

 **Gujarat Natural**
Resources Limited

October 3, 2018

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 2017-18.

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 2017-18, approved and adopted by the shareholders of the Company at the Annual General Meeting held on Saturday, 29th September, 2018 at 11:00 AM 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
Managing Director
DIN: 00297447



Encl: As above

ANNUAL REPORT 2017 - 2018

BOARD OF DIRECTORS

Ashok C. Shah	Director & Chairman (Chairman from 08.08.2017)
Ilesh Shah	Director & Chairman (From 23.01.2010 to 16.06.2017)
Shalin A. Shah	Managing Director
Malav A. Mehta	Director
Hariyant C. Shelat	Independent Director (upto 20.09.2017)
Pravinbhai V. Trivedi	Independent Director
Sarika Kulkarni	Independent Director
Payal P. Pandya	Independent Director

COMPANY SECRETARY

Sheetal G. Pandya

AUDITORS

M/s. GMCA & Co.
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

Accurate Securities and Registry Private Limited
Reg. off: 23, Sarthik Complex,
Nr. Fun Republic, Iscon Cross Road,
Satellite, Ahmedabad - 380015.

ROUTE MAP TO THE AGM VENUE



NOTICE

Notice is hereby given that the **27th Annual General Meeting of Gujarat Natural Resources Limited** will be held at the registered office of the Company on Saturday, 29th Day of September, 2018 at 11:00 a.m. 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, 2018 including audited Balance Sheet as at 31st March, 2018 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 re-appoint Mr. Malav Mehta (DIN: 01234736), who is liable to retire by rotation and being eligible, offers himself for re-appointment.

SPECIAL BUSINESS:

3. **To re-appoint Mrs. Sarika Abhijit Kulkarni (DIN 07141926) as Independent Director of the Company for the Second Term.**

To consider and if thought fit, pass with or without modification(s), following resolution as a **“SPECIAL RESOLUTION”**:

“RESOLVED THAT pursuant to sections 149, 150 and 152 of the Companies Act, 2013 (“the Act”), Companies (Appointment and Qualification of Directors) Rules, 2014 (“the Rules”), Schedule IV to the Act, (including any statutory modification(s) or re-enactment(s) thereof for the time being in force) and all the other applicable provision(s), if any, of the Companies Act, 2013 and Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, consent of the Members of the Company be and is hereby accorded to re-appoint **Mrs. Sarika Abhijit Kulkarni (DIN 07141926)**, to the office of Independent Director, for the second term of five consecutive years from 30th March, 2018 to 29th March, 2023, and whose office shall not be 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.”

4. **To approve remuneration to be paid to Mr. Shalin Ashok Shah as Managing Director of the Company.**

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

“RESOLVED THAT pursuant to Sections 196, 197, 198 and 203 and all other applicable provisions of the Companies Act, 2013, read with Schedule V to the said Act, and subject to other approvals as are necessary, the consent of the Company be and is hereby accorded to pay Mr. Shalin Ashok Shah (DIN: 00297447), Managing Director of the Company remuneration as recommended by the Nomination & Remuneration Committee and approved by the Board of Directors for a period of three years from 22/01/2018 to 21/01/2020.”

“RESOLVED FURTHER THAT notwithstanding anything to the contrary contained herein, where in any financial year during the currency of the tenure of the Managing Director, the company has no profits or its profits are inadequate, the Company will pay Mr. Shalin A. Shah the remuneration by way of salary and perquisites not exceeding the limits as mentioned in the explanatory statement annexed.”

“RESOLVED FURTHER THAT the scope and quantum of remuneration specified hereinabove, may be enhanced, enlarged, widened, altered or varied by the Board of Directors in the light of and in conformity with any amendments to the relevant provisions of the Companies Act, 2013 and / or the rules and regulations made there under and / or such guidelines as may be announced by the Central Government from time to time.”

"RESOLVED FURTHER THAT the Board be and is hereby authorized to do all acts and take all such steps as may be necessary, proper or expedient to give effect to this resolution."

Place: Ahmedabad
Date: 14th August, 2018

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. 3 of the Notice:

Mrs. Sarika Abhijit Kulkarni (DIN 07141926) was appointed as Non-Executive Independent Director of the Company on 30th March, 2015 and her term expired on 29th March, 2018. On recommendation of the Nomination and Remuneration Committee, the Board in its meeting held on February 14, 2018 re- appointment her for the second term of five consecutive years from 30th March, 2018 to 29th March, 2023 subject to approval of the shareholders at the forthcoming General Meeting of the Company. Her term is not liable for retirement by rotation. A brief resume of Mrs. Sarika Abhijit Kulkarni (DIN 07141926) is attached herewith. Mrs. Sarika Abhijit Kulkarni (DIN 07141926) has submitted a declaration to the Company to the effect that she meets the criteria of independence as provided under Section 149(6) of the Act.

In the opinion of the Board, Mrs. Sarika Abhijit Kulkarni fulfils the conditions specified in the Act and the Rules framed there under for appointment as Non-Executive, Independent Director and she is independent of the management. She has submitted her declaration in prescribed Form DIR-8 to the effect that she is not disqualified from being appointed as Director in terms of Section 164 of the Act, her consent to act as Director in prescribed Form DIR-2 and her disclosure of interest in prescribed Form MBP-1.

Copy of the draft letter for appointment of Mrs. Sarika Abhijit Kulkarni as an Independent Director would be available for inspection without any fee by the members at the Registered Office of the Company. Brief resume and other details of Mrs. Sarika Abhijit Kulkarni are provided in the annexure to the Explanatory Statement attached herewith as Annexure to the Notice of Annual General Meeting.

Mrs. Sarika Abhijit Kulkarni is deemed to be interested in the resolution setout respectively at Item No. 3 of this Notice with regard to her appointment. Except Mrs. Sarika Abhijit Kulkarni, none of the Director(s) and/or Key Managerial Personnel(s) and their relative(s) is either directly or indirectly concerned or interested, financially or otherwise in the proposed resolution. Ms. Sarika Abhijit Kulkarni does not hold any shares in 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. 3 of this Notice for your approval.

Item No. 4 of the Notice:

Mr. Shalin A. Shah, (DIN: 00297447) Managing Director of the Company was reappointed for a term of 5 years from 22/01/2015 to 21/01/2020. Further, as per Schedule V, the remuneration paid to him was recommended for a period of 3 years which expired on 21/01/2018. The Board of directors of the Company in its meeting held on December 14, 2017, considered and approved remuneration to be paid to him for the remaining term of two years i.e. from 22/01/2018 to 21/01/2020, on the same terms and conditions as approved by the shareholders at the Annual General Meeting held on September 30, 2015.

The remuneration paid to him from 22/01/2018 to 21/01/2020 is sought for your ratification and approval.

The details of terms of appointment and remuneration payable to Mr. Shalin A. Shah as Managing Director as per Schedule V is recommended for a period of 2 years as set out below:

1. Remuneration:
 - a) Salary of Rs. 1,00,000 - (Rupees One Lakhs only) per month with such increments as may be decided by the Board subject to a ceiling of Rs. 2,00,000/- (Rupees Two Lakhs only) per month.
 - b) Perquisites: In addition to the salary and commission the Managing Director shall be entitled to the following perquisites :

The perquisites are classified into three categories as under:

CATEGORY 'A'

- i) **Housing I** : The expenditure incurred by the Company on hiring furnished accommodation for the Managing Director will be subject to the following ceiling :
Forty Five per cent of the Salary, over and above ten per cent payable by the Managing Director.
- Housing II** : In the case the accommodation is owned by the Company, ten per cent of the salary of the Managing Director shall be deducted by the Company.
- Housing III** : In case no accommodation is provided by the Company, the Managing Director shall be entitled to House Rent Allowance subject to the ceiling laid down in Housing I.

Explanation : The expenditure incurred by the Company on gas, electricity, water and furnishings shall be valued as per the Income-Tax Rules, 1962. This shall, however, be subject to a ceiling of ten per cent of the salary of the Managing Director.

- ii) Medical, Hospitalization and Health-care expenses Reimbursement: Reimbursement of actual expenses incurred for the Managing Director and his family.
- iii) Leave Travel Concession: For the Managing Director and his family, once in a year incurred in accordance with any rules specified by the Company.
- iv) Personal accident insurance: Premium as per the rules of the Company.

CATEGORY 'B'

- i) Provident Fund: Company's contribution to Provident Fund shall be as per the scheme applicable to the employees of the Company.
Contribution to provident fund will not be included in the computation of perquisites to the extent this is not taxable under the Income-tax Act.
- ii) Gratuity : As per the rules of the Company, which shall not exceed half a month's salary for each completed year of service.
- iii) Encashment of Leave: Encashment of Leave at the end of the tenure of the appointment will not be included in the computation of perquisites.

CATEGORY 'C'

- i) Car: Provision of car with driver for use on Company's business is not to be considered as perquisites. Use of car for private purpose shall be billed by the Company to the Managing Director.
- ii) Telephone: Telephone(s) at the residence of the Managing Director and a Mobile Phone for his use not to be considered as perquisites. Personal long distance calls on telephone(s) shall be billed by the Company to the Managing Director.

2. The Managing Director shall be entitled to annual privilege leave on full salary for a period of thirty days and such leave shall be allowed to be accumulated for not more than Ninety days.

Payment of remuneration is approved by resolution passed by the Nomination and Remuneration Committee in its meeting dated December 14, 2017. As required by the Companies Act, 2013, approval of the members is being sought, for the remuneration of Mr. Shalin A. Shah, Managing Director. The draft Agreement between the Company and the Managing Director is available for inspection by the members at the company's Registered office between 10:00 a.m. to 1:00 p.m. on all working days upto the date of Annual General Meeting.

Your Directors recommend the above resolution for approval of the Shareholders as a Special Resolution.

Except Mr. Shalin A. Shah and Mr. Ashok C. Shah no other Director or Key Managerial Personnel of the Company or their relatives are concerned or interested in the proposed resolution.

This may also be treated as a written memorandum setting out the terms of reappointment of Mr. Shalin A. Shah, pursuant to section 190 of the Companies Act, 2013.

Additional information pursuant to Schedule V:

I. General Information

- i. Nature of Industry: The Company is engaged in the business of oil and gas exploration.
- ii. Date or expected date of commencement commercial production: Existing Company and hence not applicable.
- iii. In case of new Companies, expected date of commencement of activities as per project approved by financial institutions appearing in the prospectus: Existing Company and hence not applicable.
- iv. Financial Performance: Financial Performance is given in Directors' Report.
- v. Export Performance: No export turnover during the year 2017-18.
- vi. Foreign investment or collaborations: No

II. Information about the appointee:

1. Background details: Mr. Shalin A. Shah aged around 45 years is an Engineering Graduate. He has more than 20 years' managerial experience.
2. Past Remuneration: Last remuneration paid to Mr. Shalin A. Shah is Rs. 18 lacs p.a.
3. Recognition or awards: No special recognitions or awards. Awarded to Mr. Shalin A. Shah.
4. Job Profile and his suitability: Mr. Shalin A. Shah is an engineering graduate. The position of Managing Director demands technical, managerial and leadership qualities. Mr. Shalin A. Shah's dynamic personality combined with his vast experience in the field makes him suitable to lead the company with his knowledge and expertise.
5. Remuneration proposed: Detailed proposed remuneration is as elaborated formerly in this section.
6. Comparative Remuneration profile: Remuneration proposed reflects the standards as respect to industry, size of the Company and profile.
7. Pecuniary relationship directly or indirectly with the company, or relationship with the managerial personnel, if any: Apart from the proposed salary as Managing Director of the Company, Mr. Shalin A. Shah has no other pecuniary relationship or transactions with the company or any other managerial personnel.

III. Other information:

1. Reasons of loss or inadequate profits: Due to frequent fluctuation in the prices of oil worldwide and technological advances, profitability of the company diminished.
2. Steps taken or proposed to be taken for improvement: The Company is working on technology upgradation to increase the production of oil and gas. The sharp fall in global crude prices had an adverse impact on the profitability of the Company.
3. Expected Increase in productivity & profits: The Company believes that due to its efforts in improving technology and induction of qualified and competent workforce the productivity & profits of the Company will increase.
4. **Disclosures:** Details of remuneration of Directors' and other service terms are mentioned in detail in the "Corporate Governance".

The Company has not made any default in repayment of any of its debts, loans (including public deposits) or debentures or interest payable thereon in terms of the proviso of sub clause (ii) of Clause B of section II of Part II of Schedule V of the Companies Act, 2013. As the resolution for re-appointment has been proposed for two years with remuneration within the limits prescribed under Clause-A of section II of part II of schedule V of the Act, and hence the approval of Central Government is not required.

Place: Ahmedabad
Date: 14th August, 2018

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. Malav Mehta (DIN: 01234736)	Mrs. Sarika Abhijit Kulkarni (DIN 07141926)
Age (Yrs.)	46 years	30 years
Date of birth	07/09/1972	22/11/1987
Brief Resume and expertise	Bachelor's degree in chemical Engineering from L.D college of Engineering, Ahmedabad and Masters of Engineering from University of Massachusetts U.S.A. He possesses total experience of more than 20 years in business and his areas of expertise include Oil Gas, Information Technology and Automobiles.	Commerce graduate and a practicing company secretary. She specializes in company law and related matters.
Designation	Director	Independent Director
Chairman/Member of the Committee of the Board of Directors of the Company	Member of Stakeholders' Relationship Committee and Nomination And Remuneration Committee in Infibeam Avenues Limited.	None
No. of Shares held in the Company	48000	Nil
Directorship in Other Listed Company	Infibeam Avenues Limited	None
Related to other directors	Not related to any other Director	Not related to any other Director

Place: Ahmedabad
Date: 14th August, 2018

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 26th September, 2018 to 29th September, 2018 (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. 3 & 4 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. 2 and 3 of the Notice, are also annexed.
10. The Notice of the AGM along with the Annual Report 2017-18 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. 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, 2018, 9:00 a.m.> and ends on < September 28, 2018, 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, 2018, may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter.
- (ii) The shareholders should log on to the e-voting website www.evotingindia.com.
- (iii) Click on Shareholders.
- (iv) 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.
- (v) Next enter the Image Verification as displayed and Click on Login.
 - a. 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.
- (vi) If you are a first time user follow the steps given below:

For Members holding shares in Demat Form and Physical Form	
PAN	Enter your 10 digit alpha-numeric PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders) <ul style="list-style-type: none"> • Members who have not updated their PAN with the Company/Depository Participant are requested to use the sequence number which is printed on Postal Ballot / Attendance Slip indicated in the PAN field.
Dividend Bank Details OR Date of Birth (DOB)	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. <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 (iv).

- (vii) After entering these details appropriately, click on "SUBMIT" tab.
- (viii) 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.

- (ix) For Members holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.
- (x) Click on the EVSN for the Company.
- (xi) 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.
- (xii) Click on the “RESOLUTIONS FILE LINK” if you wish to view the entire Resolution details.
- (xiii) 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.
- (xiv) Once you “CONFIRM” your vote on the resolution, you will not be allowed to modify your vote.
- (xv) You can also take a print of the votes cast by clicking on “Click here to print” option on the Voting page.
- (xvi) 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.
- (xvii) Shareholders can also use Mobile app - “m-Voting” for e voting. m-Voting app is available on IOS, Android & Windows based Mobile. Shareholders may log in to m-Voting using their e voting credentials to vote for the company resolution(s).
- (xviii) **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.
- (xix) 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.
- (xx) For any further assistance, you may contact Ms. Sheetal Pandya, Investor Relations Manager at Telephone No. (079) 4002 9806 or at E-mail Id: info@gnrl.in or write us at registered office of the Company at 8, Sigma Corporate, Nr. Mann Party Plot, S. G. Highway, Ahmedabad – 54.

Directors' Report

Dear Members,

Your Directors have pleasure in presenting the 27th Annual Report on the business and operations of the Company and the Audited Accounts for the Financial Year ended 31st March, 2018.

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

(₹ in Lacs)

Particulars	Standalone		Consolidated	
	Year ended 31/03/2018	Year ended 31/03/2017	Year ended 31/03/2018	Year ended 31/03/2017
Sales & Other Income	2.94	127.37	773.05	986.67
Exceptional Items	0.00	0.00	0.00	0.00
Expenditure	54.26	50.59	687.38	673.54
Profit Before Depreciation and Tax	-51.32	76.78	85.67	313.13
Depreciation & amortisation expense	2.31	2.62	448.87	233.08
Extraordinary Item	0.00	0.00	388.02	0.00
Taxation	0.00	32.82	18.00	37.91
Deferred Tax	0.00		-8.71	0.00
Net Profit (Loss) for the year	-53.63	41.34	15.53	42.13

The Company has prepared the Standalone and Consolidated Financial Statements in accordance with the Companies (Indian Accounting Standards) Rules, 2015 prescribed under Section 133 of the Companies Act, 2013.

2. DIVIDEND:

Due to loss during the year, the Board of Directors of the Company have not recommended any dividend for the year 2017-18.

3. SHARE CAPITAL:

The authorized share capital of the company as on March 31, 2018 was ₹ 40,00,00,000/-. Further, the Company at the Extra Ordinary General meeting held on June 11, 2018 increased the authorised share capital of the Company from ₹ 40,00,00,000 divided into 4,00,00,000 equity shares of ₹10/- each to ₹ 65,00,00,000 divided into 6,50,00,000 equity shares of ₹10/- each. Currently the authorised share capital of the Company is ₹ 65,00,00,000.

The paid up share capital of the company is ₹ 38,75,16,450/- divided into 3,87,51,645 equity shares of ₹10/- each. Further on June 25, 2018, 2,40,00,000 fully convertible warrants of face value of ₹10/- each were issued and allotted at price of ₹ 22/- per warrant on preferential allotment basis.

4. RESERVES:

Reserves & Surplus at the end of the year stood at Rs. 4317.71 as compared to Rs. 4371.35 at the beginning of the year.

5. 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.

6. 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.

7. 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, 2018. Further, it is hereby confirmed that there has been no change in the nature of business of the Company.

8. 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.

9. 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.

10. 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.

11. MEETING OF BOARD OF DIRECTORS:

During the year under the review, 5 (Five) 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.

12. EXTRACTS OF ANNUAL RETURN:

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

13. 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.

14. 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. Malav Mehta (DIN: 01234736) 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 as detailed hereunder:

1. Mr. Ilesh Shah, Chairman and Director of the Company resigned from his office of Director on 16.06.2017
2. Mr. Hariyant C. Shelat, Independent Director of the Company resigned from his office of Director on 20.09.2017 and
3. Mr. Ashok C. Shah, Director was designated as Chairman of the Company on 08.08.2017.

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.

15. 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.

16. 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.

17. 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.

18. INDEPENDENT DIRECTORS' MEETING:

Independent Directors of the Company had met on 29.03.2018 during the year, review details of which are given in the Corporate Governance Report.

19. 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.

20. AUDITORS:

A. Statutory Auditors

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 Annual General Meeting (AGM) held in 2017 till the conclusion of the Annual General Meeting to be held in 2022.

The Members may note that consequent to the recent changes in the Companies Act, 2013 and the Companies (Audit and Auditors) Rules, 2014 by the Ministry of Corporate Affairs (MCA) vide notification dated May 7, 2018, the proviso to Section 139(1) of the Companies Act, 2013 read with explanation to sub-rule 7 of Rule 3 of the Companies (Audit and Auditors) Rules, 2014, the requirement of ratification of appointment of Auditors by the Members at every AGM has been done away with. Therefore, the Company is not seeking any ratification of appointment of M/s. GMCA & Co., Chartered Accountants (Firm Reg. No. 109850W) as the Auditors of the Company, by the Members at the ensuing AGM.

The Report given by the Auditors, M/s. GMCA & Co., 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, Company Secretaries, Ahmedabad to undertake the Secretarial Audit of the Company. The Secretarial Audit Report is annexed herewith as **Annexure IV** are self-explanatory and therefore do not call for any further comments.

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.

21. 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.

22. 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.

23. 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.

24. 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.

25. 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.

26. 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, 2018 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.

27. 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**.

28. GENERAL SHAREHOLDER INFORMATION:

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

29. 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.

30. 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.

31. 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**.

32. 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 2018-19 has been paid.

33. 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: 14th August, 2018

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.

➤ 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 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.
2. Focusing on modernization of process to improvise 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: 14th August, 2018

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 31/03/2018

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	23rd 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.	Accurate Securities & Registry Pvt. Ltd, 23, 3rd Floor, Sarthik Complex, Nr. Fun Republic, Iscon Cross Road, Satellite, Ahmedabad, Gujarat, 380015

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.

