

 Gujarat Natural
Resources Limited

October 3, 2017

To,
Department of Corporate Services
Bombay Stock Exchange Limited
P.J. Towers, Dalal Street,
Mumbai-400001.

Dear Sir/Madam,

Sub: Annual Report for the year 2016-17.

Pursuant to Regulation 34 of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, please find attached herewith the Annual Report of the Company for the year 2016-17, approved and adopted by the shareholders of the Company at the Annual General Meeting held on Friday, 29th September, 2017 at 12:00 noon at the registered office of the Company.

Kindly take the same on your records.

Thanking you,

Yours faithfully,
For, Gujarat Natural Resources Limited

Shalin A Shah

Shalin A Shah
Managing Director
DIN: 00297447



Encl: As above

ANNUAL REPORT 2016 - 2017

BOARD OF DIRECTORS

Ashok C. Shah	Director (Chairman from 08.08.2017)
Ilesh Shah	Chairman (From 23.01.2010 to 16.06.2017)
Shalin A. Shah	Managing Director
Malav A. Mehta	Director
Hariyant C. Shelat	Independent Director
Pravinbhai V. Trivedi	Independent Director
Sarika Kulkarni	Independent Director
Dhiren S. Bhatt	Independent Director (From 08.01.2016 to 10.08.2016)
Payal V. Makani	Independent Director (From 14.02.2017)

COMPANY SECRETARY

Sheetal G. Pandya

AUDITORS

M/s. Pankaj K. Shah Associates
Chartered Accountants
Ahmedabad.

REGISTERED OFFICE

8, Sigma Corporate, Nr. Mann Party Plot,
S. G. Highway, Ahmedabad – 54.
e-mail: info@gnrl.in

REGISTRAR & SHARE TRANSFER AGENTS

Purva Sharegistry (India) Pvt. Ltd.
Shiv Shakti Industrial Estates, Unit No. 9
J. R. Boricha Marg, Opp. Kasturba Hospital Lane
Lower Parel (E), Mumbai - 400 011.

ROUTE MAP TO THE AGM VENUE



NOTICE

Notice is hereby given that the 26th Annual General Meeting of Gujarat Natural Resources Limited will be held at the registered office of the Company on Friday, 29th Day of September, 2017 at 12:00 noon to transact following business:

ORDINARY BUSINESS:

1. To receive, consider and adopt the Standalone and Consolidated Financial Statements of the Company for the year ended 31st March, 2017 including audited Balance Sheet as at 31st March, 2017 and Statement of Profit and Loss and the cash flow statement for the year ended on that date and the Reports of the Directors and the Auditors thereon.
2. To declare dividend of Rs. 0.10/- i.e. 1% per Equity Share on fully paid up equity shares of Face Value of Rs 10/- each
3. To appoint a Director in place of Mr. Ashok C. Shah (DIN: 02467830), who retires by rotation at this Annual General Meeting, in terms of Section 152(6) of the Companies Act, 2013 and, being eligible, has offered himself for re-appointment.
4. To appoint Auditors of the Company and to fix their remuneration.

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

“RESOLVED THAT pursuant to the provisions of section 139 of the Companies Act, 2013 and other applicable provisions if any and the Rules made thereunder, M/s. GMCA & Co., Chartered Accountants (Firm Registration No.109850W), be and are hereby appointed as the statutory Auditors of the Company for a term of five years, to hold office from the conclusion of this Annual General Meeting (AGM) till the conclusion of the Annual General Meeting to be held in 2022 (subject to ratification of reappointment by the members at every AGM held after this AGM) of the Company to fill the casual vacancy caused by the resignation of M/s. Pankaj K. Shah Associates, Chartered Accountants (Firm Registration No.107352W) , on a remuneration as may be agreed upon by the Board of Directors and the Auditors.”

SPECIAL BUSINESS:

5. **Appointment of Ms. Payal V. Makani (DIN 07658223) as an Independent Director.**

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

“RESOLVED THAT pursuant to the provisions of section 149, 152 and all other applicable provisions of the Companies Act, 2013, if any and Companies (Appointment and Qualification of Directors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force) read with Schedule IV, Ms. Payal V. Makani (DIN 07658223) who was appointed as an Additional Director pursuant to the provisions of Section 161 of the Companies Act, 2013 and the Articles of Association of the Company and who holds office up to the date of this Annual General Meeting and in respect of whom the Company has received a notice in writing under Section 160 of the Companies Act, 2013, from a member proposing her candidature for the office of Director, be and is hereby appointed as an Independent Director of the Company to hold office for 5 consecutive years for a term from February 14, 2017 to February 13, 2022, not liable to retire by rotation.”

“RESOLVED FURTHER THAT Board of Directors of the Company be and are hereby authorized as to do all such acts, deeds and things incidental thereto to give effect to aforesaid resolution.”

Place: Ahmedabad
Date: 8th August, 2017

For and on behalf of the Board

Sd/-
Shalin A Shah
Managing Director
DIN: 00297447

Explanatory Statement as required under Section 102 of the Companies Act, 2013**Item No. 4 of the Notice:**

M/s. Pankaj K. Shah Associates, Chartered Accountants (Firm Registration No.107352W) had tendered their resignation from the position of Statutory Auditors w.e.f. August 1, 2017 due to pre-occupancy, resulting into a casual vacancy in the office of Statutory Auditors of the company as envisaged by section 139(8) of the Companies Act, 2013 ("Act"). Accordingly, in compliance with provisions of the Companies (Audit and Auditors) Rules, 2014, the Board of Directors of the Company, at their Meeting held on August 8, 2017, on the recommendation of the Audit Committee, had appointed M/s. GMCA & Co., Chartered Accountants (Firm Registration No.109850W) as the Statutory Auditors of the Company, and recommended their appointment for a term of five years from the conclusion of this Annual General Meeting (AGM) held in 2017 till the conclusion of the Annual General Meeting to be held in 2022. M/s. GMCA & Co., Chartered Accountants (Firm Registration No.109850W), have conveyed their consent to be appointed as the Statutory Auditors of the Company along with a confirmation that, their appointment, if made by the members, would be within the limits prescribed under the Companies Act, 2013.

Accordingly, Resolution is submitted to the meeting for the consideration and approval of members.

None of the Directors, Key Managerial Persons or their relatives, is in any way, concerned or interested in the said resolution.

Item No. 5 of the Notice:

The Board of Directors, on the recommendation of Nomination and Remuneration Committee, had appointed Ms. Payal V. Makani (DIN 07658223), as an Independent, Additional Director of the Company with effect from February 14, 2017.

Ms. Payal V. Makani (DIN 07658223) is a Commerce graduate and a Company Secretary. She specialises in company law and related matters. Copy of the draft letter for appointment of Ms. Payal V. Makani as an Independent Director would be available for inspection without any fee by the members at the Registered Office of the Company.

In the opinion of the Board, Ms. Payal V. Makani fulfils the conditions specified in the Companies Act, 2013 and rules made there under for her appointment as an Independent Director of the Company

The Board of Directors is of the opinion that her vast knowledge and varied experience will be of great value to the Company and hence recommends the Resolution at Item No. 5 of this Notice for your approval. Ms. Payal V. Makani does not hold any shares in the company.

None of the Directors, Key Managerial Personnel and relatives thereof other than, Ms. Payal V. Makani has any concern or interest, financial or otherwise, in the resolution at Item No. 5 of the Notice.

Place: Ahmedabad
Date: 8th August, 2017

For and on behalf of the Board

Sd/-
Shalin A Shah
Managing Director
DIN: 00297447

Annexure to the Notice of Annual General Meeting

Details of Directors seeking Appointment/Reappointment in Annual General Meeting

Name of the Director	Mr. Ashok C. Shah (DIN: 02467830)	Ms. Payal V. Makani (DIN: 07658223)
Age (Yrs.)	72 years	29 years
Date of birth	07/09/1944	15/12/1987
Brief Resume and expertise	Engineering and Administrative Degree. He has vast experience of more than 40 years in technical and administrative fields.	Commerce graduate and a Company Secretary. Specializes in Company law and allied activities.
Designation	Director, Chairman	Independent Director
Chairman/Member of the Committee of the Board of Directors of the Company	Member of Audit Committee and Nomination And Remuneration Committee in Gujarat Natural Resources Limited. Chairman of Stakeholders' Relationship Committee and Member of Nomination And Remuneration Committee in Lesha Industries Limited.	Member of Audit Committee and Nomination And Remuneration Committee in Lesha Industries Limited.
No. of Shares held in the Company	125100	Nil
Directorship in Other Listed Company	Lesha Industries Limited	Lesha Industries Limited
Related to other directors	Mr. Ashok C. Shah and Mr. Shalin A. Shah are related as Father-Son. No other directors are related inter se.	Not related to any other Director

Place: Ahmedabad

Date: 8th August, 2017

For and on behalf of the Board

Sd/-
Shalin Shah
Managing Director
DIN: 00297447

NOTES:

1. ANY MEMBER ENTITLED TO ATTEND AND VOTE IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF/HERSELF AND SUCH PROXY NEED NOT BE A MEMBER OF THE COMPANY.
2. A person can act as a proxy on behalf of members not exceeding fifty and holding in the aggregate not more than ten percent of the total share capital of the Company carrying voting rights. A member holding more than ten percent of the total share capital of the Company carrying voting rights may appoint a single person as proxy, provided such person shall not act as a proxy for any other person or shareholder.
3. The Proxy form duly completed must reach the Registered Office of the Company not later than forty-eight hours before the time of commencement of the meeting.
4. Corporate Members intending to send their authorised representatives to attend the Annual General Meeting are requested to send to the Company a certified copy of the Board resolution authorizing their representative to attend and vote on their behalf at the Meeting.
5. The Register of Members and share transfer books of the Company will remain closed from 23rd September, 2017 to 29th September, 2017 (both days inclusive).
6. Members, Proxies and Authorised Representatives are requested to bring to the meeting, the Attendance Slip enclosed herewith, duly completed and signed, mentioning therein details of their DP ID and Client ID / Folio No.

7. All documents referred to in the Notice are open for inspection at the Registered Office of the Company between 11:00 a.m. and 1:00 p.m. on any working day except Saturdays and holidays up to the date of Annual General Meeting. Shareholders seeking any information with regards to accounts are requested to write to the Company at least 10 days before the date of Annual General Meeting so as to enable the management to keep the information ready. This Notice and the Annual Report will also be available on the Company's website www.gnrl.in for download.
8. Updation of Email Id: The Shareholders are requested to intimate their Email Id to the Company or update their email registered with Depository Participants, if the same is changed.
9. The relative Explanatory Statement pursuant to Section 102 of the Companies Act, 2013 ("Act") setting out material facts concerning the business under Item No. 5 of the Notice, is annexed hereto. The relevant details as required under Regulation 36(3) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI Listing Regulations"), of the person seeking appointment /re-appointment as Director under Item No. 3 and 5 of the Notice, are also annexed.
10. The Notice of the AGM along with the Annual Report 2016-17 is being sent by electronic mode to those Members whose e-mail addresses are registered with the Company / Depositories, unless any Member has requested for a physical copy of the same. For Members who have not registered their e-mail addresses, physical copies are being sent by the permitted mode.
11. Members holding shares in dematerialised mode are requested to intimate all changes pertaining to their bank details, National Electronic Clearing Service (NECS), Electronic Clearing Service (ECS), mandates, nominations, power of attorney, change of address/name, e-mail address, contact numbers, etc. to their Depository Participant (DP) only, and not to the Company's Registrar & Share Transfer Agent.
Changes intimated to the Depository Participant will then be automatically reflected in the Company's records which will help the Company and its Registrar & Share Transfer Agent to provide efficient and better services to the Members.
12. Members holding shares in physical form are requested to intimate all changes pertaining to their bank details, National Electronic Clearing Service (NECS), Electronic Clearing Service (ECS), mandates, nominations, power of attorney, change of address / name, etc. to the Company's Registrar & Share Transfer Agent, quoting their Registered Folio Number.
13. Members holding shares in physical form are requested to consider converting their shareholding in dematerialised form to eliminate all risks associated with physical shares and for ease of portfolio management. Members can contact the Company or the Company's Registrar & Share Transfer Agent for assistance in this regard.
14. To support the 'Green Initiative', Members who have not registered their e-mail addresses are requested to register the same with DPs/ RTA. The registered e-mail address will be used for sending future communications. Members whose email ids are already registered may update the changes therein, if any.
15. 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 shares in electronic form are, therefore, requested to submit their PAN to their Depository Participants with whom they are maintaining their demat accounts. Members holding shares in physical form can submit their PAN to the Company/ Company's Registrar & Share Transfer Agent.
16. The dividend as recommended by the Board of Directors, if approved at the Meeting, will be paid within statutory time limit of 30 days, as under :
 - (a) To all Beneficial Owners in respect of shares held in dematerialised form as per the data made available by the National Securities Depository Limited and Central Depository Services (India) Limited as at the close of business hours on 22nd September, 2017.
 - (b) To all Members in respect of shares held in physical form after giving effect to valid transfers in respect of transfer requests lodged with the Company on or before the close of business hours on 22nd September, 2017.
17. **Voting through electronic means:**
Pursuant to the provisions of Section 108 of the Companies Act, 2013 and Rule 20 of the Companies (Management and Administration) Amendment Rules, 2015, and in terms of Regulation 44 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Company is pleased to provide its members the facility to exercise their right to vote by electronic means. The facility of casting votes using an electronic voting system from a place other than the AGM venue ('remote e-voting') will be provided to the members by Central Depository Services (India) Limited (CDSL).

The Company is providing facility for voting by electronic means and the business may be transacted through such electronic voting. The facility for voting through ballot paper shall also be made available at the meeting and members attending the meeting who have not already cast their vote by remote e-voting shall be able to exercise their right at the meeting. The members who have cast their vote by remote e-voting prior to the meeting may also attend the meeting but shall not be entitled to cast their vote again.

In case of joint holders attending the Meeting, only such joint holder who is higher in the order of names will be entitled to vote. The voting rights of Members shall be in the proportion of their shareholding in the Company as on Cut-off Date. The Company has appointed Mr. Chintan Patel, Partner, M/s. Patel & Associates, Company Secretaries, Ahmedabad, as the Scrutinizer, to scrutinize the entire voting process including remote e-Voting in a fair and transparent manner.

The instructions for shareholders voting electronically are as under:

- (i) The voting period begins on <September 26, 2017, 9:00 a.m.> and ends on < September 28, 2017, 5:00 p.m.>. During this period shareholders' of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date September 22, 2017, may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter.
- (ii) Shareholders who have already voted prior to the meeting date would not be entitled to vote at the meeting venue.
- (iii) The shareholders should log on to the e-voting website www.evotingindia.com.
- (iv) Click on Shareholders.
- (v) Now Enter your User ID
 - a. For CDSL: 16 digits beneficiary ID,
 - b. For NSDL: 8 Character DP ID followed by 8 Digits Client ID,
 - c. Members holding shares in Physical Form should enter Folio Number registered with the Company.
- (vi) Next enter the Image Verification as displayed and Click on Login.
- (vii) If you are holding shares in demat form and had logged on to www.evotingindia.com and voted on an earlier voting of any company, then your existing password is to be used.
- (viii) If you are a first time user follow the steps given below:

For Members holding shares in Demat Form and Physical Form	
PAN	<p>For demat shareholders: Enter your 10 digit alpha-numeric *PAN issued by Income Tax Department.</p> <p>For physical shareholders, please use the first two letters of your name and the 8 digits of the sequence number in the PAN field.</p> <ul style="list-style-type: none"> • In case the sequence number is less than 8 digits enter the applicable number of 0's before the number after the first two characters of the name in CAPITAL letters. Eg. If your name is Ramesh Kumar with sequence number 1 then enter RA00000001 in the PAN field.
Dividend Bank Details OR Date of Birth (DOB)	<p>Enter the Dividend Bank Details or Date of Birth (in dd/mm/yyyy format) as recorded in your demat account or in the company records in order to login.</p> <ul style="list-style-type: none"> • If both the details are not recorded with the depository or company please enter the member id / folio number in the Dividend Bank details field as mentioned in instruction (v).

- (ix) After entering these details appropriately, click on "SUBMIT" tab.
- (x) Members holding shares in physical form will then directly reach the Company selection screen. However, members holding shares in demat form will now reach 'Password Creation' menu wherein they are required to mandatorily enter their login password in the new password field. Kindly note that this password is to be also used by the demat holders for voting for resolutions 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.
- (xi) For Members holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.
- (xii) Click on the EVSN for Gujarat Natural Resources Limited.
- (xiii) On the voting page, you will see "RESOLUTION DESCRIPTION" and against the same the option "YES/NO" for voting. Select the option YES or NO as desired. The option YES implies that you assent to the Resolution and option NO implies that you dissent to the Resolution.
- (xiv) Click on the "RESOLUTIONS FILE LINK" if you wish to view the entire Resolution details.

- (xv) 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.
- (xvi) Once you "CONFIRM" your vote on the resolution, you will not be allowed to modify your vote.
- (xvii) You can also take a print of the votes cast by clicking on "Click here to print" option on the Voting page.
- (xviii) If a demat account holder has forgotten the login password then Enter the User ID and the image verification code and click on Forgot Password & enter the details as prompted by the system.
- (xix) Shareholders can also cast their vote using CDSL's mobile app - CDSL m-Voting available for iPhone as well as Android and Windows based mobiles. Please follow the instructions as prompted by the mobile app while voting on your mobile.

I. Note for Non – Individual Shareholders and Custodians

- Non-Individual shareholders (i.e. other than Individuals, HUF, NRI etc.) and Custodian are required to log on to www.evotingindia.com and register themselves as Corporates.
 - A scanned copy of the Registration Form bearing the stamp and sign of the entity should be emailed to helpdesk.evoting@cdslindia.com.
 - After receiving the login details a Compliance User should be created using the admin login and password. The Compliance User would be able to link the account(s) for which they wish to vote on.
 - The list of accounts linked in the login should be mailed to helpdesk.evoting@cdslindia.com and on approval of the accounts they would be able to cast their vote.
 - A scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, should be uploaded in PDF format in the system for the scrutinizer to verify the same.
- II.** In case you have any queries or issues regarding e-voting, you may refer the Frequently Asked Questions ("FAQs") and e-voting manual available at www.evotingindia.com, under help section or write an email to helpdesk.evoting@cdslindia.com.
- III.** Any person, who acquires 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. September 22, 2017, may obtain the login ID and password by sending a request at helpdesk.evoting@cdslindia.com. However, if he/she is already registered with CDSL for remote e-Voting then he/she can use his/ her existing User ID and password for casting vote. If you forgot your password, you can reset your password by using "Forgot User Details/Password" option available on www.evotingindia.com or contact CDSL at the Toll Free No.: 1800-200-5533.
- V.** A person, whose name is recorded in the Register of Members or in the list of Beneficial Owners maintained by the Depositories as on Cut-off Date only shall be entitled to avail the facility of remote e-Voting as well as voting at the Meeting through Polling Paper.
- VI.** The result of voting at the Meeting including remote e-Voting shall be declared after the Meeting but not later than Forty Eight Hours of the conclusion of the Meeting.
- VII.** The result declared alongwith the Report of the Scrutinizer shall be placed on the website of the Company www.gnrl.in and on the website of CDSL immediately after the declaration of result by the Chairman or a person authorised by him in writing. The Company shall simultaneously forward the results to BSE Limited where the shares of the Company are listed.

Directors' Report

Dear Members,

Your Directors have pleasure in presenting the 26th Annual Report on the business and operations of the Company and the Audited Accounts for the Financial Year ended 31st March, 2017.

1. FINANCIAL SUMMARY/HIGHLIGHTS OF PERFORMANCE OF THE COMPANY:

(₹ in Lacs)

Particulars	Standalone		Consolidated	
	Year ended 31/03/2017	Year ended 31/03/2016	Year ended 31/03/2017	Year ended 31/03/2016
Sales & Other Income	127.37	16.73	986.67	1279.94
Exceptional Items	0.00	0.00	0	0
Expenditure	50.59	45.69	673.54	893.04
Profit Before Depreciation and Tax	76.78	(28.96)	313.13	386.90
Depreciation	2.62	2.63	233.08	359.84
Taxation	32.82	2.57	37.91	(3.33)
Net Profit (Loss) for the year	41.34	(34.16)	42.13	30.40

2. PERFORMANCE & STATE OF AFFAIRS OF THE COMPANY:

The Company made profit of Rs. 41.34 lacs during the year compare to the loss of Rs. 34.16 lacs of the previous year. The Board of Directors of the Company is continuously making efforts to enhance the business for the growth and development of the Company.

3. DIVIDEND:

The Board of Directors of the Company have recommended a dividend of Rs. 0.10/- i.e. 1% per Equity Share on 3,87,51,645 fully paid up equity shares of Face Value of Rs 10/- each.

The total sum of the dividend, if approved, including Corporate Dividend Tax, will be ₹ 46.64 Lacs.

4. SHARE CAPITAL:

At present, the Company has only one class of shares – equity shares with face value of ₹ 10/- each. The authorized share capital of the company is ₹ 40,00,00,000/- divided into 4,00,00,000 equity shares of ₹10/- each. The paid up share capital of the company is ₹ 38,75,16,450/- divided into 3,87,51,645 equity shares of ₹10/- each.

5. RESERVES:

Reserves & Surplus at the end of the year stood at ₹ 43,71,34,599 as compared to ₹ 43,68,75,326 at the beginning of the year.

6. DEPOSITS:

Your Company has not accepted any deposits within the meaning of Section 73 of the Companies Act, 2013 and the Companies (Acceptance of Deposits) Rules, 2014.

7. ENERGY, TECHNOLOGY AND FOREIGN EXCHANGE:

During the period under review, several energy conservation initiatives were adopted and were taken by the Company and its subsidiaries. There are no plans to import any kind of technology for the project and hence information regarding its absorption is not applicable. There was no research activities carried out during the year as well as no foreign exchange income or outgo during the year.

8. MATERIAL CHANGES AND COMMITMENTS AFFECTING THE FINANCIAL POSITION OF THE COMPANY:

There have been no material changes and commitments affecting the financial position of the Company since the close of financial year i.e. since 31st March, 2017. Further, it is hereby confirmed that there has been no change in the nature of business of the Company.

9. DETAILS OF SIGNIFICANT AND MATERIAL ORDERS:

No such Orders have been passed by the Regulators/Court or Tribunals which can impact the going concern status and Company's operation in future.

10. DETAILS OF SUBSIDIARY/JOINT VENTURES/ASSOCIATE COMPANIES:

With a view to market the Company across the globe, your company has 5 International subsidiaries. Apart from International subsidiaries, there is one wholly owned Indian subsidiary. There are no associate companies or joint venture companies within the meaning of section 2 (6) of the Companies Act, 2013 ("Act"). There has been no material change in the nature of the business of the subsidiaries.

As required under Rule 8 (1) of the Companies (Accounts) Rules, 2014, the Board's Report has been prepared on standalone financial statements and a report on performance and financial position of each of the subsidiaries included in the consolidated financial statements is included in the financial statements in Form AOC – 1 and consolidated performance and financial position given here in above.

In accordance with third proviso of Section 136 (1) of the Companies Act, 2013, the Annual Report of the Company, containing therein its standalone and the consolidated financial statements has been placed on the website of the Company, www.gnrl.in. Shareholders interested in obtaining a copy of the audited annual accounts of the subsidiary companies may write to the Company Secretary at the Company's registered office.

Pursuant to the provisions of Section 129 (3) of the Companies Act, 2013 read with Rule 8 (1) of the Companies (Accounts) Rules, 2014, a statement containing salient features of the Financial Statements of your Company's subsidiaries in Form AOC-1 is attached to the Financial Statements.

11. PARTICULARS OF LOANS, GUARANTEES OR INVESTMENT BY THE COMPANY:

Details of Loans, Guarantees and Investments, if any covered under the provisions of Section 186 of the Act are given in the notes to the Financial Statements.

12. MEETING OF BOARD OF DIRECTORS:

During the year under the review, 4 (Four) Board meetings were held, with gap between Meetings not exceeding the period prescribed under the Companies Act, 2013 and Rules made thereunder. Details of Board and Board committee meetings held during the year are given in the Corporate Governance Report.

