

## **ANNUAL REPORT 2016 - 2017**

### **BOARD OF DIRECTORS**

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

### **COMPANY SECRETARY**

Sheetal G. Pandya

### **AUDITORS**

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

### **REGISTERED OFFICE**

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

### **REGISTRAR & SHARE TRANSFER AGENTS**

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

### **ROUTE MAP TO THE AGM VENUE**



**NOTICE**

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

**ORDINARY BUSINESS:**

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

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

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

**SPECIAL BUSINESS:**

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

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

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

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

**Place: Ahmedabad**  
**Date: 8<sup>th</sup> August, 2017**

**For and on behalf of the Board**

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

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

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

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

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

**Item No. 5 of the Notice:**

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

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

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

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

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

**Place: Ahmedabad**  
**Date: 8<sup>th</sup> August, 2017**

**For and on behalf of the Board**

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

## Annexure to the Notice of Annual General Meeting

## Details of Directors seeking Appointment/Reappointment in Annual General Meeting

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

Place: Ahmedabad

Date: 8<sup>th</sup> August, 2017

For and on behalf of the Board

Sd/-  
Shalin Shah  
Managing Director  
DIN: 00297447

**NOTES:**

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

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

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

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

**The instructions for shareholders voting electronically are as under:**

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

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

- (ix) After entering these details appropriately, click on "SUBMIT" tab.
- (x) Members holding shares in physical form will then directly reach the Company selection screen. However, members holding shares in demat form will now reach 'Password Creation' menu wherein they are required to mandatorily enter their login password in the new password field. Kindly note that this password is to be also used by the demat holders for voting for resolutions of any other company on which they are eligible to vote, provided that company opts for e-voting through CDSL platform. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.
- (xi) For Members holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.
- (xii) Click on the EVSN for Gujarat Natural Resources Limited.
- (xiii) On the voting page, you will see "RESOLUTION DESCRIPTION" and against the same the option "YES/NO" for voting. Select the option YES or NO as desired. The option YES implies that you assent to the Resolution and option NO implies that you dissent to the Resolution.
- (xiv) Click on the "RESOLUTIONS FILE LINK" if you wish to view the entire Resolution details.

- (xv) After selecting the resolution you have decided to vote on, click on “SUBMIT”. A confirmation box will be displayed. If you wish to confirm your vote, click on “OK”, else to change your vote, click on “CANCEL” and accordingly modify your vote.
- (xvi) Once you “CONFIRM” your vote on the resolution, you will not be allowed to modify your vote.
- (xvii) You can also take a print of the votes cast by clicking on “Click here to print” option on the Voting page.
- (xviii) If a demat account holder has forgotten the login password then Enter the User ID and the image verification code and click on Forgot Password & enter the details as prompted by the system.
- (xix) Shareholders can also cast their vote using CDSL’s mobile app - CDSL m-Voting available for iphone as well as android and windows based mobiles. Please follow the instructions as prompted by the mobile app while voting on your mobile.

#### **I. Note for Non – Individual Shareholders and Custodians**

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

## Directors' Report

Dear Members,

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

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

(₹ in Lacs)

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

**2. PERFORMANCE & STATE OF AFFAIRS OF THE COMPANY:**

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

**3. DIVIDEND:**

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

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

**4. SHARE CAPITAL:**

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

**5. RESERVES:**

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

**6. DEPOSITS:**

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

**7. ENERGY, TECHNOLOGY AND FOREIGN EXCHANGE:**

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



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

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

**9. DETAILS OF SIGNIFICANT AND MATERIAL ORDERS:**

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

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

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

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

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

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

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

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

**12. MEETING OF BOARD OF DIRECTORS:**

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

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

**13. EXTRACTS OF ANNUAL RETURN:**

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

**14. RELATED PARTY TRANSACTIONS:**

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

**15. DIRECTORATE AND KEY MANAGERIAL PERSONNEL:**

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

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

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

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

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

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

**16. EVALUATION OF BOARD, COMMITTEES AND DIRECTORS:**

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

The following were the Evaluation Criteria:

**(a) For Independent Directors:**

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

**(b) For Executive Directors:**

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

The Directors expressed their satisfaction with the evaluation process.