IV. 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, 2017				No. of Shares held at the end of the year as on 31 st March, 2018				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
A. Promoters									
(1) Indian									
a) Individual/ HUF	756221	Nil	756221	1.95	756221	Nil	756221	1.95	Nil
b) Central Govt	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
c) State Govt(s)	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
d) Bodies Corp.	8498141	Nil	8498141	21.93	8498141	Nil	8498141	21.93	Nil
e) Banks / FI	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
f) Any other Foreign Individual	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
Total shareholding of Promoter (A)	9254362	Nil	9254362	23.88	9254362	Nil	9254362	23.88	Nil
B. Public Shareholding									
1. Institutions									
a) Mutual Funds	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
b) Banks / FI	0	800	800	0.00	0	800	800	0.00	Nil
c) Central Govt	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
d) State Govt(s)	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
e) Venture Capital Funds	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
f) Insurance Companies	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
g) FIs	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
h) Foreign Venture Capital Funds	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
i) Others (specify)	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
Sub-total (B)(1):-	0	800	800	0.00	0	800	800	0.00	Nil
2. Non-Institutions									
a) Bodies Corp.									

i) Indian	21913393	10300	21923693	56.57	22249846	10300	22260146	57.44	0.87
ii) Overseas	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
b) Individuals									
i) Individual shareholders holding nominal share capital upto Rs. 2 lakh	814706	1480908	2295614	5.92	1136459	1552508	2688967	6.94	1.02
ii) Individual shareholders holding nominal share capital in excess of Rs 2 lakh	4444513	104600	4549113	11.74	4205413	26000	4231413	10.92	-0.82
c) Others (specify)NRI/OCB									
OTHERS									
Non Resident Indians	104858	Nil	104858	0.27	104160	Nil	104160	0.27	0.00
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	409634	Nil	409634	1.06	1	Nil	1	0.00	-1.06
Hindu Undivided Family	213571	Nil	213571	0.55	211796	Nil	211796	0.55	Nil
Foreign Bodies - D R	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
Sub-total (B)(2):-	27900675	1595808	29496483	76.12	27907675	1588008	29496483	76.12	Nil
Total Public Shareholding (B)=(B)(1)+ (B)(2)	27900675	1596608	29497283	76.12	27907675	1589608	29497283	76.12	Nil
C. Shares held by Custodian for GDRs & ADRs	Nil	Nil	Nil	Nil			Nil	Nil	Nil
Grand Total (A+B+C)	37155037	1596608	38751645	100	37162037	1589608	38751645	100	

B) SHAREHOLDING OF PROMOTER-

Sr. no.	Shareholder's Name	No. of Shares held at the beginning of the year as on 31 st March, 2017			No. of Shares held at the end of the year as on 31 st March, 2018			% 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	Ashoka Metcast Limited (Formerly 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	Nil	Nil	Nil	-0.77
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
15	Ashnisha Industries Limited	Nil	Nil	Nil	298,900	0.77	Nil	0.77

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

Pursuant to the Scheme of Arrangement in the nature of Demerger between Lasha Industries Limited and Ashnisha Industries Limited, 298900 equity shares held by Lasha Industries Limited were transferred to Ashnisha Industries Limited. Except for the above transfer there is no change in promoters' shareholding during the year.

**D) SHAREHOLDING PATTERN OF TOP TEN SHAREHOLDERS AS ON 31ST MARCH, 2018:
(OTHER THAN DIRECTORS, PROMOTERS AND HOLDERS OF GDRS AND DRS):**

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 Limited	3,801,570	9.81	-	-	3,801,570	9.81
3	Padma Real Infra Private Ltd.	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. Ltd.	1,555,000	4.01	-	-	1,555,000	4.01
9	Rhetan Estate Private Limited	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 / transfer / bonus/ sweat equity etc.):	No Change during the year			
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 holds 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	2,04,53,506	0.00	2,04,53,506
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	2,04,53,506	0.00	2,04,53,506
Change in Indebtedness during the financial year				
* Addition	0.00	17,78,05,000	0.00	17,78,05,000
* Reduction	0.00	0.00	0.00	0.00
Net Change	0.00	17,78,05,000	0.00	17,78,05,000
Indebtedness at the end of the financial year				
i) Principal Amount	0.00	19,82,58,506	0.00	19,82,58,506
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	19,82,58,506	0.00	19,82,58,506

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	5% of profits	5% of profits

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		1% of profits

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	U/S 220 (Companies Act, 1956)	Non-filing of Balance Sheet & P & L Accounts for the F.Y. 1994-95. The Balance Sheet and Profit & Loss Account for the financial Year 1994-95 was filed subsequently.	On 10/01/2018 the Additional Chief Metropolitan Magistrate, Ahmedabad had imposed fine of Rs. 88,320/- on	Additional Chief Metropolitan Magistrate, Ahmedabad	N.A.
	U/S 162 (Companies Act, 1956)	Non-filing of Annual Return for the F.Y. 1994-95. The Annual Return for the financial year 1994-95 was filed subsequently.	On 10/01/2018 the Additional Chief Metropolitan Magistrate, Ahmedabad had imposed fine of Rs. 87,855/- on	Additional Chief Metropolitan Magistrate, Ahmedabad	N.A.
Punishment	Nil	Nil	Nil	Nil	Nil
Compounding	Nil	Nil	Nil	Nil	Nil
B. DIRECTORS					

Penalty	U/S 220 (Companies Act, 1956)	Non-filing of Balance Sheet & P & L Accounts for the F.Y. 1994-95. The Balance Sheet and Profit & Loss Account for the financial Year 1994-95 was filed subsequently.	On 10/01/2018 the Additional Chief Metropolitan Magistrate, Ahmedabad had imposed fine of Rs. 885/- on Mr. Ashok C. Shah.	Additional Chief Metropolitan Magistrate, Ahmedabad	N.A.
	U/S 162 (Companies Act, 1956)	Non-filing of Annual Return for the F.Y. 1994-95. The Annual Return for the financial year 1994-95 was filed subsequently.	On 10/01/2018 the Additional Chief Metropolitan Magistrate, Ahmedabad had imposed fine of Rs. 880/- on Mr. Ashok C. Shah.	Additional Chief Metropolitan Magistrate, Ahmedabad	N.A.
Punishment	Nil	Nil	Nil	Nil	Nil
Compounding	Nil	Nil	Nil	Nil	Nil

C. OTHER OFFICERS IN DEFAULT

Penalty	NONE
Punishment	
Compounding	

Place: Ahmedabad
Date: 14th August, 2018

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 2017-18 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 2017 – 18 (Rs. In Lakhs)	Percentage increase / decrease in remuneration in the Financial Year 2017 - 18	Ratio of Remuneration of each Director to the Median Remuneration of Employees
1	Mr. Shalin A. Shah Managing Director	18	Nil	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 Lakhs for the Financial Year 2017-18. There was no increase in the remuneration during the year.
- iv. The number of permanent employees on the rolls of the Company is six for the year ended 31st March, 2018.
- 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, 2018 was ₹ 89.13 crores as compared to ₹ 136.21 crores as on March 31, 2017. Price Earnings Ratio of the Company decreased to (164.29) as on 31st March, 2018 as against 319.55 as on 31st March, 2017.
- vii. Average percentage increase made in the salaries of employees including that of the managerial personnel in the last Financial Year was Nil.
- 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 — N.A.
- 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: 14th August, 2018

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 DIRECTORS REPORT

FORM NO. MR-3

SECRETARIAL AUDIT REPORT

FOR THE FINANCIAL YEAR ENDED 31ST MARCH, 2018

[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, 2018 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 not received proxy forms for the Annual General Meeting for the financial year ended 31st March, 2017.
D) The Company has complied with requirements of at least half 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 except mentioned in the **Annexure - B**.

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.

As explained by the Management the Company had already appointed Managing Director & Company Secretary as Key Managerial Personnel and looking for the suitable candidate to be appointed as Chief Financial Officer. The Management had given assurance that they will appoint CFO at the earliest possible on availability of suitable candidate to comply with all provisions of section 203 of the Companies Act, 2013.

The Company had complied with the all provisions of the section 186 of the Companies Act, 2013, except the non charging of interest as per section 186 (7) in respect of some of the loans granted by the Company.

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.

Place : Ahmedabad
Date : 14th August, 2018

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 : 14th August, 2018

For, Patel & Associates
Company Secretaries

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

ANNEXURE - B to the Secretarial Audit Report**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	U/S 220 (Companies Act, 1956)	Non-filing of Balance Sheet & P & L Accounts for the F.Y. 1994-95. The Balance Sheet and Profit & Loss Account for the financial Year 1994-95 was filed subsequently.	On 10/01/2018 the Additional Chief Metropolitan Magistrate, Ahmedabad had imposed fine of Rs. 88,320/- on the Company.	Additional Chief Metropolitan Magistrate, Ahmedabad	N.A.
	U/S 162 (Companies Act, 1956)	Non-filing of Annual Return for the F.Y. 1994-95. The Annual Return for the financial year 1994-95 was filed subsequently.	On 10/01/2018 the Additional Chief Metropolitan Magistrate, Ahmedabad had imposed fine of Rs. 87,855/- on the Company.	Additional Chief Metropolitan Magistrate, Ahmedabad	N.A.
Punishment	Nil	Nil	Nil	Nil	Nil
Compounding	Nil	Nil	Nil	Nil	Nil
B. DIRECTORS					
Penalty	U/S 220 (Companies Act, 1956)	Non-filing of Balance Sheet & P & L Accounts for the F.Y. 1994-95. The Balance Sheet and Profit & Loss Account for the financial Year 1994-95 was filed subsequently.	On 10/01/2018 the Additional Chief Metropolitan Magistrate, Ahmedabad had imposed fine of Rs. 885/- on Mr. Ashok C. Shah.	Additional Chief Metropolitan Magistrate, Ahmedabad	N.A.
	U/S 162 (Companies Act, 1956)	Non-filing of Annual Return for the F.Y. 1994-95. The Annual Return for the financial year 1994-95 was filed subsequently.	On 10/01/2018 the Additional Chief Metropolitan Magistrate, Ahmedabad had imposed fine of Rs. 880/- on Mr. Ashok C. Shah.	Additional Chief Metropolitan Magistrate, Ahmedabad	N.A.
Punishment	Nil	Nil	Nil	Nil	Nil
Compounding	Nil	Nil	Nil	Nil	Nil
C. OTHER OFFICERS IN DEFAULT					
Penalty	NONE				
Punishment					
Compounding					

Place: Ahmedabad
Date : 14th August, 2018

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 not simply a matter of creating checks and balances; it is about creating an outperforming organisation, which leads to increasing employee and customer satisfaction. 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.

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 (Upto 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	Chairman from 08.08.2017
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 (upto 20.09.2017)	Independent, Non Executive Director	Director
Ms. Payal P. Pandya	Independent, Non Executive Director	Director

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

During the financial year 2017-18, 5 (Five) Board Meetings were held on **25/05/2017, 08/08/2017, 14/09/2017, 14/12/2017 and 14/02/2018.**

The composition of Directors and the attendance at the Board Meeting during the year 2017-2018 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	7	--	--	1	N.A.
Mr. Shalin A. Shah	Managing Director	5	--	1	5	Yes
Mr. Hariyant C. Shelat	Director	2	1	2	3	N.A.
Mr. Ashok C. Shah	Director (Chairman from 08.08.2017)	6	--	2	5	Yes
Mr. Malav Mehta	Director	19	--	--	3	No
Mr. Pravinbhai V. Trivedi	Director	None	2	1	3	No

Ms. Sarika A. Kulkarni	Director	None	--	--	5	Yes
Ms. Payal Pandya	Director	2	1	2	5	Yes

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. Mrs. Payal Pandya, Chairman of the Audit Committee, was present at the last Annual General Meeting held on September 29, 2017. 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 (upto 20.09.2017)	Chairman	Non-Executive Independent Director
Mrs. Payal Pandya (from 14.12.2017)	Chairperson	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	5	3
Mrs. Payal Pandya	5	2
Mr. Ashok C. Shah	5	5
Mr. Pravin V. Trivedi	5	3

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, 2018 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 (upto 20.09.2017)	Member	Non-Executive Independent Director
Mrs. Payal Pandya (from 14.12.2017)	Member	Non-Executive Independent Director

There is no appointment of director or key managerial personnel during the year. Meeting of Nomination and Remuneration Committee was held on 14/12/2017 and attended by all Committee Members.

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 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.
- 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).
- 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.
- 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

- 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.
- 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

- a) 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.
- b) 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.
- c) 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, 2018 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, 2018.

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, 2018 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 (upto 20.09.2017)	Member	Non-Executive Independent Director
Mrs. Payal Pandya (from 14.12.2017)	Member	Non-Executive Independent Director

Attendance of each member of the committee:

Committee Members	Meetings held	Meetings attended
Mr. Pravin V Trivedi	4	3
Mr. Shalin A. Shah	4	4
Mr. Hariyant Shelat	2	2
Mrs. Payal Pandya	2	2

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

No. of Shareholders' complaints pending at the beginning of the year: 0

No. of Shareholders' complaints received so far: 3

No. of complaints solved to the satisfaction of shareholders: 3

No. of complaints not solved to the satisfaction of shareholders: 0

No. of pending complaints at the end of the year: 0

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 29, 2018, *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

None of the non-executive non-independent directors of the Company hold any shares in the Company as on 31.03.2018.

5. DISCLOSURE OF RELATIONSHIPS BETWEEN DIRECTORS INTER-SE

Mr. Ashok C. Shah, Chairman 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, 2017. 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
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

2016-17	29 th September, 2017	12:00 noon	8, Sigma Corporate, Nr. Mann Party Plot, S. G. Highway, Ahmedabad – 380 059	-
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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, 2015, 31st March, 2016 and 31st March 2017.

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	7000
c)	Percentage of Shares Dematerialized	0.018%
d)	Number of Remat requests approved	Nil
e)	Number of Shares Rematted	Nil

Representatives of the Company are constantly in touch with M/s. Accurate Securities and Registry Private Limited, Share Transfer Agents of the Company and review periodically the outstanding matters.

9. DISCLOSURES:

- i. There are no materially significant related party transactions that may have potential conflict with the interest of the Company at large
- ii. 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.
- iii. 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)
- iv. 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)
- v. 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:

- a) Office for non-executive Chairman at company's expense: No
- b) Half-yearly declaration of financial performance to each household of shareholders: Not complied
- c) Audit Qualifications: Complied as there are no audit qualifications
- d) Separate posts of Chairman & CEO: Not applicable
- e) 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, 2018**Time:** 11.00 a.m.**Address:** 8, Sigma Corporate, Nr. Mann Party Plot, S. G. Highway, Ahmedabad – 380 054**Dividend payment date:** No dividend recommended for the F.Y. 2017-18.**b. Calendar of Financial Year ended 31st March, 2018**

The meetings of Board of Directors for approval of quarterly financial results during the Financial Year ended 31st March, 2018 were held on the following dates:

First Quarter Results: 14th September, 2017**Second Quarter and Half yearly Results:** 14th December, 2017**Third Quarter Results:** 14th February, 2018**Fourth Quarter and Annual Results:** 30th May, 2018**c. Tentative Calendar for financial year ending 31st March, 2019**

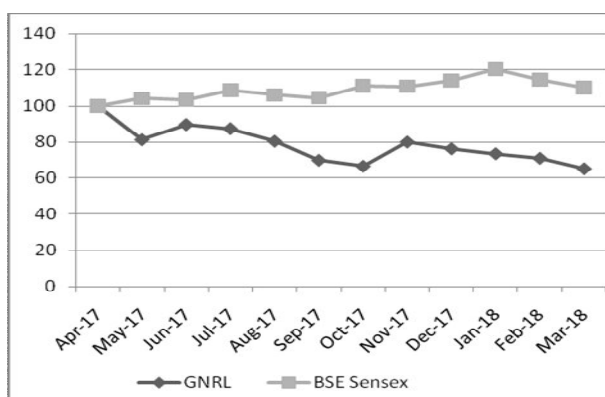
Unaudited Results for the quarter ended 30/06/2018	Second Week of August, 2018
Unaudited Results for the quarter ended 30/09/2018	Second Week of November, 2018
Unaudited Results for the last quarter ended 31/12/2018	Second Week of February 2019
Audited Results for the quarter ended 31/03/2019	Fourth Week of May 2019
Annual General Meeting for the year ending 31 st March, 2019	September, 2019

d. Date of Book Closure26th September, 2018 to 29th September, 2018 (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, 2017	37.50	32.25
May, 2017	35.50	28.60
June, 2017	34.55	27.40
July, 2017	34.00	28.00
August, 2017	33.50	28.50
September, 2017	28.35	24.35
October, 2017	26.30	22.35
November, 2017	34.00	24.65
December, 2017	30.45	25.90
January, 2018	32.55	26.00
February, 2018	26.25	22.60
March, 2018	25.10	23.00

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, Accurate Securities and Registry Private Limited. All valid transfers are processed within 15 days from the date of receipt

j. Distribution of Shareholding as on 31st March, 2018 is as under:

Slab of Shareholdings	No. of Shareholders	% of Shareholders	No. of Shares	Amount (in ₹)	% of Capital
1-500	5586	86.26	1119915	11199150	2.89
501-1000	452	6.98	385130	3851300	0.99
1001-2000	159	2.46	240514	2405140	0.62
2001-3000	61	0.94	157118	1571180	0.41
3001-4000	32	0.49	114911	1149110	0.30
4001-5000	24	0.37	110217	1102170	0.28
5001-10000	50	0.77	360585	3605850	0.93
10001 and above	112	1.73	36263255	362632550	93.58
TOTAL	6476	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, 2018 : 38751645

A. Electronic Holding in NSDL : 12463592

B. Electronic Holding in CDSL : 24698445

C. Physical Holding : 1589608

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:

Accurate Securities and Registry Private Limited (Unit: Gujarat Natural Resources Limited)

Reg. off: 23, Sarthik Complex,

Nr. Fun Republic, Iscon Cross Road,

Satellite, Ahmedabad - 380015.

n. Share Transfer System

Shares in physical form sent for registering transfer, to the Registrar and Shares Transfer Agents, Accurate Securities and Registry Private Limited 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: 14th August, 2018

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 2017-18.

**Place: Ahmedabad
Date: 14th August, 2018**

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, 2018, 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 : 14th August, 2018

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 2017-18 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: 14th August, 2018

For and on behalf of the Board

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

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	2017-18	2017-18	2017-18	2017-18	2017-18	2017-18
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	78.86	27,52,442	NIL	NIL	(62,408)	NIL
7	Total assets	7047.48	1,38,53,662	4,82,000	1,83,284	40,19,592	2,55,218
8	Total Liabilities	7047.48	1,38,53,662	4,82,000	1,83,284	40,19,592	2,55,218
9	Investments	3481.88	NIL	NIL	NIL	NIL	NIL
10	Turnover	25.11	11,55,844	NIL	NIL	NIL	NIL
11	Profit before taxation	(8.67)	2,00,737	NIL	NIL	(5,764)	NIL
12	Provision for taxation	(5.93)	3,709	NIL	NIL	NIL	NIL
13	Profit after taxation	(14.60)	1,97,028	NIL	NIL	(5,764)	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.

Independent Auditor's Report

To the Members of Gujarat Natural Resources Limited

Report on the Financial Statements

We have audited the accompanying financial statements of **GUJARAT NATURAL RESOURCES LIMITED** ("the company"), which comprise the Balance Sheet as at 31st March 2018, the Statement of Profit and Loss, 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 in section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with the Companies (Indian Accounting Standards) Rules, 2015. This responsibility also includes the maintenance of adequate accounting records in accordance with the provision of the Act for safeguarding of the assets of the Company and for preventing and detecting the frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of internal financial control, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these 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 disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the financial statements that give true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by Company's Directors, as well as evaluating the overall presentation of the financial statements.

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

Matter of Emphasis:

- The company has some trade receivables, which has been considered as doubtful debts. Accordingly, company has not recognized 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.
- The company has in past granted/renewed loans and advances to other companies, which has been identified as non-performing asset. Accordingly, company has not recognized any income from the same. In the opinion of 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 nonperforming assets amounting to **Rs. 206.17lacs**. Due to non-provision in this regard the debit balance of profit & loss account is under stated and balance of loans and advances is overstated by the said sum.

This matter has been already emphasized by previous auditor.

- The company is carrying Pre-Operative Expenses of Rs.3,33,23,499/- as "other non current assets" which in our opinion needs to be written off. And Due to the same Profit & Loss account is under stated. So the amount of **Rs. 3,33,23,499/-** needs to be written off in the forthcoming financial years.

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 matter of emphasis paragraph above, the aforesaid financial statements, give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India;

- a) in the case of the Balance Sheet, of the state of affairs of the Company as at March 31, 2018;
- b) in the case of the Statement of Profit and Loss, of the loss for the year ended on that date; and
- c) in the case of the Cash Flow Statement, of the 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") issued by the Central Government in terms of Section 143 (11) of the Act, we give in the Annexure 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 an explanation which is to the best of our knowledge and beliefs were necessary for the purposes of our audit.
 - b) In our opinion proper books of account as required by law have been kept by the Company so far as appears from our examination of those books.
 - c) The Balance Sheet, the Statement of Profit and Loss, and Cash Flow Statement dealt with by this Report are in agreement with the books of account.
 - d) In our opinion, the aforesaid financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with the Companies (Indian Accounting Standard) Rules, 2015, as amended
 - e) On the basis of written representations received from the directors as on 31 March, 2018, taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2018, from being appointed as a director in terms of Section 164(2) of the Act.
 - f) With respect to the other matters included in the Auditor's Report and to our best of our information and according to the explanations given to us:
 - i. The Company does not have any pending litigations which would impact its financial position.
 - ii. The Company did not have any long-term contracts including derivatives contracts for which there were any material foreseeable losses.
 - iii. There is no amount required to be transferred, to the investor's education & Protection Fund by the Company.