Board meeting dates are finalized in consultation with all directors and agenda papers backed up by comprehensive notes and detailed background information are circulated well in advance before the date of the meeting thereby enabling the Board to take informed decisions.

13. EXTRACTS OF ANNUAL RETURN:

An extract of Annual Return in Form **MGT-9** is attached herewith as **ANNEXURE-II**.

14. RELATED PARTY TRANSACTIONS:

There are no materially significant related party transactions made by the Company which may have a potential conflict with the interest of the Company at large and thus disclosure in Form AOC-2 is not required.

15. DIRECTORATE AND KEY MANAGERIAL PERSONNEL:

The Board of Directors of your company has various executive and non-executive directors including Independent Directors who have wide and varied experience in different disciplines of corporate functioning.

In accordance with the provisions of Section 152 of the Companies Act, 2013 and Articles of Association of the Company, Mr. Ashok C. Shah (DIN: 02467830) retires by rotation at the ensuing Annual General Meeting and being eligible in terms of Section 164 of the Act offers himself for re-appointment.

All Independent Directors have given declarations that they meet the criteria of independence as laid down under Section 149(6) of the Companies Act, 2013 and SEBI Listing Regulations and there has been no change in the circumstances which may affect their status as independent director during the year.

There is change in the constitution of Board of Directors during the year. Ms. Payal V. Makani was appointed as an Independent, Additional Director of the Company *w.e.f.* 14.02.2017.

Mr. Ilesh Shah, Chairman and Director of the Company resigned from his office of Director on 16.06.2017 and Mr. Dhiren Bhatt independent Director of the Company resigned from his office of Director on 10.08.2016.

As required under Section 203 of the Companies Act, 2013, the Company has Mr. Shalin A. Shah (Managing Director) and Ms. Sheetal G. Pandya (Company Secretary) as Key Managerial Personnel of the Company.

16. EVALUATION OF BOARD, COMMITTEES AND DIRECTORS:

Pursuant to the provisions of the Act and the corporate governance requirements as prescribed by Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements), Regulations 2015 ("SEBI Listing Regulations"), the Board had carried out performance evaluation of its own, the Board Committees and of the Independent directors. Independent Directors at a separate meeting evaluated performance of the Non-Independent Directors, Board as a whole and of the Chairman of the Board.

The following were the Evaluation Criteria:

(a) For Independent Directors:

- Knowledge and Skills
- Professional conduct
- Duties, Role and functions

(b) For Executive Directors:

- Performance as Team Leader/Member.
- Evaluating Business Opportunity and analysis of Risk Reward Scenarios
- Key set Goals and achievements
- Professional Conduct, Integrity
- Sharing of Information with the Board

The Directors expressed their satisfaction with the evaluation process.

17. POLICY ON APPOINTMENT AND REMUNERATION OF DIRECTORS:

The Board has on the recommendation of the Nomination & Remuneration Committee, formulated criteria for determining Qualifications, Positive Attributes and Independence of a Director and also a Policy for remuneration of Directors, Key managerial Personnel and senior management. The details of criteria laid down and the Remuneration Policy are given in the Corporate Governance Report.

18. MANAGERIAL REMUNERATION

The Company has paid Mr. Shalin A. Shah (Managing Director) remuneration during the year. A detail of the remuneration paid is elaborated in extract of Annual Return (MGT-9) in Annexure II.

19. INDEPENDENT DIRECTORS' MEETING:

Independent Directors of the Company had met on 24.03.2017 during the year, review details of which are given in the Corporate Governance Report.

20. COMMITTEES OF THE BOARD:

There are currently **Three Committees** of the Board, as follows:

1. Audit Committee
2. Nomination and Remuneration Committee
3. Stakeholders' Relationship Committee

Details of all the Committees along with their charters, composition and meetings held during the year, are provided in the "**Report on Corporate Governance**", a part of this Annual Report.

21. AUDITORS:**A. Statutory Auditors**

M/s. Pankaj K. Shah Associates, Chartered Accountants (Firm Registration No.107352W) had tendered their resignation from the position of Statutory Auditors due to pre-occupancy in other assignments, resulting into a casual vacancy in the office of Statutory Auditors of the company as envisaged by section 139 (8) of the Companies Act, 2013 ("Act"). Accordingly, in compliance with provisions of the Companies (Audit and Auditors) Rules, 2014, the Board of Directors of the Company, at their Meeting held on August 8, 2017, on the recommendation of the Audit Committee, has appointed M/s. GMCA & Co., Chartered Accountants (Firm Registration No.109850W) as the Statutory Auditors of the Company, and recommended their appointment for a term of five years from the conclusion of conclusion of Annual General Meeting (AGM) held in 2017 till the conclusion of the Annual General Meeting to be held in 2022. M/s. GMCA & Co., Chartered Accountants (Firm Registration No.109850W), have conveyed their consent to be appointed as the Statutory Auditors of the Company along with a confirmation that, their appointment, if made by the members, would be within the limits prescribed under the Companies Act, 2013.

The Report given by the Auditors, M/s. Pankaj K. Shah Associates, on the financial statements of the Company is a part of the Annual Report. The notes to the accounts referred to in the Auditors' Report are self-explanatory and therefore do not call for any further comments.

There has been no qualification, reservation, adverse remark or disclaimer given by the Auditors in their Report.

B. Secretarial Auditors

Pursuant to the provisions of Section 204 of the Act and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, the Company has appointed M/s. Patel & Associates, Practicing Company Secretaries, Ahmedabad to undertake the Secretarial Audit of the Company. The Secretarial Audit Report is annexed herewith as **Annexure IV**

There is no qualification, reservation or adverse remark in the Secretarial Audit Report given by the Secretarial Auditors in their Report.

C. Internal Auditors:

The Board of Directors has appointed M/s. Naimish K. Shah & Co., Chartered Accountant (FRN 106828W) as Internal Auditors of the Company for the F. Y. 2017-18.

22. INTERNAL FINANCIAL CONTROL SYSTEM AND COMPLIANCE FRAMEWORK:

The Company has an internal financial Control System, commensurate with size, scale and complexity of its operations. The internal financial controls are adequate and are operating effectively so as to ensure orderly and efficient conduct of business operations. The Company has appointed M/s. Naimish K. Shah & Co., Chartered Accountant (FRN 106828W) as an Internal Auditors of the Company. The Audit Committee in consultation with the internal auditors formulates the scope, functioning, periodicity and methodology for conducting the internal audit. The internal auditors carry out audit, covering inter alia, monitoring and evaluating the efficiency & adequacy of internal control systems in the Company, its compliance with operating systems, accounting procedures and policies at all locations and submit their periodical internal audit reports to the Audit Committee. Based on the internal audit report and review by the Audit committee, process owners undertake necessary

actions in their respective areas. The internal auditors have expressed that the internal control system in the Company is robust and effective. The Board has also put in place requisite legal compliance framework to ensure compliance of all the applicable laws and that such systems are adequate and operating effectively.

23. RISK MANAGEMENT:

Risk is an integral part of any business and therefore, Risk Management is an important function that the business management has to perform to ensure sustainable business growth. Company has implemented an integrated risk management approach through which it reviews and assesses significant risks on a regular basis to help ensure that there is a robust system of risk controls and mitigation in place. Senior management periodically reviews this risk management framework to keep updated and address emerging challenges. Major risks identified for the Company by the management are Compliances of various applicable Laws, Regulatory changes, Manufacturing & Supply, Litigation and Technological Changes. The management is however, of the view that none of the above risks may threaten the existence of the Company as robust Risk mitigation mechanism is put in place to ensure that there is nil or minimum impact on the Company in case any of these risks materialize.

24. VIGIL MECHANISM AND WHISTLE BLOWER POLICY:

In accordance with Section 177 of the Companies Act, 2013 and Regulation 22 of SEBI Listing Regulations, the Company has constituted a Whistle Blower Policy/ Vigil Mechanism to establish a vigil mechanism for the directors and employees to report genuine concerns in such manner as may be prescribed and to report to the management instances of unethical behaviour, actual or suspected fraud or violation of the Company's code of conduct.

25. PREVENTION OF SEXUAL HARASSMENT AT WORKPLACE:

As per the requirement of The Sexual Harassment of Women at Workplace (Prevention, Prohibition & Redressal) Act, 2013 ('Act') and Rules made thereunder, your Company has assigned the responsibilities to Audit Committee. During the year, no complaint with allegations of sexual harassment was filed with the Company.

26. PREVENTION OF INSIDER TRADING:

The Company has adopted a Code of Conduct for Prevention of Insider Trading with a view to regulate trading in securities by the Directors and designated employees of the Company. The Code requires pre-clearance for dealing in the Company's shares and prohibits the purchase or sale of Company's shares by the Directors and the designated employees while in possession of unpublished price sensitive information in relation to the Company and during the period when the Trading Window is closed. The Board is responsible for implementation of the Code. All Board Directors and the designated employees have confirmed compliance with the Code.

27. DIRECTORS' RESPONSIBILITY STATEMENT:

In accordance with Section 134(5) of the Companies Act, 2013 and to the best of their knowledge and belief and according to the information and explanations obtained by them, your Directors state that-

- i. In the preparation of the annual accounts, the applicable accounting standards had been followed along with proper explanation relating to material departures;
- ii. The directors had selected such accounting policies 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 at the end of the financial year 31st March, 2017 and of the profit and loss of the company for that period;
- iii. The directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of Companies Act, 2013 and Rules made thereunder for safeguarding the assets of the company and for preventing and detecting fraud and other irregularities;
- iv. The directors had prepared the annual accounts on a going concern basis;
- v. The directors had laid down internal financial controls to be followed by the company and that such internal financial controls are adequate and were operating effectively, and
- vi. The directors had devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

28. CORPORATE GOVERNANCE:

As required by the SEBI Listing Regulations, a detailed report on Corporate Governance is given as a part of the Annual Report. The Company is in full compliance with the requirements and disclosures that have to be made in this regard. The Practicing Company Secretary's Certificate of the compliance with Corporate Governance requirements by the Company is attached to the Report on Corporate Governance. Report on Corporate Governance is attached as **ANNEXURE V**.

29. GENERAL SHAREHOLDER INFORMATION:

General Shareholder Information is given in Report on Corporate Governance forming part of the Annual Report.

30. CORPORATE SOCIAL RESPONSIBILITY:

The Company is not required to constitute Corporate Social Responsibility Committee or spend on social responsibility pursuant to section 135 of the Companies Act, 2013.

31. MANAGEMENT DISCUSSION AND ANALYSIS REPORT:

The Report on Management Discussion and Analysis Report as required under SEBI Listing Regulations is included in this Report. Certain statements in the said report may be forward looking. Many factors may affect the actual results, which could be different from what the Directors envisage in terms of the future performance and outlook.

32. PARTICULARS OF EMPLOYEES AND RELATED DISCLOSURES :

Disclosures pertaining to remuneration and other details as required under Section 197 (12) of the Act read with Rule 5 (1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 is annexed herewith as **Annexure III**.

33. LISTING OF SHARES:

The Equity Shares of the Company are listed on the BSE Limited (BSE) with scrip code No. 513536 & security id: GNRL. The Company confirms that the annual listing fee to the stock exchange for the financial year 2017-18 has been paid.

34. ACKNOWLEDGEMENT:

Your Directors take this opportunity to express their gratitude for the generous commitment, dedication, hard work and significant contribution made by employees at all levels in ensuring growth of the Company. Your Directors also sincerely thank to all the stakeholders, customers, vendors, bankers, business associates, government, other statutory bodies and look forward to their continued assistance, co-operation and support.

Place: Ahmedabad
Date: 8th August, 2017

For and on behalf of the Board

Sd/-
Ashok C. Shah
Director
DIN: 02467830

Sd/-
Shalin A. Shah
Managing Director
DIN: 00297447

ANNEXURE I - MANAGEMENT DISCUSSION AND ANALYSIS REPORT**➤ INDUSTRIAL STRUCTURE AND DEVELOPMENT:**

The Company is engaged in the business of Oil & Gas exploration and production, and currently the company is carrying on these activities through its 100% step down subsidiaries. The company through its subsidiary GNRL Oil & Gas Limited (formerly Heramec Limited), has participating interests in 6 producing blocks in Cambay basin and is operator in four of these blocks.

The Company aims to get established as a leading player in upstream oil & gas asset developer and producer through implementation of efficient operations and advance technologies.

➤ OPPORTUNITY & THREATS:

Business conditions continue to be challenging. The industry has pushed technological boundaries but is under keener scrutiny and the frontiers are becoming even more remote. Rising costs are being driven both by cyclical factors and the end of “easy oil.”

The Company’s strategy is to:

- Look for strategic technical partners/institutions with proven credentials in developing unconventional resources.
- Evaluate and acquire assets with stranded resources.
- To access proven producing/non-producing asset through international/domestic bidding process or through mergers/acquisitions.
- To enhance value through efficient operations by greater reliance on local high caliber professionals and local services whilst maintaining international standards.
- To unlock value through application of advance technologies

➤ COMPETITION:

Competition in the domestic as well as international market has intensified and forced the players to adopt aggressive marketing strategy and promotional campaigns to capture and protect their market shares, The Company has the plans to penetrate better in to world market, especially through the customer retention and business development in the regions which have not been tapped.

➤ SEGMENT WISE AND PRODUCT WISE PERFORMANCE:

The Company is carrying out its operations in only one segment namely, oil and gas exploration.

➤ RISK AND CONCERN:

The risk management function is integral to the company and its objectives includes ensuring that critical risk are identified continuously, monitored and managed effectively in order to protect the company’s business. However, the changes in the tax laws, Government policies and regulatory requirement might affect the company’s business. The management has laid down robust risk management framework essential for identification, assessment, monitoring and mitigation of various risks to ensure smooth flow of operations adhering to stringent guidelines.

➤ INITIATIVES BY THE COMPANY:

The Company has taken the following initiatives:

1. Concentration on reduction of costs by undertaking specific exercise in different fields.
2. Focusing on modernization of process to improve quality and reduction of costs.
3. The Company is quite confident that the overall productivity, profitability would improve in a sustainable manner, as a result of this strategy.

➤ **OUTLOOK:**

The profit margins in the industry are under pressure. However, the Company has taken remedial measures. The Company is confident to meet the challenges with its strength in marketing network, its strategic planning, Research & Development, productivity improvement and cost reduction exercise.

➤ **INTERNAL CONTROL SYSTEMS AND THEIR ADEQUACY:**

The Management has established adequate Internal Control systems to ensure reliable financial reporting. Internal Controls also help in assessing, evaluating, safeguarding and shielding your Company from losses and unofficial use or deposition of assets. Your Company constantly refines and testifies its internal controls to ensure management effectiveness and efficiencies of operating procedures.

➤ **HUMAN RESOURCE:**

Your Company firmly believes that employees are the most valuable assets and key players of business success and sustained growth. Human resources are considered as the most significant and valuable asset for your Company and continuous commitment towards upgrading skills is a vital part of the human resource development programme of your Company.

➤ **HEALTH, SAFETY AND ENVIRONMENTAL PROTECTION**

Your Company focuses on protecting the interests of the environment, safeguarding the health and safety of employees and ensuring the sustainability of the business in line with your Company's objectives, policies, and the requirements of applicable laws and regulations. Your Company believes that a safety culture is central to taking safety to higher levels and its top management continuously works towards establishing, sustaining and improving the safety culture.

➤ **CEO AND CFO CERTIFICATION**

Mr. Shalin A. Shah, Managing Director, have given certificate to the board as contemplated in SEBI Listing Regulations.

➤ **CAUTIONARY STATEMENT**

The statements in the "Management Discussion and Analysis Report" section describes the Company's objectives, projections, estimates, expectations and predictions, which may be "forward looking statements" within the meaning of the applicable laws and regulations. The annual results can differ materially from those expressed or implied, depending upon the economic and climatic conditions, Government policies and other incidental factors.

Place: Ahmedabad
Date: 8th August, 2017

For and on behalf of the Board

Sd/-
Ashok C. Shah
Director
DIN: 02467830

Sd/-
Shalin A. Shah
Managing Director
DIN: 00297447

ANNEXURE – II TO THE DIRECTORS REPORT

FORM NO. MGT 9

EXTRACT OF ANNUAL RETURN

As on financial year ended on 31/03/2017

Pursuant to Section 92 (3) of the Companies Act, 2013 and rule 12(1) of the Company (Management & Administration) Rules, 2014.

I. REGISTRATION & OTHER DETAILS:

1	CIN	L27100GJ1991PLC016158
2	Registration Date	23 rd August, 1991
3	Name of the Company	Gujarat Natural Resources Limited
4	Category/Sub-category of the Company	Company limited by shares and Indian Non-Government Company
5	Address of the Registered office & contact details	8, Sigma Corporate, Nr. Mann Party Plot, S. G. High Way, Bodakdev, Ahmedabad, Gujarat Phone: 079 - 4002 9806
6	Whether listed company	Yes
7	Name, Address & contact details of the Registrar & Transfer Agent, if any.	Purva Sharegistry (India) Pvt. Ltd. Unit No.9, Shiv Shakti Ind. Area, J. R. Boricha Marg, Lower Parel (E) Mumbai - 400011. Email:- busicomp@gmail.com

II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY :

Business activities contributing 10 % or more of the total turnover of the company:

Sr. No.	Name and Description of main products / services	NIC Code of the Product/service	% to total turnover of the company
NA	NA	NA	NA

III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES -

Sr. No.	Name and address of the Company	CIN/GLN	Holding / Subsidiary / Associate	% of shares held	Applicable section
1	Sigma Oil & Gas Private Ltd.	U65999GJ2007PTC064693	Subsidiary	100%	2(87)(ii)
2	Gorlas Corporate Holdings Ltd.	NA	*	*	2(87)(ii)
3	GNRL Oil & Gas Ltd.	NA	*	*	2(87)(ii)
4	Heramec Oil & Gas (Singapore) Pte Ltd.	NA	*	*	2(87)(ii)
5	Alkor Petro Overseas Ltd.	NA	*	*	2(87)(ii)
6	Gorlas Global Energy PLC	NA	**	**	2(87)(ii)

* Companies in which 100% holding is with Sigma Oil & Gas Private Limited, a wholly owned subsidiary of the Company.

** Company in which 100% holding is with Gorlas Corporate Holdings Ltd., wholly owned subsidiary of Sigma Oil & Gas Private Limited which is a wholly owned subsidiary of the Company.

I. SHARE HOLDING PATTERN (EQUITY SHARE CAPITAL BREAKUP AS PERCENTAGE OF TOTAL EQUITY):

A) CATEGORY-WISE SHARE HOLDING

Category of Shareholders	No. of Shares held at the beginning of the year as on 31 st March, 2016			No. of Shares held at the end of the year as on 31 st March, 2017			% Change during the year	
	Demat	Physical	Total	% of Total Shares	Demat	Physical		Total
A. Promoters								
(1) Indian								
a) Individual/ HUF	756221	Nil	756221	1.95	756221	Nil	756221	1.95
b) Central Govt	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
c) State Govt(s)	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
d) Bodies Corp.	8498141	Nil	8498141	21.93	8498141	Nil	8498141	21.93
e) Banks / FI	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
f) Any other Foreign Individual	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
Total shareholding of Promoter (A)	92,54,362	Nil	9254362	23.88	9254362	Nil	9254362	23.88
B. Public Shareholding								
1. Institutions								
a) Mutual Funds	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
b) Banks / FI	0	800	800	0.00	0	800	800	0.00
c) Central Govt	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
d) State Govt(s)	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
e) Venture Capital Funds	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
f) Insurance Companies	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
g) FIs	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
h) Foreign Venture Capital Funds	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
i) Others (specify)	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
Sub-total (B)(1):-	0	800	800	0.00	0	800	800	0.00
2. Non-Institutions								
a) Bodies Corp.								

Annual Report 2016-17**Gujarat Natural Resources Limited**

i) Indian	22209341	10300	22219641	57.34	21913393	10300	21923693	56.57	(0.77)
ii) Overseas	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
b) Individuals									
i) Individual shareholders holding nominal share capital upto Rs. 1 lakh	761305	1486208	2247513	5.80	814706	1480908	2295614	5.92	0.12
ii) Individual shareholders holding nominal share capital in excess of Rs 1 lakh	4465930	104600	4570530	11.79	4444513	104600	4549113	11.74	(0.05)
c) Others (specify)NRI/OCB									
OTHERS									
Non Resident Indians	101624	Nil	101624	0.26	104858	Nil	104858	0.27	0.01
Overseas Corporate Bodies	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
Foreign Nationals	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
Clearing Members	3904	Nil	3904	0.01	409634	Nil	409634	1.06	1.05
Hindu Undivided Family	353271	Nil	353271	0.91	213571	Nil	213571	0.55	(0.36)
Foreign Bodies - D R	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
Sub-total (B)(2):-	27895375	1601108	29496483	76.12	27900675	1595808	29496483	76.12	Nil
Total Public Shareholding (B)= (B)(1)+ (B)(2)	27895375	1601908	29497283	76.12	27900675	1596608	29497283	76.12	Nil
C. Shares held by Custodian for GDRs & ADRs	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
Grand Total (A+B+C)	37149737	1601908	38751645	100	37155037	1596608	38751645	100	Nil

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Gujarat Natural Resources Limited

B) SHAREHOLDING OF PROMOTER-

Sr. no.	Shareholder's Name	No. of Shares held at the beginning of the year as on 31 st March, 2016			No. of Shares held at the end of the year as on 31 st March, 2017			% change in shareholding during the year
		No. of Shares	% of total Shares of the co.	% of Shares Pledged / encumbered to total shares	No. of Shares	% of total Shares of the co.	% of Shares Pledged / encumbered to total shares	
1	Pranathi Constructions Pvt. Ltd.	3,940,570	10.17	Nil	3,940,570	10.17	Nil	Nil
2	Tiw Systems Private Limited	1,555,000	4.01	Nil	1,555,000	4.01	Nil	Nil
3	Advanced Energy Resources and Management Private Limited	530,000	1.37	Nil	530,000	1.37	Nil	Nil
4	Shree Ghantakarna Rolling Mills Private Limited	505,000	1.30	Nil	505,000	1.30	Nil	Nil
5	Tanya Estates Private Limited	350,000	0.90	Nil	350,000	0.90	Nil	Nil
6	Infinium Natural Resources Investment Private Limited	300,000	0.77	Nil	300,000	0.77	Nil	Nil
7	Infinium Motors Private Limited	1,000,000	2.58	Nil	1,000,000	2.58	Nil	Nil
8	Lesha Industries Limited	298,900	0.77	Nil	298,900	0.77	Nil	Nil
9	Ashok Chinubhai Shah	125,100	0.32	Nil	125,100	0.32	Nil	Nil
10	Malav Ajitbhai Mehta	48,000	0.12	Nil	48,000	0.12	Nil	Nil
11	Ilesh Infracap Private Limited	18,671	0.05	Nil	18,671	0.05	Nil	Nil
12	Leena Ashok Shah	9,700	0.03	Nil	9,700	0.03	Nil	Nil
13	Mehta Jayshree Ajitbhai	8,421	0.02	Nil	8,421	0.02	Nil	Nil
14	Payal Shalin Shah	565,000	1.46	Nil	565,000	1.46	Nil	Nil

C) CHANGE IN PROMOTERS' SHAREHOLDING (PLEASE SPECIFY, IF THERE IS NO CHANGE)

There is no change in promoters' shareholding during the year.

