

ANNUAL REPORT 2018 - 2019

BOARD OF DIRECTORS

Ashok C. Shah	Director & Chairman
Shalin A. Shah	Managing Director
Malav A. Mehta	Director
Pravinbhai V. Trivedi	Independent Director
Sarika Kulkarni	Independent Director
Payal P. Pandya	Independent Director

COMPANY SECRETARY

Sheetal G. Pandya

CHIEF FINANCIAL OFFICER

Hitesh M. Donga

AUDITORS

M/s. GMCA & Co.
Chartered Accountants
Ahmedabad.

REGISTERED OFFICE

3rd Floor, A Wing, Gopal Palace, Opp. Ocean Park,
Nr. Nehru Nagar, Satellite Road,
Ahmedabad – 380015 (w.e.f June 13, 2019)

8, Sigma Corporate, Nr. Mann Party Plot,
S. G. Highway, Ahmedabad – 54 (upto June 12, 2019)

e-mail: info@gnrl.in

REGISTRAR & SHARE TRANSFER AGENTS

Purva Shareregistry (India) Pvt. Ltd.
No. – 9, Shiv Shakti Industrial Estate,
Ground Floor, J. R. Boricha Marg,
Opp. Kasturba Hospital, Lower Parel,
Mumbai - 400 011. (w.e.f. 17-05-2019)

Accurate Securities and Registry Private Limited
Reg. off: 203, Shangrila Arcade, Above Samsung Showroom,
Nr. Shyamal Cross Road, Satellite,
Ahmedabad - 380015. (Upto 16-05-2019)

ROUTE MAP TO THE AGM VENUE



NOTICE

Notice is hereby given that the **28th Annual General Meeting** of **Gujarat Natural Resources Limited** will be held at the registered office of the Company on Monday, 30th Day of September, 2019 at 11:00 a.m. to transact following business:

ORDINARY BUSINESS:

1. To receive, consider and adopt the Standalone and Consolidated Financial Statements of the Company for the year ended 31st March, 2019 including audited Balance Sheet as at 31st March, 2019 and Statement of Profit and Loss and the cash flow statement for the year ended on that date and the Reports of the Directors and the Auditors thereon.
2. To re-appoint Mr. Ashok C. Shah (DIN: 02467830), who is liable to retire by rotation and being eligible, offers himself for re-appointment.

SPECIAL BUSINESS:**3. Reclassification of the Status of Promoters Shareholding into Public Shareholding**

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

“RESOLVED THAT pursuant to Clause 31A and other applicable provisions of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 and any other laws and regulations as may be applicable from time to time (including any statutory modifications or re-enactments thereof for the time being in force), and other applicable provisions; subject to necessary approvals from the Stock Exchanges and other appropriate statutory authorities, as may be necessary; the approval of the Members, be and is hereby accorded to reclassify the following persons/entities (hereinafter individually & jointly referred to as the **“Applicants”**) and currently forming part of the **“Promoter and Promoter Group”** holding 38,35,570 Equity Shares aggregating to (9.90%) of the paid up capital of the Company, from **“Promoter & Promoter Group”** shareholding of the Company to the **“Public”** shareholding of the Company:

Sr. No.	Name	No. Of Equity shares held	Percentage of holding
1.	Pranathi Constructions Private Limited	38,35,570	9.90%
2.	Ilesh Infracap Private Limited	Nil	0.00%
3.	Ilesh P. Shah	Nil	0.00%

“RESOLVED FURTHER THAT on approval of the Stock Exchange(s) upon application for reclassification of the aforementioned applicants, the Company shall effect such re-classification in the Statement of Shareholding pattern from immediate succeeding quarter under Regulation 31 of SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015 and compliance to Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011, Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015 and other applicable provisions.”

“RESOLVED FURTHER THAT any one of the Directors, be and is hereby authorized to perform and execute all such acts, deeds, matters and things including but not limited to making timely intimation to stock exchange(s), and to execute all other documents required to be filed in the above connection and to settle all such questions, difficulties or doubts whatsoever which may arise and take all such steps and decisions in this regard to give full effect to the aforesaid resolutions.”