For, G M C A & Co.
Chartered Accountants
FRN: 109850W

CA. Mitt S. Patel
(Partner)
Membership No. 163940

Place : Ahmedabad
Date : 30/05/2018

Reports under The Companies (Auditor's Report) Order, 2016 (CARO 2016) for the year ended on 31st March 2018

To,

The Members of **Gujarat Natural Resources Limited****(1) In Respect of Fixed Assets**

- (a) The company has maintained proper records showing full particulars including quantitative details and situation of fixed assets.
- (b) Fixed assets have been physically verified by the management at reasonable intervals; No material discrepancies were noticed on such verification.
- (c) Yes, The Title deeds of Immovable Properties are held in the name of the Company.

(2) In Respect of Inventories

As explained to us, the inventories (excluding inventories with third parties) were physically verified during the year by the Management at reasonable intervals.

(3) Compliance under section 189 of The Companies Act, 2013

The Company has not granted any loan to the parties covered in the register maintained u/s 189 of the companies Act, 2013.

- (a) As there is no such loan, question of prejudicially does not arise.
- (b) As there is no such loan, question of repayment terms & conditions also does not arise.
- (c) There is no overdue amount of loans granted to companies, firms or other parties listed in the register maintained under section 189 of the companies Act, 2013.

(4) Compliance under section 185 and 186 of The Companies Act , 2013

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

(5) Compliance under section 73 to 76 of The Companies Act, 2013 and Rules framed thereunder while accepting Deposits

According to information and explanations given to us, the Company has not accepted any deposits from public during the year. In respect of unclaimed deposits, the Company has complied with the provisions of sections 73 to 76 or any other relevant provisions of the Companies Act, 2013 and the rules made thereunder.

(6) Maintenance of cost records

The Company is not required to maintain cost Records pursuant to the Rules made by the Central Government for the maintenance of cost records under sub-section (1) of section 148 of the Companies Act, 2013.

(7) Deposit of Statutory Dues

- (a) The Company has generally been regular in depositing undisputed statutory dues, including Provident Fund, Income-tax, Sales Tax, Wealth Tax, Service Tax, Duty of customs, Duty of excise, Value added tax, Cess and any other material statutory dues with the appropriate authorities.
- (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, 2018.

Name of Statute	Nature of Dues	Disputed Amount Rs	Period to which the amount Relates	Forum where dispute is pending
Income Tax	Penalty - 271B	92,500	A.Y 2010-11	CIT(A), Ahmedabad

(8) Repayment of Loans and Borrowings

The company has not defaulted in repayment of dues to financial institution, bank or debenture holders.

(9) Utilization of Money Raised by Public Offers and Term Loan For which they Raised

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) Reporting of Fraud During the Year

Based on our audit procedures and the information and explanation made available to us no such fraud noticed or reported during the year.

(11) Managerial Remuneration

Managerial Remuneration of Rs. 18,00,000 has been provided by the Company.

(12) Compliance by Nidhi Company Regarding Net Owned Fund to Deposits Ratio

As per information and records available with us The company is not Nidhi Company. Therefore, the provisions of clause 3 (xii) of the Order are not applicable to the Company.

(13) Related party compliance with Section 177 and 188 of companies Act – 2013

Yes, All transactions with the related parties are in compliance with section 177 and 188 of Companies Act, 2013 where applicable and the details have been disclosed in the Financial Statements etc., as required by the applicable accounting standards.

(14) Compliance under section 42 of Companies Act - 2013 regarding Private placement of Shares or Debentures

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) Compliance under section 192 of Companies Act – 2013

The company has not entered into any non-cash transactions with directors or persons connected with him.

(16) Requirement of Registration under 45-IA of Reserve Bank of India Act, 1934

The company is not required to be registered under section 45-IA of the Reserve Bank of India Act.

For, G M C A & Co.
Chartered Accountants
FRN: 109850W

CA. Mitt S. Patel
(Partner)
Membership No. 163940

Place : Ahmedabad

Date : 30/05/2018

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 **GUJARAT NATURAL RESOURCES LIMITED** ("the Company") as of March 31, 2018 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, 2018.

For, G M C A & Co.
Chartered Accountants
FRN: 109850W

CA. Mitt S. Patel
(Partner)
Membership No. 163940

Place : Ahmedabad
Date : 30/05/2018

BALANCE SHEET AS AT 31/03/2018

Particulars	Note No.	As at 31st March, 2018	As at 31st March, 2017	As at 1st April, 2016
ASSETS				
1 Non-current Assets				
(a) Property, Plant and Equipment	1	1,26,597	1,19,81,504	1,22,14,764
(b) Capital work in progress		-	-	-
(c) Intangible assets	1	3,637	6,393	9,149
(d) Intangible assets under development		-	-	-
(e) Financial Assets :				
i) Investments	2	34,18,73,517	30,53,92,324	21,10,69,064
ii) Loans	3	2,55,31,314	2,53,07,089	4,83,46,862
(f) Deferred tax assets (Net)		-	-	-
(g) Other non-current assets	4	3,46,04,212	2,27,20,880	2,27,20,880
Total Non-current Assets		40,21,39,278	36,54,08,191	29,43,60,719
2 Current Assets				
(a) Inventories		-	-	-
(b) Financial Assets :				
i) Investments		-	-	-
ii) Trade Receivables	5	7,39,70,650	7,39,70,650	7,39,70,650
iii) Cash & Cash Equivalents	6	32,47,845	24,28,411	18,22,426
iv) Loans	7	62,33,28,484	49,34,55,524	56,32,52,315
v) Other Financial Assets		-	-	-
(c) Other Current Assets		-	-	-
Total - Current Assets		70,05,46,979	56,98,54,584	63,90,45,391
Total Assets		1,10,26,86,257	93,52,62,775	93,34,06,111
I. Equity & Liabilities				
1. Equity				
(a) Share Capital	8	38,75,16,450	38,75,16,450	38,75,16,450
(b) Other Equity	9	43,17,71,039	43,71,34,600	43,68,75,327
Total Equity		81,92,87,489	82,46,51,050	82,43,91,777
2. Liabilities				
A) Non Current Liabilities				
(a) Financial Liabilities				
i) Borrowings		-	-	-
(b) Deferred Tax Liabilities (Net)		-	-	-
(c) Other Non Current Liabilities		-	-	-
Total Non- Current Liabilities		-	-	-
B) Current Liabilities				
(a) Financial Liabilities				
i) Borrowings	10	19,82,58,506	2,04,53,506	2,04,53,506
ii) Trade Payables	11	8,12,59,457	8,12,59,457	8,12,59,457
iii) Other Financial Liabilities		-	-	-
(b) Other Current Liabilities	12	36,38,305	25,28,579	70,46,826
(c) Short Term Provisions	13	2,42,500	63,70,183	2,54,545
Total Current Liabilities		28,33,98,768	11,06,11,725	10,90,14,334
Total Equity & Liabilities		1,10,26,86,257	93,52,62,775	93,34,06,111
Contingent Liabilities & Commitments	Nil			

For Gujarat Natural Resources Limited

For, G M C A & Co.
Chartered Accountants
FRN No:109850WAshok C. Shah
Director
DIN : 02467830
Place : Ahmedabad
Date : 30/05/2018Malav A. Mehta
Director
DIN : 01234736CA. Mitt S. Patel
Partner
Membership No. 163940

STATEMENT OF PROFIT & LOSS ACCOUNT FOR THE PERIOD FROM 01-04-2017 TO 31-03-2018

Particulars	Note No.	2017-18	2016-17
I Revenue From Operations		-	-
II Other Income	14	2,94,071	1,27,37,543
III Total Revenue (I+II)		2,94,071	1,27,37,543
IV Expenses			
Purchase of Stock in Trade		-	-
Changes in Inventories		-	-
Employee Benefit Expenses	15	33,58,000	33,80,000
Finance Costs	16	58,313	345
Depreciation & Amortisation Expenses	17	2,31,283	2,62,208
Other Expenses	18	20,10,036	16,79,107
Total Expenses		56,57,632	53,21,660
V Profit Before Exceptional & Extraordinary Items & Tax (III-IV)		(53,63,561)	74,15,883
VII Exceptional Items			-
VIII Profit Before Extraordinary Items & Tax		(53,63,561)	74,15,883
Extraordinary Items			-
IX Profit Before Tax		(53,63,561)	74,15,883
X Tax Expenses			
Current Tax/ Interest on Income Tax/ Deferred Tax			32,81,445
XI Profit/(Loss) for the period from Continuing Operations(IX-X)		(53,63,561)	41,34,438
XII Profit/(Loss) from Discontinuing Operations			
XIII Tax Expense of Discontinuing Operations			
XIV Profit/(Loss) from Discontinuing Operations (after tax)(XII-XIII)		-	-
XV Profit/(Loss) for the Period(XI+XIV)		(53,63,561)	41,34,438
XVI Earning Per Equity Share			
Basic		(0.14)	0.11
Diluted		(0.14)	0.11

The Notes referred to above form an integral part of the Balance Sheet

For Gujarat Natural Resources Limited

For, G M C A & Co.
Chartered Accountants
FRN No:109850W

Ashok C. Shah
Director
DIN : 02467830
Place : Ahmedabad
Date : 30/05/2018

Malav A. Mehta
Director
DIN : 01234736

CA. Mitt S. Patel
Partner
Membership No. 163940

Statement of changes in equity for the period ended March 31, 2018

Amount in Rs.

A. Equity Share Capital

Particulars	2017-18		2016-17	
	No. Shares	Amount	No. Shares	Amount
i) Opening Balance at the beginning of Financial Year	3,87,51,645	38,75,16,450	3,87,51,645	38,75,16,450
Changes in equity share capital during the year	-	-	-	-
Closing Balance at the end of Financial Year	3,87,51,645	38,75,16,450	3,87,51,645	38,75,16,450

B. Other Equity

Amount in Rs.

Particulars	Reserves and Surplus			Total
	Security Premium	General reserve	Retained Earnings	
Balance as at 1st April, 2016	43,33,33,445	5,28,683	30,13,199	43,68,75,327
Change during the Year	-	-	2,59,273	2,59,273
Balance as at March 31, 2017	43,33,33,445	5,28,683	32,72,472	43,71,34,600
Change during the Year	-	-	(53,63,561)	(53,63,561)
Other comprehensive income	-	-	-	-
Total Comprehensive Income / (loss) for the year	-	-	(53,63,561)	(53,63,561)
Balance as at March 31, 2018	43,33,33,445	5,28,683	(20,91,089)	43,17,71,039

See accompanying notes to the financial statements

For Gujarat Natural Resources Limited

For, G M C A & Co.
Chartered Accountants
FRN No:109850WAshok C. Shah
Director
DIN : 02467830
Place : Ahmedabad
Date : 30/05/2018Malav A. Mehta
Director
DIN : 01234736CA. Mitt S. Patel
Partner
Membership No. 163940

CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH 2018

Particulars	2017-18	2016-17
A Cash flow from Operating Activities		
Net Profit Before Tax	(53,63,561)	63,77,456
Adjustments for:		
Add Depreciation	2,31,283	2,62,208
Less Dividend Income	-	-
Less Excees Provision	-	-
Add Interest Expenses	58,195	-
Less Short Term Capital Gain (Mutual Fund)	-	(1,25,04,326)
Operating Profit / (Loss) before Working Capital Changes	(50,74,083)	(58,64,662)
Adjustments for:		
Increase/(Decrease) in Trade Payable	-	-
Increase/(Decrease) in other current liabilities	11,09,726	(45,18,246)
Increase/(Decrease) in Short Term Borrowings	17,78,05,000	-
Increase/(Decrease) in Provisions	(61,27,683)	(2,545)
(Increase)/Decrease in Trade Receivables	-	(3,57,061)
(Increase)/Decrease in inventories	(12,98,72,961)	-
(Increase)/Decrease in other current assets	-	-
Cashflow generated from Operating Activities	3,78,39,999	(1,07,42,514)
Income Tax Paid (Net of Refund)	-	-
Net Cashflow generated from Operating Activities A	3,78,39,999	(1,07,42,514)
B Cash flow from Investment Activities		
Purchase of Fixed Assets	(75,500)	(27,000)
Sale of Assets	1,17,01,880	807
Sale of Investments	-	-
Purchase of Investments	(3,64,81,193)	(9,43,23,260)
Share Application Money Received Back	-	-
Dividend Income	-	-
Net Cashflow generated from Investments Activities B	(2,48,54,813)	(9,43,49,453)
C Cash flow from Financiag Activities		
Interest Expenses	(58,195)	-
Interest Income	-	1,25,04,326
Dividend Paid	-	-
Increase/(Decrease) in Share Capital	(1,18,83,332)	-
(Increase)/Decrease in other non-current assets	-	-
(Increase)/Decrease in short term loans & advances	-	7,01,53,853
(Increase)/Decrease in Long term loans & advances	(2,24,225)	2,30,39,773
Increase/(Decrease) in current liabilities & provisions	-	-
Net Change in Unsecured Loans Taken	-	-
Movement in Loans & Advances Granted	-	-
Net Cashflow generated from Financing Activities C	(1,21,65,752)	10,56,97,952
Net Change in Cash & Cash Equivalents (A+B+C)	8,19,434	6,05,985
Opening Cash & Cash Equivalents	24,28,411	18,22,426
Closing Cash & Cash Equivalents	32,47,845	24,28,411

For Gujarat Natural Resources Limited

For, G M C A & Co.
Chartered Accountants
FRN No:109850W

Ashok C. Shah

Director

DIN : 02467830

Place : Ahmedabad

Date : 30/05/2018

Malav A. Mehta

Director

DIN : 01234736

CA. Mitt S. Patel

Partner

Membership No. 163940

1 Fixed Assets

Particulars	GROSS BLOCK			DEPRECIATION			NET BLOCK			
	At 01.04.2017	Addition	Deduction	At 01.04.2018	At 01.04.2017	Depreciation Charge	Deduction	At 01.04.2018	At 01.04.2017	At 01.04.2018
Office Premises	14207936	-	(1,42,07,936)	-	2324603.66	181452	-	2506055.66	11883332.34	-
Furniture & Fixture	1244503	-	-	12,44,503	1219309.09	18648	-	1237957.09	25193.91	6545.91
Office Equipments	787900	-	-	7,87,900	748504.84	-	-	748504.84	39,395	39,395
Copmputer	138300	-	-	1,38,300	104716.97	16,896	-	1,21,613	33,583	16,687
Airconditioner	-	75,500	-	75,500	-	11,531	-	11,531	-	63,969
Plant and Machinery	6,58,064	-	-	6,58,064	6,58,064	-	-	658064	-	-
Total Tangible Assets	1,70,36,703	75,500	(1,42,07,936)	29,04,267	50,55,199	2,28,527	-	52,83,726	1,19,81,504	1,26,597

2 Intangible Assets

Particulars	GROSS BLOCK			DEPRECIATION			NET BLOCK			
	At 01.04.2017	Addition	Deduction	At 01.04.2018	At 01.04.2017	Depreciation Charge	Deduction	At 01.04.2018	At 01.04.2017	At 01.04.2018
Software	17,500	-	-	17,500	11,107	2,756	-	13,863	6,393	3,637
Total Tangible Assets	17,500	-	-	17,500	11,107	2,756	-	13,863	6,393	3,637

2 Non Current Investments

Particular	No. of Shares 2018	No. of Shares 2017	No. of Shares 2016	As at 31st March, 2018	As at 31st March, 2017	As at 1st April, 2016
(A) Other Investments - Quoted				18,75,23,517	15,10,42,324	5,67,19,064
(1) Investment in Equity Shares						
Amrapali Capital & Finance Service Ltd (Share of 10 each)	13,52,400	13,52,400	2,00,400	4,17,17,108	4,17,17,108	66,49,334
Amrapali Fincarp Ltd (Share of 10 each)	16,24,800	11,11,200	5,10,000	14,58,06,409	10,93,25,216	5,00,69,730
(B) Other Investments - Un Quoted				15,43,50,000	15,43,50,000	15,43,50,000
(1) Investment in Equity Shares						
(a) Others						
10290000 Equity Shares of Rs 10/- Each of Sigma Oil & Gas Private Limited				15,43,50,000	15,43,50,000	15,43,50,000
Total				34,18,73,517	30,53,92,324	21,10,69,064
Market Value of the Quoted Shares				11,48,16,900	10,69,35,120	3,74,11,440
Market Value of the Un Quoted Shares				15,43,50,000	15,43,50,000	15,43,50,000

3 Loan

Particulars	As at 31st March, 2018	As at 31st March, 2017	As at 1st April, 2016
Unsecured, Considered Good	57,97,152	57,97,152	57,97,152
Capital Advances	8,75,000	8,75,000	8,75,000
Balance with government Authorities	2,20,946	23,921	24,26,364
Other Advances	1,86,38,216	1,86,11,016	3,92,48,346
Total	2,55,31,314	2,53,07,089	4,83,46,862

4 Other Non Current Assets

Particulars	As at 31st March, 2018	As at 31st March, 2017	As at 1st April, 2016
Preliminary Exp.	18,70,000	18,70,000	18,70,000
Public Issue Exp	8,80,765	8,80,765	8,80,765
Pre-operative Exp	1,59,12,910	1,59,12,910	1,59,12,910
De-Merger Exp	1,46,59,824	27,76,492	27,76,492
Interest Receivable	12,80,713	12,80,713	12,80,713
Total	3,46,04,212	2,27,20,880	2,27,20,880

5 Trade Receivables

Particulars	As at 31st March, 2018	As at 31st March, 2017	As at 1st April, 2016
Outstanding for less than 6 months from the due date Unsecured, considered good	-	-	-
Outstanding for more than 6 months from the due date Unsecured, considered good	7,39,70,650	7,39,70,650	7,39,70,650
Total	7,39,70,650	7,39,70,650	7,39,70,650

6 Cash & Cash Equivalents

Particulars	As at 31st March, 2018	As at 31st March, 2017	As at 1st April, 2016
Cash on Hand	20,04,341	15,55,316	9,29,844
Balance with Banks			
In Current account	2,51,892	47,893	44,085
Unpaid Divided account	9,91,613	8,25,202	8,48,497
Total	32,47,845	24,28,411	18,22,426

7 Short Term Loans & Advances

Particulars	As at 31st March, 2018	As at 31st March, 2017	As at 1st April, 2016
Advance Tax and Tds	-	12,50,432	1,66,430
Loan to Subsidiary Company	39,67,46,635	40,34,86,385	40,82,52,885
Loan to Corporate Body	22,65,81,849	8,83,57,174	15,48,12,000
Other Advances		3,57,062	21,000
Prepaid Exp	-	4,471	-
Total	62,33,28,484	49,34,55,524	56,32,52,315

8 Share Capital**1.1 Authorized, Issued, Subscribed and Paidup share capital**

Particulars	As at 31st March, 2018		As at 31st March, 2017		As at 1st April, 2016	
	No. of Shares	Amount	No. of Shares	Amount	No. of Shares	Amount
Authorised Share Capital						
Equity Shares of Rs. 10 Each	4,00,00,000	40,00,00,000	4,00,00,000	40,00,00,000	4,00,00,000	40,00,00,000
Total						
Issued Share Capital						
Equity Shares of Rs. 10 Each	3,87,51,645	38,75,16,450	3,87,51,645	38,75,16,450	3,87,51,645	38,75,16,450
Total	3,87,51,645	38,75,16,450	3,87,51,645	38,75,16,450	3,87,51,645	38,75,16,450
Subscribed & Fully Paid						
Equity Shares of Rs. 10 Each	3,87,51,645	38,75,16,450	3,87,51,645	38,75,16,450	3,87,51,645	38,75,16,450
Total	3,87,51,645	38,75,16,450	3,87,51,645	38,75,16,450	3,87,51,645	38,75,16,450

1.2 Details of the Shares for the Preceding Five Years

Particulars	01-04-2013 to 31-03-2018
Number Of Equity Shares Bought Back	-
Number Of Preference Shares Redeemed	-
Number of Equity Share Issue as Bonus Share	-
Number of Preference Share Issue as Bonus Share	-
Number of Equity Shares Allotted For Contracts Without Payment Received In Cash	-
Number of Preference Shares Allotted For Contracts Without Payment Received In Cash	-

1.3 Reconciliation of Share Capital

Particulars	As at 31st March, 2018		As at 31st March, 2017		As at 1st April, 2016	
	No. of Shares	Amount	No. of Shares	Amount	No. of Shares	Amount
Equity Shares (Face Value Rs. 10.00)						
Shares Outstanding at the Beginning of the Year	3,87,51,645	38,75,16,450	3,87,51,645	38,75,16,450	3,87,51,645	38,75,16,450
Shares issued during the year	-	-	-	-	-	-
Shares cancelled during the year	-	-	-	-	-	-
Shares Outstanding at the End of the Year	3,87,51,645	38,75,16,450	3,87,51,645	38,75,16,450	3,87,51,645	38,75,16,450

1.5 Share Holders Holding More than 5% Share

Name of the Share Holders	As at 31st March, 2018		As at 31st March, 2017		As at 1st April, 2016	
	No. of Shares	% of Holding	No. of Shares	% of Holding	No. of Shares	% of Holding
Pranati Construction Pvt Ltd	39,40,570	10.17	39,40,570	10.17	39,40,570	10.17
Algorab Power Project Private Limited	38,57,145	9.95	38,57,145	9.95	38,57,145	9.95
Patron Energy Private Limited	38,01,570	9.81	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	21,71,000	5.60
Blowing Traders Private Limited	21,49,986	5.55	21,49,986	5.55	21,49,986	5.55

9 Reserve & Surplus

Particulars	As at 31st March, 2018	As at 31st March, 2017	As at 1st April, 2016
Securities Premium Account	43,33,33,445	43,33,33,445	43,33,33,445
Revaluation Reserve	5,28,683	5,28,683	5,28,683
Profit & Loss A/c			
Opening balance	32,72,472	30,13,199	64,29,073
(-) Proposed Dividend	-	(38,75,165)	-
(-) Transfer of Current Year Profit/(Loss)	(53,63,561)	41,34,438	(34,15,875)
Closing balance	(20,91,089)	32,72,472	30,13,199
Total	43,17,71,039	43,71,34,600	43,68,75,327

10 Short term Borrowings

Particulars	As at 31st March, 2018	As at 31st March, 2017	As at 1st April, 2016
Loan from Subsidiary Company	2,04,53,506	2,04,53,506	2,04,53,506
Loan from Directors	5,05,000	-	-
Loan from Other	17,73,00,000	-	-
Total	19,82,58,506	2,04,53,506	2,04,53,506

11 Trade Payables

Particulars	As at 31st March, 2018	As at 31st March, 2017	As at 1st April, 2016
Due to Micro & Small Enterprises			-
Trade Payable for Goods	8,12,59,457	8,12,59,457	8,12,59,457
Total	8,12,59,457	8,12,59,457	8,12,59,457

The Company has not received any intimation on suppliers regarding their status under the Micro, Small and Medium Enterprise Development (MSMED) Act, 2006 and hence disclosure as required under section 22 of The Micro, Small and Medium Enterprise regarding:

- (a) Amount due and outstanding to suppliers as at the end of the accounting year;
- (b) interest paid during the year;
- (c) interest payable at the end of the accounting year;
- (d) interest accrued and unpaid at the end of the accounting year;

have not been given, the company is making efforts to get the confirmation from the suppliers as regards their status under the said act.