**D) SHAREHOLDING PATTERN OF TOP TEN SHAREHOLDERS AS ON 31ST MARCH, 2017:
(OTHER THAN DIRECTORS, PROMOTERS AND HOLDERS OF GDRS AND DRIS):**

Sr. no.	For Each of the Top 10 Shareholders	Shareholding at the beginning of the year		Increase / Decrease	Reason	Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company			No. of shares	% of total shares of the company
1	Algorab Power Projects Pvt. Ltd.	3,857,145	9.95	-	-	3,857,145	9.95
2	Patron Energy Private	3,801,570	9.81	-	-	3,801,570	9.81
3	Padma Real Infra Private	2,171,000	5.60	-	-	2,171,000	5.60
4	Blowing Traders Private Limited	2,149,986	5.55	-	-	2,149,986	5.55
5	Deven Mahendrakumar Shah	1,870,000	4.83	-	-	1,870,000	4.83
6	Midrina Oil And Gas Services Private Limited	1,565,000	4.04	-	-	1,565,000	4.04
7	Shaurya Organics Private Limited	1,555,000	4.01	-	-	1,555,000	4.01
8	Suryaja Infrastructure Pvt.	1,555,000	4.01	-	-	1,555,000	4.01
9	Rhetan Estate Private	1,500,000	3.87	-	-	1,500,000	3.87
10	Milan Grafitech Private Limited	1,075,437	2.78	-	-	1,075,437	2.78

E) SHAREHOLDING OF DIRECTORS AND KEY MANAGERIAL PERSONNEL:

Sr. No.	Shareholding of each Directors and each Key Managerial Personnel	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
1	Mr. Ashok Chinubhai Shah				
2	At the beginning of the year	125,100	0.32	125,100	0.32
3	Date wise Increase / Decrease in Promoters Shareholding during the year specifying the reasons for increase /decrease (e.g. allotment / transfer / bonus/ sweat equity etc.):	No Change during the year			
4	At the end of the year	125,100	0.32	125,100	0.32
5	Mr. Malav Mehta				
6	At the beginning of the year	48,000	0.12	48,000	0.12
7	Date wise Increase / Decrease in Promoters Shareholding during the year specifying the reasons for increase /decrease (e.g. allotment /	No Change during the year			

	transfer / bonus/ sweat equity etc.):				
8	At the end of the year	48,000	0.12	48,000	0.12
9	Mr. Hariyant Shelat				
10	At the beginning of the year	4,000	0.01	4,000	0.01
11	Date wise Increase / Decrease in Promoters Shareholding during the year specifying the reasons for increase /decrease (e.g. allotment / transfer / bonus/ sweat equity etc.):	No Change during the year			
12	At the end of the year	4000	0.01	4000	0.01

None of the directors apart from above and Company Secretary hold any shares in the Company.

V. INDEBTEDNESS –

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

(in Rs.)

	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
Indebtedness at the beginning of the financial year				
i) Principal Amount	0.00	2,04,53,505.60	0.00	2,04,53,505.60
ii) Interest due but not paid	0.00	0.00	0.00	0.00
iii) Interest accrued but not due	0.00	0.00	0.00	0.00
Total (i+ii+iii)	0.00	2,04,53,505.60	0.00	2,04,53,505.60
Change in Indebtedness during the financial year				
* Addition	0.00	0.00	0.00	0.00
* Reduction	0.00	0.00	0.00	0.00
Net Change	0.00	0.00	0.00	0.00
Indebtedness at the end of the financial year				
i) Principal Amount	0.00	2,04,53,505.60	0.00	2,04,53,505.60
ii) Interest due but not paid	0.00	0.00	0.00	0.00
iii) Interest accrued but not due	0.00	0.00	0.00	0.00
Total (i+ii+iii)	0.00	2,04,53,505.60	0.00	2,04,53,505.60

VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL-

A. REMUNERATION TO MANAGING DIRECTOR, WHOLE-TIME DIRECTORS AND/OR MANAGER:

(in Lacs)

Sr. No.	Particulars of Remuneration	Name of MD/WTD/ Manager	Total Amount
	Name of Director	Shalin A. Shah MD	----
1	Gross salary		
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	18.00	18.00
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	NIL	NIL
	(c) Profits in lieu of salary under section 17(3) Income- tax Act, 1961	NIL	NIL
2	Stock Option	NIL	NIL
3	Sweat Equity	NIL	NIL
4	Commission - as % of profit - others, specify...	NIL	NIL
5	Others, please specify 1. PF Contribution 2. Gratuity Accrued for the year (Payable at Retirement/resignation)	NIL NIL	NIL NIL
	Total (A)	18.00	18.00
	Ceiling as per the Companies Act 2013	3.71	3.71

B. REMUNERATION TO OTHER DIRECTORS

Sr. No.	Particulars of Remuneration	Name of Directors	Total Amount
1	Independent Directors	NIL	
	Fee for attending board committee meetings		
	Commission		
	Others, please specify		
	Total (1)		
2	Other Non-Executive Directors	NIL	
	Fee for attending board committee meetings		
	Commission		
	Others, please specify		
	Total (2)		
	Total (B)=(1+2)	NIL	NIL
	Total Managerial Remuneration		
	Overall Ceiling as per the Companies Act 2013		0.74

C. REMUNERATION TO KEY MANAGERIAL PERSONNEL OTHER THAN MD/MANAGER/WTD

Sr. No.	Particulars of Remuneration	Key Managerial Personnel	
		CS	Total
1	Gross salary		
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	3.90	3.90
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	Nil	Nil
	(c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961	Nil	Nil
2	Stock Option	Nil	Nil
3	Sweat Equity	Nil	Nil
4	Commission	Nil	Nil
	- as % of profit	Nil	Nil
	others, specify...	Nil	Nil
5	Others, please specify	Nil	Nil
	Total	3.90	3.90

VII. PENALTIES / PUNISHMENT/ COMPOUNDING OF OFFENCES:

Type	Section of the Companies Act	Brief Description	Details of Penalty / Punishment/ Compounding fees imposed	Authority [RD / NCLT/ COURT]	Appeal made, if any (give Details)
A. COMPANY					
Penalty			NONE		
Punishment					
Compounding					
B. DIRECTORS					
Penalty			NONE		
Punishment					
Compounding					
C. OTHER OFFICERS IN DEFAULT					
Penalty			NONE		
Punishment					
Compounding					

Place: Ahmedabad
Date: 8th August, 2017

For and on behalf of the Board

Sd/-
Ashok C. Shah
Director
DIN: 02467830

Sd/-
Shalin A. Shah
Managing Director
DIN: 00297447

ANNEXURE-III TO THE DIRECTORS REPORT**1. Details pertaining to remuneration as required under Section 197(12) of the Companies Act, 2013 read with Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014:**

- i. The ratio of the remuneration of each Director to the Median Remuneration of the Employees of the Company for the Financial Year 2016-17 and
- ii. The percentage increase in remuneration of each Director, Chief Financial Officer, Chief Executive Officer, Company Secretary or Manager, if any, in the Financial Year

Sr. No.	Name of Director/KMP and its Designation	Remuneration to the Director / KMP for the Financial Year 2016 – 17 (Rs. In Lacs)	Percentage increase / decrease in remuneration in the Financial Year 2016 - 17	Ratio of Remuneration of each Director to the Median Remuneration of Employees
1	Mr. Shalin A. Shah Managing Director	18	33.33%	6:1
2	Ms. Sheetal G. Pandya Company Secretary & Compliance Officer	3.90	Nil	1.3:1

- iii. Median Remuneration of Employees (MRE) of the Company is ₹ 3.00 Lacs for the Financial Year 2016-17. There was no increase in the remuneration during the year.
 - iv. The number of permanent employees on the rolls of the Company is seven for the year ended 31st March, 2017.
 - v. The remuneration of the Key Managerial Personnel (KMP) is in line with the performance of the company.
 - vi. The Market Capitalization as on, 31st March, 2017 was ₹ 136.21 crores as compared to ₹ 217.01 crores as on March 31, 2016. Price Earnings Ratio of the Company increased to 319.55 as on 31st March, 2017 as against (622.22) as on 31st March, 2016.
 - vii. Average percentage increase made in the salaries of employees other than the managerial personnel in the last Financial Year was Nil. Average percentage increase made in the salary of the managerial personnel in the last Financial Year was 33.33%. The increase in remuneration is determined based on the performance by the employees of the Company.
 - viii. The remuneration of each of the Key Managerial Personnel is given in (i) and (ii) above. The performance of the Company, in comparison, is as stated in (v) above.
 - ix. There is no variable component in remuneration of Directors of the Company.
 - x. The ratio of the remuneration of the highest paid director to that of the employees who are not directors but receive remuneration in excess of the highest paid director during the year — None.
 - xi. It is hereby affirmed that the remuneration paid is as per the Remuneration Policy of the Company.
- 2. There were no employees covered under rule 5(2) of the Companies (Appointment and Remuneration) Rules, 2014**

Place: Ahmedabad
Date: 8th August, 2017

For and on behalf of the Board

Sd/-
Ashok C. Shah
Director
DIN: 02467830

Sd/-
Shalin A. Shah
Managing Director
DIN: 00297447

ANNEXURE – IV TO THE DIRCTORS REPORT**FORM NO. MR-3****SECRETARIAL AUDIT REPORT**FOR THE FINANCIAL YEAR ENDED 31ST MARCH, 2017

[Pursuant to section 204(1) of the Companies Act, 2013 and rule No. 9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014]

To,
The Members,
Gujarat Natural Resources Limited.

I have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by **Gujarat Natural Resources Limited** (CIN: L27100GJ1991PLC016158) having its registered office at **8, Sigma Corporate, Nr. Mann Party Plot, S. G. High Way, Bodakdev Ahmedabad**. Secretarial Audit was conducted in a manner that provided me a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing my opinion thereon.

Based on my verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, I hereby report that in my opinion, the Company has, during the audit period covering the financial year ended on 31st March, 2017 complied with the statutory provisions listed hereunder and also that the Company has proper Board processes and compliance mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

I have examined the books, papers, minute books, forms and returns filed and other records maintained by **Gujarat Natural Resources Limited** (the Company) for the financial year ended on 31st March, 2017 according to the provisions of:

- I. The Companies Act, 2013 (the Act) and the rules made thereunder;
- II. The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder;
- III. The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;
- IV. Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings;
- V. The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):-
 - (a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
 - (b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992;
 - (c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009;
 - (d) The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999;
 - (e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008;
 - (f) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;
 - (g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009; and
 - (h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998;

- (i) Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015;

I have also examined compliance with the applicable clauses of the following:

- (i) Secretarial Standards issued by The Institute of Company Secretaries of India.
(ii) The Listing Agreements entered into by the Company with Bombay Stock Exchange.
(iii) Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015;

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

- A) The Company has maintained a Register of Directors' Attendance as prescribed in the Secretarial Standards.
B) The Directors have signed against their respective names after the meeting has been held.
C) The Company had received four proxy forms for the Annual General Meeting for the financial year ended 31st March, 2016.
D) The Company has complied with requirements of at least one-third of the total number of directors as independent directors as stated in Regulation 17 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.
E) The Company has complied with the of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.
F) The Company has obtained all necessary approvals under the various provisions of the Act;
G) There was no prosecution initiated and no fines or penalties were imposed during the year under review under the Act, SEBI Act, SCRA, Depositories Act, Listing Agreement and Rules, Regulations and Guidelines framed under these Acts against / on the Company, its Directors and Officers.

I further report that

The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors.

Adequate notice is given to all directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent at least seven days in advance, and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.

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

The following mentioned observations are made:

- A) The Directors have complied with the requirements as to disclosure of interests and concerns in contracts and arrangements, shareholdings and directorships in other companies and interests in other entities;
B) The Directors have complied with the disclosure requirements in respect of their eligibility of appointment, their being independent and compliance with the Code of Business Conduct and ethics for Directors and Management Personnel;

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

I further report that during the audit period, the Company has no other major / specific events, actions having a major bearing on the Company's affairs in pursuance of the above referred laws, rules, regulations, guidelines, standards, etc. referred to above viz.

- i. Public/Right/Preferential issue of shares / debentures/sweat equity etc.
ii. Redemption / buy-back of securities

- iii. Merger / amalgamation / reconstruction etc.
- iv. Foreign technical collaborations.

The members of the Company have passed the following Special Resolutions in the Annual General Meeting of the Company held on 30/09/2016 for:

- i. To approve investment limit up to Rs. 100 crores.

Place : Ahmedabad
Date : 8th August, 2017

For, Patel & Associates
Company Secretaries

Sd/-
Chintan K. Patel
Partner
Mem. No. A31987
COP No. 11959

ANNEXURE - A to the Secretarial Audit Report

To,
The Members,
Gujarat Natural Resources Limited
Our report of even date is to be read along with this letter.

1. The Management of the company is responsible for maintenance of secretarial records, devise proper system to ensure compliance with the provisions of all applicable laws and regulations and to ensure that the systems are adequate and operate effectively.
2. Our responsibility is to express an opinion on these secretarial records and procedures followed by the company with respect to Secretarial Compliances.
3. We have followed the audit practices and process as were appropriate to obtain reasonable assurance about the correctness of the contents of the Secretarial records. The verification was done on test basis to ensure that correct facts are reflected in secretarial records. We believe that the processes and practices, we followed provide a reasonable basis for our opinion.
4. We have not verified the correctness and appropriateness of financial records and Books of Accounts of the company.
5. Wherever required, we have obtained the Management representation about the compliance of laws, rules and regulations and happening of events etc.
6. The compliance of the provisions of corporate and other applicable laws, rules, regulations, standards is the responsibility of management. Our examination was limited to the verification of procedures on test basis.
7. The secretarial Audit Report is neither an assurance as to the future viability of the company nor of the efficacy of effectiveness with which the management has conducted the affairs of the company.

Place: Ahmedabad
Date: 8th August, 2017

For, Patel & Associates
Company Secretaries

SD/-
Chintan K. Patel
Partner
Mem. No.: A31987
COP No.: 11959

ANNEXURE V – TO THE DIRECTOR REPORT**REPORT ON CORPORATE GOVERNANCE****COMPANY'S PHILOSOPHY ON CORPORATE GOVERNANCE**

Corporate Governance is a set of systems and practices to ensure that the operations of the Company are being managed in a way which ensures fairness, integrity, transparency and accountability in its dealings with its customers, stakeholders, dealers, lenders, government and employees. Your Company believes that Corporate Governance is not simply a matter of creating checks and balances; it is about creating an outperforming organisation, which leads to increasing employee and customer satisfaction. Company has guiding principles laid out through its Code of business conduct, duly adopted by directors and senior management personnel which have been posted on website of Company (www.gnrl.in).

1. BOARD OF DIRECTORS:➤ **Composition of the Board of Directors**

The Company's policy is to maintain optimum combination of Executive and Non-Executive Directors. The composition of the Board and category of Directors are as follows:

Name of Director	Category	Designation
Mr. Ilesh Shah (From 23.01.2010 till 16.06.2017)	Promoter, Non Executive Director	Chairman
Mr. Shalin A. Shah	Promoter, Executive Director	Managing Director
Mr. Ashok C. Shah	Promoter, Non Executive Director	Director
Mr. Malav Mehta	Promoter, Non Executive Director	Director
Mr. Pravinbhai V. Trivedi	Independent, Non Executive Director	Director
Ms. Sarika A. Kulkarni	Independent, Non Executive Director	Director
Mr. Hariyant C. Shelat	Independent, Non Executive Director	Director
Mr. Dhiren S. Bhatt (From 08.01.2016 to 10.08.2016)	Independent, Non Executive Director	Director
Ms. Payal V. Makani (From 14.02.2017)	Independent, Non Executive Director	Director

➤ **Number of Board Meetings and Attendance of Directors:**

During the financial year 2016-17, 4 (Four) Board Meetings were held on **30/05/2016, 13/08/2016, 14/11/2016 and 14/02/2017**.

The composition of Directors and the attendance at the Board Meeting during the year 2016-2017 and last Annual General Meeting are as under:

Name of Director	Category	No. of other Directorship held	Membership of Board Committees		No. Of Board Meetings Attended	Attendance at last AGM
			Chairman	Member		
Mr. Ilesh Shah	Chairman	11	--	--	3	Yes
Mr. Shalin A. Shah	Managing Director	5	--	1	3	Yes
Mr. Hariyant C. Shelat	Director	2	1	2	4	Yes
Mr. Ashok C. Shah	Director	5	--	2	4	No
Mr. Malav Mehta	Director	19	--	--	4	No

Mr. Pravinbhai V. Trivedi	Director	None	2	1	4	No
Ms. Sarika A. Kulkarni	Director	None	--	--	4	Yes
Mr. Dhiren Bhatt	Director	1	--	--	1	N.A.
Ms. Payal Makani	Director	1	--	--	N.A.	N.A.

2. BOARD COMMITTEES:

As per the requirement of the Companies Act, 2013 read with Rules and SEBI Listing Regulations, various Board committees have been formed for better governance and accountability viz. Audit Committee, Nomination and Remuneration Committee, Stakeholders' Relationship Committee.

The terms of reference of each committee are determined by the Board as per the requirement of law and their relevance is reviewed from time to time.

A. AUDIT COMMITTEE:

As a measure of good Corporate Governance and to provide assistance to the Board of Directors in fulfilling the Board's responsibilities, an Audit Committee had been constituted by the Board. The terms of reference of this committee covers matters specified under Regulation 18 of SEBI Listing Regulations and Section 177 of the Companies Act, 2013 and other matters referred by the Board from time to time. Committee lays emphasis on adequate disclosures and compliance with all relevant statutes.

The Statutory Auditors, Internal Auditors and other relevant Senior Management persons are invited to attend the meetings of Audit Committee. Mr. Hariyant Shelat, Chairman of the Audit Committee, was present at the last Annual General Meeting held on September 30, 2016. The Company Secretary acts as Secretary to the Committee.

Main areas are deliberated as under.

- To provide an open avenue of communication between the independent auditors, internal auditors and the Board of Directors (BOD).
- To oversee the work of the independent auditors for the purpose of preparing or issuing an audit report or related work.
- Relying on the review and discussions with the management and the independent auditor, the Audit Committee believes that the Company's financial statements are fairly presented in conformity with Generally Accepted Accounting Principles in all material aspects.
- To consider and review the adequacy of internal control including computerized information system controls, periodically to the Board of Directors on significant activities.

The Constitution of the committee and the attendance of each member of the committee is given below:

Name	Designation	Category
Mr. Hariyant Shelat	Chairman	Non-Executive Independent Director
Mr. Ashok C. Shah	Member	Non-Executive Director
Mr. Pravin V Trivedi	Member	Non-Executive Independent Director

Attendance of each member of the committee:

Committee Members	Meetings held	Meetings attended
Mr. Hariyant Shelat	4	4
Mr. Ashok C. Shah	4	4
Mr. Pravin V. Trivedi	4	4

B. NOMINATION AND REMUNERATION COMMITTEE:

Pursuant to the provisions of Section 178 of the Companies Act, 2013 and Regulation 19 of SEBI Listing Regulations, the Board of Directors of the Company constituted "Nomination and Remuneration Committee".

The terms of reference of the Nomination and Remuneration Committee are wide enough to cover the matters prescribed under the provisions of 178 of the Companies Act, 2013 and SEBI Listing Regulations.

Composition of committee as on 31st March, 2017 and member's attendance at the meetings during the year are as under:

Name	Designation	Category
Mr. Pravin V Trivedi	Chairman	Non-Executive Independent Director
Mr. Ashok C. Shah	Member	Non-Executive Director
Mr. Hariyant Shelat	Member	Non-Executive Independent Director

Attendance of each member of the committee:

Committee Members	Meetings held	Meetings attended
Mr. Pravin V Trivedi	1	1
Mr. Ashok C. Shah	1	1
Mr. Hariyant Shelat	1	1

Policy on Directors' Appointment and Remuneration

A transparent, fair and reasonable process for determining the appropriate remuneration at all levels of the Company is required to ensure that shareholders remain informed and confident in the management of the Company. To harmonize the aspirations of human resources consistent with the goals of the Company and in terms of the provisions of the Companies Act, 2013 and the rules made thereunder and the Listing Agreement as amended from time to time, policy on nomination and remuneration of Directors on the Board of the Company, Key Managerial Personnel and other employees in the Senior Management is formulated.

The objective of the Policy is to outline a framework to ensure that the Company's remuneration levels are aligned with best industry practices and are good enough to attract and retain competent Directors on the Board, Key Managerial Personnel and Senior Management Personnel of the quality required.

1.1 Appointment criteria and qualifications

- a) A person who is proposed to be appointed as Director of the Company should be eligible to be appointed as Director and must hold Director Identification Number issued by the Central Government and possess such qualification, expertise and experience as prescribed under the Act.
- b) Without prejudice to generality of the above, a person who is proposed to be appointed as an Independent Director shall also be subject to compliance of provisions of Section 149(6).
- c) KMP or Senior Management personnel shall have adequate qualification, expertise and experience in the relevant field for which the appointment is proposed to be made.
- d) The Committee has discretion to decide whether qualification, expertise and experience possessed by a person is sufficient / satisfactory for the concerned position.

1.2 Term / Tenure

- a) Managing Director/Whole-time Director/Manager (Managerial Personnel)
The Company shall appoint or re-appoint any person as its Managerial Personnel for a term not exceeding five years at a time. No re-appointment shall be made earlier than one year before the expiry of term.
- b) Independent Director

- An Independent Director shall hold office for a term of up to five consecutive years on the Board of the Company and will be eligible for reappointment on passing of a special resolution by the Company and disclosure of such appointment in the Board's report.

- No Independent Director shall hold office for more than two consecutive terms, but such Independent Director shall be eligible for appointment after expiry of three years of ceasing to become an Independent Director. Provided that an Independent Director shall not, during the said period of three years, be appointed in or be associated with the Company in any other capacity, either directly or indirectly.

1.3 Evaluation

The Committee shall carry out evaluation of performance of every Director, KMP and Senior Management Personnel at such interval as deemed fit.

1.4 Removal

The Committee may recommend the Board for removal of a Director, KMP or Senior Management Personnel for reasons recorded in writing. The Procedure for removal of any Director shall be as per the provisions of the Act in this regard.

2.1 Remuneration Policy

- The remuneration / compensation / commission etc. to the Managerial Personnel will be determined by the Committee and recommended to the Board for approval which shall be subject to the prior/post approval of the shareholders of the Company and Central Government, wherever required.
- The remuneration and commission to be paid to the Managerial Personnel shall be in accordance with the percentage / slabs / conditions as per the provisions of the Act.
- Increments to the existing remuneration / compensation structure may be recommended by the Committee to the Board which should be within the limits approved by the Shareholders in the case of Managerial Personnel.

Criteria for Performance Evaluation of Independent Directors. The Criteria for performance evaluation of Independent Directors is disclosed in the Board's Report.

Details of Remuneration paid to Directors during the year:

A. Executive Directors

The remuneration paid to Directors during the financial year ended 31st March, 2017 is as follows:

Mr. Shalin A. Shah (MD) Rs. 18 Lacs.

B. Non Executive Directors

No sitting fees have been paid to Non – Executive Directors for attending any meetings during the financial year ended 31st March, 2017.

C. STAKEHOLDERS' RELATIONSHIP COMMITTEE:

Pursuant to the provisions of Section 178 of the Companies Act, 2013 and Regulation 20 of SEBI Listing Regulations, the Company has constituted "Stakeholders Relationship Committee".

Composition of committee as on 31st March, 2017 and member's attendance at the meetings during the year are as under:

Name	Designation	Category
Mr. Pravin V Trivedi	Chairman	Non-Executive Independent Director
Mr. Shalin A. Shah	Member	Executive Director
Mr. Hariyant Shelat	Member	Non-Executive Independent Director

Attendance of each member of the committee:

Committee Members	Meetings held	Meetings attended
-------------------	---------------	-------------------

Mr. Pravin V Trivedi	4	4
Mr. Shalin A. Shah	4	3
Mr. Hariyant Shelat	4	4

Ms. Sheetal G. Pandya, Company Secretary is the Compliance Officer of the Company.

No. of Shareholders' complaints pending: 1

No. of Shareholders' complaints received so far: 1

No. of complaints not solved to the satisfaction of shareholders: Nil

No. of pending complaints: Nil

3. INDEPENDENT DIRECTORS:

The selection of eminent people for appointment as Independent Directors on the Board is considered by the Nomination and Remuneration Committee. The Committee, *inter alia*, considers qualification, positive attributes; area of expertise and number of Directorships and Memberships held in various committees of other companies by such person and recommend the same to the Board. The Board considers the Committee's recommendation and takes appropriate decision.

As per requirements under the SEBI Listing Regulations, the Company undertook familiarization Programme for Independent Directors in order to familiarize them with business model, management structure, product portfolio, Industry overview, manufacturing operations, internal control system and processes, risk management framework, functioning of various divisions, HR Management etc.

During the year under review, the Independent Directors met on March 24, 2017, inter alia, to discuss:

- * Evaluation of the performance of Non Independent Directors and the Board of Directors as a whole;
- * Evaluation of the performance of the Chairman, taking into account the views of the Executive and Non-Executive Directors;
- * Evaluation of quality, content and timelines of flow of information between the Management and the Board that is necessary for the Board to effectively and reasonable perform its duties.