4. Insertion of new objects in the object clause of Memorandum of Association of the Company.

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

“RESOLVED THAT pursuant to the provisions of Section 13 and other applicable provisions, if any, of the Companies Act, 2013 and pursuant to the Companies (Incorporation) Rules, 2014 and subject to all the applicable laws and regulations (including any statutory modifications or re-enactment thereof, for the

time being in force), the approval of the Members be and is hereby granted for insertion of new objects in the Main Object Clause of the Memorandum of Association of the Company by inserting Clause no. III (A) (2), III (A) (3) and III (A) (4) as under:

2. To carry on the business as manufacturers, formulators, processors, producers, makers, buyers, sellers, re-sellers, importers, exporters, distributors, suppliers, fermentators, distillers, refiners, stockiests, agents, merchants, of and dealers in all types, sizes and kinds of chemical compounds (organic and inorganic) in all forms (solid, liquid and gaseous) and of all kinds of organic heavy chemicals, acids, alkalies, tannin extracts solvents, dye stuffs, dyes, intermediates, bulk drugs and its intermediates colour, chemical auxiliaries, biochemicals, and its related preparations, articles and products either in or outside India.
3. To carry on the business as manufacturers, producers, makers, buyers, sellers, importers, exporters, distributors, agents, brokers, consultants, factors, stockists, commission agents, dealers, market makers of all kinds of iron and steel products.
4. To carry on the business as manufacturers, producers, makers, buyers, sellers, importers, exporters, distributors, agents, brokers, consultants, factors, stockists, commission agents, dealers, market makers of all kinds of electronics and information technology products.

“RESOLVED FURTHER THAT for the purpose of giving effect to this resolution, any Director of the Company be and is hereby authorised, on behalf of the Company, to do all acts, deeds, matters and things as may be deemed necessary, proper or desirable and to sign and execute all necessary documents, applications and returns for the purpose of giving effect to the aforesaid resolution.”

5. To re-appoint Mr. Pravinbhai Vrajlal Trivedi (DIN 02916910) as Independent Director of the Company for the Second Term.

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

“RESOLVED THAT pursuant to sections 149, 150 and 152 of the Companies Act, 2013 (“the Act”), Companies (Appointment and Qualification of Directors) Rules, 2014 (“the Rules”), Schedule IV to the Act, (including any statutory modification(s) or re-enactment(s) thereof for the time being in force) and all the other applicable provision(s), if any, of the Companies Act, 2013 and Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, consent of the Members of the Company be and is hereby accorded to re-appoint **Mr. Pravinbhai Vrajlal Trivedi (DIN 02916910)**, to the office of Independent Director, for the second term of five consecutive years from 1st April, 2019 to 31st March, 2024, and whose office shall not be liable to retire by rotation.”

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

For and on behalf of the Board

Place: Ahmedabad
Date: 14th August, 2019

Sd/-
Shalin A Shah
Managing Director
DIN: 00297447

Explanatory Statement as required under Section 102 of the Companies Act, 2013**Item No. 3 of the Notice:****Reclassification of the Status of Promoters Shareholding into Public Shareholding**

Regulation 31A of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (hereinafter referred as “**Listing Regulations**”) has provided a regulatory mechanism for classification of Promoters & Promoter group as Public Shareholders subject to fulfillment of conditions as provided therein.

In this regard, the Company received application from the person/entities (as set out below) pursuant to Regulation 31A of the Listing Regulations for classifying them under the Public Category since their names have been included as a part of the Promoter and Promoter group.

Sr. No.	Name	No. of Equity shares held	Percentage of holding
1.	Pranathi Constructions Private Limited	38,35,570	9.90%
2.	Ilesh Infracap Private Limited	Nil	0.00%
3.	Ilesh P. Shah	Nil	0.00%

They are not the ‘immediate relatives’ nor are they controlled by the remaining Promoters of the Company, Mr. Shalin A. Shah and Mr. Malav A. Mehta, as per the definition of promoter group as provided in Regulations 2(1)(zb)(ii) of SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2009.

They are financially independent persons/entities, who take independent investment decisions and are no way related to any of the business carried out by the Company. Further they do not hold any key managerial position or representations of the Board of Directors in the Company and are not engaged in any management or day to day affairs of the Company and also do not have any right either to appoint any Director of the Company or an ability to control the management or policy decisions of the Company in any manner whatsoever including by virtue of their shareholding. Further, they shall not act as a key managerial person or be represented on the Board of Directors of the Company for a period of three years post this reclassification. None of their act influences the decision taken by the Company and they do not have any special right through formal or informal arrangements/ shareholder agreement with the Company or with the Promoter of the Company.