12 Other Current Liabilities

Particulars	As at 31st March, 2018	As at 31st March, 2017	As at 1st April, 2016
Statutory Dues	17,680	21,580	26,835
Unpaid Dividend	9,91,613	8,25,202	8,48,497
Other Payable	26,29,012	16,81,797	61,71,494
Total	36,38,305	25,28,579	70,46,826

13 Short Term Provisions

Particulars	As at 31st March, 2018	As at 31st March, 2017	As at 1st April, 2016
Provision for Employee Benefits	2,42,500	2,52,000	254545
Proposed Dividend	-	38,75,165	-
Dividend Tax Payable	-	7,88,892	-
Provision for Taxation	-	14,54,126	-
Total	2,42,500	63,70,183	2,54,545

14 Other Income

Particulars	2017-18	2016-17
Interest Income	-	1,25,04,326
Interest on income tax Refund	-	2,23,483
Other Income	-	9,734
Excess Provision	2,94,071	-
Total	2,94,071	1,27,37,543

15 Employee Benefit Expenses

Particulars	2017-18	2016-17
Salary & Wages	33,58,000	33,80,000
Total	33,58,000	33,80,000

16 Finance Costs

Particulars	2017-18	2016-17
Interest Expense	58,195	-
Bank Charges	118	345
Total	58,313	345

17 Depreciation

Particulars	2017-18	2016-17
Depreciation	2,31,283	2,62,208
Total	2,31,283	2,62,208

18 Other Expenses

Particulars	2017-18	2016-17
Payment to Auditors *	75,000	1,43,750
Accounting Charges	1,04,000	-
Cosultancy Charges	10,000	40,000
Communication Exp	-	1,00,733
Donation	-	5,000
E Voting Charges	5,000	-
Repair & Maintanance Exps	41,770	78,360
Travelling Expenses	1,62,666	59,588
Foreign Currency Exps	82,315	-
Income Tax Appeal Fee	1,000	-
Legal & Professional Charges	7,86,000	9,56,925
Telephone Exps	67,683	-
Share Transfer Charges	55,715	-
Share Listing Exps	4,65,000	-
Stationary & Printing Exp	67772	-
ROC Fees	3600	-
Rates & Taxes	-	23,600
Other Miscellaneous Expenses	82,515	2,71,151
Total	20,10,036	16,79,107
* Payment to Auditors		
For Audit Fees	75,000	1,43,750

23. Significant Accounting Policies**Company Overview**

Gujarat Natural Resources Limited (“the company”) is a listed company domiciled in India and incorporated under the provisions of the Companies Act, 1956. The company is engaged in the business of oil and natural gas exploration. The company is listed on Bombay Stock Exchange.

Basis for Preparation of Financial statements

These financial statements have been prepared in accordance with Indian Accounting Standards (“Ind AS”) notified under the Companies (Indian Accounting Standards) Rules, 2015 and Companies (Indian Accounting Standards) Amendment Rules, 2016, as applicable. For periods up to and including the year ended March 31, 2017, the Company prepared its financial statements in accordance with the then applicable Accounting Standards in India (‘previous GAAP’). These are the Company’s first Ind AS financial statements. The date of transition to Ind AS is April 1, 2016. The comparative figures in the Balance Sheet as at March 31, 2017 and April 1, 2016 and Statement of Profit and Loss and Cash Flow Statement for the year ended March 31, 2017 have been restated accordingly. Accounting Policies have been consistently applied except where newly issued accounting standard is initially adopted or revision to the existing standards requires a change in the accounting policy hitherto in use. Management evaluates all recently issued or revised accounting standards on an on-going basis.

Property, plant and Equipment

Property, plant and equipment are stated at acquisition cost net of tax / duty credit availed, less accumulated depreciation and accumulated impairment losses, if any. Properties in the course of construction are carried at cost, less any recognized impairment losses. All costs, including borrowing costs incurred up to the date the asset is ready for its intended use, is capitalized along with respective asset.

Depreciation is recognized based on the cost of assets less their residual values over their useful lives, using the straight-line method. The useful life of property, plant and equipment is considered based on life prescribed in schedule II to the Companies Act, 2013 for year 2017-18 and for year 2016-17

Asset	Useful Life
Office equipment	5 Years
Furniture	10 Years
Office Premise	60 Years
Vehicle	10 Years
Plant & Machinery	15 Years

Transition to Ind AS

For transition to Ind AS, the Company has opted to adopt the carrying value of all of its property, plant and equipment recognised as of April 1, 2016 (transition date) measured as per the previous GAAP and use that carrying value as its deemed cost as of the transition date.

Financial Instruments

Financial assets and financial liabilities are recognized when an entity becomes a party to the contractual provisions of the instruments.

Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit or loss are recognized immediately in profit or loss.

Financial assets**Initial recognition and measurement**

All financial assets, are recognized initially at fair value.

Financial liabilities and equity instruments**Classification as debt or equity**

Debt and equity instruments issued by the Company are classified as either financial liabilities or as equity in accordance with the substance of the contractual arrangements and the definitions of a financial liability and an equity instrument.

Equity instruments

An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities. Equity instruments issued by the Company are recognised at the proceeds received, net of direct issue costs.

Financial liabilities

All financial liabilities are measured at amortized cost using the effective interest method or at FVTPL.

Financial liabilities at amortized cost

Financial liabilities that are not held-for-trading and are not designated as at FVTPL are measured at amortized cost at the end of subsequent accounting periods. The carrying amounts of financial liabilities that are subsequently measured at amortized cost are determined based on the effective interest method. Interest expense that is not capitalized as part of costs of an asset is included in the 'Finance costs' line item.

Trade and other payables are recognized at the transaction cost, which is its fair value.

Current versus non-current classification

The Company presents assets and liabilities in the balance sheet based on current/ non-current classification. An asset is treated as current when it is:

- Expected to be realized or intended to be sold or consumed in normal operating cycle
- Held primarily for the purpose of trading
- Expected to be realized within twelve months after the reporting period, or
- Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period

All other assets are classified as non-current.

A liability is current when:

- It is expected to be settled in normal operating cycle
- It is held primarily for the purpose of trading
- It is due to be settled within twelve months after the reporting period, or
- There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period

Fair value measurement

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the financial asset or settle the financial liability takes place either:

- In the principal market, or
- In the absence of a principal market, in the most advantageous market

The principal or the most advantageous market must be accessible by the Company.

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use.

Revenue recognition

Revenue is recognized to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured, regardless of when the payment is being made. Revenue is measured at the fair value of the consideration received or receivable, taking into account contractually defined terms of payment and excluding taxes or duties collected on behalf of the government.

Borrowing costs

Borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use or sale, are added to the cost of those assets, until such time as the assets are substantially ready for their intended use or sale. Interest income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalization.

Taxation

Tax on Income comprises current and deferred tax. It is recognized in statement of profit and loss except to the extent that it relates to a business combination, or items recognized directly in equity or in other comprehensive income.

Current tax

Tax on income for the current period is determined on the basis on estimated taxable income and tax credits computed in accordance with the provisions of the relevant tax laws and based on the expected outcome of assessments / appeals. Current income tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted, at the reporting date. Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

Deferred tax

Deferred tax is recognized for the future tax consequences of deductible temporary differences between the carrying values of assets and liabilities and their respective tax bases at the reporting date, using the tax rates and laws that are enacted or substantively enacted as on reporting date. Deferred tax assets are recognized to the extent that it is probable that future taxable income will be available against which the deductible temporary differences can be utilized. Deferred tax relating to items recognized outside the statement of profit and loss is recognized outside the statement of profit and loss, either in other comprehensive income or directly in equity. The carrying amount of deferred tax assets is reviewed at each reporting date.

Earnings per share

The Company presents basic and diluted earnings per share (EPS) data for its ordinary shares. Basic EPS is calculated by dividing the profit or loss attributable to the ordinary shareholders of the company by the weighted average number of ordinary shares outstanding during the period. Where ordinary shares are issued but not fully paid, they are treated in the calculation of basic earnings per share as a fraction of an ordinary share to the extent that they were entitled to participate in dividends during the period relative to a fully paid ordinary share. Diluted earnings per share is computed by dividing the net profit after tax by the weighted average number of equity shares considered for deriving basic EPS and also weighted average number of equity shares that could have been issued upon conversion of all dilutive potential equity shares. Dilutive potential equity shares are deemed converted as of the beginning of the period, unless issued at a later date. Dilutive potential equity shares are determined independently for each period presented.

First Time Adoption of Ind AS

The Company has prepared the opening standalone balance sheet as per Ind AS as of April 1, 2016 (the transition date) by recognising all assets and liabilities whose recognition is required by Ind AS, not recognising items of assets or liabilities which are not permitted by Ind AS, by reclassifying items from previous GAAP to Ind AS as required under Ind AS, and applying Ind AS in measurement of recognised assets and liabilities. However, this principle is subject to the certain mandatory exceptions under Ind AS 101 and certain optional exemptions permitted under Ind AS 101 availed by the Company as detailed below:

1. Mandatory exceptions to retrospective application of other Ind AS**(a) Estimates**

An entity's estimates in accordance with Ind AS at the date of transition to Ind AS shall be consistent with estimates made for the same date in accordance with Previous GAAP (after

adjustments to reflect any differences in accounting policies) unless there is an objective evidence that those estimates were in error.

The company has not made any changes to estimates made in accordance with Previous GAAP.

(b) Ind AS 109 - Financial Instruments (Derecognition of previously recognized Financial Assets/ Financial Liabilities)

An entity shall apply the derecognition requirements in Ind AS 109 prospectively for the transactions occurring on or after the date of transition to Ind AS.

The Company has applied the derecognition requirements prospectively.

(c) Ind AS 109 “Financial Instruments” (Classification and Measurement of Financial Assets/ Financial Liabilities)

Classification and measurement of Financial Assets shall be made on the basis of the facts and circumstances that exist at the date of transition to Ind AS.

The Company has evaluated the facts and circumstances existing on the date of transition to Ind AS for the purpose of classification and measurement of Financial Assets and accordingly has classified and measured financial assets on the date of transition.

(d) Ind AS 109 “Financial Instruments” (Impairment of Financial Assets): Impairment requirements under

Ind AS 109 should be applied retrospectively based on reasonable and supportable information that is available on the date of transition without undue cost or effort.

The borrowings of the Company outstanding as at the transition date, consists of loans whose disbursements have taken place in multiple tranches in different financial years with varying interest rates. In some cases, the rate of interest on the loans are variable in nature and draw of the loans have been made in multiple instalments with each draw to be treated as a separate transaction for the purpose of computing the amortised cost. Implementing the requirement of amortised cost retrospectively is impracticable and also the amount is expected to be immaterial and hence the Company has considered the fair value of the financial liability at the date of transition to Ind AS as new amortised cost of that financial liability at the date of transition to Ind AS i.e. 1 April 2016.

2. Optional exemptions

(a) Deemed cost for property, plant and equipment, and intangible assets

Ind AS 101 permits a first-time adopter to opt to continue with the carrying value for all of its property, plant and equipment as recognised in the financial statements as at the date of transition to Ind AS, measured as per the previous GAAP and use that as its deemed cost as at the date of transition after making necessary adjustments for de-commissioning liabilities. This exemption can also be used for intangible assets covered by Ind AS 38 “Intangible Assets”.

Accordingly, the Company has opted to measure all of its property, plant and equipment, and intangible assets at their previous GAAP carrying value.

(b) Investments in subsidiaries, joint ventures and associates

IND AS 101 provides the option to the first-time adopter to account for its investments in subsidiaries, joint ventures and associates at either cost determined in accordance with IND AS 27 or in accordance with IND AS 109.

Accordingly, the Company has opted to measure such investments at cost in accordance with Ind AS 27.

(c) Determining whether an arrangement contains a lease

The Company has applied Appendix C of Ind AS 17 Determining whether an Arrangement contains a Lease to determine whether an arrangement contains a lease on the basis of facts and circumstances existing at the transition date.

The Company has leases of land. The classification of each land as finance lease or operating lease at the date of transition to Ind AS is done based on the basis of facts and circumstances existing as at that date.

24. Notes on Accounts➤ **Contingent Liabilities**

Penalty of 92,500/- for the accounting year 2009-10 raised by Income Tax Authorities, which is disputed by the Company.

➤ **Capital Expenditure Commitments:** Nil➤ **Related Party Transactions:-**

As per Indian Accounting Standard (Ind AS-24) issued by the Institute of Chartered Accountants of India, the disclosures of transactions with the related parties are given below:

List of related parties where control exists and related parties with whom transactions have taken place and relationships:

Directors of the Company:	Associates Companies, Firms:
1. Ashok C. Shah	1. Leshia Industries Ltd.
2. Shalin A. Shah	2. Shree Ghantakarna Rolling Mills P. Ltd
3. Malav Mehta	4. Leshia Agro Food Pvt. Ltd.
4. Pravinbhai Trivedi	5. Infinium Natural Resources Limited
5. Sarika Kulkarni	
6. Payal V Makani	
Subsidiary Company:	
1. Sigma Oil & Gas Pvt. Ltd.	4. Heramec Oil & Gas (Singapore) Pte Ltd
2. Gorlas Corporate Holding Ltd	5. Alkor Petro Overseas Ltd
3. GNRL Oil & Gas Limited (Formerly known as Heramec Ltd)	6. Gorlas Global Energy PLC

➤ **Transactions with Related Parties**

Transactions that have taken place during the period April 1, 2017 to March 31, 2018 with related parties by the company stated below.

Name of the Related Parties with whom the transaction have been made	Nature of Transaction	FY 2017-18	FY 2016-17
Shalin Shah	Remuneration	18.00	18.00
	Loan Taken	0.83	--
	Loan Repaid	--	--
	Amount Outstanding	0.83	--
Ashok Shah	Loan Taken	4.22	--
	Loan Repaid	--	--
	Amount Outstanding	4.22	--
Leshia Industries Limited	Loan Taken	--	0.25
	Loan Repaid	0.25	--
	Amount Outstanding	--	0.25

Name of the Related Parties with whom the transaction have been made	Nature of Transaction	FY 2017-18	FY 2016-17
GNRL Oil & Gas Limited (Formerly known as Heramec Ltd)	Loan Taken	3.5	--
	Loan Repaid	3.5	--
	Amount Outstanding	204.54	204.54
Sigma Oil & Gas Pvt. Ltd.	Loan Granted	--	15.50
	Loan Recovered	67.40	63.17
	Amount Outstanding	3967.47	4034.86
Infinium Natural Resources Limited	Loan Taken	2013.00	1715.00
	Loan Repaid	240.00	1715.00
	Amount Outstanding	1773.00	--

➤ **Payment to the Auditors**

Particulars	2017-18	2016-17
Audit Fees	75,000	1,43,750
Company Matter	0	0
Income Tax Fees	0	0
Others	0	0
Total	75,000	1,43,750

➤ **Earnings per Share:-**

The earning considered in ascertaining the company's EPS comprises the profit available for shareholders i.e. profit after tax and statutory/regulatory appropriations. The number of shares used in computing Basic EPS is the weighted average number of shares outstanding during the year as per the guidelines of IndAS-33.

Particulars	31-03-2018	31-03-2017
Net Profit Attributable to share holders	(53,63,561)	41,34,438
Weighted average number of equity shares (Nos.)	3,87,51,645	3,87,51,645
Basic and diluted earnings per share (Rs.)	(0.14)	0.11
Nominal value of equity share (Rs.)	10	10

➤ **Details of loan made during the year 2017-18 as per section 186(4) of The Companies Act 2013**

(Amount in Rs.)

Name of the Entity	Nature of Transaction	Amount (Outstanding)	Purpose of Loan	Period
Akhil Retail Pvt Ltd	Loan Given	7,90,00,000	Business	Short Term Advances – On Demand
India Infraspace Ltd	Loan Given	7,62,21,849	Business	Short Term Advances – On Demand
Shivaansh Estates Pvt Ltd	Loan Given	6,63,60,000	Business	Short Term Advances – On Demand

Particulars	As at 31 st March, 2018	As at 31st March, 2017	As at 1st April, 2016
Total equity attributable to the equity share holders of the company	387,516,450	387,516,450	387,516,450
As percentage of total capital	66.52%	95.56%	95.41%
Current loans and borrowings	198,258,506	20,453,506	20,453,506
Non-current loans and borrowings	-	-	-
Total loans and borrowings	198,258,506	20,453,506	20,453,506
Cash and cash equivalents	3,247,845	2,428,411	1,822,426
Net loans & borrowings	195,010,660	18,025,095	18,631,080
As a percentage of total capital	33.48%	4.44%	4.59%
Total capital (loans and borrowings and equity)	582,527,111	405,541,545	406,147,530

➤ **Fair Value measurements**

A. Financial instruments by category

Particulars	As at 31st March, 2018			As at 31st March, 2017			As at 1st April, 2016		
	Amortized Cost	FVTPL	FVTOCI	Amortized Cost	FVTPL	FVTOCI	Amortized Cost	FVTPL	FVTOCI
Financial Asset									
Investment	-	187,523,517	-	-	151,042,324	-	-	56,719,064	-
Loans	25,531,314	-	-	25,307,089	-	-	48,346,862	-	-
Trade receivables	73,970,650	-	-	73,970,650	-	-	73,970,650	-	-
Cash & Cash Equivalents	3,247,845	-	-	2,428,411	-	-	1,822,426	-	-
Other Financial Asset	623,328,484	-	-	493,455,524	-	-	56,32,52,315	-	-
Total Financial Asset	726,078,293	187,523,517	-	595,161,674	151,042,324	-	687,392,253	56,719,064	-
Financial Liabilities									
Borrowings	198,258,506	-	-	20,453,506	-	-	20,453,506	-	-
Trade Payables	81,259,457	-	-	81,259,457	-	-	81,259,457	-	-
Other Financial Liabilities	-	-	-	-	-	-	-	-	-
Total Financial Liabilities	279,517,963	-	-	101,712,963	-	-	101,712,963	-	-

* Excluding investments in subsidiaries, joint control entities and associates measured at cost in accordance with Ind AS-27

Fair value hierarchy

The following section explains the judgments and estimates made in determining the fair values of the financial instruments that are recognized and measured at fair value through profit or loss. To provide an indication about the reliability of the inputs used in determining fair value, the Company has classified its financial investments into the three levels prescribed under the accounting standard. An explanation of each level follows underneath the table.