All Independent Directors were present at the Meeting.

The policy on familiarization Programme for Independent Directors has been uploaded on the Company's website at the following link-

http://gnrl.in/Familiarization_Programme_for_Independent_Directors.pdf

4. SHAREHOLDING OF NON-EXECUTIVE NON-PROMOTER DIRECTORS

Mr. Hariyant Shelat, Independent Director holds 4000 equity shares in the Company.

5. DISCLOSURE OF RELATIONSHIPS BETWEEN DIRECTORS INTER-SE

Mr. Ashok C. Shah, Non-Executive Director is the father of Mr. Shalin A. Shah, Managing Director. No other Director of the Company is related to any other Director.

6. POSTAL BALLOT:

During the year, the Company had not sought approval from the shareholders through Postal Ballot. The Company had provided e-voting facility at the time of Annual General Meeting for the year ended 31st March, 2016. The Company had appointed Ms. Patel & Associates, Company Secretaries to act as Scrutinizer for the entire e-voting process.

7. ANNUAL GENERAL MEETINGS

Details of last three AGMs held-

Year	Date	Time	Venue	No. of Special Resolutions passed
2013-14	30th September,	11:00 a.m.	8, Sigma Corporate, Nr. Mann Party Plot,	---

	2014		S. G. Highway, Ahmedabad – 380 059	
2014-15	30th September, 2015	11:00 a.m.	8, Sigma Corporate, Nr. Mann Party Plot, S. G. Highway, Ahmedabad – 380 059	3
2015-16	30th September, 2016	12:00 noon	8, Sigma Corporate, Nr. Mann Party Plot, S. G. Highway, Ahmedabad – 380 059	1

No Resolutions were put through postal ballot.

Resolutions were passed through E-voting and poll at the Annual General Meeting for the financial year ended on 31st March, 2014, 31st March, 2015 and 31st March, 2016.

8. DEMAT / REMAT OF SHARES

Details of Shares Dematerialized / Rematerialized during the last financial year is as below:

a)	Number of Demat requests approved	20
b)	Number of Shares Dematerialized	5300
c)	Percentage of Shares Dematerialized	0.014%
d)	Number of Remat requests approved	Nil
e)	Number of Shares Rematted	Nil

Representatives of the Company are constantly in touch with M/s. Purva Sharegistry (India) Pvt. Ltd., Share Transfer Agents of the Company and review periodically the outstanding matters.

9. DISCLOSURES:

- There are no materially significant related party transactions that may have potential conflict with the interest of the Company at large
- There were no instances of non-compliance nor have any penalties/strictures imposed by Stock Exchanges or SEBI or any other statutory authority on any matters related to capital market, during last 3 financial years.
- Whistle Blower Policy
In terms of SEBI Listing Regulations, the Company has established vigil mechanism for directors, employees and other stakeholders to report concerns about unethical behavior, actual or suspected fraud or violation of the Company's code of conduct or ethical policy.
(www.gnrl.in/Whistle_Blower_Policy.pdf)
- The Company has also adopted Policy for determining material subsidiaries (www.gnrl.in/Policy_on_Material_Subsidiaries.pdf) and policy on dealing with related party transactions (www.gnrl.in/Related_Party_Transaction_Policy.pdf)
- Details of Compliance with Mandatory requirements and adoption of Non-mandatory requirements of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirement) Regulations, 2015.

Mandatory requirements:

The Company complies with all the mandatory requirements of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirement) Regulations, 2015, with regard to corporate governance.

Non-Mandatory requirements:

- Office for non-executive Chairman at company's expense: No
- Half-yearly declaration of financial performance to each household of shareholders: Not complied
- Audit Qualifications: Complied as there are no audit qualifications
- Separate posts of Chairman & CEO: Not applicable
- Reporting of Internal Auditors directly to Audit Committee: Complied

10. MEANS OF COMMUNICATION:

Board of Directors approves and takes on record Unaudited Quarterly Results and Audited Annual Results in the prescribed form and announces forthwith the results and intimate to the Bombay Stock Exchange Ltd. where the Company's shares are listed. The results are also published in two newspapers, one in English and the other in Regional Language.

11. ADDITIONAL INFORMATION TO SHAREHOLDERS**a. Annual General Meeting:****Date:** 29th September, 2017**Time:** 12.00 noon**Address:** 8, Sigma Corporate, Nr. Mann Party Plot, S. G. Highway, Ahmedabad – 380 054**Dividend payment date:** Within the statutory time limit of 30 days, subject to Shareholders' approval.**b. Calendar of Financial Year ended 31st March, 2017**

The meetings of Board of Directors for approval of quarterly financial results during the Financial Year ended 31st March, 2017 were held on the following dates:

First Quarter Results: 13th August, 2016**Second Quarter and Half yearly Results:** 14th November, 2016**Third Quarter Results:** 14th February, 2017**Fourth Quarter and Annual Results:** 25th May, 2017**c. Tentative Calendar for financial year ending 31st March, 2018**

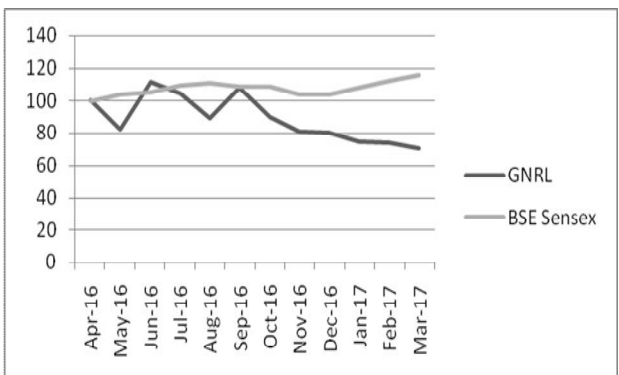
Unaudited Results for the quarter ended 30/06/2017	Second Week of September, 2017
Unaudited Results for the quarter ended 30/09/2017	Second Week of December, 2017
Unaudited Results for the last quarter ended 31/12/2017	Second Week of February 2018
Audited Results for the quarter ended 31/03/2018	Fourth Week of May 2018
Annual General Meeting for the year ending 31 st March, 2018	September, 2018

d. Date of Book Closure23rd September, 2017 to 29th September, 2017 (both days inclusive) for Annual General Meeting.**e. Regd. Office**

8, Sigma Corporate, Nr. Mann Party Plot, S. G. Highway, Ahmedabad – 380 054.

f. Equity shares of the Company are listed on BSE Limited Stock Exchange.**g. Scrip Code:- 513536 (BSE), Scrip ID: GNRL, ISIN : INE207H01018****h. Stock Market Data (in ₹ / Per Share)**

Month	Market Price of Share of GNRL at BSE	
	Month's High	Month's Low
April, 2016	56.10	50.00
May, 2016	51.40	41.00
June, 2016	55.75	37.75
July, 2016	74.40	52.35
August, 2016	55.00	43.10
September, 2016	54.20	37.05
October, 2016	59.40	41.10
November, 2016	49.90	38.50
December, 2016	43.00	37.65
January, 2017	41.75	35.95
February, 2017	40.60	35.15
March, 2017	38.45	32.50

Indicative Comparison of Market Price Equity Share of GNRL with BSE Sensex

i. Share Transfer System

Applications for transfer of shares held in physical form are received at the office of the Registrars and Share Transfer Agents of the Company, Purva Sharegistry (India) Pvt. Ltd. All valid transfers are processed within 15 days from the date of receipt

j. Distribution of Shareholding as on 31st March, 2017 is as under:

Slab of Shareholdings	No. of Shareholders	% of Shareholders	No. of Shares	Amount (in ₹)	% of Capital
1-500	5644	86.37	1131210	11312100	2.92
501-1000	456	6.98	389007	3890070	1.00
1001-2000	160	2.45	241931	2419310	0.62
2001-3000	56	0.86	144139	1441390	0.37
3001-4000	33	0.50	118398	1183980	0.31
4001-5000	25	0.38	114887	1148870	0.30
5001-10000	49	0.75	358432	3584320	0.92
10001 and above	112	1.71	36253641	362536410	93.55
TOTAL	6535	100.00	38751645	387516450	100.00

k. Dematerialization of Shares and liquidity

The shares of the company are permitted for demat on NSDL and CDSL

Issued, Subscribed and Paid up Capital as on March 31, 2017	:	38751645
A. Electronic Holding in NSDL	:	12931182
B. Electronic Holding in CDSL	:	24223855
C. Physical Holding	:	1596608

l. Outstanding GDRs / ADRs / Warrants or Conversion instruments, Conversion date and like impact on equity- Not applicable**m. Investors' correspondence:**

For transfer / dematerialization of shares, Change of Address, Change in Status of investors, payment of dividend on shares and other query relating to the shares of the Company:

Purva Sharegistry (India) Pvt. Ltd. (Unit : Gujarat Natural Resources Limited)

Shiv Shakti Industrial Estates, Unit No. 9, J. R. Boricha Marg, Lower Parel (E), Mumbai – 400 011.

n. Share Transfer System

Shares in physical form sent for registering transfer, to the Registrar and Shares Transfer Agents, Purva Sharegistry (India) Pvt. Ltd. are registered and returned within a period of 15 days from the date of receipt, if the documents are in order in all respects. The Share Transfer Committee of the Company meets as often as required.

o. There are no shares lying in the demat suspense account or unclaimed suspense account.

Place: Ahmedabad

Date: 8th August, 2017

For and on behalf of the Board

Sd/-
Ashok C. Shah
Director
DIN: 02467830

Sd/-
Shalin A. Shah
Managing Director
DIN: 00297447

DECLARATION

All Board Members and Senior Management personnel have affirmed compliance with the code of conduct for Directors and Senior Management as approved by the Board for the financial year 2016-17.

**Place: Ahmedabad
Date: 8th August, 2017**

For and on behalf of the Board

**Sd/-
Ashok C. Shah
Director
DIN: 02467830**

**Sd/-
Shalin A. Shah
Managing Director
DIN: 00297447**

ANNEXURE – VI TO THE DIRECTORS REPORT**CORPORATE GOVERNANCE CERTIFICATE**

To
The Members
GUJARAT NATURAL RESOURCES LIMITED

We have examined the compliance of conditions of Corporate Governance by Gujarat Natural Resources Limited ('the Company') for the year ended on 31st March, 2017, as per Chapter IV of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (Listing Regulations).

The compliance of conditions of Corporate Governance is the responsibility of the Management. Our examination was limited to a review of procedures and implementation thereof, adopted by the Company for ensuring compliance with the conditions of Corporate Governance. It is neither an audit nor an expression of opinion on the 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 the provisions as specified in Chapter IV of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

We further state that this certificate is neither an assurance as to the future viability of the Company nor of the efficiency or effectiveness with which the Management has conducted the affairs of the Company.

Place : Ahmedabad
Date : 8th August, 2017

For, Patel & Associates
Company Secretaries

Sd/-
Chintan K. Patel
Partner
Mem. No. A31987
COP No. 11959

CEO CERTIFICATION

To,
The Board of Directors,
Gujarat Natural Resources Limited
Ahmedabad.

We hereby certify that:

- i. We have reviewed the financial statements and the cash flow statement for the Financial Year 2016-17 and that to the best of our knowledge and belief.
 - a. these statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;
 - b. 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.
- ii. There are, to the best of our knowledge and belief, no transactions entered into by the Company during the year which are fraudulent, illegal or in violation of the Company's code of conduct.
- iii. We accept responsibility for establishing and maintaining internal controls and that we have evaluated the effectiveness of the internal control systems of the Company and we have disclosed to the Auditors and the Audit Committee that there have been no inefficiencies in the design or operation of internal controls, prevailing in the company.
- iv. We hereby certify that :
 - a. There have been no significant changes in internal control during the year.
 - b. There have been no significant changes in accounting policies during the year and
 - c. No instances of significant fraud were observed in the Company by the management or an employee having a significant role in the company's internal control system.

Place: Ahmedabad
Date: 8th August, 2017

For and on behalf of the Board

Sd/-
Shalin A. Shah
Managing Director
(DIN: 00297447)

INDEPENDENT AUDITORS' REPORT

To,

The Members,

GUJARAT NATURAL RESOURCES LIMITED

Report on the Financial Statements :

We have audited the accompanying Financial Statements of **M/s. GUJARAT NATURAL RESOURCES LIMITED**, (the "Company"), which comprise the Balance Sheet as at 31st March 2017, the Statement of Profit & Loss and also the Cash Flow Statement for the year then ended and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these Standalone financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

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

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

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the financial statements that give a true and fair appropriate in the circumstances, but not for the purpose of expressing an opinion on whether the Company has in place an adequate internal financial controls system over financial reporting and the operating effectiveness of such controls. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the financial statements.

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

Emphasis of Matter:

We draw attention to;

- a) Point No. 3 in Note No. 19(II) to the financial statements regarding non-provision of doubtful debts amounting to ₹ 739.71 lacs, as a result thereof the debit balance of profit & loss A/c is understated by the said sum and correspondingly Sundry debtors are overstated by the said sum.
- b) Point No. 4 in Note No. 19(II) to the financial statements regarding granting of loans and advances to certain parties in past which have been identified as non-performing asset. Accordingly company has not recognized any income from the same. In the opinion of the directors, the process of recovery is going on and the same is not fully doubtful of recovery. However in our opinion company needs to make provision

for such long outstanding non-performing assets amounting to ₹ 206.17 lacs. Due to non-provision in this regard, the debit balance of profit & loss account is under stated and the balance of loans and advances is over stated by the said sum.

- c) The company is carrying Preliminary and Pre-operative expenses and issue related expenses of ₹ 214.40 lacs as Other Non-Current Assets which in our opinion needs to be written off. Due to the same, Profit & Loss A/c is understated to that extent.

Opinion:

In our opinion and to the best of our information and according to the explanations given to us, except for the effects of the matter described in the basis for qualified opinion paragraph, the accompanying standalone financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the Accounting Principles generally accepted in India, of the state of affairs of the company as at 31st March 2017, its Profit and its cash flows for the year ended on that date.

Report on Other Legal and Regulatory Requirements:

1. As required by the Companies (Auditor's Report) Order, 2016 ("the Order"), as amended, issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in the "Annexure A" a statement on the matters specified in paragraphs 3 and 4 of the Order.
2. As required by section 143 (3) of the Act, we report that:
 - a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit;
 - b) In our opinion proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books;
 - c) The Balance Sheet & Statement of Profit and Loss and the Cash Flow Statement dealt with by this Report are in agreement with the books of account
 - d) In our opinion, the aforesaid Standalone financial statements comply with the Accounting Standards specified under section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
 - e) On the basis of written representations received from the directors as on March 31, 2017 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2017 from being appointed as a director in terms of Section 164 (2) of the Act.
 - f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure B".
 - g) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
 - i) The Company has disclosed the impact of pending litigations on its financial position in its financial statements.
 - ii) In our opinion and as per the information and explanations provides to us, the company has not entered into any long-term contracts including derivative contracts, requiring provision under applicable laws or accounting standards, for material foreseeable losses, and
 - iii) There are no outstanding amount which is required to be transferred to the Investor Education and Protection Fund by the Company.
 - iv) The company had provided disclosures as to holding as well as dealings in Specified Bank Notes during the period 08.11.2016 to 30.12.2016 in its financial statements at Note No 19(II)(15) in Notes on accounts and these are in accordance with the books of accounts maintained by the company.

FOR PANKAJ K. SHAH ASSOCIATES
Firm Registration No. 107352W
CHARTERED ACCOUNTANTS

(PANKAJ K. SHAH)
PROPRIETOR
M. No. 34603

Place : Ahmedabad
Date : 25.05.2017

“ANNEXURE A” TO THE INDEPENDENT AUDITORS’ REPORT

Referred to in paragraph 1 under the heading ‘Report on Other Legal & Regulatory Requirement’ of our report of even date to the financial statements of the Company for the year ended March 31, 2017:

- 1) (a) In our Opinion, the Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets;
- (b) As explained to us, the Fixed Assets have been physically verified by the management in a phased manner, designed to cover all the items over a period of three years, which in our opinion, is reasonable having regard to the size of the company and nature of its business. Pursuant to the program, a portion of the fixed asset has been physically verified by the management during the year and no material discrepancies between the books records and the physical fixed assets have been noticed.
- (c) According to the information and explanations given to us and on the basis of our examination of the record of the company, the title deeds of immovable properties are held in the name of the company.
- 2) The nature of company’s activities are such that clause 3(ii) of the aforesaid order is not applicable to the company.
- 3) According to the information and explanations given to us, the company has granted Interest free unsecured loans to parties covered in the Register maintained under Section 189 of the Companies Act.
 - 3.1 In respect of the aforesaid loans, the parties are repaying the principal amounts, as stipulated.
 - 3.2 In our opinion and according to the information and explanation given to us, there are no overdue amounts in respect of the transactions listed in Para 3 above.
- 4) In our opinion and according to the information and explanations given to us, the company has complied with the provisions of section 185 and 186 of the Companies Act, 2013 *except non charging of interest as provided u/s 186(7) in respect of loans granted by the company.(Point No. 5(II) of Notes – 19)*
- 5) The Company has not accepted any deposits from the public and hence the directives issued by the Reserve Bank of India and the provisions of Sections 73 to 76 or any other relevant provisions of the Act and the Companies (Acceptance of Deposit) Rules, 2015 with regard to the deposits accepted from the public are not applicable.
- 6) Maintenance of cost records has not been prescribed by the central government under sub-section (1) of section 148 of the Companies Act, for the activities of the company.
- 7) (a) According to the records of the company and the information and explanations given to us and on the basis of our examination of the books of account, and records, the Company has been generally regular in depositing undisputed statutory dues including Provident Fund, Employees State Insurance, Income-Tax, Sales tax, Service Tax, Duty of Customs, Duty of Excise, Value added Tax, Cess and any other statutory dues with the appropriate authorities. According to the information and explanations given to us, no undisputed amounts payable in respect of the above were in arrears as at March 31, 2017 for a period of more than six months from the date they became payable.
- (b) According to the information and explanations given to us, disputed amount is payable in respect of income tax or sales tax or wealth tax or service tax or duty of customs or duty of excise or value added tax or cess as at 31st March, 2017.

Name of Statute	Nature of Dues	Disputed Amount Rs.	Period to which the amount Relates	Forum where dispute is pending
Income Tax Act	Penalty – 271(1)(c)	65,000	A.Y. 2010-11	CIT(A), Ahmedabad
Income Tax Act	Penalty – 271B	92,500	A.Y. 2010-11	CIT(A), Ahmedabad
Income Tax Act	Penalty	10,43,356	A.Y. 2012-13	CIT(A), Ahmedabad

- 8) In our opinion and according to the information and explanations given to us, the Company has not defaulted in the repayment of dues to any financial institutions and banks.
- 9) Based upon the audit procedures performed and the information and explanations given by the management, the company has not raised moneys by way of initial public offer or further public offer including debt instruments and term Loans. Accordingly, the provisions of clause 3 (ix) of the Order are not applicable to the Company and hence not commented upon.
- 10) Based upon the audit procedures performed and the information and explanations given by the management, we report that no fraud by the Company or on the company by its officers or employees has been noticed or reported during the year.
- 11) Based upon the audit procedures performed and the information and explanations given by the management, the managerial remuneration has been paid or provided in accordance with the provisions of section 197 read with Schedule V to the Companies Act;
- 12) In our opinion, the Company is not a Nidhi Company. Therefore, the provisions of clause 3 (xii) of the Order are not applicable to the Company.
- 13) According to the information and explanations given to us and on the basis of our examination of the record of the company In our opinion, all transactions with the related parties are in compliance with section 177 and 188 of Companies Act, 2013 and the details have been disclosed in the Financial Statements as required by the applicable accounting standards.
- 14) According to the information and explanations given to us and on the basis of our examination of the record of the company, the company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year under review. Accordingly, the provisions of clause 3 (xiv) of the Order are not applicable to the Company and hence not commented upon.
- 15) According to the information and explanations given to us and on the basis of our examination of the record of the company, the company has not entered into any non-cash transactions with directors or persons connected with the company. Accordingly, the provisions of clause 3 (xv) of the Order are not applicable to the Company and hence not commented upon.
- 16) In our opinion, the company is not required to be registered under section 45 IA of the Reserve Bank of India Act, 1934 and accordingly, the provisions of clause 3 (xvi) of the Order are not applicable to the Company and hence not commented upon.

FOR PANKAJ K. SHAH ASSOCIATES

Firm Registration No. 107352W

CHARTERED ACCOUNTANTS

(PANKAJ K. SHAH)

PROPRIETOR

M. No. 34603

Place : Ahmedabad

Date : 25.05.2017

“ANNEXURE B” TO THE INDEPENDENT AUDITOR’S REPORT**Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 (“the Act”)**

We have audited the internal financial controls over financial reporting of **M/S. Gujarat Natural Resources Limited** (“the Company”) as of March 31, 2017 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

Management’s Responsibility for Internal Financial Controls

The Company’s management is responsible for establishing and maintaining internal financial controls. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company’s policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

Auditors’ Responsibility

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

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

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

Meaning of Internal Financial Controls over Financial Reporting

A company’s internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company’s internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company’s assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls Over Financial Reporting

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

Opinion

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2017.