Vide their letter dated June 20, 2019, the Promoter and Promoter Group mentioned above have requested the Company for:

- (i) declassification of the various persons/entities (as mentioned in the table above) as the Promoter and Promoter Group; and
- (ii) reclassification of its shareholding of the various persons/entities (as mentioned in the table above) as Public Shareholding.

In view of the explanations given by the Applicants as detailed above and in consideration to the conditions as stipulated in Regulation 31A of the Listing Regulations, the Board of Directors of the Company at their meeting held on 26th June, 2019 have approved the application for reclassification received by the Company as above from Promoter and Promoter Group category to Public category subject to approval by the members and relevant regulatory authorities. As required, intimation has been sent to Stock Exchanges based on declaration received from the aforesaid persons/entities.

Further as per Rule 19A of the Securities Contracts (Regulation) Rules, 1957, the public shareholding as on date of the notice fulfils the minimum public shareholding requirement of at least 25% and the proposed reclassification does not intend to increase the public shareholding to achieve compliance with the minimum public shareholding requirement.

Further, in accordance with Regulation 31A of the Listing Regulations, the said reclassification requires the approval of the Stock Exchanges, where the shares of the Company are listed. In terms of the procedure adopted by the Stock Exchanges for granting such approval, the Stock Exchanges, *inter alia*, require that the Company obtain the consent of the Shareholders of the Company, for the said reclassification.

None of the Directors, Key Managerial Person, or their relatives is concerned or interested in this resolution except to the extent and manner set out in the resolution.

The Board recommends passing of the resolution as set out under item no.3 for approval of the Members as Ordinary Resolution.

The relevant documents in this regard are available for inspection in, between 11:00 A.M. to 1:00 P.M. on all working days i.e., Monday to Friday, till the date of Annual General Meeting, at the Registered Office of the Company.

Item No. 4 of The Notice:

Insertion of new objects in the object clause of Memorandum of Association of the Company.

The Company wants to include the objects related to trading of chemicals and other ancillary products, iron and steel and electronics and information technology products in its Main Object Clause of the Memorandum of Association. As per Section 13 of the Companies Act, 2013 and other applicable provisions of the Act if any, consent of the Members is required by way of Special resolution to insert new objects in the Memorandum of the Company.

Accordingly, your directors recommend the resolution at Item No. 4 for approval as Special resolution as set out in the notice of the meeting.

A copy of the amended Memorandum of Association of the Company (MOA) would be available for inspection between 11:00 A.M. to 1:00 P.M. on all working days i.e., Monday to Friday, till the date of Annual General Meeting, at the Registered Office of the Company.

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

Item No. 5 of The Notice:

To re-appoint Mr. Pravinbhai Vrajlal Trivedi (DIN 02916910) as Independent Director of the Company for the Second Term.

Mr. Pravinbhai Vrajlal Trivedi (DIN 02916910) was appointed as Non-Executive Independent Director of the Company on 23rd January, 2010. Pursuant to the provisions of the Companies Act, 2013 he could hold office of Independent Director of the Company for two terms of 5 years each. His first term of five years expired on 31st March 2019, and the Board recommends his re- appointment for the second term of five consecutive years from 1st April, 2019 to 31st March, 2024 subject to approval of the shareholders at the General Meeting of the Company. His term is not liable for retirement by rotation. A brief resume of Mr. Pravinbhai Vrajlal Trivedi is attached herewith. Mr. Pravinbhai Vrajlal Trivedi has submitted a declaration to the Company to the effect that he meets the criteria of independence as provided under Section 149(6) of the Act.

In the opinion of the Board, Mr. Pravinbhai Vrajlal Trivedi fulfils the conditions specified in the Act and the Rules framed there under for appointment as Non-Executive, Independent Director and he is independent of the management.

Brief resume and other details of Mr. Pravinbhai Vrajlal Trivedi are provided in the annexure to the Explanatory Statement attached herewith as Annexure to the Notice of Annual General Meeting.

Mr. Pravinbhai Vrajlal Trivedi is deemed to be interested in the resolution setout respectively at Item No. 5 of this Notice with regard to his appointment. Except Mr. Pravinbhai Vrajlal Trivedi, none of the Director(s) and/or Key Managerial Personnel(s) and their relative(s) is either directly or indirectly concerned or interested, financially or otherwise in the proposed resolution. Mr. Pravinbhai Vrajlal Trivedi does not hold any shares in the company.