B. Fair value hierarchy for assets**Financial assets measured at fair value at March 31, 2018**

	Level 1	Level 2	Level 3	Total
Financial Assets				
Investment	18,75,23,517	-	-	18,75,23,517

Financial assets measured at fair value at March 31, 2017

	Level 1	Level 2	Level 3	Total
Financial Assets				
Investment	15,10,42,324	-	-	15,10,42,324

Financial assets measured at fair value at April 1, 2016

	Level 1	Level 2	Level 3	Total
Financial Assets				
Investment	5,67,19,064	-	-	5,67,19,064

Notes:

Level 1 hierarchy includes financial instruments measured using quoted prices (unadjusted) in active market for identical assets that the entity can access at the measurement date. This represents mutual funds that have price quoted by the respective mutual fund houses and are valued using the closing Net asset value (NAV).

Level 2 hierarchy includes the fair value of financial instruments measured using quoted prices for identical or similar assets in markets that are not active.

Level 3 if one or more of the significant inputs is not based on observable market data, the instrument is included in level 3. This is the case for unlisted compound instruments.

There are no transfers between any of these levels during the year. The Company's policy is to recognize transfers into and transfers out of fair value hierarchy levels as at the end of the reporting period.

C. Fair value of financial assets and liabilities measured at amortized cost

The Management has assessed that fair value of loans, trade receivables, cash and cash equivalents, other bank balances, other financial assets and trade payables approximate their carrying amounts largely due to their short term nature. Difference between carrying amount of Bank deposits, other financial assets, borrowings and other financial liabilities subsequently measured at amortized cost is not significant in each of the years presented.

For financial assets and liabilities that are measured at fair value, the carrying amounts are equal to the fair values.

➤ Financial risk management

The Company's board of directors has overall responsibility for the establishment and oversight of the Company's risk management framework. The board has established the Audit Committee, which is responsible for developing and monitoring the Company's risk management policies. The Committee holds regular meetings and report to board on its activities. The Company's risk management policies are established to identify and analyse the risks faced by the Company, to set appropriate risk limits and controls and to monitor risks and adherence to limits. Risk management policies and

systems are reviewed regularly to reflect changes in market conditions and the Company's activities. The Company, through its training and management standards and procedures, aims to maintain a disciplined and constructive control environment in which all employees understand their roles and obligations.

The audit committee oversees how management monitors compliance with the Company's risk management policies and procedures, and reviews the adequacy of the risk management framework in relation to the risks faced by the Company. The audit committee is assisted in its oversight role by internal audit. Internal audit undertakes both regular and ad hoc reviews of risk management controls and procedures, the results of which are reported to the audit committee.

This note explains the sources of risk which the entity is exposed to and how the entity manages the risk.

Risk	Exposure arising from	Measurement	Management of risk
Credit Risk	Cash and cash equivalents, trade receivables, Financial assets measured at amortized cost.	Aging analysis	Diversification of funds to bank deposits, Liquid funds and Regular monitoring of credit limits
Liquidity Risk	Borrowings and other liabilities	Rolling cash flow forecasts	Availability of surplus cash, committed credit lines and borrowing facilities

(a) Credit risk

Credit risk is the risk of financial loss to the company if a customer or counterparty to a financial instrument fails to meet its contractual obligations. The company is exposed to the credit risk from its trade receivables, unbilled revenue, investments, cash and cash equivalents, bank deposits and other financial assets. The maximum exposure to credit risk is equal to the carrying value of the financial assets. The objective of managing counterparty credit risk is to prevent losses in financial assets.

Trade Receivables

Trade receivables comprise a widespread customer base. Management evaluates credit risk relating to customers on an ongoing basis. If customers are independently rated, these ratings are used. Otherwise, if there is no independent rating, risk control assesses the credit quality of the customer, taking into account its financial position, past experience and other factors

For trade receivables, provision is provided by the company as per the below mentioned policy:

Particulars	Gross Carrying Amount	Expected credit losses rate (%)	Expected Credit Losses	Carrying amount of Trade Receivable
Considered for Goods				
0-12 Months	0	0	0	0
More than 1 Year	7,39,70,650	0	0	7,39,70,650
Total	7,39,70,650	0	0	7,39,70,650

(b) Liquidity risk

Liquidity risk is the risk that the Company will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset. The Company's approach to managing liquidity is to ensure, as far as possible, that it will have sufficient liquidity to meet its liabilities when they are due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Company's reputation.

Liquidity Table

The Company's remaining contractual maturity for its non-derivative financial liabilities with agreed repayment periods is given below. The tables have been drawn up based on the undiscounted cash flows of financial liabilities based on the earliest date on which the Company can be required to pay. The tables include both interest and principal cash flows. The contractual maturity is based on the earliest date on which the Company may be required to pay.

As at March 31, 2018

Financial Liabilities	Payable within 0 to 12 months	More than 12 months	Total
Non-current financial liabilities			
Borrowings	-	-	-
Current financial liabilities			
Borrowings	19,82,58,506	-	19,82,58,506
Trade Payables	8,12,59,457	-	8,12,59,457
Other Financial Liability	-	-	-
	27,95,17,963		27,95,17,963
Total financial liabilities	27,95,17,963	-	27,95,17,963

As at March 31, 2017

Financial Liabilities	Payable within 0 to 12 months	More than 12 months	Total
Non-current financial liabilities			
Borrowings	-	-	-
Current financial liabilities			
Borrowings	2,04,53,506	-	2,04,53,506
Trade Payables	8,12,59,457	-	8,12,59,457
Other Financial Liability	-	-	-
	10,17,12,963		10,17,12,963
Total financial liabilities	10,17,12,963		10,17,12,963

(c) Price Risk**Exposure**

The Company's exposure to securities price risk arises from investments held in mutual funds and classified in the balance sheet at fair value through profit or loss. To manage its price risk arising from such investments, the Company diversifies its portfolio. Further these are all debt base securities for which the exposure is primarily on account of interest rate risk. Quotes (NAV) of these investments are available from the mutual fund houses. Profit for the year would increase/decrease as a result of gains/losses on these securities classified as at fair value through profit or loss.

➤ **Reconciliation between previous GAAP and Ind AS**

Ind AS 101 requires an entity to reconcile equity, total comprehensive income and cash flows for prior periods. The following tables represent the reconciliations from previous GAAP to Ind AS.

Reconciliation of equity as on March 31, 2017

Particulars	Amount as per IGAAP*	Effects of transition to Ind AS	Amount as per Ind AS
ASSETS			
1 Non-current Assets			
(a) Property, Plant and Equipment	11,981,504	0	11,981,504
(b) Other Intangible assets	6,393	0	6,393
(c) Capital work in progress	0	0	0
(d) Intangible assets under development	0	0	0
(e) Financial Assets :			
i) Investments	305,392,324	0	305,392,324
ii) Loans	25,307,089	0	25,307,089
iii) Other Financial Assets	0	0	0
(f) Other non-current assets	22,720,880	0	22,720,880
2 Current Assets			
(a) Inventories	0	0	0
(b) Financial Assets :			
i) Investments	0	0	0
ii) Trade Receivables	73,970,650	0	73,970,650
iii) Cash & Cash Equivalents	2,428,411	0	2,428,411
iii) Loans	493,455,524	0	493,455,524
iii) Other Financial Assets	0	0	0
(c) Other Current Assets	0	0	0
Total Assets	935,262,775	0	935,262,775
I. Equity & Liabilities			
1. Equity			
(a) Share Capital	387,516,450	0	387,516,450
(b) Other Equity	437,134,600	0	437,134,600
2. Liabilities			
A) Non Current Liabilities			
(a) Financial Liabilities			
i) Borrowings	0	0	0
(b) Deferred Tax Liabilities (Net)	0	0	0
(c) Other Non Current Liabilities	0	0	0
B) Current Liabilities			
(a) Financial Liabilities			
i) Borrowings	20,453,506	0	20,453,506
ii) Trade Payables	81,259,457	0	81,259,457
iii) Other Financial Liabilities	0	0	0
(b) Other Current Liabilities	2,528,579	0	2,528,579
(c) Short Term Provisions	6,370,183	0	6,370,183
Total Equity & Liabilities	935,262,775	0	935,262,775

* The previous GAAP figures have been reclassified to conform to Ind AS presentation requirements for the purposes of this note.

Reconciliation of equity as on April 1, 2016

Particulars	Amount as per IGAAP*	Effects of transition to Ind AS	Amount as per Ind AS
ASSETS			
1 Non-current Assets			
(a) Property, Plant and Equipment	12,214,764	0	12,214,764
(b) Other Intangible assets	9149.41	0	9,149
(c) Capital work in progress	0	0	0
(d) Intangible assets under development	0	0	0
(e) Financial Assets :			
i) Investments	211,069,064	0	211,069,064
ii) Loans	48,346,862	0	48,346,862
iii) Other Financial Assets	0	0	0
(f) Other non-current assets	22,720,880	0	22,720,880
2 Current Assets			
(a) Inventories	0	0	0
(b) Financial Assets :			
i) Investments	0	0	0
ii) Trade Receivables	73,970,650	0	73,970,650
iii) Cash & Cash Equivalents	1,822,426	0	1,822,426
iii) Loans	563,252,315	0	563,252,315
iii) Other Financial Assets	0	0	0
(c) Other Current Assets	0	0	0
Total Assets	933,406,111	0	933,406,111
I. Equity & Liabilities			
1. Equity			
(a) Share Capital	387,516,450	0	387,516,450
(b) Other Equity	436,875,327	0	436,875,327
2. Liabilities			
A) Non Current Liabilities			
(a) Financial Liabilities			
i) Borrowings	0	0	0
(b) Deferred Tax Liabilities (Net)	0	0	0
(c) Other Non Current Liabilities	0	0	0
B) Current Liabilities			
(a) Financial Liabilities			
i) Borrowings	20,453,506	0	20,453,506
ii) Trade Payables	81,259,457	0	81,259,457
iii) Other Financial Liabilities	0	0	0
(b) Other Current Liabilities	7,046,826	0	7,046,826
(c) Short Term Provisions	254,545	0	254,545
Total Equity & Liabilities	933,406,111	0	933,406,111

Reconciliation of total comprehensive income for the period March 31, 2017

Particulars	Amount as per IGAAP*	Effects of transition to Ind AS	Amount as per Ind AS
Revenue From Operations	0	0	0
Other Income	12,737,543	0	12,737,543
Total Revenue	12,737,543	0	12,737,543
Expenses			
Purchase of Stock in Trade	0	0	0
Changes in Inventories	0	0	0
Employee Benefit Expenses	3,380,000	0	3,380,000
Finance Costs	345	0	345
Depreciation & Amortisation Expenses	262,208	0	262,208
Other Expenses	1,679,107	0	1,679,107
Total Expenses	5,321,660	0	5,321,660
Profit Before Exceptional & Extraordinary Items & Tax	7,415,883	0	7,415,883
Exceptional Items	0	0	0
Profit Before Extraordinary Items & Tax	7,415,883	0	7,415,883
Extraordinary Items	0	0	0
Profit Before Tax	7,415,883	0	7,415,883
Tax Expenses			
Current Tax/ Interest on Income Tax/ Deferred Tax	3281445	0	3281445
Profit/(Loss) for the period from Continuing Operations	4,134,438	0	4,134,438
Other comprehensive income			
Items that will not be reclassified to profit or loss	0	0	0
Total comprehensive income for the year, net of tax	4,134,438	0	4,134,438

Notes to reconciliation between Indian GAAP and Ind AS

(i) Revenue Recognition

Under Indian GAAP revenue is disclosed net of excise duty. However under Ind AS revenue is disclosed including excise duty.

(ii) Amortisation of processing charges

Under Indian GAAP ancillary cost of borrowing is recognised as expense or capitalized (in case of qualifying asset) in the year in which it is incurred. Under Ind AS the ancillary cost of borrowing is expensed or capitalised at effective interest rate over the period of loan.

➤ Others

- **Scheme of Arrangement:** In opinion of the management of the company, all loans, advances and deposits are recoverable in cash or kind for value to be received for which no provision is required. However in the opinion of the auditors, it shall be prudent to make sufficient provision for such non-performing assets amounting to Rs. 206.17 Lacs.

- 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.
- As per the order of Hon'ble Gujarat High court (on Demerger) dated 30/12/2009, The Office Premises needed to be transferred to Demerger Account at that time. During the year Remaining Balance of Office Premises (Fixed Assets) has been transferred to Miscellaneous Expenses (Other Noncurrent Assets).
- As informed by the management that the loans are interest free, which in our opinion is violation of Section 186 (7) of the Companies Act, 2013.
- Confirmation of the concerned parties for the amount due to them and/or due from them as per accounts of the company is not received. Necessary adjustments, if any, will be made when accounts are reconciled or settled. Balance of sundry debtors and creditors, loans and advances accepted and given in the balance sheet are subject to confirmation.
- In the opinion of board of directors the value of loans and advances and other current assets have a value on realization in the ordinary course of business at least equal to the amount at which they are stated in balance sheet.
- There is carry forward of losses, the company need not to recognize deferred tax assets in the event of non-availability of convincing evidence as to future income.
- The previous year's figures have been reworked, regrouped, rearranged and reclassified wherever necessary. Amounts and other disclosures for the preceding year are included as an integral part of the current year financial statements and are to be read in relation to the amounts and other disclosures relating to the current year.

For Gujarat Natural Resources Limited

For, G M C A & Co.
Chartered Accountants
FRN No:109850W

Ashok C. Shah
Director
DIN : 02467830
Place : Ahmedabad
Date : 30/05/2018

Malav A. Mehta
Director
DIN : 01234736

CA. Mitt S. Patel
Partner
Membership No. 163940

Independent Auditor's Report

To the Members of Gujarat Natural Resources Limited

Report on the Financial Statements

We have audited the accompanying financial statements of **Gujarat Natural Resources Limited** ("the company"), and its Subsidiary (the Company and its subsidiary constitute "the Group"), which comprise the Consolidated Balance Sheet as at 31st March 2018, the Consolidated Statement of Profit and 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 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 the Companies (Indian Accounting Standards) Rules, 2015. 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.

Auditor's Responsibility

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

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the financial statements that give true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by Company's Directors, as well as evaluating the overall presentation of the financial statements.

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

Matter of Emphasis:

- The company has some trade receivables, which has been considered as doubtful debts. Accordingly, company has not recognized 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.
- The company has in past granted/renewed loans and advances to other companies, which has been identified as non- performing asset. Accordingly, company has not recognized any income from the same. In the opinion of 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 nonperforming assets amounting to **Rs. 206.17 lacs**. Due to non-provision in this regard the debit balance of profit & loss account is under stated and balance of loans and advances is overstated by the said sum. This matter has been already emphasized by previous auditor.

- The company is carrying Pre-Operative Expenses of Rs.3,33,23,499/- as “other non-current assets” which in our opinion needs to be written off. And Due to the same Profit & Loss account is under stated. So the amount of **Rs. 3,33,23,499/-** needs to be written off in the forthcoming financial years.

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 matter of emphasis paragraph above, 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;

- a) in the case of the Balance Sheet, of the state of affairs of the Company as at March 31, 2018;
- b) in the case of the Statement of Profit and Loss, of the Profit for the year ended on that date; and
- c) in the case of the Cash Flow Statement, of the cash flows for the year ended on that date.

Other Matters

- 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.
- 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.
- We further report that in respect of the Four foreign step down subsidiaries, we have relied on the Unaudited Financial Statement, 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 the Companies (Auditor’s Report) Order, 2016 (“the Order”) issued by the Central Government in terms of Section 143 (11) of the Act, we give in the Annexure 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 purposes of our audit.
 - b) In our opinion proper books of account as required by law have been kept by the Company so far as appears from our examination of those books.
 - c) The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss, and Consolidated Cash Flow Statement dealt with by this Report are in agreement with the 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 Companies (Indian Accounting Standard) Rules, 2015, as amended;

- e) On the basis of written representations received from the directors as on 31 March, 2018, taken on record by the Board of Directors, none of the directors is disqualified as on 31 March, 2018, from being appointed as a director in terms of Section 164(2) of the Act.
- f) With respect to the other matters included in the Auditor's Report and to our best of our Information and according to the explanations given to us:
 - i. The Company does not have any pending litigations which would impact its financial position.
 - ii. The Company did not have any long-term contracts including derivatives contracts for which there were any material foreseeable losses.
 - iii. There is no amount required to be transferred, to the investor's education & Protection Fund by the Company.

For, G M C A & Co.
Chartered Accountants
FRN: 109850W

CA. Mitt S. Patel
(Partner)
Membership No. 163940

Place : Ahmedabad
Date : 30/05/2018

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, 2018, we have audited the internal financial controls over financial reporting of **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, 2018, 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.

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, G M C A & Co.
Chartered Accountants
FRN: 109850W

CA. Mitt S. Patel
(Partner)
Membership No. 163940

Place : Ahmedabad

Date : 30/05/2018

CONSOLIDATED BALANCE SHEET AS AT 31/03/2018

Particulars	Note No.	As at 31st March, 2018	As at 31st March, 2017	As at 1st April, 2016
ASSETS				
1 Non-current Assets				
(a) Property, Plant and Equipment	1	31,48,16,299	35,71,91,141	20,46,43,753
(b) Capital work in progress	2	42,33,04,974	42,87,95,647	58,54,26,408
(c) Intangible assets	1	139742344	139814036	14,07,50,097
(d) Intangible assets under development	1	3,637	6,393	9,149
(e) Financial Assets :				
i) Investments	3	18,75,23,517	15,10,42,324	5,67,19,064
ii) Loans	4	5,72,76,812	5,69,24,733	7,99,60,946
(f) Deferred tax assets (Net)		-	-	-
(g) Other non-current assets	5	4,67,48,269	3,42,09,665	3,41,57,544
Total Non-current Assets		1,16,94,15,853	1,16,79,83,940	1,10,16,66,961
2 Current Assets				
(a) Inventories	6	2,87,86,543	2,86,14,007	3,09,83,767
(b) Financial Assets :				
i) Trade Receivables	7	9,54,14,634	10,03,60,921	9,51,84,191
ii) Cash & Cash Equivalents	8	2,81,11,443	1,76,78,918	2,11,36,643
iii) Loans	9	23,11,64,356	12,89,12,584	19,37,61,009
iv) Other Financial Assets		-	-	-
(c) Other Current Assets	10	10,94,952	6,52,330	15,14,592
Total - Current Assets		38,45,71,929	27,62,18,760	34,25,80,202
Total Assets		1,55,39,87,782	1,44,42,02,700	1,44,42,47,163
I. Equity & Liabilities				
1. Equity				
(a) Share Capital	11	38,75,16,450	38,75,16,450	38,75,16,450
(b) Other Equity	12	47,25,16,326	50,99,19,451	50,94,40,961
Total Equity		86,00,32,776	89,74,35,901	89,69,57,411
2. Liabilities				
A) Non Current Liabilities				
(a) Financial Liabilities				
i) Borrowings	13	21,44,65,731	15,40,59,161	15,00,88,224
(b) Deferred Tax Liabilities (Net)	14	3,32,25,713	3,40,96,785	3,38,71,453
(c) Other Non Current Liabilities	15	9,68,90,284	16,75,66,411	17,45,60,747
Total Non- Current Liabilities		34,45,81,728	35,57,22,357	35,85,20,424
B) Current Liabilities				
(a) Financial Liabilities				
i) Borrowings	16	21,95,94,726	4,06,70,417	4,13,04,553
ii) Trade Payables	17	9,79,94,593	12,03,80,015	10,14,83,126
iii) Other Financial Liabilities		-	-	-
(b) Other Current Liabilities	18	2,99,95,744	1,78,88,300	4,04,85,393
(c) Short Term Provisions	19	17,88,215	1,21,05,710	54,96,256
Total Current Liabilities		34,93,73,278	19,10,44,442	18,87,69,328
Total Equity & Liabilities		1,55,39,87,782	1,44,42,02,700	1,44,42,47,163
Contingent Liabilities & Commitments	Nil			

For Gujarat Natural Resources Limited

For, G M C A & Co.
Chartered Accountants
FRN No:109850WAshok C. Shah
Director
DIN : 02467830
Place : Ahmedabad
Date : 30/05/2018Malav A. Mehta
Director
DIN : 01234736CA. Mitt S. Patel
Partner
Membership No. 163940

CONSOLIDATED STATEMENT OF PROFIT & LOSS ACCOUNT
FOR THE PERIOD FROM 01-04-2017 TO 31-03-2018

Particulars	Note No.	2017-18	2016-17
I Revenue From Operations	20	7,47,69,816	8,46,33,358
II Other Income	21	25,34,764	1,40,33,353
III Total Revenue (I+II)		7,73,04,580	9,86,66,711
IV Expenses			
Purchase of Stock in Trade		-	-
Changes in Inventories	22	(41,089)	607
Employee Benefit Expenses	23	1,34,30,321	1,50,49,217
Finance Costs	24	70,42,315	70,13,471
Depreciation & Amortisation Expenses	25	4,48,86,698	2,33,07,802
Other Expenses	26	4,83,06,487	4,52,91,096
Total Expenses		11,36,24,732	9,06,62,193
V Profit Before Exceptional & Extraordinary Items & Tax (III-IV)		(3,63,20,152)	80,04,518
VI Exceptional Items		-	-
VII Profit Before Extraordinary Items & Tax		(3,63,20,152)	80,04,518
Extraordinary Items (Share Application Money Written Off)		3,88,01,925	-
VIII Profit Before Tax		24,81,773	80,04,518
Tax Expenses			
IX / Interest on Income Tax/ Deferred Tax		(8,71,072)	37,91,468
X Current Tax		18,00,000	
XI Profit/(Loss) for the period from Continuing Operations(IX-X)		15,52,845	42,13,050
XII Profit/(Loss) from Discontinuing Operations			
XIII Tax Expense of Discontinuing Operations			
XIV Profit/(Loss) from Discontinuing Operations (after tax)(XII-XIII)		-	-
XV Profit/(Loss) for the Period(XI+XIV)		15,52,845	42,13,050
XVI Earning Per Equity Share			
Basic		0.04	0.11
Diluted		0.04	0.11

The Notes referred to above form an integral part of the Balance Sheet

For Gujarat Natural Resources Limited

For, G M C A & Co.
Chartered Accountants
FRN No:109850W

Ashok C. Shah
Director
DIN : 02467830
Place : Ahmedabad
Date : 30/05/2018

Malav A. Mehta
Director
DIN : 01234736

CA. Mitt S. Patel
Partner
Membership No. 163940

Statement of changes in equity for the period ended March 31, 2018

Amount in Rs.