FOR PANKAJ K. SHAH ASSOCIATES

Firm Registration No. 107352W

CHARTERED ACCOUNTANTS

(PANKAJ K. SHAH)

PROPRIETOR

M. No. 34603

Place : Ahmedabad

Date : 25.05.2017

BALANCE SHEET AS AT 31ST MARCH, 2017

Particulars	Note No	As at	
		31st March, 2017	31st March, 2016
I. EQUITY AND LIABILITIES			
1 Shareholders' Funds			
(a) Share Capital	1	38,75,16,450.00	38,75,16,450.00
(b) Reserves and Surplus	2	43,71,34,599.71	43,68,75,326.51
2 Non-current liabilities			
(a) Long-term borrowings		—	—
(b) Deferred Tax Liability (Net)		—	—
(c) Other Long-term Liabilities		—	—
(d) Long-term Provisions		—	—
3 Current Liabilities			
(a) Short-term borrowings	3	2,04,53,505.60	2,04,53,505.60
(b) Trade Payable		8,12,59,457.40	8,12,59,457.40
(c) Other Current Liabilities	4	25,28,579.28	70,46,826.00
(d) Short-term Provisions	5	63,70,183.00	2,54,545.00
TOTAL RS...		93,52,62,774.99	93,34,06,110.51
II. ASSETS			
1 Non-current Assets			
(a) Fixed Assets	6		
— Tangible Assets		1,19,81,504.44	1,22,14,763.74
— Intangible Assets		6,393.41	9,149.41
(b) Non-current investments	7	30,53,92,324.00	21,10,69,064.00
(c) Long-term loans and advances	8	2,53,07,089.00	4,83,46,862.00
(d) Other non-current assets	9	2,27,20,880.00	2,27,20,880.00
2 Current Assets			
(a) Current Investments		—	—
(b) Inventories		—	—
(c) Trade Receivables	10	7,39,70,650.00	7,39,70,650.00
(d) Cash and Cash Equivalents	11	24,28,410.64	18,22,426.36
(e) Short-term Loans and Advances	12	49,34,55,523.50	56,32,52,315.00
(f) Other Current Assets		—	—
TOTAL RS...		93,52,62,774.99	93,34,06,110.51
The notes form an integral part of these financial statements	17	-	-

As per our report of even date attached

FOR PANKAJ K. SHAH ASSOCIATES
Firm Registration No. 107352W
CHARTERED ACCOUNTANTS

FOR GUJARAT NATURAL RESOURCES LIMITED

(PANKAJ K. SHAH)
PROPRIETOR
M. No. 34603
PLACE : AHMEDABAD
DATE : 25.05.2017

SHALIN A. SHAH
MANAGING DIRECTOR
DIN : 00297447
PLACE : AHMEDABAD
DATE : 25.05.2017

ASHOK C. SHAH
DIRECTOR
DIN : 02467830

SHEETAL PANDYA
COMPANY SECRETARY

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

Particulars	Note No	As at	
		31st March, 2017	31st March, 2016
I. INCOME			
Revenue from operations		--	--
II Other Income	13	1,27,37,543.00	16,73,288.00
III Total Revenue (I + II)		1,27,37,543.00	16,73,288.00
IV Expenses			
- Employee benefits expenses	14	33,80,000.00	29,28,500.00
- Finance Costs	15	345.00	429.50
- Depreciation and amortization expense		2,62,208.30	2,62,503.00
- Other Expenses	16	16,79,106.50	16,40,551.00
Total Expenses		53,21,659.80	48,31,983.50
V Profit before tax (III - IV)		74,15,883.20	(31,58,695.50)
VI Exceptional Items		--	--
		74,15,883.20	(31,58,695.50)
VI Tax Expenses :			
- Current Tax		22,43,018.00	--
- Income Tax Exp		10,38,427.00	2,57,179.00
VII Profit / (Loss) for the year (V - VI)		41,34,438.20	(34,15,874.50)
VIII Earnings per Equity Share of Rs. 10 each			
Basic/Diluted		0.11	(0.09)
The notes form an integral part of these financial statements	17		

As per our report of even date attached

FOR PANKAJ K. SHAH ASSOCIATES
Firm Registration No. 107352W
CHARTERED ACCOUNTANTS

FOR GUJARAT NATURAL RESOURCES LIMITED

(PANKAJ K. SHAH)
PROPRIETOR
M. No. 34603
PLACE : AHMEDABAD
DATE : 25.05.2017

SHALIN A. SHAH
MANAGING DIRECTOR
DIN : 00297447
PLACE : AHMEDABAD
DATE : 25.05.2017

ASHOK C. SHAH
DIRECTOR
DIN : 02467830

SHEETAL PANDYA
COMPANY SECRETARY

CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH 2017

PARTICULARS	As at	
	31st March, 2017	31st March, 2016
CASH FLOW FROM OPERATING ACTIVITIES		
PROFIT BEFORE EXCEPTIONAL ITEMS AND TAX	63,77,456.20	(34,15,874.50)
DIVIDEND INCOME	-	-
INTEREST INCOME	1,25,04,326.00	16,64,300.00
	(61,26,869.80)	(50,80,174.50)
NON CASH ADJUSTMENT FOR-		
DEPRECIATION AND AMORTIZATION EXPENSES	2,62,208.30	2,62,503.00
Operating Profit/(Loss) before working capital changes	(58,64,661.50)	(48,17,671.50)
INCREASE/(DECREASE) IN SHORT TERM BORROWING	-	7,50,000.00
INCREASE/(DECREASE) IN SHORT TERM PROVISION	(2,545.00)	73,827.00
INCREASE/(DECREASE) IN OTHER CURRENT LIABILITIES	(45,18,246.72)	50,15,459.00
(INCREASE)/DECREASE IN TRADE RECEIVABLE	(3,57,061.50)	4,176.40
(INCREASE)/DECREASE IN LONG TERM LOANS & ADVANCES	2,30,39,773.00	(19,60,906.00)
(INCREASE) /DECREASE IN SHORT TERM LOANS & ADVANCES	7,01,53,853.00	5,89,29,952.00
Cash generated from operations	8,24,51,111.28	5,79,94,836.90
INCOME TAX PAID	-	(2,89,640.00)
DIVIDEND PAID	-	(36,99,146.55)
[A] Net cash flow from operating activities	8,24,51,111.28	5,40,06,050.35
Cash Flow from Investing activity		
PURCHASE OF FIXED ASSET	(27,000.00)	(26,350.00)
SALE OF ASSETS	807.00	-
INVESTMENT	(9,43,23,260.00)	(5,67,19,064.00)
[B] Net Cash from Investing activity	(9,43,49,453.00)	(5,67,45,414.00)
Cash Flow from Finance activity		
INTEREST INCOME	1,25,04,326.00	16,64,300.00
[C] Net Cash used in financing activity	1,25,04,326.00	16,64,300.00
NET INCREASE(DECREASE) IN CASH & CASH EQUIVALENTS	6,05,984.28	(10,75,063.65)
OPENING CASH AND BANK BALANCE	18,22,426.36	28,97,490.01
CLOSING CASH AND BANK BALANCE	24,28,410.64	18,22,426.36

As per our report of even date attached

FOR PANKAJ K. SHAH ASSOCIATES
Firm Registration No. 107352W
CHARTERED ACCOUNTANTS

FOR GUJARAT NATURAL RESOURCES LIMITED

(PANKAJ K. SHAH)
PROPRIETOR
M. No. 34603
PLACE : AHMEDABAD
DATE : 25.05.2017

SHALIN A. SHAH
MANAGING DIRECTOR
DIN : 00297447
PLACE : AHMEDABAD
DATE : 25.05.2017

ASHOK C. SHAH
DIRECTOR
DIN : 02467830

SHEETAL PANDYA
COMPANY SECRETARY

NOTES TO THE FINANCIAL STATEMENTS**Note - 1 : SHARE CAPITAL**

Sr. No.	Particulars	As at	
		31st March, 2017	31st March, 2016
1.	AUTHORISED CAPITAL		
-	4,00,00,000 Equity Shares of ₹ 10/- each	40,00,00,000.00	40,00,00,000.00
2.	ISSUED, SUBSCRIBED & PAID UP CAPITAL		
-	3,87,51,645 Equity Shares of ₹10/- each, fully paid.	38,75,16,450.00	38,75,16,450.00
		38,75,16,450.00	38,75,16,450.00

- 3.** There is no movement of the shares outstanding at the beginning and at the end of the reporting period.
- 4.** The company has issued only one class of equity shares having a par value of ₹ 10 per share. Each shareholder is eligible for one vote per share. The dividend proposed by the Board of Directors is subject to the approval of shareholders, except in case of interim dividend. In the event of liquidation, the equity shareholders are eligible to receive the remaining assets of the Company, after distribution of all preferential amounts, in proportion of their shareholding.
- 5.** Company has not allotted any bonus shares, Shares without consideration in cash and/or bought back any equity shares during the period of five years immediately preceding the Balance sheet date.
- 6. Details of shares held by shareholders holding more than 5% of the aggregate shares in the Company**

Name of the Shareholders	As at 31st March, 2017		As at 31st March, 2016	
	No. of Share held	% of Holding	No. of Share held	% of Holding
- Pranathi Constructions Private Limited	39,40,570	10.17	39,40,570	10.17
- Algorab Power Projects Private Limited	38,57,145	9.95	38,57,145	9.95
- Patron Energy Private limited	38,01,570	9.81	38,01,570	9.81
- Padma Real Infra Private Limited	21,71,000	5.60	21,71,000	5.60
- Blowing Traders Private Limited	21,49,986	5.55	21,49,986	5.55

Note - 2 : RESERVES & SURPLUS

Sr. No.	Particulars	As at	
		31st March, 2017	31st March, 2016
(a)	Securities Premium Account		
	Balance as per last Balance Sheet	43,33,33,445.00	43,33,33,445.00
(b)	Revaluation Reserve		
	Balance as per last Balance Sheet	5,28,682.75	5,28,682.75
(c)	Surplus in Statement of Profit & Loss		
	Opening Balance	30,13,198.76	64,29,073.26
	Less : Proposed Dividend	38,75,165.00	--
	Add/(Less) : Net Profit/ (Net Loss) for the year	41,34,438.20	(34,15,874.50)
	Closing Balance	32,72,471.96	30,13,198.76
		43,71,34,599.71	43,68,75,326.51

Note - 3 : SHORT TERM BORROWINGS

Sr. No.	Particulars	As at	
		31st March, 2017	31st March, 2016
I.	UNSECURED		
-	From Subsidiary Company	2,04,53,505.60	2,04,53,505.60
		2,04,53,505.60	2,04,53,505.60

Note - 4 : OTHER CURRENT LIABILITIES

Sr. No.	Particulars	As at	
		31st March, 2017	31st March, 2016
1	Statutory Dues	21,580.00	26,835.00
2	Unpaid Dividend	8,25,202.00	8,48,497.00
3	Other Payables	16,81,797.28	61,71,494.00
		25,28,579.28	70,46,826.00

Note - 5 : SHORT TERM PROVISIONS

Sr. No.	Particulars	As at	
		31st March, 2017	31st March, 2016
1	Provision for employee benefits	2,52,000.00	2,54,545.00
2	Proposed Dividend	38,75,165.00	--
3	Dividend Tax Payable	7,88,892.00	--
4	Provision for Taxation	14,54,126.00	--
		63,70,183.00	2,54,545.00

NOTE - 6 FIXED ASSETS

		GROSS BLOCK				DEPRECIATION			NET BLOCK	
		As at		As at		As at	During the	Up to	As at	
		01.04.2016	Additions	Deduction	31.03.2017				01.04.2016	Year
A)	Tangible Assets									
1	Plant & Machinery	6,58,064.00	-	-	6,58,064.00	6,58,064.00	-	6,58,064.00	0.00	0.00
2	Office Premises	1,42,07,936.00	-	-	1,42,07,936.00	21,00,118.66	2,24,485.00	23,24,603.66	1,21,07,817.34	1,18,83,332.34
3	Furniture & Fixture	12,44,503.00	-	-	12,44,503.00	12,00,661.09	18,648.00	12,19,309.09	43,841.91	25,193.91
4	Office Equipment	7,87,900.00	-	-	7,87,900.00	7,48,504.84	0.00	7,48,504.84	39,395.16	39,395.16
5	Computer	1,11,300.00	27,000.00	-	1,38,300.00	88,496.97	16,220.00	1,04,716.97	22,803.03	33,583.03
6	Cycle	2,700.00	-	842.00	1,858.00	1,793.70	64.30	1,858.00	906.30	0.00
	Total - A	1,70,12,403.00	27,000.00	842.00	1,70,38,561.00	47,97,639.26	2,59,417.30	50,57,056.56	1,22,14,763.74	1,19,81,504.44
A)	Intangible Assets									
1	Software	17,500.00	-	-	17,500.00	8,350.59	2,756.00	11,106.59	9,149.41	6,393.41
	Total - B	17,500.00	0.00	0.00	17,500.00	8,350.59	2,756.00	11,106.59	9,149.41	6,393.41
	Total	1,70,29,903.00	27,000.00	842.00	1,70,56,061.00	48,05,989.85	2,62,173.30	50,68,163.15	1,22,23,913.15	1,19,87,897.85

Note - 7 : NON-CURRENT INVESTMENTS

Sr. No.	Particulars	No. of Shares 2017	No. of Shars 2016	As at 31st March, 2017	As at 31st March, 2016
A)	OTHER INVESTMENT - NON TRADE				
	I) Investment in Equity Shares				
	a) Subsidiary Company	1,02,90,000	1,02,90,000	15,43,50,000.00	15,43,50,000.00
	- Sigma Oil & Gas Pvt. Ltd. (Shares of ₹ 10/- each)				
B)	OTHER INVESTMENT - QUOTED				
	I) Investment in Equity Shares				
	a) Amrapali Fincap Limited (Shares of ₹ 10/- each)	11,11,200	5,10,000	10,93,25,216.00	5,00,69,730.00
	b) Amrapali Capital & Finance Services Ltd. (Shares of ₹ 10/- each)	13,52,400	2,00,400	4,17,17,108.00	66,49,334.00
				30,53,92,324.00	21,10,69,064.00
	Book value of Unquoted Investment			15,43,50,000.00	15,43,50,000.00
	Market value of quoted Investment			10,69,35,120.00	3,74,11,440.00

Note - 8 : LONG TERM LOANS AND ADVANCES

Sr. No.	Particulars	As at 31st March, 2017	As at 31st March, 2016
A	Deposits		
	Unsecured, Considered good	57,97,152.00	57,97,152.00
B	Other Loans and Advances (Unsecured, Considered good)		
	— Capital Advances	8,75,000.00	8,75,000.00
	— Balance with Government Authority	23,921.00	24,26,364.00
	— Other Advances	1,86,11,016.00	3,92,48,346.00
		2,53,07,089.00	4,83,46,862.00

Note - 9 : OTHER NON-CURRENT ASSETS

Sr. No.	Particulars	As at 31st March, 2017	As at 31st March, 2016
1	Preliminary Exp.	18,70,000.00	18,70,000.00
2	Public Issue Exp.	8,80,765.00	8,80,765.00
3	Pre-operative Exp.	1,59,12,910.00	1,59,12,910.00
4	De-merger Exp.	27,76,492.00	27,76,492.00
5	Interest Receivable	12,80,713.00	12,80,713.00
		2,27,20,880.00	2,27,20,880.00

Note - 10 : TRADE RECEIVABLES

Sr. No.	Particulars	As at	
		31st March, 2017	31st March, 2016
A)	Trade receivables outstanding for a period exceeding Six months from the date they are due for payment		
1	Unsecured, considered good	7,39,70,650.00	7,39,70,650.00
B)	Trade receivables outstanding for a period less than Six months from the date they are due for payment		
1	Unsecured, considered good	—	—
		7,39,70,650.00	7,39,70,650.00

Note - 11 : CASH AND CASH EQUIVALENTS

Sr. No.	Particulars	As at	
		31st March, 2017	31st March, 2016
I.	Cash and Bank Balances		
a.	Balances with Banks		
-	In Current Account	47,892.64	44,085.36
-	in earmarked account		
-	Unpaid dividend account	8,25,202.00	8,48,497.00
b.	Cash on hand	15,55,316.00	9,29,844.00
		24,28,410.64	18,22,426.36

Note - 12 : SHORT TERM LOANS AND ADVANCES

Sr. No.	Particulars	As at	
		31st March, 2017	31st March, 2016
B)	Other Loans & Advances - Unsecured, considered good		
—	Advance Tax and TDS	12,50,432.00	1,66,430.00
—	Balance with Service Tax	--	21,000.00
—	Loan to Subsidiary Company	40,34,86,385.00	40,82,52,885.00
—	Loan to Corporate Body	8,83,57,174.00	15,48,12,000.00
—	Other Advances	3,57,061.50	--
—	Prepaid Exp	4,471.00	--
		49,34,55,523.50	56,32,52,315.00

Note - 13 : OTHER INCOME

Sr. No.	Particulars	As at	
		31st March, 2017	31st March, 2016
1	Interest Income	1,25,04,326.00	16,64,300.00
2	Interest on income tax refund	2,23,483.00	--
3	Other Income	9,734.00	--
4	Excess Provision	--	8,988.00
		1,27,37,543.00	16,73,288.00
	Tax deducted at source on Interest Income	12,50,432.00	1,66,430.00

Note - 14 : EMPLOYEE BENEFITS EXPENSE

Sr. No.	Particulars	As at 31st March, 2017	As at 31st March, 2016
1	Salaries, Wages, Bonus etc	33,80,000.00	29,28,500.00
		33,80,000.00	29,28,500.00

Note - 15 : FINANCE COSTS

Sr. No.	Particulars	As at 31st March, 2017	As at 31st March, 2016
1	Bank charges	345.00	429.50
		345.00	429.50

Note - 16 : OTHER EXPENSES

Sr. No.	Particulars	As at 31st March, 2017	As at 31st March, 2016
1	Audit Fees	1,43,750.00	1,43,750.00
2	Communication Exp.	1,00,733.00	96,939.00
3	Legal & Professional Exp.	9,56,925.00	10,36,845.00
4	Consultancy Fees	40,000.00	--
5	Rate & Taxes	23,600.00	--
6	Donation	5,000.00	--
7	Repair & Maintenance		
--	Others	78,360.00	54,425.00
8	Travelling, Conveyance & Vehicle Exp.	59,588.00	32,263.00
9	Miscellaneous expenses	2,71,150.50	2,76,329.00
		16,79,106.50	16,40,551.00

Schedules forming Part of the Accounts for the year ended 31st March 2017**NOTE - 17 NOTES TO THE ACCOUNTS:****I. SIGNIFICANT ACCOUNTING POLICIES****a) Basis of Preparation:**

These financial statements have been prepared in accordance with accounting principles Generally Accepted in India (Indian GAAP) the accounting standard notified under the relevant provisions of the Companies Act, 2013. The Financial Statements are prepared on accrual basis under the historical cost convention, except for certain Fixed Assets which are carried at revalued amounts and other claims / refunds, which due to uncertainty in realization are accounted for on actual receipt basis..

b) USE OF ESTIMATES:

The preparation of financial statements in conformity with Indian GAAP requires judgments, estimates and assumptions to be made that affect the reported amounts of assets and liabilities on the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Differences between actual results and estimates are recognized in the period in which the results are known/materialized.

c) Fixed Assets and Depreciation :**(i) Fixed Assets:**

Fixed Assets are stated at cost of acquisition less accumulated depreciation. All costs, including financing cost till commencement of commercial production are capitalised/ to be capitalised.

(ii) Depreciation:

Depreciation has been provided on S.L.M Method at rates for single shift specified in Part-C of Schedule - II of the Companies Act, 2013.

d) Borrowing Costs:

Borrowing cost attributable to acquisition, construction or production of qualifying assets are capitalized as part of the cost of that asset, till the asset is ready for use. Other borrowing costs are recognized as an expense in the period in which these are incurred.

e) Investments (Long Term):

The investments in shares are shown at cost.

f) Revenue Recognition:

All income and expenditure items having material bearing on the financial statements are recognized on accrual basis.

g) Employee Benefits :

As informed to us and explained to us there are no employees who are eligible for such benefits and hence not applicable.

Further the leave accrued has to be encashed within the calendar year and hence there is no accrued leave to be provided for.

h) Foreign Exchange Transactions :

This accounting standard is not applicable

i) Amortization of Miscellaneous Expenditure:

Preliminary expenses and Pre-operative expenses has not been amortized.

j) Deferred Tax :

Deferred Tax charge or credit reflects the tax effects of timing differences between accounting Income and taxable income for the period. The deferred tax charge or credit and the corresponding deferred tax liabilities or assets are not recognized since there is negligible effect using the tax rates that have been enacted or substantially enacted by the balance sheet date as per the Accounting Standard – 22.

k) Prior Period Adjustment :

Expense and income pertaining to earlier/previous year are accounted as prior period item.

l) Earning Per Share:

Disclosure is made in the Profit and Loss Account as per the requirements of the standard.

m) Consolidated financial statements

Consolidated financial statements of the Company and its subsidiaries are enclosed.

n) Provisions and Contingent Liabilities :

A provision is recognized when the company has 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. A contingent liability is disclosed when the company has a possible or present obligation where it is not probable that an outflow of resources will be required to settle it. Contingent assets are neither recognized nor disclosed in the Financial Statements.

o) Impairment of assets:

Impairment loss is charged to the Profit and Loss Account in the period in which, an asset is identified as impaired, when the carrying value of the asset exceeds its recoverable value. The impairment loss recognized in the prior accounting periods is reversed if there has been a change in the estimate of recoverable amount.

II. ADDITIONAL NOTES (Forming an integral part of Accounts)**1. Contingent liabilities not provided for :**

Penalty of ₹ 10,43,356/- for the accounting year 2011-12 raised by Income Tax Authorities, which is disputed by the Company.

Penalty of ₹ 1,57,500/- for the accounting year 2009-10 raised by Income Tax Authorities, which is disputed by the Company.

2. Estimated amount of contracts remaining to be executed on capital account and not provided for in the Accounts (net of advances) NIL**3. Sundry debtors over six months included Rs. 739.71 lacs non-performing in nature.** In the opinion of the Directors, they are good and recoverable. The Directors are hopeful of getting recoveries in the next year as present market conditions are not favourable. **However in the opinion of the Auditor, it shall be prudent to identify the same as doubtful of recovery requiring adequate provision.** It has been explained that the management of the company is pursuing recoveries and actual losses, if any, shall be adjusted as and when arises.**4. In opinion of the management of the company, all loans, advances and deposits are recoverable in nature for which no provision is required. However in the opinion of the Auditor, it shall be prudent to make sufficient provision for such non performing assets being Deposit of Rs. 57.97 lacs, Capital Advances of Rs. 8.75 lacs and other loans and advances of Rs. 139.45 lacs aggregating to Rs. 206.17 lacs which are outstanding since long.****5. The company has granted loan of ₹ 4034.86 lacs to subsidiary company and ₹ 1052.22 lacs to other parties without charging any interest as required under the provision of Section 186 of the Companies Act, 2013. In absence of rate of interest, the amount of the income foregone on such advances could not be quantified in this regard.****6. Amount Paid / Payable to Auditors :**

(₹ In Lacs)

Particulars	2016-17	2015-16
Audit Fees	1.43	1.43
For other Services	2.16	2.21
Total	3.57	3.64

7. In the opinion of the Directors, 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 and determined liabilities (except wherever otherwise stated) are adequate and not in excess of the amount reasonably necessary.
8. Balances under Sundry Debtors, Sundry Creditors, Loans & Advances are subject to confirmation and reconciliation with the respective parties/ concerns. Necessary adjustment if any, thereon having an importance of revenue nature, will be made in the year of such confirmation / reconciliation.
9. **Short Term Loans & Advances includes:**

(₹ In lacs)

	F.Y. 2016-17	F.Y. 2015-16
Amount due from Subsidiary Company	4034.86	4082.53

10. **Segment Reporting:**

The Company predominantly operates in a single segment namely "Oil & Gas" and is primary basis for segment information which as per Accounting Standards 17 is considered as the only reportable business segment.

11. **Earning per share (EPS) :**

The earnings considered in ascertaining the Company's EPS comprises of the net profit after tax (and includes the post tax effect of any extra ordinary item).

Sr. No.	Particulars	F.Y. 2016-17	F.Y. 2015-16
a)	Net Profit / (Loss) after Tax available for Equity Shareholders (Rupees)	41,34,438	(34,15,874)
b)	Weighted average number of Shares at beginning	3,87,51,645	3,87,51,645
c)	Basic and Diluted Earning per Share (Rupees)	0.11	(0.09)

12. **Related parties disclosure :**

Related parties disclosure in accordance with Accounting Standard 18 issued by Institute of Chartered Accountants of India :

Directors of the Company :

- Ashok C. Shah
- Shalin A. Shah
- Hariyant C. Shelat
- Ilesh Shah
- Malav Mehta
- Pravinbhai Trivedi
- Dhiren S Bhatt (Upto 10.08.16)
- Sarika Kulkarni
- Payal V Makani (From 14.02.2017)

Subsidiary Company :

- Sigma Oil & Gas Pvt. Ltd.
- Gorlas Corporate Holding Ltd
- GNRL Oil & Gas Limited (Formerly known as Heramec Ltd)
- Heramec Oil & Gas (Singapore) Pte Ltd
- Alkor Petro Overseas Ltd
- Gorlas Global Energy PLC

Associates Companies, Firms:

- Lesha Industries Ltd.
- Shree Ghantakarna Rolling Mills P. Ltd
- SRPL Developers Pvt. Ltd.
- Lesha Agro Food Pvt. Ltd.

Relative of Directors :

- Leena A. Shah

- b) Transactions that have taken place during the period April 1, 2016 to March 31, 2017 with related parties by the company.

(₹ in Lacs)

Name of the Related Parties with whom the transaction have been made	Nature of Transaction	F.Y. 2016-17		F.Y. 2015-16	
		During the year	Amount Outstanding	During the year	Amount Outstanding
Shalin A.Shah	Remuneration	18.00		13.50	--
Lesha Industries Ltd	Loan Granted	0.25	0.25	7.00	--
	Loan Recovered	--		948.85	
GNRL Oil & Gas Ltd	Loan Taken	--	204.54	7.50	204.54
	Loan Repaid	--		--	
Sigma Oil & Gas P. Ltd.	Loan Recovered	63.17	4034.86	91.91	4082.53
	Loan Granted	15.50		--	

Related party relationship is as identified by the management and relied upon by the auditors.

13. Earning & Expenditure in Foreign Exchange : NIL

- 14.** The Company has not received any information from 'Suppliers' regarding their status under the Micro, Small and Medium Enterprise Development Act, 2006 and hence disclosure requirements in this regard could not be provided.

15. Cash Transaction :

Disclosure of specified bank notes (SBN) held and transacted during 08.11.2016 to 30.12.2016

	SBNs	Other denomination Notes	Total
Closing cash in hand as on 08.11.2016	--	9,66,666.00	9,66,666.00
(+) Permitted receipts	--	2,70,000.00	2,70,000.00
(-) Permitted payments	--	6,350.00	6,350.00
(-)Amount deposited in Banks	--	--	--
Closing cash in hand as on 30.12.2016		12,30,316.00	12,30,316.00

- 16.** Previous year figures have been regrouped and/or rearranged whenever necessary.