The Board of Directors is of the opinion that his 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.

Place: Ahmedabad

Date: 14th August, 2019

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)	Mr. Pravinbhai V. Trivedi (DIN 02916910)
Age (Yrs.)	74 years	72 years
Date of first appointment	23/08/1991	23/01/2010
The no. of Meetings of the Board attended during the year	7	5
Date of birth	07/09/1944	01/02/1947
Brief Resume and expertise	Engineering and Administrative Degree. He has vast experience of more than 40 years in technical and administrative fields.	Mr. Pravin V. Trivedi, IAS (Retd.) is aged about 63 years and possesses Bachelor's degree in Science and Law. He Possesses total experience of 34 years in Public administration in Indian Administrative Service and has worked in various position like Collector & District Magistrate, Commissioner Geology Mining, Commissioner of Transport, Secretary Education to Government of Gujarat. He has also served as Managing Director of Gujarat Agro Industries, Gujarat State Finance Corporation and has held Directorship of various State PSU's like GIDC, GMDC, GIIC, GSRTC during his tenure.
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. Member of Stakeholders' Relationship committee and Nomination And Remuneration Committee in Ashoka Metcast Limited. Member of Stakeholders' Relationship committee in Lesha Industries Limited. Member of Stakeholders' Relationship committee in Ashnisha Industries Limited	Member of Audit Committee and Chairman of Nomination And Remuneration and Stakeholders' Relationship Committee in Gujarat Natural Resources Limited.
No. of Shares held in the Company	1,25,100	Nil
Directorship in Other Listed Company	Lesha Industries Limited, Ashnisha Industries Limited and Ashoka Industries Limited	Nil
Related to other directors	Mr. Ashok C. Shah and Mr. Shalin A. Shah are related as Father-Son.	No

Place: Ahmedabad
Date: 14th August, 2019

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 25th September, 2019 to 30th September, 2019 (both days inclusive).
6. Members, Proxies and Authorised Representatives are requested to bring to the meeting, the Attendance Slip enclosed herewith, duly completed and signed, mentioning therein details of their DP ID and Client ID / Folio No.
7. All documents referred to in the Notice are open for inspection at the Registered Office of the Company between 11:00 a.m. and 1:00 p.m. on any working day except Saturdays and holidays up to the date of Annual General Meeting. Shareholders seeking any information with regards to accounts are requested to write to the Company at least 10 days before the date of Annual General Meeting so as to enable the management to keep the information ready. This Notice and the Annual Report will also be available on the Company's website www.gnrl.in for download.
8. Updation of Email Id: The Shareholders are requested to intimate their Email Id to the Company or update their email registered with Depository Participants, if the same is changed.
9. The relative Explanatory Statement pursuant to Section 102 of the Companies Act, 2013 ("Act") setting out material facts concerning the business under Item No. 3 of the Notice, is annexed hereto. The relevant details as required under Regulation 36(3) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI Listing Regulations"), of the person seeking appointment /re-appointment as Director under Item No. 2 of the Notice, is also annexed.
10. The Notice of the AGM along with the Annual Report 2018-19 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 dematerialized form to eliminate all risks associated with physical shares and for ease of portfolio management. Further, SEBI vide its circular notification dated June 8, 2018 amended regulation 40 of the SEBI Listing Regulations pursuant to which no physical shares are allowed to be transferred (except in case of transmission or transposition of Shares) unless the securities are held in the dematerialized form. Shareholders holding shares in physical form are requested to dematerialize their shareholding in the Company to avoid hassle in transfer of shares. Members can contact the Company or the Company's Registrar & Share Transfer Agent for assistance in this regard.
14. To support the 'Green Initiative', Members who have not registered their e-mail addresses are requested to register the same with DPs/ RTA. The registered e-mail address will be used for sending future communications. Members whose email ids are already registered may update the changes therein, if any.
15. The Securities and Exchange Board of India (SEBI) has mandated the submission of Permanent Account Number (PAN) by every participant in securities market. Members holding shares in electronic form are, therefore, requested to submit their PAN to their Depository Participants with whom they are maintaining their demat

accounts. Members holding shares in physical form can submit their PAN to the Company/ Company's Registrar & Share Transfer Agent.