A. Equity Share Capital

Particulars	2017-18		2016-17	
	No. Shares	Amount	No. Shares	Amount
i) Opening Balance at the beginning of Financial Year	3,87,51,645	38,75,16,450	3,87,51,645	38,75,16,450
Changes in equity share capital during the year	-	-	-	-
Closing Balance at the end of Financial Year	3,87,51,645	38,75,16,450	3,87,51,645	38,75,16,450

B. Other Equity

Amount in Rs.

Particulars	Reserves and Surplus				Total
	Security Premium	Capital reserve	Revaluation reserve	Retained Earnings	
Balance as at 1st April, 2016	51,53,31,551	2,01,09,545	5,28,683	(6,53,30,743)	47,06,39,036
Change during the Year	-	-	-	4,78,490	4,78,490
Balance as at March 31, 2017	51,53,31,551	2,01,09,545	5,28,683	(6,48,52,253)	47,11,17,526
Change during the Year	-	-	-	13,98,800	13,98,800
Other comprehensive income	-	-	-	-	-
Total Comprehensive Income / (loss) for the year	-	-	-	13,98,800	13,98,800
Balance as at March 31, 2018	51,53,31,551	2,01,09,545	5,28,683	(6,34,53,453)	47,25,16,326

See accompanying notes to the financial statements

For Gujarat Natural Resources Limited

For, G M C A & Co.
Chartered Accountants
FRN No:109850W

Ashok C. Shah

Director

DIN : 02467830

Place : Ahmedabad

Date : 30/05/2018

Malav A. Mehta

Director

DIN : 01234736

CA. Mitt S. Patel

Partner

Membership No. 163940

CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH 2018

Particulars	2017-18	2016-17
A Cash flow from Operating Activities		
Net Profit Before Tax	24,81,773	80,04,518
Adjustments for:		
Add Depreciation	4,48,86,698	2,33,07,802
Add Adjustment due to Consolidation	(7,748)	(24,89,470)
Add Profit on Sale of Fixed Assets		(18,400)
Less Extra-Ordinary Items	-3,88,01,925	
Add Interest Expenses	65,26,022	69,10,255
less Interest Income	(7,68,766)	(1,36,71,214)
Operating Profit / (Loss) before Working Capital Changes	1,43,16,054	2,20,43,491
Adjustments for:		
Increase/(Decrease) in Trade Payable	(2,23,85,422)	1,88,96,889
Increase/(Decrease) in other current liabilities	1,21,07,444	(2,25,97,093)
Increase/(Decrease) in Short Term Borrowings	17,89,24,309	(6,34,136)
Increase/(Decrease) in Provisions	(1,03,17,495)	66,09,454
(Increase)/Decrease in Trade Receivables	49,46,287	(51,76,730)
(Increase)/Decrease in inventories	(1,72,536)	23,69,760
(Increase)/Decrease in other current assets	(4,42,622)	8,62,262
Cashflow generated from Operating Activities	17,69,76,019	2,23,73,897
Income Tax Paid (Net of Refund)	(18,00,000)	-
Net Cashflow generated from Operating Activities A	17,51,76,019	2,23,73,897
B Cash flow from Investment Activities		
Purchase of Property , Plant and Equipment	(1,42,10,981)	(17,58,61,842)
Sale of Property , Plant and Equipment	54,90,673	15,66,30,761
Sale of Investments	1,16,27,276	27,807
Purchase of Investments	(3,64,81,193)	(9,43,23,260)
Share Application Money Received Back		
Dividend Income	7,68,766	1,36,71,214
Net Cashflow generated from Investments Activities B	(3,28,05,459)	(9,98,55,320)
C Cash flow from Financiing Activities		
Interest Expenses	(65,26,022)	(69,10,255)
Dividend Paid	-	(38,75,165)
(Increase)/Decrease in other non-current assets	(1,25,38,604)	(52,121)
(Increase)/Decrease in short term loans & advances	(10,22,51,772)	6,48,48,425
(Increase)/Decrease in Long term loans & advances	(3,52,079)	2,30,36,213
Net Change in Unsecured Loans Taken	(7,06,76,127)	(69,94,336)
Movement in Loans & Advances Granted	6,04,06,570	39,70,937
Net Cashflow generated from Financing Activities C	(13,19,38,034)	7,40,23,698
Net Change in Cash & Cash Equivalents (A+B+C)	1,04,32,525	(34,57,725)
Opening Cash & Cash Equivalents	1,76,78,918	2,11,36,643
Closing Cash & Cash Equivalents	2,81,11,443	1,76,78,918

For Gujarat Natural Resources Limited

For, G M C A & Co.
Chartered Accountants
FRN No:109850WAshok C. Shah
Director
DIN : 02467830
Place : Ahmedabad
Date : 30/05/2018Malav A. Mehta
Director
DIN : 01234736CA. Mitt S. Patel
Partner
Membership No. 163940

Particulars	GROSS BLOCK			DEPRECIATION			NET BLOCK			
	At 01.04.2017	Addition	Deduction	At 01.04.2018	At 01.04.2017	Depreciation Charge	Deduction	At 01.04.2018	At 01.04.2017	At 01.04.2018
Plant & Machinery	16100780	-	-	1,61,00,780	10687747	628923	-	11316670	54,13,033	47,84,110
Office Premises	14207936	-	1,42,07,936	-	232460366	181452	2,56,056	-	1,18,83,332	-
Building	1224825	-	-	12,24,825	606845	57949	-	664794	6,17,980	5,60,031
Producing Properties	536775998	1,41,09,442.00	-	55,08,85,440	200248839	4,30,92,754	-	243341593	33,65,27,159	30,75,43,847
Cell Phone Instru.	633582	-	-	6,33,582	498399	58,807	-	557206	1,35,183	76,376
Furniture & Fixture	2091244	-	-	20,91,244	1952281.09	47,655	-	1999936.09	1,38,963	91,308
Office Equipment	13,68,670	75,500	-	14,44,170	12,33,281	27,804	-	1261084.6	1,35,389	1,83,085
Computer	19,82,682	26,039	-	20,08,721	18,68,787	40,892	-	1909679.21	1,13,895	99,042
Vehicles	69,89,011	-	1,796	69,87,215	47,61,008	7,47,706	-	5508714	22,26,207	14,78,500
Total Tangible Assets	58,13,74,728	1,42,10,981	1,42,09,732	58,13,75,977	22,41,81,791	4,48,83,942	2,56,056	26,65,59,677	35,71,91,141	31,48,16,299
Goodwill										
Particulars	GROSS BLOCK			DEPRECIATION			NET BLOCK			
	At 01.04.2017	Addition	Deduction	At 01.04.2018	At 01.04.2017	Depreciation Charge	Deduction	At 01.04.2018	At 01.04.2017	At 01.04.2018
Goodwill on Consolidation**	13,98,14,036	-	71,692	13,97,42,344	-	-	-	-	13,98,14,036	13,97,42,344
Total Tangible Assets	13,98,14,036	-	71,692	13,97,42,344	-	-	-	-	13,98,14,036	13,97,42,344
Other Intangible Assets										
Particulars	GROSS BLOCK			DEPRECIATION			NET BLOCK			
	At 01.04.2017	Addition	Deduction	At 01.04.2018	At 01.04.2017	Depreciation Charge	Deduction	At 01.04.2018	At 01.04.2017	At 01.04.2018
Software	17,500	-	-	17,500	11,107	2,756	-	13,863	6,393	3,637
Total Tangible Assets	17,500	-	-	17,500	11,107	2,756	-	13,863	6,393	3,637

Note : (**) Difference of Liabilities over Assets is considered as Goodwill.

2 Capital Work in Process

Particulars	As at 31st March, 2018	As at 31st March, 2017	As at 1st April, 2016
Tangible			
Capital Work In Process	42,33,04,974	42,87,95,647	58,54,26,408
Total	42,33,04,974	42,87,95,647	58,54,26,408

3 Non Current Investments

Particular	No. of Shares 2018	No. of Shares 2017	No. of Shares 2016	As at 31st March, 2018	As at 31st March, 2017	As at 1st April, 2016
(A) Other Investments - Quoted				18,75,23,517	15,10,42,324	5,67,19,064
(1) Investment in Equity Shares						
Amrapali Capital & Finance Service Ltd (Share of 10 each)	1352400	1352400	200400	4,17,17,108	4,17,17,108	6649334
Amrapali Fincarp Ltd (Share of 10 each)	1624800	1111200	510000	14,58,06,409	10,93,25,216	50069730
(B) Other Investments - Un Quoted				-	-	-
Total				18,75,23,517	15,10,42,324	5,67,19,064
Market Value of the Quoted Shares				11,48,16,900	10,69,35,120	3,74,11,440
Market Value of the Un Quoted Shares				-	-	-

4 Loan

Particulars	As at 31st March, 2018	As at 31st March, 2017	As at 1st April, 2016
Unsecured, Considered Good	57,97,152	72,29,931	72,26,371
Capital Advances	8,75,000	8,75,000	8,75,000
Balance with government Authorities	2,20,946	23,921	24,26,364
Other Advances	5,03,83,714	4,87,95,881	6,94,33,211
Total	5,72,76,812	5,69,24,733	7,99,60,946

5 Other Non Current Assets

Particulars	As at 31st March, 2018	As at 31st March, 2017	As at 1st April, 2016
Preliminary Exp.	18,70,000	18,70,000	18,70,000
Public Issue Exp	8,80,765	8,80,765	8,80,765
Pre-operative Exp	1,59,12,910	1,59,12,910	1,59,12,910
De-Merger Exp	1,46,59,824	27,76,492	27,76,492
TDS Receivable (Net of Provision)	45,05,472	51,81,521	74,24,066
Interest Receivable	12,80,713	12,80,713	12,80,713
Others	76,38,585	63,07,264	40,12,598
Total	4,67,48,269	3,42,09,665	3,41,57,544

6 Inventory

Particulars	As at 31st March, 2018	As at 31st March, 2017	As at 1st April, 2016
Closing Stock	2,87,86,543	2,86,14,007	3,09,83,767
Total	2,87,86,543	2,86,14,007	3,09,83,767

7 Trade Receivables

Particulars	As at 31st March, 2018	As at 31st March, 2017	As at 1st April, 2016
Outstanding for less than 6 months from the due date Unsecured, considered good	2,14,43,984	2,59,40,271	2,07,63,541
Outstanding for more than 6 months from the due date Unsecured, considered good	7,39,70,650	7,44,20,650	7,44,20,650
Total	9,54,14,634	10,03,60,921	9,51,84,191

8 Cash & Cash Equivalents

Particulars	As at 31st March, 2018	As at 31st March, 2017	As at 1st April, 2016
Cash on Hand	20,82,845	15,68,347	9,65,653
Balance with Banks			
In Current account	2,50,36,986	20,00,683	22,38,506
Unpaid Divided account	9,91,613	8,25,202	8,48,497
Other Bank Balance			
Term Deposit with Bank less than 12 month.	-	1,32,84,686	1,70,83,987
Total	2,81,11,443	1,76,78,918	2,11,36,643

9 Loan

Particulars	As at 31st March, 2018	As at 31st March, 2017	As at 1st April, 2016
Advance Tax and Tds	-	12,50,432	1,66,430
Loan to Related Party	-	13,18,500	13,18,500
Loan to Corporate Body	14,75,81,849	8,83,57,174	15,48,12,000
Other Advances	8,32,61,853	3,79,59,345	3,74,23,444
Prepaid Exp	3,20,654	27,133	40,635
Total	23,11,64,356	12,89,12,584	19,37,61,009

10 Other current assets

Particulars	As at 31st March, 2018	As at 31st March, 2017	As at 1st April, 2016
Balance with Government Authority	4,00,000	4,00,000	11,29,736
Other Receivable	6,94,952	2,52,330	3,84,856
Total	10,94,952	6,52,330	15,14,592

11 Share Capital**1.1 Authorized, Issued, Subscribed and Paidup share capital**

Particulars	As at 31st March, 2018		As at 31st March, 2017		As at 1st April, 2016	
	No. of Shares	Amount	No. of Shares	Amount	No. of Shares	Amount
Authorised Share Capital						
Equity Shares of Rs. 10 Each	4,00,00,000	40,00,00,000	4,00,00,000	40,00,00,000	4,00,00,000	40,00,00,000
Total						
Issued Share Capital						
Equity Shares of Rs. 10 Each	3,87,51,645	38,75,16,450	3,87,51,645	38,75,16,450	3,87,51,645	38,75,16,450
Total	3,87,51,645	38,75,16,450	3,87,51,645	38,75,16,450	3,87,51,645	38,75,16,450
Subscribed & Fully Paid						
Equity Shares of Rs. 10 Each	3,87,51,645	38,75,16,450	3,87,51,645	38,75,16,450	3,87,51,645	38,75,16,450
Total	3,87,51,645	38,75,16,450	3,87,51,645	38,75,16,450	3,87,51,645	38,75,16,450

1.2 Details of the Shares for the Preceding Five Years

Particulars	01-04-2013 to 31-03-2018
Number Of Equity Shares Bought Back	-
Number Of Preference Shares Redeemed	-
Number of Equity Share Issue as Bonus Share	-
Number of Preference Share Issue as Bonus Share	-
Number of Equity Shares Allotted For Contracts Without Payment Received In Cash	-
Number of Preference Shares Allotted For Contracts Without Payment Received In Cash	-

1.3 Reconciliation of Share Capital

Particulars	As at 31st March, 2018		As at 31st March, 2017		As at 1st April, 2016	
	No. of Shares	Amount	No. of Shares	Amount	No. of Shares	Amount
Equity Shares (Face Value Rs. 10.00)						
Shares Outstanding at the Beginning of the Year	3,87,51,645	38,75,16,450	3,87,51,645	38,75,16,450	3,87,51,645	38,75,16,450
Shares issued during the year	-	-	-	-	-	-
Shares cancelled during the year	-	-	-	-	-	-
Shares Outstanding at the End of the Year	3,87,51,645	38,75,16,450	3,87,51,645	38,75,16,450	3,87,51,645	38,75,16,450

1.5 Share Holders Holding More than 5% Share

Name of the Share Holders	As at 31st March, 2018		As at 31st March, 2017		As at 1st April, 2016	
	No. of Shares	% of Holding	No. of Shares	% of Holding	No. of Shares	% of Holding
Pranati Construction Pvt Ltd	3940570	10.17	3940570	10.17	3940570	10.17
Algorab Power Project Private Limited	3857145	9.95	3857145	9.95	3857145	9.95
Patron Energy Private Limited	3801570	9.81	3801570	9.81	3801570	9.81
Padma Real Infra Private Limited	2171000	5.60	2171000	5.60	2171000	5.60
Blowing Traders Private Limited	2149986	5.55	2149986	5.55	2149986	5.55

12 Reserve & Surplus

Particulars	As at 31st March, 2018	As at 31st March, 2017	As at 1st April, 2016
Securities Premium\ Account	51,53,31,551	51,53,31,551	51,53,31,551
Capital Reserve	2,01,09,545	2,01,09,545	2,01,09,545
Revaluation Reserve	5,28,683	5,28,683	5,28,683
Profit & Loss A/c			
Opening balance	(6,48,52,253)	(6,53,30,743)	(6,83,70,745)
Transfer of Current Year Profit	15,52,845	42,13,050	30,40,002
Foreign Exchange Fluctuation	(1,54,045)	1,40,605	-
Dividend	-	(38,75,165)	-
Closing balance	(6,34,53,453)	(6,48,52,253)	(6,53,30,743)
Share Application Money	-	3,88,01,925	3,88,01,925
Total	47,25,16,326	50,99,19,450.75	50,94,40,961

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".

13 Non Current Borrowing

Particulars	As at 31st March, 2018	As at 31st March, 2017	As at 1st April, 2016
1. Secured loan			
Kotak Mahindra Prime Ltd. - Innova Car Loan	-	82,090	3,90,571
Kotak Mahindra Prime Ltd.- Mahindra Bolero Loan	-	34,601	1,64,019
Corporation Bank.- Mahindra Bolero Loan	1,60,061	3,17,316	4,76,487
Corporation Bank.	-	12,70,094	18,52,831
2. Unsecured loan			
From Inter Corporate	2,62,13,897	5,02,13,897	5,50,33,397
Others	18,80,91,773	10,21,41,163	9,21,70,919
Total	21,44,65,731	15,40,59,161	15,00,88,224

Maturity Profile and Rate of Interest on Secured Loan

Particulars	As at 31st March, 2018	As at 31st March, 2017
Kotak Mahindra Prime Ltd. - Innova Car Loan (10%) (No. of Outstanding Installments-3)	82,090	-
Kotak Mahindra Prime Ltd.- Mahindra Bolero Loan (10.86%) (No. of Outstanding Installments-3)	34,601	-
Corporation Bank.- Mahindra Bolero Loan (10.65%) (No. of Outstanding Installments -24)	1,53,923	1,60,061
Total	2,70,614	1,60,061

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.

14 Deferred Tax Liabilities (Net)

Particulars	As at 31st March, 2018	As at 31st March, 2017	As at 1st April, 2016
Deferred Tax Liabilities (Net)	3,32,25,713	3,40,96,785	3,38,71,453
Total	3,32,25,713	3,40,96,785	3,38,71,453

15 Other long term Liabilities

Particulars	As at 31st March, 2018	As at 31st March, 2017	As at 1st April, 2016
Security Deposit	5,00,000	5,00,000	5,00,000
From Joint Venture	9,63,90,284	16,70,66,411	17,40,60,747
Total	9,68,90,284	16,75,66,411	17,45,60,747

16 Short term Borrowings

Particulars	As at 31st March, 2018	As at 31st March, 2017	As at 1st April, 2016
Unsecured Loans repayable on Demand	17,86,28,959	5,53,754	4,98,044
Borrowing from bank			
Corporate Bank CC	4,09,65,767	4,01,16,663	4,08,06,509
Total	21,95,94,726	4,06,70,417	4,13,04,553

17 Trade Payables

Particulars	As at 31st March, 2018	As at 31st March, 2017	As at 1st April, 2016
Due to Micro & Small Enterprises			-
Trade Payable for Goods	9,79,94,593	12,03,80,015	10,14,83,126
Total	9,79,94,593	12,03,80,015	10,14,83,126

The Company has not received any intimation on suppliers regarding their status under the Micro, Small and Medium Enterprise Development (MSMED) Act, 2006 and hence disclosure as required under section 22 of The Micro, Small and Medium Enterprise regarding:

- Amount due and outstanding to suppliers as at the end of the accounting year;
- interest paid during the year;
- interest payable at the end of the accounting year;
- interest accrued and unpaid at the end of the accounting year;

have not been given, the company is making efforts to get the confirmation from the suppliers as regards their status under the said act.