Signature to Notes 1 to 17

As per our report of even date attached

FOR PANKAJ K. SHAH ASSOCIATES

Firm Registration No. 107352W

CHARTERED ACCOUNTANTS

(PANKAJ K. SHAH)

PROPRIETOR

M. No. 34603

PLACE : AHMEDABAD

DATE : 25.05.2017

FOR GUJARAT NATURAL RESOURCES LIMITED

SHALIN A. SHAH

MANAGING DIRECTOR

DIN : 00297447

PLACE : AHMEDABAD

DATE : 25.05.2017

ASHOK C. SHAH

DIRECTOR

DIN : 02467830

SHEETAL PANDYA

COMPANY SECRETARY

INDEPENDENT AUDITORS' REPORT ON CONSOLIDATED FINANCIAL STATEMENTS

To,
The Members,
GUJARAT NATURAL RESOURCES LIMITED
Ahmedabad.

Report on the Consolidated Financial Statements :

We have audited the accompanying Consolidated Financial Statements of **M/s. GUJARAT NATURAL RESOURCES LIMITED**, (the "Company"), and its Subsidiaries (the Company and its subsidiaries constitute "the Group"), which comprise the Consolidated Balance Sheet as at 31st March 2017, the Consolidated Statement of Profit & Loss and also the Consolidated Cash Flow Statement for the year then ended and a summary of significant accounting policies and other explanatory information. (hereinafter referred to as Consolidated Financial Statements)

Management's Responsibility for the Consolidated Financial Statements :

The Holding Company's Board of Directors is responsible for the preparation of these Consolidated financial statements in terms of the requirements of the Companies Act, 2013 (hereinafter referred to as "the Act") that give a true and fair view of the Consolidated financial position, Consolidated financial performance and Consolidated cash flows of the Group in accordance with the Accounting principles generally accepted in India, including the Accounting Standards specified under section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014. The respective Board of the Directors of the Companies included in the Group are responsible for maintenance of adequate accounting records in accordance with the provision of the Act for safeguarding the assets of the group and for preventing and detecting frauds and other irregularities; the selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for the ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the consolidated financial statements by the Directors of the Holding Company, as aforesaid.

Auditors' Responsibility :

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

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

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

We believe that the audit evidence obtained by us and the audit evidence obtained by the other auditors in terms of their reports referred to in the other Matters paragraph below, is sufficient and appropriate to provide for our audit opinion on the Consolidated Financial Statement.

Emphasis of Matter:

We draw attention to ;

- a) Point No. 13 in Note No. 27(II) to the financial statements regarding non-provision of doubtful debts amounting to ₹ 739.71 lacs, as a result thereof the debit balance of profit & loss A/C is understated by the said sum and correspondingly Sundry debtors are overstated by the said sum.
- b) Point No. 14 in Note No. 27(II) to the financial statements regarding granting of loans and advances to certain parties in past which have been identified as non-performing asset. Accordingly company has not recognized any income from the same. In the opinion of the directors, the process of recovery is going on and the same is not fully doubtful of recovery. However in our opinion company needs to make provision for such long outstanding non-performing assets amounting to ₹ 206.17 lacs. Due to non-provision in this regard, the debit balance of profit & loss account is under stated and the balance of loans and advances is over stated by the said sum.
- c) The company is carrying Preliminary and Pre-operative expenses and issue related expenses of ₹ 214.40 lacs as Other Non-Current Assets which in our opinion needs to be written off. Due to the same, Profit & Loss A/C is understated to that extent.

Opinion :

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

- i) In the case of Consolidated Balance Sheet, of the state of affairs of the Group at 31st March 2017.
- ii) In the case of Consolidated Statement of Profit & Loss, of the Profit for the year ended on that date and,
- iii) In the case of Consolidated Cash Flow Statement, of the Cash Flows for the year ended on that date.

Other Matter

- i) In case of GNRL Oil & Gas Limited, the auditor expressed his opinion – 1) Note No. 3 regarding Share application money pending allotment. 2) Point No. 11.3 in Note No. 27(II) about two joint venture which are under exploration and development phase, exploration / development expenditure are not considered for accounting purpose at the company levels it has been informed that company has not received the financial statement of these Joint ventures (CB ONN 2004/1 and CB OMN 2004/4) from the operator, ONGC. The effect of the same on the financial statements cannot be qualified.
- ii) In respect of the financial statement of One subsidiary and its One step down subsidiary, we did not carry out the audit. This financial statements have been audited by other auditor whose reports have been furnished to us by the Management and in our opinion, in so far as it relates to the amount included in respect of this subsidiaries is based solely on the report of other auditor. The details of assets and revenue in respect of these subsidiaries whose financial statements reflect total assets of ₹ 5591.28 lacs as at 31st March, 2017, the total revenue of ₹ 859.29 lacs and net profit of ₹ 5.89 lacs for the year ended on that date.
- iii) We further report that in respect of the Four foreign step down subsidiaries, we have relied on the Unaudited Financial Statement, whose financial statements reflect total assets of ₹ 15.89 lacs as at March, 31, 2017, total revenue of ₹ 0.02 lacs and net loss of ₹ 3.69 lacs for the year ended on that date. These unaudited financial statements as approved by the respective Board of Directors of these companies have been furnished to us by the management and our report in so far as it relates to the amounts included in respect of these Four step down subsidiaries is based solely on such approved financial statements.

Report on other Legal and Regulatory Requirements :

1. As required by Section 143 (3) of the Act, we report that:
 - a) We have sought and obtained all the information and explanations, which to the best of our knowledge and belief were necessary for the purpose of our audit of the aforesaid consolidated financial statements.
 - b) In our opinion, proper books of accounts as required by law relating to preparation of the aforesaid Consolidated financial statement have been kept so far it appears from our examination of those books and the reports of the other auditors.
 - c) The Consolidated Balance Sheet, the Consolidated Statement of Profit & Loss and the Consolidated Cash Flow statement dealt with by this report are in agreement with the relevant books of account maintained for the purpose of preparation of the consolidated financial statements.
 - d) In our opinion, the aforesaid consolidated financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
 - e) On the basis of written representations received from the Directors of the holding company as on 31st March, 2017 taken on record by the Board of Directors of the holding company and the reports of the statutory auditors of the subsidiary companies, none of the Directors is disqualified as on 31st March, 2017, from being appointed as a Director in terms of Section 164(2) of the Act.
 - f) With respect to the adequacy of the internal financial control over financial reporting of the Holding company, its subsidiary and the operating effectiveness of such controls, refer to our separate Report in Annexure – A.
 - g) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors), Rules 2014, in our opinion and to the best of our information and according to the explanations given to us as well as based on the report of statutory auditors of subsidiaries companies;
 - i) The consolidated financial statements disclosed the impact of pending litigations on the consolidated financial position of the holding company and subsidiaries companies.
 - ii) The Holding Company and its subsidiary companies did not entered into any long-term contracts including derivative contracts, requiring provision under applicable laws or accounting standards, for material foreseeable losses, and
 - iii) There were no amount which are required to be transferred to the Investor Education and Protection Fund by the Holding Company and in case of its subsidiary companies incorporated in India, it is not applicable at present.
 - iv) The company and its Indian Subsidiary incorporated in India had provided requisite disclosures as to holding as well as dealings in Specified Bank Notes during the period 08.11.2016 to 30.12.2016 in its consolidated financial statements at Note No 25(II)(20) in Notes on accounts.

FOR PANKAJ K. SHAH ASSOCIATES

Firm Registration No. 107352W

CHARTERED ACCOUNTANTS

(PANKAJ K. SHAH)

PROPRIETOR

M. No. 34603

Place : Ahmedabad

Date : 25.05.2017

**“ANNEXURE A” TO THE INDEPENDENT AUDITOR’S REPORT ON
CONSOLIDATED FINANCIAL STATEMENTS**

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

In conjunction with our audit of the consolidated financial statements of the Company as of and for the year ended March 31, 2017, we have audited the internal financial controls over financial reporting of **M/S. Gujarat Natural Resources Limited** (hereinafter referred to as “the Holding Company”) and its subsidiary companies, which are companies incorporated in India, as of that date.

Management’s Responsibility for Internal Financial Controls

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

Auditors’ Responsibility

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

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

We believe that the audit evidence we have obtained and the audit evidence obtained by the other auditors in terms of their report referred to in the Other Matters paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on the Company’s internal financial controls system over financial reporting.

Meaning of Internal Financial Controls over Financial Reporting

A company’s internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A Company’s internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and

expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements. Inherent Limitations of Internal Financial Controls Over Financial Reporting.

Inherent Limitations of Internal Financial Controls Over Financial Reporting

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

Opinion

In our opinion, the Holding Company and its subsidiary companies, which are companies incorporated in India, have, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2017, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

Other Matters

Our aforesaid reports under Section 143(3)(i) of the Act on the adequacy and operating effectiveness of the internal financial controls over financial reporting in so far as it relates to a jointly controlled entity which is a company incorporated in India, is based on the corresponding reports of the auditors of such entity incorporated in India. Our opinion is not qualified in respect of this matter.

FOR PANKAJ K. SHAH ASSOCIATES
Firm Registration No. 107352W
CHARTERED ACCOUNTANTS

(PANKAJ K. SHAH)
PROPRIETOR
M. No. 34603

Place : Ahmedabad
Date : 25.05.2017

CONSOLIDATED BALANCE SHEET AS AT 31ST MARCH, 2017

Particulars	Note No	As at	
		31st March, 2017	31st March, 2016
I. EQUITY AND LIABILITIES			
1 Shareholders' Funds			
(a) Share Capital	1	38,75,16,450.00	38,75,16,450.00
(b) Reserves and Surplus	2	47,11,17,525.94	47,06,39,036.30
(c) Share Application Money	3	3,88,01,925.00	3,88,01,925.00
2 Non-Current Liabilities			
(a) Long-term Borrowings	4	15,40,59,161.00	15,00,88,224.22
(b) Deferred Tax Liabilities	5	3,40,96,785.00	3,38,71,453.00
(c) Other Long-term Liabilities	6	16,75,66,411.00	17,45,60,747.00
(d) Long-term Provisions		--	--
3 Current Liabilities			
(a) Short-term borrowings	7	4,06,70,417.00	4,13,04,553.00
(b) Trade Payables	8	12,03,80,015.40	10,14,83,124.72
(c) Other Current Liabilities	9	1,78,88,299.98	4,04,85,393.46
(d) Short-term Provisions	10	1,21,05,710.00	54,96,256.00
TOTAL RS...		1,44,42,02,700.32	1,44,42,47,162.70
II. ASSETS			
1 Non-current Assets			
(a) Fixed Assets	11		
-- Tangible Assets		35,71,91,142.44	20,46,43,752.74
-- Intangible Assets		13,98,20,429.33	14,07,59,246.09
-- Capital Work in Progress		42,87,95,647.00	58,54,26,408.00
(b) Non-current Investment	12	15,10,42,324.00	5,67,19,064.00
(c) Long-term loans and advances	13	5,69,24,733.00	7,99,60,946.00
(d) Other non-current assets	14	3,42,09,665.00	3,41,57,544.00
2 Current Assets			
(a) Inventories	15	2,86,14,007.00	3,09,83,767.00
(b) Trade Receivables	16	10,03,60,921.00	9,51,84,191.00
(c) Cash and Cash Equivalents	17	1,76,78,917.65	2,11,36,642.82
(d) Short-term Loans and Advances	18	12,95,64,913.90	19,52,75,601.05
TOTAL RS...		1,44,42,02,700.32	1,44,42,47,162.70

The notes form an integral part of these financial statements 25

As per our report of even date attached

FOR PANKAJ K. SHAH ASSOCIATES
Firm Registration No. 107352W
CHARTERED ACCOUNTANTS

FOR GUJARAT NATURAL RESOURCES LIMITED

(PANKAJ K. SHAH)
PROPRIETOR
M. No. 34603
PLACE : AHMEDABAD
DATE : 25.05.2017

SHALIN A. SHAH
MANAGING DIRECTOR
DIN : 00297447
PLACE : AHMEDABAD
DATE : 25.05.2017

ASHOK C. SHAH
DIRECTOR
DIN : 02467830

SHEETAL PANDYA
COMPANY SECRETARY

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

Particulars	Note No	As at 31st March, 2017	As at 31st March, 2016
I. INCOME			
Revenue from operations	19	8,46,33,358.00	10,05,81,492.00
II Other Income	20	1,40,33,353.36	2,74,12,683.41
III Total Revenue (I + II)		9,86,66,711.36	12,79,94,175.41
IV Expenses			
- Changes in Inventories of Finished goods,	21	607.00	1,44,533.00
- Employee benefits expenses	22	1,50,49,217.00	1,35,80,822.00
- Finance Costs	23	70,13,471.08	2,50,33,814.98
- Depreciation and amortization expense		2,33,07,802.30	3,59,83,578.00
- Other Expenses	24	4,52,91,096.34	5,05,44,843.62
Total Expenses		9,06,62,193.72	12,52,87,591.60
V Profit before Exceptional Items and Tax		80,04,517.64	27,06,583.81
VI Exceptional Items		--	--
VII Profit before Tax		80,04,517.64	27,06,583.81
VIII Tax Expenses :			
- Current Tax		24,53,018.00	13,50,000.00
- Income Tax		11,13,118.00	-
- Deferred Tax		2,25,332.00	(16,83,418.00)
		37,91,468.00	(3,33,418.00)
IX Profit / (Loss) for the year		42,13,049.64	30,40,001.81
VIII Earnings per Equity Share of Rs. 10 each			
Basic/Diluted		0.11	0.08
The notes form an integral part of these financial statements	25		
As per our report of even date attached			
FOR PANKAJ K. SHAH ASSOCIATES		FOR GUJARAT NATURAL RESOURCES LIMITED	
Firm Registration No. 107352W			
CHARTERED ACCOUNTANTS			
(PANKAJ K. SHAH)	SHALIN A. SHAH	ASHOK C. SHAH	SHEETAL PANDYA
PROPRIETOR	MANAGING DIRECTOR	DIRECTOR	COMPANY SECRETARY
M. No. 34603	DIN : 00297447	DIN : 02467830	
PLACE : AHMEDABAD	PLACE : AHMEDABAD		
DATE : 25.05.2017	DATE : 25.05.2017		

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

PARTICULARS	As at	
	31st March, 2017	31st March, 2016
CASH FLOW FROM OPERATING ACTIVITIES		
PROFIT BEFORE EXCEPTIONAL ITEMS AND TAX	80,04,517.64	27,06,583.81
ADJUSTMENTS FOR-		
DEPRECIATION AND AMORTIZATION EXPENSES	2,33,07,802.30	3,59,83,578.00
ADJUSTMENT DUE TO CONSOLIDATION	22,28,212.76	4,43,146.99
PROFIT ON SALE OF FIXED ASSETS	(18,400.00)	-
INTEREST INCOME	(1,36,71,214.00)	(2,71,61,764.00)
Operating Profit/(Loss) before working capital changes	1,98,50,918.70	1,19,71,544.80
INCREASE/(DECREASE) IN SHORT TERM BORROWING	(6,34,136.00)	(13,49,779.00)
INCREASE/(DECREASE) IN TRADE PAYABLES	1,88,96,890.68	30,83,455.91
INCREASE/(DECREASE) IN LONG TERM PROVISION	-	(49,61,610.00)
INCREASE/(DECREASE) IN SHORT TERM PROVISION	4,91,271.00	(99,89,563.00)
INCREASE/(DECREASE) IN OTHER CURRENT LIABILITIES	(2,25,97,093.48)	3,44,956.29
INCREASE/(DECREASE) IN OTHER LONG TERM LIABILITIES	(69,94,336.00)	(8,65,60,882.00)
(INCREASE)/DECREASE IN INVENTORIES	23,69,760.00	(21,69,661.00)
(INCREASE)/DECREASE IN TRADE RECEIVABLE	(51,76,730.00)	(22,48,049.60)
(INCREASE)/DECREASE IN LONG TERM LOANS & ADVANCES	2,30,36,213.00	(17,70,474.51)
(INCREASE) /DECREASE IN SHORT TERM LOANS & ADVANCES	6,57,10,687.15	5,54,94,589.95
(INCREASE) /DECREASE IN OTHER NON-CURRENT ASSETS	(52,121.00)	(41,82,961.00)
Cash generated from operations	9,49,01,324.05	(4,23,38,433.16)
[A] Net cash flow from operating activities	9,49,01,324.05	(4,23,38,433.16)
Cash Flow from Investing activity		
PURCHASE OF FIXED ASSETS	(17,58,61,842.00)	(2,64,57,381.00)
(INCREASE)/DECREASE IN CAPITAL WORK IN PROGRESS	15,66,30,761.00	(2,67,65,926.00)
SALE OF FIXED ASSETS	27,807.00	-
PURCHASE OF INVESTMENT	(9,43,23,260.00)	(5,67,19,064.00)
INTEREST INCOME	1,36,71,214.00	2,71,61,764.00
[B] Net Cash from Investing activity	(9,98,55,320.00)	(8,27,80,607.00)
Cash Flow from Finance activity		
CORPORATE DIVIDEND PAID AND DIVIDEND TAX & INCOME TAX	(24,74,666.00)	(83,94,306.55)
INCREASE IN LONG TERM BORROWINGS	39,70,936.78	4,22,16,321.22
[C] Net Cash used in financing activity	14,96,270.78	3,38,22,014.67
NET INCREASE(DECREASE) IN CASH & CASH EQUIVALENTS	(34,57,725.17)	(9,12,97,025.49)
OPENING CASH AND BANK BALANCE	2,11,36,642.82	11,24,33,668.31
CLOSING CASH AND BANK BALANCE	1,76,78,917.65	2,11,36,642.82

As per our report of even date attached

FOR PANKAJ K. SHAH ASSOCIATES
Firm Registration No. 107352W
CHARTERED ACCOUNTANTS

FOR GUJARAT NATURAL RESOURCES LIMITED

(PANKAJ K. SHAH)
PROPRIETOR
M. No. 34603
PLACE : AHMEDABAD
DATE : 25.05.2017

SHALIN A. SHAH
MANAGING DIRECTOR
DIN : 00297447
PLACE : AHMEDABAD
DATE : 25.05.2017

ASHOK C. SHAH SHEETAL PANDYA
DIRECTOR COMPANY SECRETARY
DIN : 02467830

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**Note - 1 : SHARE CAPITAL**

Sr. No.	Particulars	As at	
		31st March, 2017	31st March, 2016
1.	AUTHORISED CAPITAL		
-	4,00,00,000 Equity Shares of ₹ 10/- each	40,00,00,000.00	40,00,00,000.00
2.	ISSUED, SUBSCRIBED & PAID UP CAPITAL		
-	3,87,51,645 Equity Shares of ₹10/- each, fully paid.	38,75,16,450.00	38,75,16,450.00
		38,75,16,450.00	38,75,16,450.00

3. There is no movement of the shares outstanding at the beginning and at the end of the reporting period.
4. The company has issued only one class of equity shares having a par value of ₹ 10 per share. Each shareholder is eligible for one vote per share. The dividend proposed by the Board of Directors is subject to the approval of shareholders, except in case of interim dividend. In the event of liquidation, the equity shareholders are eligible to receive the remaining assets of the Company, after distribution of all preferential amounts, in proportion of their shareholding.
5. Company has not allotted any bonus shares, Shares without consideration in cash and/or bought back any equity shares during the period of five years immediately preceding the Balance sheet date.
6. **Details of shares held by shareholders holding more than 5% of the aggregate shares in the Company**

Name of the Shareholders	As at 31st March, 2017		As at 31st March, 2016	
	No. of Share held	% of Holding	No. of Share held	% of Holding
— Pranathi Constructions Private Limited	39,40,570	10.17	39,40,570	10.17
— Algorab Power Projects Private Limited	38,57,145	9.95	38,57,145	9.95
— Patron Energy Private limited	38,01,570	9.81	38,01,570	9.81
— Padma Real Infra Private Limited	21,71,000	5.60	21,71,000	5.60
— Blowing Traders Private Limited	21,49,986	5.55	21,49,986	5.55

Note - 2 : RESERVES & SURPLUS

Sr. No.	Particulars	As at	
		31st March, 2017	31st March, 2016
(a)	Securities Premium Account		
	Balance as per last Balance Sheet	51,53,31,551.00	51,53,31,551.00
(b)	Capital Reserve		
	Balance as per last Balance Sheet	2,01,09,545.00	2,01,09,545.00
(c)	Revaluation Reserve		
	Balance as per last Balance Sheet	5,28,682.75	5,28,682.75
(d)	Surplus in Statement of Profit & Loss		
	Opening Balance	(6,53,30,742.45)	(6,83,70,744.26)
	Add/(Less) : Dividend	(38,75,165.00)	--
	Foreign Exchange Fluctuation	1,40,605.00	--
	Add/(Less) : Net Profit/ (Net Loss) for the year	42,13,049.64	30,40,001.81
	Closing Balance	(6,48,52,252.81)	(6,53,30,742.45)
		47,11,17,525.94	47,06,39,036.30

Note - 3 : SHARE APPLICATION MONEY PENDING ALLOTMENT

Share application money pending allotment represents conversion of Unsecured loan of US\$ 775,000/- from Stealth Ventures Limited(SLV), a company established under the law of Canada, in terms of Article 2.1 (a) of the restructuring agreement dated November 9, 2011. According to Article 3.1 of the said restructuring agreement subscription per equity share of US\$ 1 each is US\$ 661,765/- at a premium of US\$ 661,764/-.

In terms of para b of Article 3.2, GNRL Oil & Gas Ltd (Formerly known as Heramec Ltd.) is yet to receive "Subscription Notice", or otherwise, from Stealth Ventures Limited (SLV), pending that the said amount is shown as share application money pending allotment in Financial Statement.

The equity shares are expected to be allotted against the share application money within a reasonable period of time, once the company received "Subscription Notice".

Note - 4 : LONG-TERM BORROWINGS

Sr. No.	Particulars	As at	
		31st March, 2017	31st March, 2016
I.	SECURED		
--	Kotak Mahindra Prima Ltd. - Innova Car Loan	82,090.00	3,90,571.00
--	Kotak Mahindra Prima Ltd. - Mahindra Bolero Loan	34,601.00	1,64,019.00
--	Corporation Bank.- Mahindra Bolero Loan	3,17,316.00	4,76,487.00
--	Corporation Bank	12,70,094.00	18,52,831.00
II	UNSECURED		
--	From Inter-corporate	5,02,13,897.00	5,50,33,397.00
--	Other Loans	10,21,41,163.00	9,21,70,919.22
		15,40,59,161.00	15,00,88,224.22

***Maturity Profile and Rate of Interest on Secured Loan**

	Particulars	2017-18	2018-19	2019-20
1	Kotak Mahindra Prime Ltd. - Innova Car Loan (10%) (No. of Outstanding Installments-27)	3,08,481	82,090.00	-
2	Kotak Mahindra Prime Ltd.- Mahindra Bolero Loan (10.86%) (No. of Outstanding Installments-27)	1,29,418	34,601.00	-
3	Corporation Bank.- Mahindra Bolero Loan (10.65%) (No. of Outstanding Installments -48)	1,53,535	1,53,923.00	1,63,393
	TOTAL	5,91,434.00	2,70,614.00	1,63,393.00

The company has taken Inter Corporate Deposit (ICD), at the interest rate of 0% to 24% p.a. on terms and conditions as agreed between management and parties. The repayment schedule for the same is not fixed and the amount is repaid depending on the liquidity and financial condition of the company. Accordingly, managements is of the view that these loans are generally repayable after a period of 12 months.

