complied upto February 18, 2020 as the Company was in the process of identifying the suitable independent director to be appointed on the Board of overseas subsidiary hence it took long time after closure of FY 2019.*
3. *Observation with regards to violation of Listing Regulations due to delay in (a) submitting Annual Report for FY 2018-19 to NSE and (b) reporting changes in credit rating and Penalty levied by, and remitted to, NSE in connection with delay is self explanatory.*

During the year, the Statutory Auditors had not reported any matter under Section 143(12) of the Act, therefore no detail is required to be disclosed under Section 134(3)(ca) of the Act.

Cost Audit

The provisions related maintenance of cost records as specified by the Central Government under Section 148 of the Companies Act, 2013 and to appoint cost auditor to carry out Audit of Cost Records of the Company are not applicable to the Company.

Corporate Social Responsibility

The Company was required to spend Rs. 10.80 Millions (including unspent amount of earlier years) towards Corporate Social Responsibility (CSR) expenditure. However, after analyzing various options and making reasonable efforts to spend the above amount, the Company couldn't find any suitable project due to which the above amount remained unspent as on March 31, 2020.

DISCLOSURES :

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

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

II. RELATED PARTY TRANSACTIONS

All related party transactions, specifying the nature, value and terms of the transactions including the arms-length justification, are placed before the Audit Committee for its approval and statement of all related party transactions