18 Other Current Liabilities

Particulars	As at 31st March, 2018	As at 31st March, 2017	As at 1st April, 2016
Statutory Dues	19,67,168	23,16,911	64,47,681
Unpaid Divided	9,91,614	8,25,202	8,48,497
Other Payable	2,70,36,962	1,47,46,187	3,31,89,215
Total	2,99,95,744	1,78,88,300	4,04,85,393

19 Short Term Provisions

Particulars	As at 31st March, 2018	As at 31st March, 2017	As at 1st April, 2016
Provision for Employee Benefits	2,42,500	2,52,000	2,54,545
Proposed Divided	-	38,75,165	-
Divided Tax Payable	-	7,88,892	-
Others	-	71,89,653	52,41,711
Provision for Audit fee	64,800	-	-
Provision for Joint Venture	11,24,965	-	-
Provision for Expense.	3,55,950	-	-
Total	17,88,215	1,21,05,710	54,96,256

20 Revenue From Operations

Particulars	2017-18	2016-17
Sales	7,47,69,816	8,46,33,358
Total	7,47,69,816	8,46,33,358

21 Other Income

Particulars	2017-18	2016-17
Interest Income	7,68,766	1,36,71,214
Interest on income tax Refund	5,66,777	3,30,624
Other Income	35,535	31,515
Sundry Balance Written Back	8,69,615	-
Excess Provision	2,94,071	-
Total	25,34,764	1,40,33,353

22 Changes in Inventories

Particulars	2017-18	2016-17
Opening Stock	1,58,287	1,58,894
Less		
Closing Stock	(1,99,376)	(1,58,287)
Total	(41,089)	607

23 Employee Benefit Expenses

Particulars	2017-18	2016-17
Salary & Wages	1,34,30,321	1,50,49,217
Total	1,34,30,321	1,50,49,217

24 Depreciation & Amortisation Expenses

Particulars	2017-18	2016-17
Depreciation & Amortisation Expenses	4,48,86,698	2,33,07,802
Total	4,48,86,698	2,33,07,802

25 Finance Costs

Particulars	2017-18	2016-17
Interest Expense	65,26,022	66,67,611
Bank Charges	5,16,293	3,45,860
Total	70,42,315	70,13,471

26 Other Expenses

Particulars	2017-18	2016-17
Payment to Auditors *	4,07,200	6,04,831
Accounting Charges	1,04,000	-
Cosultancy Charges	10,000	1,16,293
Cess	-	10,18,511
Handling Processing	-	45,62,247
Donation	10,29,400	5,000
Electrical Charges	8,16,739	-
E Voting Charges	5,000	-
Foreign Currency Exps	4,00,208	2,36,424
Repair & Maintanance Exps	3,32,646	4,99,243
Insurance Exps	9,61,118	-
Income Tax Appeal Fee	1,000	-
Legal & Professional Charges	27,97,040	64,40,358
Telephone Exps	3,10,688	-
Travelling Expenses	13,67,574	12,22,966
Transportation Charges	7,62,772	10,07,778
Share Transfer Charges	55,715	-
Share Listing Exps	4,65,000	-
Stationary & Printing Exp	111964	-
Sundry Balance W/off	1901194	-
Royalty	-	5,85,741
ROC Fees	5000	-
Rates & Taxes	-	70,68,647
Other Miscellaneous Expenses	3,64,62,229	2,19,23,057
Total	4,83,06,487	4,52,91,096

*** Payment to Auditors**

For Audit Fees	3,24,600	6,04,831
For Others	82,600	-

➤ **Significant Accounting Policies**

Company Overview

The Consolidated Financial Statements comprise financial statements of “Gujarat Natural Resources Limited” (“the Holding Company”) and its subsidiaries (collectively referred to as “the Group”) for the year ended 31st March, 2018. The company is engaged in the business of oil and natural gas exploration. The company is listed on Bombay Stock Exchange.

Basis for Preparation of Financial statements

The Consolidated Financial Statements of the Group have been prepared to comply with the Indian Accounting Standards (‘Ind AS’), including the rules notified under the relevant provisions of the Companies Act, 2013. The Consolidated Financial Statements comprises of Gujarat Natural Resources Limited and all its subsidiaries, being the entities that it controls. Controls are assessed in accordance with the requirement of Ind AS 110 - Consolidated Financial Statements.

Principles of Consolidation

- (a) The financial statements of the Holding Company and its subsidiaries are combined on a line by line basis by adding together like items of assets, liabilities, equity, incomes, expenses and cash flows, after fully eliminating intra-group balances and intra-group transactions.
- (b) Profits or losses resulting from intra-group transactions that are recognized in assets, such as Inventory and Property, Plant and Equipment, are eliminated in full.
- (c) Goodwill represents the difference between the Company’s share in the net worth of subsidiaries and the cost of acquisition at each point of time of making the investment in the subsidiaries.
- (d) The Consolidated Financial Statements have been prepared using uniform accounting policies for like transactions and other events in similar circumstances.

Property, plant and Equipment

Property, plant and equipment are stated at acquisition cost net of tax / duty credit availed, less accumulated depreciation and accumulated impairment losses, if any. Properties in the course of construction are carried at cost, less any recognized impairment losses. All costs, including borrowing costs incurred up to the date the asset is ready for its intended use, is capitalized along with respective asset.

Depreciation is recognized based on the cost of assets less their residual values over their useful lives, using the straight-line method. The useful life of property, plant and equipment is considered based on life prescribed in schedule II to the Companies Act, 2013 for year 2017-18. For year 2016-17

Financial Instruments

Financial assets and financial liabilities are recognized when an entity becomes a party to the contractual provisions of the instruments.

Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit or loss are recognized immediately in profit or loss.

Financial assets

Initial recognition and measurement

All financial assets, are recognized initially at fair value.

Financial liabilities and equity instruments

Classification as debt or equity

Debt and equity instruments issued by the Company are classified as either financial liabilities or as equity in accordance with the substance of the contractual arrangements and the definitions of a financial liability and an equity instrument.

Equity instruments

An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities. Equity instruments issued by the Company are recognized at the proceeds received, net of direct issue costs.

Financial liabilities

All financial liabilities are measured at amortized cost using the effective interest method or at FVTPL.

Financial liabilities at amortized cost

Financial liabilities that are not held-for-trading and are not designated as at FVTPL are measured at amortized cost at the end of subsequent accounting periods. The carrying amounts of financial liabilities that are subsequently measured at amortised cost are determined based on the effective interest method. Interest expense that is not capitalised as part of costs of an asset is included in the 'Finance costs' line item.

Trade and other payables are recognised at the transaction cost, which is its fair value.

Current versus non-current classification

The Company presents assets and liabilities in the balance sheet based on current/ non-current classification. An asset is treated as current when it is:

- Expected to be realised or intended to be sold or consumed in normal operating cycle
- Held primarily for the purpose of trading
- Expected to be realised within twelve months after the reporting period, or
- Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period

All other assets are classified as non-current.

A liability is current when:

- It is expected to be settled in normal operating cycle
- It is held primarily for the purpose of trading
- It is due to be settled within twelve months after the reporting period, or
- There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period

Fair value measurement

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the financial asset or settle the financial liability takes place either:

- In the principal market, or
- In the absence of a principal market, in the most advantageous market

The principal or the most advantageous market must be accessible by the Company.

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use.

Revenue recognition

Revenue is recognized to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured, regardless of when the payment is being made. Revenue is measured at the fair value of the consideration received or receivable, taking into account contractually defined terms of payment and excluding taxes or duties collected on behalf of the government.

Borrowing costs

Borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use or sale, are added to the cost of those assets, until such time as the assets are substantially ready for their

intended use or sale. Interest income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalization.

Taxation

Tax on Income comprises current and deferred tax. It is recognized in statement of profit and loss except to the extent that it relates to a business combination, or items recognized directly in equity or in other comprehensive income.

Current tax

Tax on income for the current period is determined on the basis on estimated taxable income and tax credits computed in accordance with the provisions of the relevant tax laws and based on the expected outcome of assessments / appeals. Current income tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted, at the reporting date. Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

Deferred tax

Deferred tax is recognized for the future tax consequences of deductible temporary differences between the carrying values of assets and liabilities and their respective tax bases at the reporting date, using the tax rates and laws that are enacted or substantively enacted as on reporting date. Deferred tax assets are recognized to the extent that it is probable that future taxable income will be available against which the deductible temporary differences can be utilized. Deferred tax relating to items recognized outside the statement of profit and loss is recognized outside the statement of profit and loss, either in other comprehensive income or directly in equity. The carrying amount of deferred tax assets is reviewed at each reporting date

Earnings per share

The Company presents basic and diluted earnings per share (EPS) data for its ordinary shares. Basic EPS is calculated by dividing the profit or loss attributable to the ordinary shareholders of the company by the weighted average number of ordinary shares outstanding during the period. Where ordinary shares are issued but not fully paid, they are treated in the calculation of basic earnings per share as a fraction of an ordinary share to the extent that they were entitled to participate in dividends during the period relative to a fully paid ordinary share. Diluted earnings per share is computed by dividing the net profit after tax by the weighted average number of equity shares considered for deriving basic EPS and also weighted average number of equity shares that could have been issued upon conversion of all dilutive potential equity shares. Dilutive potential equity shares are deemed converted as of the beginning of the period, unless issued at a later date. Dilutive potential equity shares are determined independently for each period presented.

First Time Adoption of Ind AS

The Company has prepared the opening standalone balance sheet as per Ind AS as of April 1, 2016 (the transition date) by recognising all assets and liabilities whose recognition is required by Ind AS, not recognising items of assets or liabilities which are not permitted by Ind AS, by reclassifying items from previous GAAP to Ind AS as required under Ind AS, and applying Ind AS in measurement of recognised assets and liabilities. However, this principle is subject to the certain mandatory exceptions under Ind AS 101 and certain optional exemptions permitted under Ind AS 101 availed by the Company as detailed below:

1. Mandatory exceptions to retrospective application of other Ind AS

(a) Estimates

An entity's estimates in accordance with Ind AS at the date of transition to Ind AS shall be consistent with estimates made for the same date in accordance with Previous GAAP (after adjustments to reflect any differences in accounting policies) unless there is an objective evidence that those estimates were in error.

The company has not made any changes to estimates made in accordance with Previous GAAP.

- (b) Ind AS 109 - Financial Instruments (Derecognition of previously recognized Financial Assets/ FinancialLiabilities)

An entity shall apply the derecognition requirements in Ind AS 109 prospectively for the transactions occurring on or after date of transition to Ind AS.

The Company has applied the derecognition requirements prospectively.

- (c) Ind AS 109 “Financial Instruments” (Classification and Measurement of Financial Assets/ FinancialLiabilities)

Classification and measurement of Financial Assets shall be made on the basis of the facts and circumstances that exist at the date of transition to Ind AS.

The Company has evaluated the facts and circumstances existing on the date of transition to Ind AS for the purpose of classification and measurement of Financial Assets and accordingly has classified and measured financial assets on the date of transition.

- (d) Ind AS 109 “Financial Instruments” (Impairment of Financial Assets): Impairment requirements under Ind AS 109 should be applied retrospectively based on reasonable and supportable information that is available on the date of transition without undue cost or effort.

The borrowings of the Company outstanding as at the transition date, consists of loans whose disbursements have taken place in multiple tranches in different financial years without Charging interest. In some cases, the rate of interest on the loans are variable in nature and drawl of the loans have been made in multiple instalments with each drawl to be treated as a separate transaction for the purpose of computing the amortised cost. Implementing the requirement of amortised cost retrospectively is impracticable and also the amount is expected to be immaterial and hence the Company has considered the fair value of the financial liability at the date of transition to Ind AS as new amortised cost of that financial liability at the date of transition to Ind AS i.e. 1 April 2016.

2. Optional exemptions

- (a) Deemed cost for property, plant and equipment, and intangible assets

Ind AS 101 permits a first-time adopter to opt to continue with the carrying value for all of its property, plant and equipment as recognised in the financial statements as at the date of transition to Ind AS, measured as per the previous GAAP and use that as its deemed cost as at the date of transition after making necessary adjustments for de-commissioning liabilities. This exemption can also be used for intangible assets covered by Ind AS 38 “Intangible Assets”.

Accordingly, the Company has opted to measure all of its property, plant and equipment, and intangible assets at their previous GAAP carrying value.

- (b) Investments in subsidiaries, joint ventures and associates

IND AS 101 provides the option to the first-time adopter to account for its investments in subsidiaries, joint ventures and associates at either cost determined in accordance with IND AS 27 or in accordance with IND AS 109.

Accordingly, the Company has opted to measure such investments at cost in accordance with Ind AS 27.

- (c) Determining whether an arrangement contains a lease

The Company has applied Appendix C of Ind AS 17 Determining whether an Arrangement contains a Lease to determine whether an arrangement contains a lease on the basis of facts and circumstances existing at the transition date.

The Company has leases of land. The classification of each land as finance lease or operating lease at the date of transition to Ind AS is done based on the basis of facts and circumstances existing as at that date.

27. Notes on Accounts

➤ 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, 2018 are set out below.

SI 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
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, 2018 GNRL Oil & Gas Limited (Formerly Heramec Limited) has applied its participating interest in the respective PSCs'.

➤ **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.

- 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	1.519	72.867
Additions	-	-
Deletions	-	-
Production	0.001	4.015
Closing Balance for the year ended on 31.03.2018	1.518	68.852

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.

- 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 31st March 2018	AS AT 31st March 2017
Fixed Assets	839,811,366	827,751,404
Current Assets	676,461,414	648,958,960
Current Liabilities	106,100,118	178,923,399

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 2018 and 31st March 2017 is given as under:

	2017-18		2016-17	
	Aggregate of all JVs	Heramec's Share	Aggregate of all JVs	Heramec's Share
INCOME				
Sale of Crude Oil	85,536,136	25,660,842	95,492,528	28,647,761
Sale of Gas	148,221,580	44,466,474	164,402,431	49,320,729
Sludge Sales	4,409,439	1,322,831	0	0
Increase/(Decrease) in Stock	196,743	59,023	7,943,849	2,383,155
Other Income	581,995	174,599	493,520	148,056
Total	238,945,893	71,683,769	268,332,328	80,499,698

	2017-18		2016-17	
	Aggregate of all JVs	Heramec's Share	Aggregate of all JVs	Heramec's Share
EXPENDITURE				
Production and Administrative Expenses	167,828,005	50,348,401	183,204,277	54,961,283
Total Expenditure before Depreciation	167,828,005	50,348,401	183,204,277	54,961,283
PROFIT BEFORE DEPRECIATION	71,117,888	21,335,368	85,128,051	25,538,415

➤ **Contingent Liabilities**

- 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, 2018 amounting to USD 314,355 equivalent to ` 15,380,019/-. (Previous year: US Dollars 202,298 equivalent to ` 8,871,047/-). 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.
- 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 Rs 23,97,321/- and Rs 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.
- 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.
- Penalty of Rs 92,500/- for the accounting year 2009-10 raised by Income Tax Authorities, which is disputed by the Company.

➤ **Capital Expenditure Commitments: Nil (P.Y – NIL)**

➤ **Related Party Transactions:**

- 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	<ol style="list-style-type: none"> 1. GNRL Oil & Gas Limited (Formerly Heramec Limited) 2. Alkor Petro Overseas Ltd 3. Gorlas Corporate Holding Lttd 4. Gorlas Global Energy PLC 5. Heramec Oil and Gas (Singapore) pte Ltd.
(iii)	Enterprises where key managerial Personnel exercise significant influence	<ol style="list-style-type: none"> 1. Lesha Industries Ltd 2. Lesha Agro Food Pvt. Ltd. 3. Infinium Natural Resources Int. Pvt. Ltd.
(iv)	Key Management Personnel / Directors	<ol style="list-style-type: none"> 1. Ashok C. Shah 2. Shalin A. Shah 3. Malav Mehta 4. Pravinbhai Trivedi 5. Sarika Kulkarni 6. Payal V Makani

b. Transaction for the year ended March 31, 2018:

Particulars	For the year ended 31 st March 2018	For the year ended 31 st March 2017
Sale /Services :		
1. Subsidiary Company	2,092,140	4,245,980
Loan given/ (Taken)		
1. Key Management Personnel	(5,05,000)	--
2. Enterprises where KMP exercise significant influence	-- (20,13,00,000)	2,00,25,000 (3,00,00,000)
Expenditure :		
1. Key Managerial personnel. –Remuneration	78,00,000	78,00,000
2. Enterprises where KMP exercise significant influence (Rent)	--	--
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	17,73,00,000	10,00,00,000
c) Director Remuneration	1,32,500	1,33,58,950
2. Amounts Receivable		
a) Enterprises where KMP exercise significant influence	--	--

EXPENDITURE IN FOREIGN CURRENCY:

PARTICULARS	For the year ended 31st March 2018	For the year ended 31st March 2017
i) Consultancy Expenses	93,743	97,918
ii) Others	90,439	
Totals	1,84,182	97,918

SALES TURNOVER:

Description	Unit	Quantity	Value
Crude Oil	MBBLs	7.65 P.Y.9.37	25,660,841 P.Y. 28,647,761
Natural Gas	M3	3997.14 P.Y. 3733.77	44466475 P.Y. 49,320,729

OPENING AND CLOSING STOCK OF GOODS PRODUCED & TRADED:

Description	Unit	Quantity	Value in Rs.
Opening Stock			
Crude Oil	MBBLs	0.34 P.Y. 0.47	158287 P.Y. 158894
Closing Stock			
Crude Oil	MBBLs	0.54 P.Y. 0.34	198176 P.Y. 158287

ACTUAL PRODUCTION

Description	Unit	Actual Production for the Year
Crude Oil	MBBLs	8.32 P.Y. 9.86
Natural Gas	MM3	4014.63 P.Y. 3805.08

* MM3 - Thousand Cubic Meter

* MMBL - Thousand Barrels

CIF value of Imports :

Particulars	For the year ended 31 st March, 2018	For the year ended 31 st March, 2017
i) Raw Materials	--	--
ii) Components and Spare Parts	--	115,975
iii) Capital Goods	--	--
Total	--	115,975

Earning in Foreign Currency :

Particulars	For the year ended 31 st March, 2018	For the year ended 31 st March, 2017
Earnings in Foreign Currency (Liquidated Damages)	--	--

➤ Payment to the Auditors

Particulars	2017-18	2016-17
Audit Fees	324,600	604,831
Company Matter	0	0
Income Tax Fees	0	0
Others	82,600	0
Total	407,200	604,831

➤ Earnings per Share:-

The earning considered in ascertaining the company's EPS comprises the profit available for shareholders i.e. profit after tax and statutory/regulatory appropriations. The number of shares used in computing Basic EPS is the weighted average number of shares outstanding during the year as per the guidelines of Ind AS-33.

Particulars	31-03-2018	31-03-2017
Net Profit Attributable to share holders	15,52,845	42,13,050
Weighted average number of equity shares (Nos.)	3,87,51,645	3,87,51,645
Basic and diluted earnings per share (Rs.)	0.04	0.11
Nominal value of equity share (Rs.)	10	10

Employee Benefits**Defined benefit plan****Gratuity**

The Company offers gratuity plan for its qualified employees which is payable as per the requirements of Payment of Gratuity Act, 1972. The benefit vests upon completion of five years of continuous service and once vested it is Payable to employees on retirement or on termination of employment. In case of death while in service, the gratuity is Payable irrespective of vesting

Particular	Gratuity (Funded)		Leave Encashment (Non-funded)	
	2017-18	2016-17	2017-18	2016-17
1 Change in obligation during the year ended 31st March, 2018				
1 Liability at the beginning of the Year	5,318,041.00	4,353,057.00	2,489,162.00	1,925,776.00
2 Interest cost	377,546.00	340,630.00	172,665.00	148,438.00
3 Current service cost	788,498.00	698,569.00	333,458.00	266,241.00
4 Past service cost	525,527.00	-	-	-
5 Benefit Paid **	(131,798.00)	(17,812.00)	(790,186.00)	(572,934.00)
6 Actuarial (gain) / Losses **	(755,343.00)	(56,403.00)	311,059.00	721,641.00
7 Liability at the end of the year	6,122,471.00	5,318,041.00	2,516,158.00	2,489,162.00

Particular	Gratuity (Funded)		Leave Encashment (Non-funded)	
	2017-18	2016-17	2017-18	2016-17
II Change in assets during the year ended 31st March, 2017				
1 Plan assets at the beginning of the year	4,522,803.00	4,116,077.00	-	-
2 Expected return of plan assets	348,675.00	304,898.00	-	-
3 Contributions **	180,363.00	132,295.00	-	-
4 Benefit paid **	(131,798.00)	(17,812.00)	-	-
6 Actuarial gain / (Loss)	(33,111.00)	(12,655.00)	-	-
7 Expenses deducted from fund	-	-	-	-
8 Plan assets at the end of the year	4,886,932.00	4,522,803.00	-	-
III Actual return on plan assets				
1 Expected return of plan assets	348,675.00	304,898.00	-	-
2 Actuarial gain / (loss)	(33,111.00)	(12,655.00)	-	-
3 Actual return on plan assets	315,564.00	292,243.00	-	-
IV Net asset / (liability) recognized in the Balance Sheet as at 31st March, 2017				
1 Liability at the end of the year	6,122,471.00	5,318,041.00	2,516,158.00	2,489,162.00
2 Plan assets at the end of the year	(4,886,932.00)	(4,522,803.00)		-
3 Unrecognized Past Service Cost	(153,257.00)	-	-	-
4 Amount recognized in the Balance Sheet Accrued (Asset)/ Liability	1,082,282.00	795,238.00	2,516,158.00	2,489,162.00
V Expenses recognized in the Statement of Profit & Loss account for the year ended 31st March, 2017				
1 Current service cost	788,498.00	698,569.00	333,458.00	266,241.00
2 Interest cost	377,546.00	340,630.00	172,665.00	148,438.00
3 Expected return on plan assets	(348,675.00)	(304,898.00)		-
4 Actuarial (gain) / Losses	(722,232.00)	(43,748.00)	311,059.00	721,641.00
5 Past service cost	372,270.00	-		-
6 Total expenses	467,407.00	690,553.00	817,182.00	1,136,320.00
VI Balance Sheet reconciliation				
1 Opening net liability /(asset)	795,238.00	236,980.00	2,489,162.00	1,925,776.00
2 Expenses as above	467,407.00	690,553.00	817,182.00	1,136,320.00
3 Employer contribution	(180,363.00)	(132,295.00)		-
4. Benefits paid directly by the Company	-	-	(790,186.00)	(572,934.00)
5 Amount recognized in the Balance Sheet	1,082,282.00	795,238.00	2,516,158.00	2,489,162.00

Particular	Gratuity (Funded)		Leave Encashment (Non-funded)	
	2017-18	2016-17	2017-18	2016-17
VII Actuarial assumptions				
1 Discount rate	7.50%	7.20%	7.50%	7.20%
2 Rate of return on plan assets	7.20%	7.20%	0.00%	0.00%
3 Salary Escalation	8.33%	8.33%	8.33%	8.33%
VIII Amount for the current period is as under *				
Gratuity(Funded)				
Defined Benefit obligaton	6,122,471.00	5,318,041.00	2,516,158	2,489,162.00
Plan asset	4,886,932.00	4,522,803.00	-	-
Surplus/(deficit)	(1,235,539.00)	(795,238.00)	(2,516,158)	(2,489,162.00)
Experience adjustment on plan liability **	(576,667.00)	(444,234.00)	376,792	562,710.00
Actuarial Loss /(Gain) due to change in ActuarialAssumption	(178,676.00)	387,831.00	(65,733)	158,931.00
Experience adjustment on plan assets	33,111.00	12,655.00	-	-

* With respect to Gratuity & Leave Encashment, the Company has taken actuarial valuation report for the year ended 31st March, 2018.