Note - 5 : DEFERRED TAX LIABILITIES (NET)

Sr. No.	Particulars	As at	
		31st March, 2017	31st March, 2016
A)	Deferred Tax Liabilities		
—	On excess of WDV as per Books over WDV as per IT	3,51,48,490.00	3,47,53,716.00
		3,51,48,490.00	3,47,53,716.00
B)	Deferred Tax Assets		
—	Others	10,51,705.00	8,82,263.00
		10,51,705.00	8,82,263.00
		3,40,96,785.00	3,38,71,453.00

Note - 6 : OTHER LONG-TERM LIABILITIES

Sr. No.	Particulars	As at	
		31st March, 2017	31st March, 2016
(a)	Others		
—	Security Deposit	5,00,000.00	5,00,000.00
—	From Joint Ventures	16,70,66,411.00	17,40,60,747.00
		16,75,66,411.00	17,45,60,747.00

Note - 7 : SHORT TERM BORROWINGS

Sr. No.	Particulars	As at	
		31st March, 2017	31st March, 2016
I.	SECURED		
--	Corporation Bank - C C	4,01,16,663.00	4,08,06,509.00
--	Corporation Bank Car Loan	5,53,754.00	4,98,044.00
		4,06,70,417.00	4,13,04,553.00

Note - 8 : TRADE PAYABLES

Sr. No.	Particulars	As at	
		31st March, 2017	31st March, 2016
—	Trade Payables	12,03,80,015.40	10,14,83,124.72
		12,03,80,015.40	10,14,83,124.72

Note - 9 : OTHER CURRENT LIABILITIES

Sr. No.	Particulars	As at	
		31st March, 2017	31st March, 2016
1	Statutory Dues	23,16,911.00	64,47,681.00
2	Current Maturities of Long Term Debts	5,91,434.00	5,19,740.00
3	Interest Accrued and due on Borrowings	59,622.00	5,70,496.00
4	Other Payables	1,40,95,130.98	3,20,98,979.46
5	Unpaid Dividend	8,25,202.00	8,48,497.00
		1,78,88,299.98	4,04,85,393.46

Note - 10 : SHORT TERM PROVISIONS

Sr. No.	Particulars	As at	
		31st March, 2017	31st March, 2016
(a)	Provision for employee benefits	2,52,000.00	2,54,545.00
(b)	Proposed Dividend	38,75,165.00	--
(c)	Dividend Tax Payable	7,88,892.00	--
(c)	Others	71,89,653.00	52,41,711.00
		1,21,05,710.00	54,96,256.00

NOTE - 11 FIXED ASSETS

		GROSS BLOCK				DEPRECIATION		NET BLOCK		
		As at	Additions/	As at	As at	Deduction	Depreciation	Up to	As at	As at
		01.04.2016	Deduction	31.03.2017	01.04.2016		During the Year	31.03.2017	31.3.2016	31.3.2017
A) Tangible Assets										
1	Plant & Machinery	1,42,05,460.00	18,95,320.00	1,61,00,780.00	1,01,03,897.00	-	5,83,850.00	1,06,87,747.00	41,01,563.00	54,13,033.00
2	Office Premises	1,42,07,936.00	-	1,42,07,936.00	21,00,118.66	-	2,24,485.00	23,24,603.66	1,21,07,817.34	1,18,83,332.34
3	Building	7,89,213.00	4,35,612.00	12,24,825.00	5,65,126.00	-	41,719.00	6,06,845.00	2,24,087.00	6,17,980.00
4	Producing Properties	36,34,37,419.00	17,33,38,579.00	53,67,75,998.00	17,91,55,102.00	-	2,10,93,737.00	20,02,48,839.00	18,42,82,317.00	33,65,27,159.00
5	Cell Phone Instru.	5,32,386.00	1,01,196.00	6,33,582.00	4,34,450.00	-	63,949.00	4,98,399.00	97,936.00	1,35,183.00
6	Furniture & Fixture	20,91,244.00	-	20,91,244.00	18,83,958.09	-	68,323.00	19,52,281.09	2,07,285.91	1,38,962.91
7	Office Equipment	13,51,570.00	17,100.00	13,68,670.00	12,00,914.60	-	32,427.00	12,33,341.60	1,50,655.40	1,35,328.40
8	Computer	19,08,647.00	74,035.00	19,82,682.00	18,14,104.21	-	54,683.00	18,68,787.21	94,542.79	1,13,894.79
9	Vehicles	71,61,858.00	(1,72,847.00)	69,89,011.00	37,84,309.70	1,63,405.00	11,41,837.30	47,62,742.00	33,77,548.30	22,26,269.00
		40,56,85,733.00	17,56,88,995.00	58,13,74,728.00	20,10,41,980.26	1,63,405.00	2,33,05,010.30	22,41,83,585.56	20,46,43,752.74	35,71,91,142.44
B) INTANGIBLE ASSETS										
1	Goodwill**	14,07,50,096.68	(9,36,060.76)	13,98,14,035.92	--	--	--	--	14,07,50,096.68	13,98,14,035.92
2	Software	17,500.00		17,500.00	8,350.59	-	2,756.00	11,106.59	9,149.41	6,393.41
		14,07,67,596.68	(9,36,060.76)	13,98,31,535.92	8,350.59	-	2,756.00	11,106.59	14,07,59,246.09	13,98,20,429.33
	Total A + B	54,64,53,329.68	17,47,52,934.24	72,12,06,263.92	20,10,50,330.85	1,63,405.00	2,33,07,766.30	22,41,94,692.15	34,54,02,998.83	49,70,11,571.77

Note : (**)--Difference of Liability over assets is considered as Goodwill

Note - 12 : NON-CURRENT INVESTMENTS

Sr. No.	Particulars	No. of Shares 2017	No. of Shars 2016	As at 31st March, 2017	As at 31st March, 2016
A) OTHER INVESTMENT - QUOTED					
i) Investment in Equity Shares					
a)	Amrapali Fincap Limited (Shares of ₹ 10/- each)	11,11,200	5,10,000	10,93,25,216.00	5,00,69,730.00
b)	Amrapali Capital & Finance Services Ltd. (Shares of ₹ 10/- each)	13,52,400	2,00,400	4,17,17,108.00	66,49,334.00
				15,10,42,324.00	5,67,19,064.00
	Book value of Unquoted Investment			-	-
	Market value of quoted Investment			10,69,35,120.00	3,74,11,440.00

Note - 13 : LONG-TERM LOANS AND ADVANCES

Sr. No.	Particulars	As at 31st March, 2017	As at 31st March, 2016
A	Deposits	72,29,931.00	72,26,371.00
	Unsecured, Considered good		
B	Other Loans and Advances (Unsecured, Considered good)		
	— Capital Advances	8,75,000.00	8,75,000.00
	— Balance with Government Authority	23,921.00	24,26,364.00
	— Other Advances	4,87,95,881.00	6,94,33,211.00
		5,69,24,733.00	7,99,60,946.00

Note - 14 : OTHER NON-CURRENT ASSETS

Sr. No.	Particulars	As at	
		31st March, 2017	31st March, 2016
1	Preliminary Exp.	18,70,000.00	18,70,000.00
2	Public Issue Exp.	8,80,765.00	8,80,765.00
3	Pre-operative Exp.	1,59,12,910.00	1,59,12,910.00
4	De-merger Exp.	27,76,492.00	27,76,492.00
5	Interest Receivable	12,80,713.00	12,80,713.00
6	TDS Receivable	51,81,521.00	74,24,066.00
7	Others	63,07,264.00	40,12,598.00
		3,42,09,665.00	3,41,57,544.00

Note - 15 : INVENTORIES

Sr. No.	Particulars	As at	
		31st March, 2017	31st March, 2016
—	Finished Goods of Oil	1,58,287.00	1,58,894.00
—	Stores, Spares, Tools etc	2,84,55,720.00	3,08,24,873.00
		2,86,14,007.00	3,09,83,767.00

Note - 16 : TRADE RECEIVABLES

Sr. No.	Particulars	As at	
		31st March, 2016	31st March, 2015
a)	Trade receivables outstanding for a period exceeding Six months from the date they are due for payment		
1	Unsecured, considered good	7,44,20,650.00	7,44,20,650.00
B)	Trade receivables outstanding for a period less than Six months from the date they are due for payment		
1	Unsecured, considered good	2,59,40,271.00	2,07,63,541.00
		10,03,60,921.00	9,51,84,191.00

Note - 17 : CASH AND CASH EQUIVALENTS

Sr. No.	Particulars	As at	
		31st March, 2017	31st March, 2016
I.	Cash and Bank Balances		
a.	Balances with Banks		
-	In Current Account	20,00,682.65	22,38,505.82
-	In Earmarked account		
-	Unpaid Dividend Account	8,25,202.00	8,48,497.00
b.	Cash on hand	15,68,347.00	9,65,653.00
II.	Other Bank Balances		
	Term Deposits with Bank		
-	Less than Twelve Months	1,32,84,686.00	1,70,83,987.00
		1,76,78,917.65	2,11,36,642.82

Note - 18 : SHORT TERM LOANS AND ADVANCES

Sr. No.	Particulars	As at	
		31st March, 2017	31st March, 2016
A)	Other Loans & Advances - Unsecured, considered good		
--	Advance Tax, TDS and VAT	12,50,432.00	1,66,430.00
--	Balance With Government Authority	4,00,000.00	11,29,736.05
--	Capital Advance		--
--	Pre-paid Exp.	27,133.00	40,635.00
--	Loan to Directors & Related Parties	13,18,500.00	13,18,500.00
--	Loan to Corporate Body	8,83,57,174.00	15,48,12,000.00
--	Other Advances	3,79,59,344.90	3,74,23,444.00
--	Advances to Employees	2,52,330.00	3,84,856.00
		12,95,64,913.90	19,52,75,601.05

Note - 19 : REVENUE FROM OPERATIONS

Sr. No.	Particulars	As at	
		31st March, 2017	31st March, 2016
A)	Sale of Products		
—	Sale of Gas	4,93,20,729.00	6,17,69,834.00
—	Sale of Oil	2,86,47,761.00	3,31,65,970.00
B)	Sale of Services	38,30,250.00	37,92,750.00
C)	Other Operating Income		
—	PSC Overheads Recovery	13,04,551.00	17,35,875.00
—	Others	15,30,067.00	1,17,063.00
		8,46,33,358.00	10,05,81,492.00

Note - 20 : OTHER INCOME

Sr. No.	Particulars	As at	
		31st March, 2017	31st March, 2016
1	Foreign Exchange Gain (Net)	--	1,55,539.00
2	Interest income	1,36,71,214.00	2,71,61,764.00
3	Interest on income tax refund	3,30,624.00	--
4	Profit on Sale of Assets	18,400.00	--
5	Other Income	13,115.36	95,380.41
		1,40,33,353.36	2,74,12,683.41

Note - 21 : CHANGES IN INVENTORIES OF FINISHED GOODS

Sr. No.	Particulars	As at	
		31st March, 2017	31st March, 2016
A.	OPENING STOCK		
—	Finished Goods	1,58,894.00	3,03,427.00
B.	CLOSING STOCK		
—	Finished Goods	1,58,287.00	1,58,894.00
		607.00	1,44,533.00

Note - 22 : EMPLOYEE BENEFITS EXPENSE

Sr. No.	Particulars	As at	As at
		31st March, 2017	31st March, 2016
1	Salaries, Wages, Bonus etc	1,44,01,961.00	1,28,89,037.00
2	Contribution to Provident Fund and Other Funds	4,71,293.00	3,73,677.00
3	Staff Welfare Exp.	1,75,963.00	3,18,108.00
		1,50,49,217.00	1,35,80,822.00

Note - 23 : FINANCE COSTS

Sr. No.	Particulars	As at	As at
		31st March, 2017	31st March, 2016
1	Interest on TDS	1,03,216.00	3,80,774.00
2	Other Interest	64,33,697.00	2,38,29,642.00
3	Interest on Car Loan	1,30,698.00	1,84,258.00
4	Bank Guarantees Commission Charges	73,589.00	1,52,003.00
5	Bank charges & Other Charges	2,72,271.08	4,87,137.98
		70,13,471.08	2,50,33,814.98

Note - 24 : OTHER EXPENSES

Sr. No.	Particulars	As at	As at
		31st March, 2017	31st March, 2016
1	Audit Fees	6,04,831.80	4,66,318.34
2	Handling Processing	45,62,247.00	44,81,034.00
3	Sampling Charges	10,29,470.00	9,25,769.00
4	Cess	10,18,511.00	11,64,989.00
5	Donation	5,000.00	17,025.00
6	Royalty	5,85,741.00	7,05,057.00
7	Consultancy Charges	1,16,293.00	96,007.00
8	Non-operating Fields		
	- North Balol		
	- Profit Petroleum to Government	10,40,014.00	31,64,501.00
	- Others Expense	41,24,887.00	39,23,052.00
	- Unawa	47,94,613.00	61,73,352.00
9	Field Personnel Cost	17,36,048.00	17,44,545.00
10	Postage, Telegrams & Telephone	5,18,831.00	6,08,454.00
11	Transportation Charges- Crude	10,07,778.00	8,87,148.00
12	Legal & Professional Exp.	64,40,357.96	45,68,884.21
13	Income Tax & Interest on Income Tax	--	2,57,179.00
14	Rent, Rate & Taxes	70,68,647.00	68,63,829.00
15	Repair & Maintenance	4,99,243.00	6,37,607.00
16	Travelling, Conveyance & Vehicle Exp.	12,22,966.00	9,75,648.00
17	Well Testing	7,17,074.00	57,44,314.00
18	Foreign Exchange Loss(Net)	2,36,424.00	--
19	Miscellaneous expenses	2,71,150.50	2,76,329.00
20	Other Expenses - Subsidiaries	76,90,969.08	68,63,802.07
		4,52,91,096.34	5,05,44,843.62

Note : 25 Notes to Consolidated Financial Statements for the year ended on 31st March, 2017

I. Significant Accounting Policies:

1. Basis of Consolidation:

The consolidated financial statements relates to the parent company Gujarat Natural Resources Limited ("Parent") and its One wholly owned Subsidiary Company, (a) Sigma Oil and Gas Pvt. Ltd., incorporated in India and Subsidiary's Subsidiary Companies, (a) GNRL Oil & Gas Limited (Formerly known as Heramec Limited), incorporated in Commonwealth of Bahamas (b) Gorlas Corporate Holdings Ltd, incorporated in Isle of Man (c) Heramec Oil & Gas (Singapore) Pte Ltd, incorporated in Singapore, (d) Alkor Petro Overseas Ltd., incorporated in Dubai (e) Gorlas Global Energy PLC, incorporated in Isle of Man.

The Consolidated financial statement have been prepared on accrual basis under the historical cost convention in accordance with the applicable accounting standards prescribed under section 129 of the Companies Act, 2013 read with rule 7 of the Companies (Accounts) Rules, 2014

2. Principles of consolidation

The consolidated accounts have been prepared based on line-by-line consolidation by adding together the book values of like items of assets, liabilities, income and expenses as per the accounts of the parent company and its subsidiaries duly certified by the auditors of the respective companies.

Intra-group balances, intra-group transactions have been eliminated.

The Consolidated accounts have been prepared using uniform accounting policies for like transactions and other events in similar circumstances and are presented to the extent possible, in the same manner as the parent company's individual accounts.

The excess of cost of parent company's investments over parent company's portion of equity in subsidiaries is treated as goodwill and in case where the parent company's share in subsidiaries' equity is more than the cost of investment in subsidiaries, the excess is treated as capital reserve.

3. Fixed Assets

Fixed Assets other than producing properties are stated at cost of acquisition or construction less accumulated depreciation and impairment loss if any, including attributable interest and financial costs till such assets are ready for its intended use.

4. Depreciation & Depletion

Depreciation has been provided on S.L.M Method at rates for single shift specified in Part-C of Schedule - II of the Companies Act, 2013.

However in step down subsidiary, Depreciation is provided on written down value method based on useful life of the assets as prescribed in Schedule -II to the Companies Act, 2013.

No depreciation/depletion has been provided in the accounts of the Joint Ventures. However the depreciation/depletion has been provided for by the Company in respect of its participating interest.

The depletion on producing properties has been calculated and provided, using the unit of production method as described in the Guidance Note on Accounting for Oil and Gas Producing Activities issued by ICAI, in proportion of oil and gas production achieved vis a vis the proved and probable reserves considering the estimated future expenditure (reviewed & revised) and other costs to be incurred on developing the reserves. Para 50 of the guidance note on Accounting for Oil and Gas producing activities under full cost method states that "Proved Oil and Gas" reserves for calculating depletion comprise developed and undeveloped oil and gas reserves estimated at the end of the period as increased by the production during the period

As Guidance Note is for "Producing Activities", the company keeping in mind the prudent industry practice considers the assets for depletion only once the commercial production is commenced

with the approval of the Management Committee as per the provisions of the Production Sharing Contract (PSC). Till that time, neither the reserves are taken for depletion nor are the assets with respect to the said PSC are capitalized

5. Inventories

Inventory of crude oil in Joint Ventures are valued as per Crude Off take and Sale Agreement (COSA).

6. Investments (Long Term):

The investments in shares are shown at cost.

7. Revenue Recognition:

All income and expenditure items having material bearing on the financial statements are recognised on accrual basis.

Revenue from services is recognized when the services are rendered and related costs are incurred.

Company's share of Revenue from Joint Ventures is considered on the basis of Accounts submitted by Joint Ventures.

Sale of crude oil and gas produced from exploratory wells in progress is adjusted against expenditure incurred on such wells.

Profit Petroleum paid to MoPNG is subject to the approval of Director General of Hydrocarbon (DGH) and difference, if any, is accounted for in the period of settlement of such differences.

8. Accounting for Oil and Gas Joint Ventures

The company follows Full Cost Method for accounting for its oil and gas activity and all costs incurred in prospecting, acquisition, exploration and development of blocks are accumulated considering the country as a cost center. However as a matter of policy, the company is writing off the balance of entire cost of the block which is permanently abandoned, in the year of abandonment. All Oil and Gas Joint Ventures are in the nature of Jointly Controlled Assets. Accordingly the financial statements of the Company reflect its share of assets, liabilities, income and expenditure of the Joint Venture operations which are accounted on the basis of available information on line by line basis with similar items in the Company's accounts to the extent of the participating interest of the Company and also as per the various joint venture agreements except in cases of abandonment, impairment, depletion and depreciation which are accounted as per the accounting policies of the Company.

The financial statements of the unincorporated joint ventures are prepared by the respective Operators in accordance with the requirements prescribed by the respective Production Sharing Contracts of the unincorporated joint ventures. Hence, certain adjustments/disclosures required under the mandatory Accounting Standards and the Companies Act, 1956 have been made in the financial statements of the Company only to the extent of information available with the Company. Such information may pertain to foreign exchange differences and details relating to fixed assets of respective unincorporated Joint Ventures, information relating to micro, small and medium enterprises, particulars of expenditure in foreign currency, particulars of earnings in foreign currency, particulars of CIF value of imports, transactions with related parties, details of leases, details of commitments and contingencies and information relating to consumption of stores and spares, capital stock and drilling tangibles.

9. Income Tax and Deferred Tax

Tax Expense comprises of Current Tax and Deferred Tax. Provision for Current Tax is made on the basis of the assessable income at the tax rate applicable to the relevant assessment years after consideration of the applicable provisions of the Income Tax Act, 1961 including benefits, allowances and deductions admissible under the said Act.

Deferred tax is recognized subject to consideration of prudence in respect of deferred tax assets, on timing differences being the difference between taxable incomes and accounting income that

originate in one period and are capable of reversal in one or more subsequent periods and is measured using tax rates and laws that have been enacted or subsequently enacted up to balance sheet date. Deferred tax assets are reviewed at each balance sheet date to assets realization.

The Deferred Tax Asset is recognized and carried forward only to the extent that there is a virtual certainty of its realization supported by convincing evidence

10. Foreign Currency Transactions

All transactions in foreign currency are recorded at the rates of exchange prevailing on the dates when the relevant transactions take place.

Monetary items denominated in foreign currency at the year end are restated at the rate of exchange prevailing on the date of the Balance Sheet. Resultant gain or loss is recognized in the profit and loss account during the year.

11. Impairment

As provided in the Guidance Note on Accounting for Oil & Gas Producing Activities, for the purpose of AS 28 on Impairment of Assets, each cost center used for depreciation / depletion purpose is treated as a Cash Generating Unit. An asset is considered as impaired in accordance with AS-28 when at balance sheet date there are indications of impairment and the carrying amount of the asset, or where applicable the cash generating unit to which the asset belongs, exceeds its recoverable amount (i.e. the higher of the asset's net selling price and the value in use.). In assessing the value in use, the estimated future cash flow expected from the continuing use of the asset and its ultimate disposal are discounted to their present value using a predetermined discount rate. The carrying amount is reduced to the recoverable amount and the reduction is recognized as an impairment loss in the profit and loss account.

12. Earnings per share

Basic earnings per share is calculated by dividing the net profit after tax for the year attributable to equity share holders of the company by the weighted average number of equity shares issued during the year. Diluted earnings per share is calculated by dividing net profit attributable to equity share holders (after adjustment for diluted earnings) by weighted average no. of equity shares outstanding during the year.

13. Provisions, Contingent Liabilities and Contingent Assets

A provision is recognized when the company has a present obligation as a result of past events 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 based on technical valuation and past experience. Provisions are not discounted to its present value and are determined based on management 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 best estimates. No provision is recognized for liabilities whose future outcome cannot be ascertained with reasonable certainties. Such contingent liabilities are not recognized but are disclosed in the notes to the financial statements. Contingent liability is disclosed for (i) possible obligations which will be confirmed only by future events not wholly within the control of the company or (ii) present obligation arising from past events where it is not probable that an out flow of resources will be required to settle the obligation or a reliable estimate of the amount of the obligation cannot be made.

14. Cash flow statements

The Cash Flow statement is prepared by the "indirect method" set out in Accounting Standard 3 on "cash Flow Statements" and presents the cash flow by operating, investing and financial activities of the company. Cash and cash equivalents presented in the cash flow statements consist of cash on hand and demand deposit with banks.

15. Employee Benefits :

Gratuity and Leave Encashment liability which arises through companies share in unincorporated Joint Ventures, is a defined benefit obligation and is provided for on the basis of an actuarial valuation

on projected unit credit method made at the end of each financial year. The Gratuity scheme is maintained and administered by an insurer to which the trustees make periodic contributions. Short term compensated absences are provided for based on estimates. Long term compensated absences are provided for based on actuarial valuation made at the end of each financial year. The actuarial valuation is done on projected unit credit method.

16. Amortization of Miscellaneous Expenditure:

Preliminary expenses and Pre-operative expenses has not been amortized.

17. Prior Period Adjustment:

Expenses and income pertaining to earlier/previous years are accounted as prior period items.

18. Segment Reporting:

The Company predominantly operates in a single segment namely "Oil & Gas" i.e. providing services to companies in oil and gas exploration and extraction in one geographical location and is primary basis for segment information which as per Accounting Standards 17 is considered as the only reportable business segment.

II. ADDITIONAL NOTES (Forming an integral part of Accounts)

1. Interest in Joint Ventures

The Indian Project office's current producing and active Exploration & Development activities relate to the following Fields:

AS AN OPERATOR(4 FIELDS)	AS A NON OPERATOR (4 FIELDS)
❖ Allora Field	❖ Unawa Field
❖ Dholasan Field	❖ North Balol Field
❖ Kanawara Field	❖ CB-ONN-2004/1
❖ North Kathana Field	❖ CB-ONN-2004/4

The unincorporated joint ventures relating to the above mentioned Fields were set up under the respective Production Sharing Contracts (PSCs) entered into with the Government of India. The details of the participating interest as on March 31, 2017 are set out below.