16. Voting through electronic means:

Pursuant to the provisions of Section 108 of the Companies Act, 2013 and Rule 20 of the Companies (Management and Administration) Amendment Rules, 2015, and in terms of Regulation 44 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Company is pleased to provide its members the facility to exercise their right to vote by electronic means. The facility of casting votes using an electronic voting system from a place other than the AGM venue ('remote e-voting') will be provided to the members by Central Depository Services (India) Limited (CDSL).

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

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

The instructions for shareholders voting electronically are as under:

- (i) The voting period begins on <September 27, 2019, 9:00 a.m.> and ends on < September 29, 2019, 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 24, 2019, may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter.
- (ii) The shareholders should log on to the e-voting website www.evotingindia.com.
- (iii) Click on Shareholders.
- (iv) Now Enter your User ID
 - a. For CDSL: 16 digits beneficiary ID,
 - b. For NSDL: 8 Character DP ID followed by 8 Digits Client ID,
 - c. Members holding shares in Physical Form should enter Folio Number registered with the Company.
- (v) Next enter the Image Verification as displayed and Click on Login.
 - a. If you are holding shares in demat form and had logged on to www.evotingindia.com and voted on an earlier voting of any company, then your existing password is to be used.
- (vi) If you are a first time user follow the steps given below:

For Members holding shares in Demat Form and Physical Form	
PAN	Enter your 10 digit alpha-numeric PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders) <ul style="list-style-type: none"> Members who have not updated their PAN with the Company/Depository Participant are requested to use the sequence number which is printed on Postal Ballot / Attendance Slip indicated in the PAN field.
Dividend Bank Details OR Date of Birth (DOB)	Enter the Dividend Bank Details or Date of Birth (in dd/mm/yyyy format) as recorded in your demat account or in the company records in order to login. <ul style="list-style-type: none"> If both the details are not recorded with the depository or company please enter the member id / folio number in the Dividend Bank details field as mentioned in instruction (iv).

- (vii) After entering these details appropriately, click on "SUBMIT" tab.
- (viii) Members holding shares in physical form will then directly reach the Company selection screen. However, members holding shares in demat form will now reach 'Password Creation' menu wherein they are required to mandatorily enter their login password in the new password field. Kindly note that this password is to be also used by the demat holders for voting for resolutions of any other company

on which they are eligible to vote, provided that company opts for e-voting through CDSL platform. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.

- (ix) For Members holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.
- (x) Click on the EVSN for the Company.
- (xi) On the voting page, you will see “RESOLUTION DESCRIPTION” and against the same the option “YES/NO” for voting. Select the option YES or NO as desired. The option YES implies that you assent to the Resolution and option NO implies that you dissent to the Resolution.
- (xii) Click on the “RESOLUTIONS FILE LINK” if you wish to view the entire Resolution details.
- (xiii) After selecting the resolution you have decided to vote on, click on “SUBMIT”. A confirmation box will be displayed. If you wish to confirm your vote, click on “OK”, else to change your vote, click on “CANCEL” and accordingly modify your vote.
- (xiv) Once you “CONFIRM” your vote on the resolution, you will not be allowed to modify your vote.
- (xv) You can also take a print of the votes cast by clicking on “Click here to print” option on the Voting page.
- (xvi) If a demat account holder has forgotten the login password then Enter the User ID and the image verification code and click on Forgot Password & enter the details as prompted by the system.
- (xvii) Shareholders can also use Mobile app - “m-Voting” for e voting. m-Voting app is available on IOS, Android & Windows based Mobile. Shareholders may log in to m-Voting using their e voting credentials to vote for the company resolution(s).
- (xviii) **Note for Non – Individual Shareholders and Custodians**
 - Non-Individual shareholders (i.e. other than Individuals, HUF, NRI etc.) and Custodian are required to log on to www.evotingindia.com and register themselves as Corporates.
 - A scanned copy of the Registration Form bearing the stamp and sign of the entity should be emailed to helpdesk.evoting@cdslindia.com.
 - After receiving the login details a Compliance User should be created using the admin login and password. The Compliance User would be able to link the account(s) for which they wish to vote on.
 - The list of accounts linked in the login should be mailed to helpdesk.evoting@cdslindia.com and on approval of the accounts they would be able to cast their vote.
 - A scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, should be uploaded in PDF format in the system for the scrutinizer to verify the same.
- (xix) In case you have any queries or issues regarding e-voting, you may refer the Frequently Asked Questions (“FAQs”) and e-voting manual available at www.evotingindia.com, under help section or write an email to helpdesk.evoting@cdslindia.com.
- (xx) For any further assistance, you may contact Ms. Sheetal Pandya, Company Secretary and Compliance Officer at Telephone No. (079) 4002 9806 or at E-mail Id: info@gnrl.in or write us at registered office of the Company at 3rd Floor, A Wing, Gopal Palace, Opp. Ocean Park, Nr. Nehru Nagar, Satellite Road, Ahmedabad – 380015.