**17. POLICY ON APPOINTMENT AND REMUNERATION OF DIRECTORS:**

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

**18. MANAGERIAL REMUNERATION**

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

**19. INDEPENDENT DIRECTORS' MEETING:**

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

**20. COMMITTEES OF THE BOARD:**

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

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

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

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

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

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

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

**B. Secretarial Auditors**

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

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

**C. Internal Auditors:**

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

**22. INTERNAL FINANCIAL CONTROL SYSTEM AND COMPLIANCE FRAMEWORK:**

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

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

**23. RISK MANAGEMENT:**

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

**24. VIGIL MECHANISM AND WHISTLE BLOWER POLICY:**

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

**25. PREVENTION OF SEXUAL HARASSMENT AT WORKPLACE:**

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

**26. PREVENTION OF INSIDER TRADING:**

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

**27. DIRECTORS' RESPONSIBILITY STATEMENT:**

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

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

**28. CORPORATE GOVERNANCE:**

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

**29. GENERAL SHAREHOLDER INFORMATION:**

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

**30. CORPORATE SOCIAL RESPONSIBILITY:**

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

**31. MANAGEMENT DISCUSSION AND ANALYSIS REPORT:**

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

**32. PARTICULARS OF EMPLOYEES AND RELATED DISCLOSURES :**

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

**33. LISTING OF SHARES:**

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

**34. ACKNOWLEDGEMENT:**

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

**Place: Ahmedabad**  
**Date: 8<sup>th</sup> August, 2017**

**For and on behalf of the Board**

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

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

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

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

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

**➤ OPPORTUNITY & THREATS:**

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

The Company’s strategy is to:

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

**➤ COMPETITION:**

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

**➤ SEGMENT WISE AND PRODUCT WISE PERFORMANCE:**

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

**➤ RISK AND CONCERN:**

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

**➤ INITIATIVES BY THE COMPANY:**

The Company has taken the following initiatives:

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

➤ **OUTLOOK:**

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

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

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

➤ **HUMAN RESOURCE:**

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

➤ **HEALTH, SAFETY AND ENVIRONMENTAL PROTECTION**

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

➤ **CEO AND CFO CERTIFICATION**

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

➤ **CAUTIONARY STATEMENT**

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

**Place: Ahmedabad**  
**Date: 8<sup>th</sup> August, 2017**

**For and on behalf of the Board**

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

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

**ANNEXURE – II TO THE DIRECTORS REPORT**

FORM NO. MGT 9

EXTRACT OF ANNUAL RETURN

As on financial year ended on 31/03/2017

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

**I. REGISTRATION & OTHER DETAILS:**

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

**II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY :**

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

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

**III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES -**

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

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

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



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

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

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

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

**E) SHAREHOLDING OF DIRECTORS AND KEY MANAGERIAL PERSONNEL:**

Sr. No.	Shareholding of each Directors and each Key Managerial Personnel	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
1	<b>Mr. Ashok Chinubhai Shah</b>				
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	<b>Mr. Malav Mehta</b>				
6	At the beginning of the year	48,000	0.12	48,000	0.12
7	Date wise Increase / Decrease in Promoters Shareholding during the year specifying the reasons for increase /decrease (e.g. allotment /	No Change during the year			

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

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

#### V. INDEBTEDNESS –

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

(in Rs.)

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

## VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL-

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

(in Lacs)

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

## 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		<b>0.74</b>

**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	<b>3.90</b>	<b>3.90</b>

**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)
<b>A. COMPANY</b>					
Penalty			<b>NONE</b>		
Punishment					
Compounding					
<b>B. DIRECTORS</b>					
Penalty			<b>NONE</b>		
Punishment					
Compounding					
<b>C. OTHER OFFICERS IN DEFAULT</b>					
Penalty			<b>NONE</b>		
Punishment					
Compounding					

Place: Ahmedabad  
Date: 8<sup>th</sup> August, 2017

For and on behalf of the Board

Sd/-  
Ashok C. Shah  
Director  
DIN: 02467830

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

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

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

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

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

**2. There were no employees covered under rule 5(2) of the Companies (Appointment and Remuneration) Rules, 2014**

Place: Ahmedabad  
Date: 8<sup>th</sup> August, 2017

For and on behalf of the Board

Sd/-  
Ashok C. Shah  
Director  
DIN: 02467830

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

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

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

To,  
The Members,  
**Gujarat Natural Resources Limited.**

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

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

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

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

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

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

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

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

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

**I further report that**

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

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

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

The following mentioned observations are made:

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

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

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

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

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

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

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

**Place : Ahmedabad**  
**Date : 8<sup>th</sup> August, 2017**

**For, Patel & Associates**  
**Company Secretaries**

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

**ANNEXURE - A to the Secretarial Audit Report**

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

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

**Place: Ahmedabad**  
**Date: 8<sup>th</sup> August, 2017**

**For, Patel & Associates**  
**Company Secretaries**

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



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

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

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

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

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

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

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

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

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

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

## 2. BOARD COMMITTEES:

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

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

### A. AUDIT COMMITTEE:

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

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

Main areas are deliberated as under.

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

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

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

### Attendance of each member of the committee:

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

**B. NOMINATION AND REMUNERATION COMMITTEE:**

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

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

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

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

**Attendance of each member of the committee:**

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

**Policy on Directors' Appointment and Remuneration**

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

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

**1.1 Appointment criteria and qualifications**

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

**1.2 Term / Tenure**

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

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

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

### 1.3 Evaluation

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

### 1.4 Removal

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

### 2.1 Remuneration Policy

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

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

### Details of Remuneration paid to Directors during the year:

#### A. Executive Directors

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

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

#### B. Non Executive Directors

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

### C. STAKEHOLDERS' RELATIONSHIP COMMITTEE:

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

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

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

### Attendance of each member of the committee:

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

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

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

No. of Shareholders' complaints pending: 1

No. of Shareholders' complaints received so far: 1

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

No. of pending complaints: Nil

### 3. INDEPENDENT DIRECTORS:

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

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

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

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

All Independent Directors were present at the Meeting.

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

[http://gnrl.in/Familiarization\\_Programme\\_for\\_Independent\\_Directors.pdf](http://gnrl.in/Familiarization_Programme_for_Independent_Directors.pdf)

### 4. SHAREHOLDING OF NON-EXECUTIVE NON-PROMOTER DIRECTORS

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

### 5. DISCLOSURE OF RELATIONSHIPS BETWEEN DIRECTORS INTER-SE

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

### 6. POSTAL BALLOT:

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

### 7. ANNUAL GENERAL MEETINGS

Details of last three AGMs held-

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

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

No Resolutions were put through postal ballot.

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

## 8. DEMAT / REMAT OF SHARES

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

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

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

## 9. DISCLOSURES:

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

### **Mandatory requirements:**

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

### **Non-Mandatory requirements:**

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

## 10. MEANS OF COMMUNICATION:

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

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

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

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

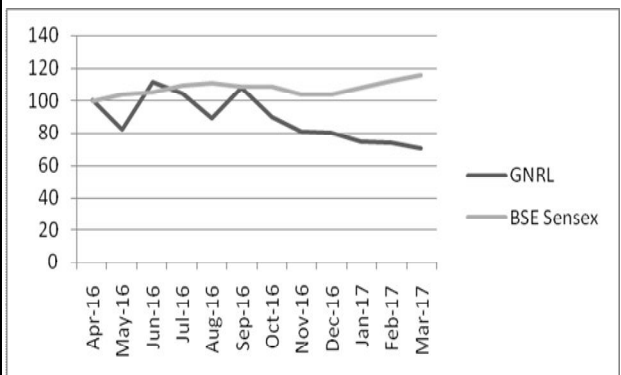
Unaudited Results for the quarter ended 30/06/2017	Second Week of September, 2017
Unaudited Results for the quarter ended 30/09/2017	Second Week of December, 2017
Unaudited Results for the last quarter ended 31/12/2017	Second Week of February 2018
Audited Results for the quarter ended 31/03/2018	Fourth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

**d. Date of Book Closure**23<sup>rd</sup> September, 2017 to 29<sup>th</sup> September, 2017 (both days inclusive) for Annual General Meeting.**e. Regd. Office**