Sl. No	Field-Location Status	Joint Ventures Partners	Participating Interest (%)
1	Dholasan Field Onshore Development	1. Gujarat State Petroleum Corporation Ltd. 2. GNRL Oil & Gas Limited (Formerly Heramec Limited) (Operator)	70.00 30.00
2	Kanawara Field Onshore Development	1. Gujarat State Petroleum Corporation Ltd. 2. GNRL Oil & Gas Limited (Formerly Heramec Limited) (Operator)	70.00 30.00
3	North Kathana Field Onshore Development	1. Gujarat State Petroleum Corporation Ltd. 2. GNRL Oil & Gas Limited (Formerly Heramec Limited) (Operator)	70.00 30.00
4	Allora Field Onshore Development	1. Gujarat State Petroleum Corporation Ltd. 2. GNRL Oil & Gas Limited (Formerly Heramec Limited) (Operator)	70.00 30.00
5	Unawa Field Onshore Development	1. Gujarat State Petroleum Corporation Ltd. (Operator) 2. GNRL Oil & Gas Limited (Formerly Heramec Limited)	70.00 30.00

Sl. No	Field–Location Status	Joint Ventures Partners	Participating Interest (%)
6	North Balol Field Onshore Development	1. Gujarat State Petroleum Corporation Ltd. 2. GNRL Oil & Gas Limited (Formerly Heramec Limited) 3. Hindustan Oil Exploration Company Limited (Operator)	45.00 30.00 25.00
7	CB-ONN-2004/1 Field Onshore Development	1. Oil and Natural Gas Corporation Ltd.(Operator) 2. Gujarat State Petroleum Corporation Ltd. 3. GNRL Oil & Gas Limited (Formerly Heramec Limited)	50.00 40.00 10.00
8	CB-ONN-2004/4 Field Onshore Development	1. Oil and Natural Gas Corporation (Operator) 2. Gujarat State Petroleum Corporation Ltd. 3. GNRL Oil & Gas Limited (Formerly Heramec Limited)	50.00 40.00 10.00

In taking up its share of balances of assets, liabilities, income and expenditure from the unincorporated joint ventures as at March 31, 2017 GNRL Oil & Gas Limited (Formerly Heramec Limited) has applied its participating interest in the respective PSCs'.

2.1 JV accounts of CB ONN 2004/01 and CB ONN 2004/04

In respect of two joint venture which are under exploration and development phase, company has not received the financial statement of these Joint venture (CB ONN 2004/1 and CB ONN 2004/4) from the operator, ONGC. Thus, the same are not considered for accounting purposes at the Company level.

2.2 Of the above, 6 fields/blocks are in production, namely Unawa, North Balol, Dholasan, North Kathana, Kanawara and Allora, Net quantity of Company's interest (on gross basis) in proved developed reserves is as follows:

Particulars	Proved Developed Reserves (Oil) (Million MT)	Proved Developed Reserves (Gas) (Million Cubic Meter)
Beginning of the Period	7.72	409.46
Recoverable Reserves	1.520	76.672
Additions	-	-
Deletions	-	-
Production	0.001	3.805
Closing Balance for the year ended on 31.03.2017	1.519	72.867

The Company's share of reserve as on 30th June, 2008 has been considered on the basis of the "Reserve" certification provided by M/s. Gaffney, Cline & Associates.

2.3 The financial statements of the Company reflect its share of Assets, Liabilities, Income and Expenditure of the Joint Venture operations which are accounted on a line to line basis with similar items in the Company's accounts to the extent of participating interest of the company as per the various joint venture agreements, in compliance of AS-27. The income and expenditure from Joint Ventures are disclosed separately in the Profit and Loss Account. The summary of the Company's share in Assets & Liabilities of Joint Ventures are as follow:

PARTICULARS	AS AT 31 st March 2017 ₹	AS AT 31 st March 2016 ₹
Fixed Assets	827,751,404	812,135,013
Current Assets	648,958,960	589,149,917
Current Liabilities	178,923,399	134,639,287

The Profit and Loss Account of the subsidiaries includes its share in Profit or Loss pertaining to the respective Joint Ventures. The summary of Profit and Loss Account for the year ended 31st March 2017 and 31st March 2016 is given as under:

	2016-17		2015-16	
	Aggregate of all JVs	Heramec's Share	Aggregate of all JVs	Heramec's Share
INCOME				
Sale of Crude Oil	95,492,528	28,647,761	110,553,232	33,165,970
Sale of Gas	164,402,431	49,320,729	205,899,446	61,769,834
Sludge Sales	--	--	--	--
Increase/(Decrease) in Stock	7,943,849	2,383,155	(7,812,699)	(2,343,810)
Other Income	493,520	148,056	440,059	132,018
Total	268,332,328	80,499,698	309,080,038	92,724,011
EXPENDITURE				
Production and Administrative Expenses	183,204,277	54,961,283	182,716,252	54,814,876
Total Expenditure before Depreciation	183,204,277	54,961,283	182,716,252	54,814,876
PROFIT BEFORE DEPRECIATION	85,128,050	25,538,415	126,363,786	37,909,136

3. Related Party Transactions:

a. Names of related parties and description of relationship:

(i)	Holding Company	Gujarat Natural Resources Ltd
(ii)	Subsidiaries	Sigma Oil & Gas Private Ltd
(ii)	Step down Subsidiary	1. GNRL Oil & Gas Limited (Formerly Heramec Limited) 2. Alkor Petro Overseas Ltd 3. Gorlas Corporate Holding Ltted 4. Gorlas Global Energy PLC 5. Heramec Oil and Gas (Singapore) pte Ltd. 6. Gorlas Global Energy PLC
(iii)	Enterprises where key managerial Personnel exercise significant influence	1. Leshia Industries Ltd 2. SRPL Development Pvt. Ltd. 3. Leshia Agro Food Pvt. Ltd. 4. Infinium Natural Resources Int. Pvt. Ltd. 5. Opal Travels Pvt. Ltd.
(iv)	Key Management Personnel / Directors	1. Ashok C. Shah 2. Shalin A. Shah 3. Malav Mehta 4. Ilesh Shah 5. Pravinbhai Trivedi 6. Hariyant C. Shelat 7. Dhiren S Bhatt (Upto 10.08.16) 8. Sarika Kulkarni 9. Payal V Makani (From 14.02.2017)

b. Transaction for the year ended March 31, 2017:

Particulars	For the year ended	For the year ended
	31 st March 2017	31 st March 2016
Sale /Services :		
1. Subsidiary Company	4245980	4176055
Loan given/ (Taken)		
1. Key Management Personnel	--	(30,000,000)
2. Enterprises where KMP exercise significant influence	2,00,25,000 (3,00,00,000)	(100,000,000)
Expenditure :		
1. Key Managerial personnel. –Remuneration	78,00,000	7,350,000
2. Enterprises where KMP exercise significant influence (Rent)		16,030,000
3. Enterprises where KMP exercise significant influence		--
Outstanding balance as at the Year end		
1. Amounts Payable		
a) Key Managerial personnel		--
b) Enterprises where KMP exercise significant influence	10,00,00,000	90,000,000
c) Director Remuneration	1,33,58,950	8,852,450
2 Amounts Receivable		
a) Enterprises where KMP exercise significant influence	--	--

4. EXPENDITURE IN FOREIGN CURRENCY:

PARTICULARS	For the year ended 31st March 2017 ₹	For the year ended 31st March 2016 ₹
i) Consultancy Expenses	97,918	96,131
Totals	97,918	96,131

5. SALES TURNOVER

Description	Unit	Quantity	Value ₹
Crude Oil	MBBLs	9.37	28,647,761
		P.Y. 11.22	P.Y. 33,165,970
Natural Gas	MM3	3733.77	49,320,729
		P.Y. 4593.50	P.Y. 61,769,834

6. OPENING AND CLOSING STOCK OF GOODS PRODUCED & TRADED

Description	Unit	Quantity	Value in ₹
Opening Stock			
Crude Oil	MBBLs	0.47 P.Y. 0.58	158894 P.Y. 303427
Closing Stock			
Crude Oil	MBBLs	0.34 P.Y. 0.47	158287 P.Y. 158894

7. ACTUAL PRODUCTION

Description	Unit	Actual Production for the Year
Crude Oil	MBBLs	9.86 P.Y. 13.16
Natural Gas	MM3	3805.08 P.Y. 4686.41

* MM3 - Thousand Cubic Meter

* MMBL - Thousand Barrels

8. CIF value of Imports :

Particulars	For the year ended 31 st March, 2017	For the year ended 31 st March, 2016
i) Raw Materials	--	--
ii) Components and Spare Parts	115,975	17,988,909
iii) Capital Goods	--	158,409
Total	115,975	18,147,318

9. Earning in Foreign Currency :

Particulars	For the year ended 31 st March, 2017	For the year ended 31 st March, 2016
Earnings in Foreign Currency (Liquidated Damages)	--	--

The company has not remitted any amount in foreign currency on account of dividend to non-resident shareholder during the current year.

10. EMPLOYEE BENEFITS EXPENSES

Particular	Gratuity (Funded)		Leave Encashment (Non-funded)	
	2016-17	2015-16	2016-17	2015-16
I Change in obligation during the year ended 31st March, 2017				
1 Liability at the beginning of the year	43,53,057	34,29,075	19,25,776	15,32,535
2 Interest cost	3,40,630	2,60,647	1,48,438	1,15,430
3 Current service cost	6,98,569	6,45,045	2,66,241	2,33,385
4 Past service cost	-	-	-	-
5 Benefit Paid **	(17,812)	(26,250)	(5,72,934)	(3,93,684)
6 Actuarial (gain) / Losses **	(56,403)	44,540	7,21,641	4,38,110
7 Liability at the end of the year	53,18,041	43,53,057	24,89,162	19,25,776

II Change in assets during the year ended 31st March, 2017	2016-17	2015-16	2016-17	2015-16
1 Plan assets at the beginning of the year	41,16,077	35,53,245	-	-
2 Expected return of plan assets	3,04,898	3,32,185	-	-
3 Contributions **	1,32,295	3,09,924	-	-
4 Benefit paid **	(17,812)	(26,250)	-	-
6 Actuarial gain / (Loss)	(12,655)	(53,027)	-	-
7 Expenses deducted from fund	-	-	-	-
8 Plan assets at the end of the year	45,22,803	41,16,077	-	-
III Actual return on plan assets	2016-17	2015-16	2016-17	2015-16
1 Expected return of plan assets	3,04,898	3,32,185	-	-
2 Actuarial gain / (loss)	(12,655)	(53,027)	-	-
3 Actual return on plan assets	2,92,243	2,79,158	-	-
IV Net asset / (liability) recognized in the Balance Sheet as at 31st March, 2017	2016-17	2015-16	2016-17	2015-16
1 Liability at the end of the year	53,18,041	43,53,057	24,89,162	19,25,776
2 Plan assets at the end of the year	45,22,803	41,16,077	-	-
3 Amount recognized in the Balance Sheet Accrued (Asset)/Liability	7,95,238	2,36,980	24,89,162	19,25,776
V Expenses recognized in the Statement of Profit & Loss account for the year ended 31st March, 2017	2016-17	2015-16	2016-17	2015-16
1 Current service cost	6,98,569	6,45,045	2,66,241	2,33,385
2 Interest cost	3,40,630	2,60,647	1,48,438	1,15,430
3 Expected return on plan assets	(3,04,898)	(3,32,185)	-	-
4 Actuarial (gain) / Losses	(43,748)	97,567	7,21,641	4,38,110
5 Past service cost	-	-	-	-
6 Total expenses	6,90,553	6,71,074	11,36,320	7,86,925
VI Balance Sheet reconciliation	2016-17	2015-16	2016-17	2015-16
1 Opening net liability /(asset)	2,36,980	(1,24,170)	19,25,776	15,32,535
2 Expenses as above	6,90,553	6,71,074	11,36,320	7,86,925
3 Employer contribution	1,32,295	3,09,924	-	-
4. Benefits paid directly by the Company	-	-	(5,72,934)	(3,93,684)
5 Amount recognized in the Balance Sheet	7,95,238	2,36,980	24,89,162	19,25,776
VII Actuarial assumptions	2016-17	2015-16	2016-17	2015-16
1 Discount rate	7.20%	7.95%	7.20%	7.95%
2 Rate of return on plan assets	7.20%	7.95%	0.00%	0.00%
3 Salary Escalation	8.33%	8.33%	8.33%	8.33%

VIII Amount for the current period is as under *				
Particulars	2016-17	2015-16	2016-17	2015-16
Gratuity(Funded)	-	-		
Defined Benefit obligation	53,18,041	43,53,057	24,89,162	19,25,776
Plan asset	45,22,803	41,16,077	-	-
Surplus/(deficit)	(7,95,238)	(2,36,980)	(24,89,162)	(19,25,776)
Experience adjustment on plan liability **	(4,44,234)	(3,95,382)	5,62,710	2,21,258
Actuarial Loss /(Gain) due to change in Actuarial Assumption	3,87,831	4,39,922	1,58,931	2,16,852
Experience adjustment on plan assets	12,655	53,027	-	-

* With respect to Gratuity & Leave Encashment, the Company has taken actuarial valuation report for the year ended 31st March, 2017.

** Previous year's figures have been regrouped, rearranged and reclassified wherever necessary, so as to confirm with the figures of actuarial valuation report.

IX. Investment details :

The funds are managed by LIC and LIC has not provided break up of planned assets by investment type for the year 2016-17

X. Expected Employers contribution for the next financial year :

For the gratuity which are funded, company is expecting to contribute the amount which can mitigate future liability. The estimate of future salary increase, considered in actuarial valuation, take into account inflation, seniority, promotion and other relevant factor, such as supply and demand in the employment market. The above information is certified by the actuary.

Gratuity is administered through duly constituted and approved independent trusts, also through Group gratuity scheme with Life Insurance Corporation of India.

11. Contingent Liabilities:

11.1 The Company has given Bank Guarantees given in favor of Director General of Hydrocarbon, (DGH) New Delhi, India and the same is outstanding as on March 31, 2017 amounting to USD 202,298 equivalent to ₹ 8,871,047/-. (Previous year: US Dollars 156,274 equivalent to ₹ 12,471,261/-). This guarantee represents the share of GNRL Oil & Gas Limited (Formerly known as Heramec Limited) in respect of the total estimated annual expenditure as per Approved Work Program in the contract area during the development phase of the existing discoveries. This bank guarantee represents the 30% share of Participating Interest (PI) of GNRL Oil & Gas Limited.

11.2 The Company has received notice from VAT department on 08/12/2014 for non payment of VAT on Sludge Sale for the FY 2008-09 and FY 2009-10. Total demand raised by the department is of ₹ 23,97,321/- and ₹ 27,39,762/- for FY 2008-09 and FY 2009-10 respectively (Including Interest and penalty). The Company has filed appeal before Gujarat Value Added Tax Tribunal, against demand raised and paid advance payment of ₹ 4,00,000/- for granting appeal and stay against the recovery of the outstanding demand as per the order of the Gujarat Value Added Tax Tribunal dated 13/2/2015. Further on the same matter, the stay was granted by the way of order dated 03/03/2015, and the matter has been referred to the first appellent authority and it will have the liberty to decide the matter independently.

11.3 JV accounts of CB ONN 2004/01 and CB ONN 2004/04:

The company has not received the Joint Venture accounts of CB ONN 2004/01 and CB ONN 2004/4 from the JV Partner, ONGC. In the absence of the same, the financial results and any possible outflow of these JV accounts could not be considered for accounting purposes at the Company level.

11.4 During the financial year 2011-2012 discovery of oil in TS#8 (Tarapur South#8) of CB-ON/2 field has been regularized and shall be governed by provisions of PSC for North Kathana Joint Venture as per the regularization order received from the Directorate General of Hydrocarbons, Ministry of Petroleum & Natural Gas, Govt. of India dated 15th February 2012. Based on the said order, the company has recognized asset (NK#5) and corresponding income on the basis of its participating interest in North Kathana PSC. In view of the same, the Company has not considered any liability towards the operator of CB-ON/2 under the said regularization order while consolidating the Joint Venture accounts on a line by line basis.

11.5 Penalty of ₹ 10,43,356/- for the accounting year 2011-12 raised by Income Tax Authorities, which is disputed by the Company.

11.6 Penalty of ₹ 1,57,500/- for the accounting year 2009-10 raised by Income Tax Authorities, which is disputed by the Company.

12. Capital Commitment

Estimated amount of Contracts remaining to be executed on capital account and not provided for:

i) In respect of Company - NIL (P.Y. - NIL)

13. **Sundry debtors over six months included Rs. 739.71 lacs non-performing in nature.** In the opinion of the Directors, they are good and recoverable. The Directors are hopeful of getting recoveries in the next year as present market conditions are not favourable. **However in the opinion of the Auditor, it shall be prudent to identify the same as doubtful of recovery requiring adequate provision.** It has been explained that the management of the company is pursuing recoveries and actual losses, if any, shall be adjusted as and when arises.
14. In opinion of the management of the company, all loans, advances and deposits are recoverable in nature for which no provision is required. **However in the opinion of the Auditor, it shall be prudent to make sufficient provision for such non performing assets being Deposit of Rs. 57.97 lacs, Capital Advances of Rs. 8.75 lacs and other loans and advances of Rs. 139.45 lacs aggregating to Rs. 206.17 lacs which are outstanding since long.**
15. The company has granted loan of ₹ 4034.86 lacs to subsidiary company and ₹ 1052.22 lacs to other parties without charging any interest as required under the provision of Section 186 of the Companies Act, 2013. In absence of rate of interest, the amount of the income foregone on such advances could not be quantified in this regard.
16. In the opinion of the Directors, 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 and determined liabilities (except wherever otherwise stated) are adequate and not in excess of the amount reasonably necessary.
17. Balances under Sundry Debtors, Sundry Creditors, Loans & Advances are subject to confirmation and reconciliation with the respective parties/ concerns. Necessary adjustment if any, thereon having an importance of revenue nature, will be made in the year of such confirmation / reconciliation.
18. The company has not received any Memorandum (as required to be filed by the suppliers with the notified authority under the Micro, Small and Medium Enterprise Development Act, 2006) claiming their status as micro, small and medium enterprise as on the Balance Sheet date. Consequently, the amount payable to micro, small and medium enterprises during the year ₹ Nil (Previous year Nil).

19. The company has sent request letter for balance conformation to the trade receivable, trade payables and loans and advances parties. These balances as stated in the balance sheet, are subject to adjustment of differences, if any, on receipt such conformations from the parties.

20. Cash Transaction :

Disclosure of specified bank notes (SBN) held and transacted during 08.11.2016 to 30.12.2016

	SBNs	Other denomination Notes	Total
Closing cash in hand as on 08.11.2016	58,000	9,70,382	10,28,382
(+) Permitted receipts	--	5,02,240	5,02,240
(-) Permitted payments	--	1,98,386	1,98,386
(-)Amount deposited in Banks	58,000	--	58,000
Closing cash in hand as on 30.12.2016	--	12,74,236	12,74,236

20. Previous year figures have been regrouped and/or rearranged whenever necessary.

Signature to Notes 1 to 25

As per our report of even date attached

FOR PANKAJ K. SHAH ASSOCIATES
Firm Registration No. 107352W
CHARTERED ACCOUNTANTS

FOR GUJARAT NATURAL RESOURCES LIMITED

(PANKAJ K. SHAH)
PROPRIETOR
M. No. 34603
 PLACE : AHMEDABAD
 DATE : 25.05.2017

SHALIN A. SHAH
MANAGING DIRECTOR
DIN : 00297447
 PLACE : AHMEDABAD
 DATE : 25.05.2017

ASHOK C. SHAH
DIRECTOR
DIN : 02467830

SHEETAL PANDYA
COMPANY SECRETARY

Form AOC- 1

Part "A": Subsidiaries

1	Name of the subsidiary	Sigma Oil & Gas Private Limited	GNRL Oil & Gas Ltd. (Formerly Heramec Ltd)	Alkor Petro Overseas Ltd.	Gorlas Corporate Holdings Ltd.	Heramec Oil & Gas (Singapore) Pte Ltd.	Gorlas Global Energy PLC- Isle Of Man
2	The date since when subsidiary was acquired	08/05/2009	02/11/2007	02/11/2007	02/11/2007	30/05/2009	02/11/2007
3	Reporting period for the subsidiary	2016-17	2016-17	2016-17	2016-17	2016-17	2016-17
4	Reporting currency and Exchange rate as on the last date of the relevant Financial year	INR (Rs. in lacs)	USD	USD	USD	USD	USD
5	Share capital	1,029.00	50	4,82,000	10,000	40,82,000	9100
6	Reserves & surplus	22.49	25,50,547	Nil	Nil	(56,644)	Nil
7	Total assets	6,602.42	1,44,41,491	4,82,000	1,83,284	40,25,356	2,55,218
8	Total Liabilities	6,602.42	1,44,41,491	4,82,000	1,83,284	40,25,356	2,55,218
9	Investments	3,481.88	Nil	Nil	Nil	Nil	Nil
10	Turnover	39.37	12,22,330	Nil	Nil	Nil	Nil
11	Profit before taxation	1.39	12,166	Nil	Nil	(5,684)	Nil
12	Provision for taxation	1.21	5,794	Nil	Nil	Nil	Nil
13	Profit after taxation	0.18	6,372	Nil	Nil	(5,684)	Nil
14	Proposed Dividend	Nil	Nil	Nil	Nil	Nil	Nil
15	% of shareholding	100% held by Gujarat Natural Resources Limited	100% held by Sigma Oil & Gas Private Limited	100% held by Sigma Oil & Gas Private Limited	100% held by Sigma Oil & Gas Private Limited	100% held by Sigma Oil & Gas Private Limited	100% held by Gorlas Corporate Holdings Ltd

2. Names of subsidiaries which are yet to commence operations - None

3. Names of subsidiaries which have been liquidated or sold during the year. - NA

Part "B": Associates and Joint Ventures

There are no Associates of the Company.

GUJARAT NATURAL RESOURCES LIMITED

Regd. Office: 8, Sigma Corporate, Nr. Mann Party Plot, S. G. High Way, Bodakdev, Ahmedabad, Gujarat

CIN: L27100GJ1991PLC016158

ATTENDANCE SLIP

Name of the attending Shareholder/Proxy : _____

Shareholder's Folio No./Client ID : _____

No. of Shares held : _____

I/We hereby record my/our presence at the Annual General Meeting held on Friday, September 29, 2017 at the Registered Office of the Company at 12:00 noon

Signature of the Attending Shareholder/Proxy: _____

Notes: 1. Share holder/Proxy holder wishing to attend the meeting must bring the attendance slip to the Meeting and hand it over at the entrance duly signed.

2. Share holder/Proxy holder desiring to attend the meeting should bring his/her copy of the Annual Report for reference at the meeting

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GUJARAT NATURAL RESOURCES LIMITED

Regd. Office: 8, Sigma Corporate, Nr. Mann Party Plot, S. G. High Way, Bodakdev Ahmedabad, Gujarat

CIN: L27100GJ1991PLC016158

PROXY FORM

[Pursuant to section 105(6) of the Companies Act, 2013 and rule 19(3) of the Companies (Management and Administration) Rules, 2014]

CIN: L27100GJ1991PLC016158

Name of the company: GUJARAT NATURAL RESOURCES LIMITED

Registered office: 8, Sigma Corporate, Nr. Mann Party Plot, S. G. High Way, Bodakdev, Ahmedabad Gujarat.

Name of the member (s): _____ Folio No/ Client Id: _____

Registered address: _____ DP ID: _____

_____ E-mail Id: _____

I/We, _____ being the member (s) of shares of the above named Company, hereby appoint

- | | | |
|---------------------------------|---------------------------------|------------------|
| 1. Name: _____ | 2. Name: _____ | 3. Name: _____ |
| Address: _____ | Address: _____ | Address: _____ |
| E-mail Id: _____ | E-mail Id: _____ | E-mail Id: _____ |
| Signature:....., or failing him | Signature:....., or failing him | Signature:..... |

as my/our proxy to attend and vote (on a poll) for me/us and on my/our behalf at the Annual general meeting of the company, to be held on the 29th day of September, 2017 At 12:00 noon at 8, Sigma Corporate, Nr. Mann Party Plot, S. G. High Way, Bodakdev, Ahmedabad, Gujarat and at any adjournment thereof in respect of such resolutions as are indicated in the notice.

Signed this ____ Day of ____ 2017

Signature _____

Signature of Proxy Holder(s) _____

Affix
Revenue
Stamp

Notes:

1. Proxy need not be a member.
2. Alterations, if any made in the form of proxy should be initialled;
3. Proxy must be deposited at the Registered Office of Gujarat Natural Resources Limited not later than 48 hours before the time for holding the meeting.
4. In case of multiple proxies, proxy later in time shall be accepted.
5. A form of appointment naming a proxy and a list of individuals who would be willing to act as Proxies will be made available on receipt of request in writing to the Company Secretary.

BOOK POST

To,

If undelivered please return to:

GUJARAT NATURAL RESOURCES LIMITED

8, Sigma Corporate, Nr. Mann Party Plot,

S. G. High Way, Bodakdev,

Ahmedabad, Gujarat.