Directors' Report

Dear Members,

Your Directors have pleasure in presenting the 28th Annual Report on the business and operations of the Company and the Audited Accounts for the Financial Year ended 31st March, 2019.

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

(₹ in Lacs)

Particulars	Standalone		Consolidated	
	Year ended 31/03/2019	Year ended 31/03/2018	Year ended 31/03/2019	Year ended 31/03/2018
Sales & Other Income	10.02	2.94	813.80	773.05
Exceptional Items	0.00	0.00	0.00	0.00
Expenditure	60.28	54.26	603.05	687.38
Profit Before Depreciation and Tax	(50.26)	(51.32)	210.75	85.67
Depreciation & amortisation expense	0.28	2.31	466.23	448.87
Extraordinary Item	0.00	0.00	0.00	388.02
Taxation	0.00	0.00	30.48	18.00
Deferred Tax	0.00	0.00	(7.81)	(8.71)
Net Profit (Loss) for the year	(50.54)	(53.63)	(232.80)	15.53

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

2. DIVIDEND:

Due to loss during the year, the Board of Directors of the Company have not recommended any dividend for the year 2018-19.

3. SHARE CAPITAL:

The authorized share capital of the company as on April 1, 2018 was ₹ 40,00,00,000/-. Further, the Company at the Extra Ordinary General meeting held on June 11, 2018 increased the authorised share capital of the Company from ₹ 40,00,00,000 divided into 4,00,00,000 equity shares of ₹10/- each to ₹ 65,00,00,000 divided into 6,50,00,000 equity shares of ₹10/- each. Currently the authorised share capital of the Company is ₹ 65,00,00,000.

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

4. RESERVES:

Reserves & Surplus at the end of the year stood at Rs. 5587.17 lakhs as compared to Rs. 4317.71 lakhs at the beginning of the year.

5. DEPOSITS:

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

6. ENERGY, TECHNOLOGY AND FOREIGN EXCHANGE:

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

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

There have been no material changes and commitments affecting the financial position of the Company since the close of financial year i.e. since 31st March, 2019. Further, it is hereby confirmed that there has been no change in the nature of business of the Company.

The Registered office of the Company is shifted to 3rd Floor, A Wing, Gopal Palace, Opp. Ocean Park, Nr. Nehru Nagar, Satellite Road, Ahmedabad – 380015 w.e.f. June 13, 2019.

8. DETAILS OF SIGNIFICANT AND MATERIAL ORDERS:

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

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

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

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

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

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

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

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

11. MEETING OF BOARD OF DIRECTORS:

During the year under the review, 7 (Five) Board meetings were held, with gap between Meetings not exceeding the period prescribed under the Companies Act, 2013 and Rules made thereunder. Details of Board and Board committee meetings held during the year are given in the Corporate Governance Report.

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

12. EXTRACTS OF ANNUAL RETURN:

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

13. RELATED PARTY TRANSACTIONS:

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

14. DIRECTORATE AND KEY MANAGERIAL PERSONNEL:

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

In accordance with the provisions of Section 152 of the Companies Act, 2013 and Articles of Association of the Company, Mr. 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 no change in the constitution of Board of Directors during the year.

Mr. Hiteshkumar M. Donga has been appointed as Chief Financial Officer of the Company with effect from 29/03/2019.

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

15. EVALUATION OF BOARD, COMMITTEES AND DIRECTORS:

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

The following were the Evaluation Criteria:

(a) For Independent Directors:

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

(b) For Executive Directors:

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

The Directors expressed their satisfaction with the evaluation process.