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

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

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

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

**i. Share Transfer System**

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

**j. Distribution of Shareholding as on 31<sup>st</sup> March, 2017 is as under:**

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

**k. Dematerialization of Shares and liquidity**

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

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

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

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

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

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

**n. Share Transfer System**

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

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

**Place: Ahmedabad**  
**Date: 8<sup>th</sup> August, 2017**

**For and on behalf of the Board**

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

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



**DECLARATION**

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

**Place: Ahmedabad  
Date: 8<sup>th</sup> August, 2017**

**For and on behalf of the Board**

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

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

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

To  
The Members  
**GUJARAT NATURAL RESOURCES LIMITED**

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

The compliance of conditions of Corporate Governance is the responsibility of the Management. Our examination was limited to a review of procedures and implementation thereof, adopted by the Company for ensuring compliance with the conditions of Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.

In our opinion and to the best of our information and according to the explanations given to us, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in the provisions as specified in Chapter IV of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

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

**Place : Ahmedabad**  
**Date : 8<sup>th</sup> August, 2017**

**For, Patel & Associates**  
**Company Secretaries**

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

**CEO CERTIFICATION**

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

We hereby certify that:

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

**Place: Ahmedabad**  
**Date: 8<sup>th</sup> August, 2017**

**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	2016-17	2016-17	2016-17	2016-17	2016-17	2016-17
4	Reporting currency and Exchange rate as on the last date of the relevant Financial year	INR (Rs. in lacs)	USD	USD	USD	USD	USD
5	Share capital	1,029.00	50	4,82,000	10,000	40,82,000	9100
6	Reserves & surplus	22.49	25,50,547	Nil	Nil	(56,644)	Nil
7	Total assets	6,602.42	1,44,41,491	4,82,000	1,83,284	40,25,356	2,55,218
8	Total Liabilities	6,602.42	1,44,41,491	4,82,000	1,83,284	40,25,356	2,55,218
9	Investments	3,481.88	Nil	Nil	Nil	Nil	Nil
10	Turnover	39.37	12,22,330	Nil	Nil	Nil	Nil
11	Profit before taxation	1.39	12,166	Nil	Nil	(5,684)	Nil
12	Provision for taxation	1.21	5,794	Nil	Nil	Nil	Nil
13	Profit after taxation	0.18	6,372	Nil	Nil	(5,684)	Nil
14	Proposed Dividend	Nil	Nil	Nil	Nil	Nil	Nil
15	% of shareholding	100% held by Gujarat Natural Resources Limited	100% held by Sigma Oil & Gas Private Limited	100% held by Sigma Oil & Gas Private Limited	100% held by Sigma Oil & Gas Private Limited	100% held by Sigma Oil & Gas Private Limited	100% held by Gorlas Corporate Holdings Ltd

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

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

## Part "B": Associates and Joint Ventures

There are no Associates of the Company.

**GUJARAT NATURAL RESOURCES LIMITED**

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

**CIN: L27100GJ1991PLC016158**

**ATTENDANCE SLIP**

Name of the attending Shareholder/Proxy : \_\_\_\_\_  
Shareholder's Folio No./Client ID : \_\_\_\_\_  
No. of Shares held : \_\_\_\_\_

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

Signature of the Attending Shareholder/Proxy: \_\_\_\_\_

- Notes: 1. Share holder/Proxy holder wishing to attend the meeting must bring the attendance slip to the Meeting and hand it over at the entrance duly signed.
- 2. Share holder/Proxy holder desiring to attend the meeting should bring his/her copy of the Annual Report for reference at the meeting

-----Tear Here-----

**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 29<sup>th</sup> day of September, 2017 At 12:00 noon at 8, Sigma Corporate, Nr. Mann Party Plot, S. G. High Way, Bodakdev, Ahmedabad, Gujarat and at any adjournment thereof in respect of such resolutions as are indicated in the notice.

Signed this \_\_\_\_ Day of \_\_\_\_ 2017

Signature \_\_\_\_\_

Signature of Proxy Holder(s) \_\_\_\_\_

Affix  
Revenue  
Stamp

**Notes:**

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

**BOOK POST**

To,

*If undelivered please return to:*

**GUJARAT NATURAL RESOURCES LIMITED**

8, Sigma Corporate, Nr. Mann Party Plot,

S. G. High Way, Bodakdev,

Ahmedabad, Gujarat.