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

Investment details :

The funds are managed by LIC and LIC has not provided break up of planned assets by investment type for the year 2017-18

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.

➤ Capital Management

The Company manages its capital to ensure that entities in the Company will be able to continue as going concerns while maximizing the return to stakeholders through the optimization of the debt and equity

balance. The capital structure of the Company consists of net debt (borrowings offset by cash and bank balances) and total equity of the Company.

Particulars	As at 31st March, 2018	As at 31st March, 2017	As at 1st April, 2016
Total equity attributable to the equity share holders of the company	38,75,16,450	38,75,16,450	38,75,16,450
As percentage of total capital	48.84%	68.64%	69.48%
Current loans and borrowings	21,95,94,726	4,06,70,417	4,13,04,553
Non-current loans and borrowings	21,44,65,731	15,40,59,161	15,00,88,224
Total loans and borrowings	43,40,60,456	19,47,29,578	19,13,92,777
Cash and cash equivalents	28,111,443	17,678,918	21,136,643
Net loans & borrowings	40,59,49,014	17,70,50,660	17,02,56,134
As a percentage of total capital	51.16%	31.36%	30.52%
Total capital (loans and borrowings and equity)	79,34,65,464	56,45,67,110	55,77,72,584

➤ **Fair Value measurements**

A. **Financial instruments by category**

Particulars	As at 31st March, 2018			As at 31st March, 2017			As at 1st April, 2016		
	Amortized Cost	FVTPL	FVTOCI	Amortized Cost	FVTPL	FVTOCI	Amortized Cost	FVTPL	FVTOCI
Financial Asset									
Investment	-	18,75,23,517	-	-	15,10,42,324	-	-	5,67,19,064	-
Non Current Loan	5,72,76,812	-	-	5,69,24,733	-	-	7,99,60,946	-	-
Trade receivables	9,54,14,634	-	-	10,03,60,921	-	-	9,51,84,191	-	-
Cash & Cash Equivalents	2,81,11,443	-	-	1,76,78,918	-	-	2,11,36,643	-	-
Loan	23,11,64,356	-	-	12,89,12,584	-	-	19,37,61,009	-	-
Total Financial Asset	41,19,67,245	18,75,23,517	-	30,38,77,156	15,10,42,324	-	39,00,42,789	5,67,19,064	-
Financial Liabilities									
Non Current Borrowing	21,44,65,731	-	-	15,40,59,161	-	-	15,00,88,224	-	-
Borrowings	21,95,94,726	-	-	4,06,70,417	-	-	4,13,04,553	-	-
Trade Payables	9,79,94,593	-	-	12,03,80,015	-	-	10,14,83,126	-	-
Other Financial Liabilities	-	-	-	-	-	-	-	-	-
Total Financial Liabilities	53,20,55,050	-	-	31,51,09,593	-	-	29,28,75,903	-	-

* Excluding investments in subsidiaries, joint control entities and associates measured at cost in accordance with Ind AS-27

Fair value hierarchy

The following section explains the judgments and estimates made in determining the fair values of the financial instruments that are recognized and measured at fair value through profit or loss. To provide an indication about the reliability of the inputs used in determining fair value,

the Company has classified its financial investments into the three levels prescribed under the accounting standard. An explanation of each level follows underneath the table.

B. Fair value hierarchy for assets

Financial assets measured at fair value at March 31, 2018

	Level 1	Level 2	Level 3	Total
Financial Assets				
Investment	18,75,23,517	-	-	18,75,23,517

Financial assets measured at fair value at March 31, 2017

	Level 1	Level 2	Level 3	Total
Financial Assets				
Investment	15,10,42,324	-	-	15,10,42,324

Financial assets measured at fair value at April 1, 2016

	Level 1	Level 2	Level 3	Total
Financial Assets				
Investment	5,67,19,064	-	-	5,67,19,064

Notes:

Level 1 hierarchy includes financial instruments measured using quoted prices (unadjusted) in active market for identical assets that the entity can access at the measurement date. This represents mutual funds that have price quoted by the respective mutual fund houses and are valued using the closing Net asset value (NAV).

Level 2 hierarchy includes the fair value of financial instruments measured using quoted prices for identical or similar assets in markets that are not active.

Level 3 if one or more of the significant inputs is not based on observable market data, the instrument is included in level 3. This is the case for unlisted compound instruments.

There are no transfers between any of these levels during the year. The Company's policy is to recognize transfers into and transfers out of fair value hierarchy levels as at the end of the reporting period.

C. Fair value of financial assets and liabilities measured at amortized cost

The Management has assessed that fair value of loans, trade receivables, cash and cash equivalents, other bank balances, other financial assets and trade payables approximate their carrying amounts largely due to their short term nature. Difference between carrying amount of Bank deposits, other financial assets, borrowings and other financial liabilities subsequently measured at amortised cost is not significant in each of the years presented.

For financial assets and liabilities that are measured at fair value, the carrying amounts are equal to the fair values.

➤ Financial risk management

The Company's board of directors has overall responsibility for the establishment and oversight of the Company's risk management framework. The board has established the Audit Committee, which is responsible for developing and monitoring the Company's risk management policies. The Committee holds regular meetings and report to board on its activities. The Company's risk management policies are established to identify and analyse the risks faced by the Company, to set appropriate risk limits and controls and to monitor risks and adherence to limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the Company's activities. The Company, through its training and management standards and procedures, aims to maintain a disciplined and constructive control environment in which all employees understand their roles and obligations.

The audit committee oversees how management monitors compliance with the Company's risk

management policies and procedures, and reviews the adequacy of the risk management framework in relation to the risks faced by the Company. The audit committee is assisted in its oversight role by internal audit. Internal audit undertakes both regular and ad hoc reviews of risk management controls and procedures, the results of which are reported to the audit committee.

This note explains the sources of risk which the entity is exposed to and how the entity manages the risk.

Risk	Exposure arising from	Measurement	Management of risk
Credit Risk	Cash and cash equivalents, trade receivables, Financial assets measured at amortized cost.	Aging analysis	Diversification of funds to bank deposits, Liquid funds and Regular monitoring of credit limits
Liquidity Risk	Borrowings and other liabilities	Rolling cash flow forecasts	Availability of surplus cash, committed credit lines and borrowing facilities

(a) Credit risk

Credit risk is the risk of financial loss to the company if a customer or counterparty to a financial instrument fails to meet its contractual obligations. The company is exposed to the credit risk from its trade receivables, unbilled revenue, investments, cash and cash equivalents, bank deposits and other financial assets. The maximum exposure to credit risk is equal to the carrying value of the financial assets. The objective of managing counterparty credit risk is to prevent losses in financial assets.

Trade Receivables

Trade receivables comprise a widespread customer base. Management evaluates credit risk relating to customers on an ongoing basis. If customers are independently rated, these ratings are used. Otherwise, if there is no independent rating, risk control assesses the credit quality of the customer, taking into account its financial position, past experience and other factors

For trade receivables, provision is provided by the company as per the below mentioned policy :

Particulars	Gross Carrying Amount	Expected credit losses rate (%)	Expected Credit Losses	Carrying amount of Trade Receivable
Considered for Goods				
0-12 Months	2,14,43,984	0	0	2,14,43,984
More than 1 Year	7,39,70,650	0	0	7,39,70,650
Total	9,54,14,634	0	0	9,54,14,634

(b) Liquidity risk

Liquidity risk is the risk that the Company will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset. The Company's approach to managing liquidity is to ensure, as far as possible, that it will have sufficient liquidity to meet its liabilities when they are due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Company's reputation.

Liquidity Table

The Company's remaining contractual maturity for its non-derivative financial liabilities with agreed repayment periods is given below. The tables have been drawn up based on the undiscounted cash flows of financial liabilities based on the earliest date on which the Company can be required to pay. The tables include both interest and principal cash flows. The contractual maturity is based on the earliest date on which the Company may be required to pay.

As at March 31, 2018

Financial Liabilities	Payable within 0 to 12 months	More than 12 months	Total
Non-current financial liabilities			
Borrowings	-	21,44,65,731	21,44,65,731
Current financial liabilities			
Borrowings	17,86,28,959	-	17,86,28,959
Trade Payables	9,79,94,593	-	9,79,94,593
Other Financial Liability	-	-	-
	27,66,23,552		27,66,23,552
Total financial liabilities	27,66,23,552	21,44,65,731	49,10,89,283

As at March 31, 2017

Financial Liabilities	Payable within 0 to 12 months	More than 12 months	Total
Non-current financial liabilities			
Borrowings	-	15,40,59,161	15,40,59,161
Current financial liabilities			
Borrowings	5,53,754	-	5,53,754
Trade Payables	12,03,80,015	-	12,03,80,015
Other Financial Liability	-	-	-
	12,09,33,769		12,09,33,769
Total financial liabilities	12,09,33,769	15,40,59,161	27,49,92,930

(c) Market Risk

Market risk is the risk arising from changes in market prices – such as foreign exchange rates and interest rates – will affect the Company's income or the value of its holdings of financial instruments. The Company is exposed to market risk primarily related to interest rate risk and the market value of the investments. Thus, the exposure to market risk is a function of investing and borrowing activities

- Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates.

Most of the Company's borrowings are on a floating rate of interest. The Company has exposure to interest rate risk, arising principally on changes in Marginal Cost of Funds based Lending Rate (MCLR).

The exposures of the Company's financial assets / liabilities at the end of the reporting period are as follows:

Particulars	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
Floating Rate Borrowings	4,11,25,828	4,18,20,764	4,36,90,417

(d) Price Risk

Exposure

The Company's exposure to securities price risk arises from investments held in mutual funds and classified in the balance sheet at fair value through profit or loss. To manage its price risk arising from such investments, the Company diversifies its portfolio. Further these are all debt base securities for which the exposure is primarily on account of interest rate risk. Quotes (NAV) of these investments are available from the mutual fund houses. Profit for the year would increase/decrease as a result of gains/losses on these securities classified as at fair value through profit or loss.

➤ Reconciliation between previous GAAP and Ind AS

Ind AS 101 requires an entity to reconcile equity, total comprehensive income and cash flows for prior periods. The following tables represent the reconciliations from previous GAAP to Ind AS.

Reconciliation of equity as on March 31, 2017

Particulars	Amount as per IGAAP*	Effects of transition to Ind AS	Amount as per Ind AS
ASSETS			
1 Non-current Assets			
(a) Property, Plant and Equipment	35,71,91,141	0	35,71,91,141
(b) Other Intangible assets	6,393	0	6,393
(c) Capital work in progress	42,87,95,647	0	42,87,95,647
(d) Goodwill	13,98,14,036	0	13,98,14,036
(e) Intangible assets under development	0	0	0
(f) Financial Assets :			
i) Investments	15,10,42,324	0	15,10,42,324
ii) Loans	5,69,24,733	0	5,69,24,733
iii) Other Financial Assets	0	0	0
(f) Other non-current assets	3,42,09,665	0	3,42,09,665
2 Current Assets			
(a) Inventories	2,86,14,007	0	2,86,14,007
(b) Financial Assets :			
i) Investments	0	0	0
ii) Trade Receivables	10,03,60,921	0	10,03,60,921
iii) Cash & Cash Equivalents	1,76,78,918	0	1,76,78,918
iii) Loans	12,89,12,584	0	12,89,12,584
iii) Other Financial Assets	0	0	0
(c) Other Current Assets	6,52,330	0	6,52,330
Total Assets	1,44,42,02,700	0	1,44,42,02,700
I. Equity & Liabilities			
1. Equity			
(a) Share Capital	38,75,16,450	0	38,75,16,450
(b) Other Equity	50,99,19,451	0	50,99,19,451
2. Liabilities			
A) Non Current Liabilities			
(a) Financial Liabilities			
i) Borrowings	15,40,59,161	0	15,40,59,161
(b) Deferred Tax Liabilities (Net)	3,40,96,785	0	3,40,96,785
(c) Other Non Current Liabilities	167566411	0	0
B) Current Liabilities			
(a) Financial Liabilities			
i) Borrowings	4,06,70,417	0	4,06,70,417
ii) Trade Payables	12,03,80,015	0	12,03,80,015
iii) Other Financial Liabilities	0	0	0
(b) Other Current Liabilities	1,78,88,300	0	1,78,88,300
(c) Short Term Provisions	1,21,05,710	0	1,21,05,710
Total Equity & Liabilities	1,44,42,02,700	0	1,44,42,02,700

Reconciliation of equity as on April 01, 2016

Particulars	Amount as per IGAAP*	Effects of transition to Ind AS	Amount as per Ind AS
ASSETS			
1 Non-current Assets			
(a) Property, Plant and Equipment	20,46,43,753	0	20,46,43,753
(b) Other Intangible assets	58,54,26,408	0	58,54,26,408
(c) Capital work in progress	14,07,50,097	0	14,07,50,097
(d) Intangible assets under development	9,149	0	9,149
(e) Financial Assets :			
i) Investments	5,67,19,064	0	5,67,19,064
ii) Loans	7,99,60,946	0	7,99,60,946
iii) Other Financial Assets	0	0	0
(f) Other non-current assets	3,41,57,544	0	3,41,57,544
2 Current Assets			
(a) Inventories	3,09,83,767	0	3,09,83,767
(b) Financial Assets :			
i) Investments	0	0	0
ii) Trade Receivables	9,51,84,191	0	9,51,84,191
iii) Cash & Cash Equivalents	2,11,36,643	0	2,11,36,643
iii) Loans	19,37,61,009	0	19,37,61,009
iii) Other Financial Assets	15,14,592	0	15,14,592
(c) Other Current Assets	0	0	0
Total Assets	1,44,42,47,163	0	1,44,42,47,163
I. Equity & Liabilities			
1. Equity			
(a) Share Capital	38,75,16,450	0	38,75,16,450
(b) Other Equity	50,94,40,961	0	50,94,40,961
2. Liabilities			
A) Non Current Liabilities			
(a) Financial Liabilities			
i) Borrowings	15,00,88,224	0	15,00,88,224
(b) Deferred Tax Liabilities (Net)	3,38,71,453	0	3,38,71,453
(c) Other Non Current Liabilities	17,45,60,747	0	17,45,60,747
B) Current Liabilities			
(a) Financial Liabilities			
i) Borrowings	4,13,04,553	0	4,13,04,553
ii) Trade Payables	10,14,83,126	0	10,14,83,126
iii) Other Financial Liabilities	0	0	0
(b) Other Current Liabilities	4,04,85,393	0	4,04,85,393
(c) Short Term Provisions	54,96,256	0	54,96,256
Total Equity & Liabilities	1,44,42,47,163	0	1,44,42,47,163

Reconciliation of total comprehensive income for the period March 31, 2017

Particulars	Amount as per IGAAP*	Effects of transition to Ind AS	Amount as per Ind AS
Revenue From Operations	8,46,33,358	0	8,46,33,358
Other Income	1,40,33,353	0	1,40,33,353
Total Revenue	9,86,66,711	0	9,86,66,711
Expenses			
Purchase of Stock in Trade	0	0	0
Changes in Inventories	607	0	607
Employee Benefit Expenses	1,50,49,217	0	1,50,49,217
Finance Costs	70,13,471	0	70,13,471
Depreciation & Amortisation Expenses	2,33,07,802	0	2,33,07,802
Other Expenses	4,52,91,096	0	4,52,91,096
Total Expenses	9,06,62,193	0	9,06,62,193
Profit Before Exceptional & Extraordinary Items & Tax	80,04,518	0	80,04,518
Exceptional Items	0	0	0
Profit Before Extraordinary Items & Tax	80,04,518	0	80,04,518
Extraordinary Items	0	0	0
Profit Before Tax	80,04,518	0	80,04,518
Tax Expenses			
Current Tax/ Interest on Income Tax/ Deferred Tax	37,91,468	0	37,91,468
Profit/(Loss) for the period from Continuing Operations	42,13,050	0	42,13,050
Other comprehensive income			
Items that will not be reclassified to profit or loss	0	0	0
Total comprehensive income for the year, net of tax	42,13,050	0	42,13,050

Notes to reconciliation between Indian GAAP and Ind AS**(i) Revenue Recognition**

Under Indian GAAP revenue is disclosed net of excise duty. However under Ind AS revenue is disclosed including excise duty.

(ii) Amortisation of processing charges

Under Indian GAAP ancillary cost of borrowing is recognised as expense or capitalized (in case of qualifying asset) in the year in which it is incurred. Under Ind AS the ancillary cost of borrowing is expensed or capitalised at effective interest rate over the period of loan.

➤ Others

- In opinion of the management of the company, all loans, advances and deposits are recoverable in cash or kind for value to be received for which no provision is required. However in the

opinion of the auditors, it shall be prudent to make sufficient provision for such non-performing assets amounting to Rs. 206.17 Lacs.

- 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 favorable. 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.
- As per the order of Hon'ble Gujarat High court (on Demerger) dated 30/12/2009, The Office Premises needed to be transferred to Demerger Account at that time. During the year Remaining Balance of Office Premises (Fixed Assets) has been transferred to Miscellaneous Expenses (Other Noncurrent Assets).
- As informed by the management that the loans are interest free, which in our opinion is violation of Section 186 (7) of the Companies Act, 2013.
- Confirmation of the concerned parties for the amount due to them and/or due from them as per accounts of the company is not received. Necessary adjustments, if any, will be made when accounts are reconciled or settled. Balance of sundry debtors and creditors, loans and advances accepted and given in the balance sheet are subject to confirmation.
- In the opinion of board of directors the value of loans and advances and other current assets have a value on realization in the ordinary course of business at least equal to the amount at which they are stated in balance sheet.
- There is carry forward of losses, the company need not to recognize deferred tax assets in the event of non-availability of convincing evidence as to future income.
- The previous year's figures have been reworked, regrouped, rearranged and reclassified wherever necessary. Amounts and other disclosures for the preceding year are included as an integral part of the current year financial statements and are to be read in relation to the amounts and other disclosures relating to the current year.

For Gujarat Natural Resources Limited

Ashok C. Shah

Director

DIN : 02467830

Place : Ahmedabad

Date : 30/05/2018

Malav A. Mehta

Director

DIN : 01234736

For, G M C A & Co.

Chartered Accountants

FRN No:109850W

CA. Mitt S. Patel

Partner

Membership No. 163940

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 Saturday, September 29, 2018 at the Registered Office of the Company at 11:00 a.m.

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, 2018 At 11:00 a.m. 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 ____ 2018

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.

To,

If undelivered please return to:

GUJARAT NATURAL RESOURCES LIMITED

8, Sigma Corporate, Nr. Mann Party Plot,

S. G. High Way, Bodakdev,

Ahmedabad, Gujarat.