16. POLICY ON APPOINTMENT AND REMUNERATION OF DIRECTORS:

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

17. MANAGERIAL REMUNERATION

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

18. INDEPENDENT DIRECTORS' MEETING:

Independent Directors of the Company had met on 25.03.2019 during the year, review details of which are given in the Corporate Governance Report.

19. COMMITTEES OF THE BOARD:

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

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

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

20. AUDITORS:

A. Statutory Auditors

The Board of Directors of the Company, at their Meeting held on August 8, 2017, on the recommendation of the Audit Committee, had appointed M/s. GMCA & Co., Chartered Accountants (Firm Registration No.109850W) as the Statutory Auditors of the Company, and recommended their appointment for a term of five years from the conclusion of Annual General Meeting (AGM) held in 2017 till the conclusion of the Annual General Meeting to be held in 2022.

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

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

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

B. Secretarial Auditors

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

The observations of the Secretarial Auditor in the Secretarial Audit Report are self-explanatory and therefore do not call for any further comments.

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. 2018-19.

21. INTERNAL FINANCIAL CONTROL SYSTEM AND COMPLIANCE FRAMEWORK:

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

22. RISK MANAGEMENT:

Risk is an integral part of any business and therefore, Risk Management is an important function that the business management has to perform to ensure sustainable business growth. Company has implemented an

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

23. VIGIL MECHANISM AND WHISTLE BLOWER POLICY:

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

24. PREVENTION OF SEXUAL HARASSMENT AT WORKPLACE:

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

25. PREVENTION OF INSIDER TRADING:

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

26. DIRECTORS' RESPONSIBILITY STATEMENT:

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

- i. In the preparation of the annual accounts, the applicable accounting standards had been followed along with proper explanation relating to material departures;
- ii. The directors had selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the company at the end of the financial year 31st March, 2019 and of the profit and loss of the company for that period;
- iii. The directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of Companies Act, 2013 and Rules made thereunder for safeguarding the assets of the company and for preventing and detecting fraud and other irregularities;
- iv. The directors had prepared the annual accounts on a going concern basis;
- v. The directors had laid down internal financial controls to be followed by the company and that such internal financial controls are adequate and were operating effectively, and
- vi. The directors had devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

27. CORPORATE GOVERNANCE:

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

28. GENERAL SHAREHOLDER INFORMATION:

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

29. CORPORATE SOCIAL RESPONSIBILITY:

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

30. MANAGEMENT DISCUSSION AND ANALYSIS REPORT:

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

31. PARTICULARS OF EMPLOYEES AND RELATED DISCLOSURES :

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

32. LISTING OF SHARES:

The Equity Shares of the Company are listed on the BSE Limited (BSE) with scrip code No. 513536 & security id: GNRL. The Company confirms that the annual listing fee to the stock exchange for the financial year 2019-20 has been paid.

33. RELATED PARTY DISCLOSURE:

Related Party disclosure under regulation 34(3) read with schedule V of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 is as under:

Sr. No.	Disclosure of loans / advances / investments / Outstanding during the year	As at 31 st March, 2019	Maximum amount during the year
1	Loans and advances in the nature of loans to subsidiary	519938555	524138855
2	Loans and advances in the nature of loans to associate	0.00	0.00
3	Loans and advances in the nature of loans to firms/companies in which directors are interested	97300000	177300000

Further, transactions if any of the Company with any person or entity belonging to the promoter/promoter group which hold(s) 10% or more shareholding in the listed entity are given in the notes to the Financial Statements.

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: 14th August, 2019

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 Wholly owned subsidiary and 100% step down subsidiaries. The company through its subsidiary GNRL Oil & Gas Limited (formerly Heramec Limited), has participating interests in 6 producing blocks in Cambay basin and is operator in four of these blocks.

OPPORTUNITY & THREATS:

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

The Company's strategy is to:

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

COMPETITION:

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

SEGMENT WISE AND PRODUCT WISE PERFORMANCE:

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

RISK AND CONCERN:

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

INITIATIVES BY THE COMPANY:

The Company has taken the following initiatives:

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

OUTLOOK:

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

INTERNAL CONTROL SYSTEMS AND THEIR ADEQUACY:

The Company has adequate internal control systems to ensure operational efficiency and accuracy in financial reporting and compliance of applicable laws and regulations. The internal control is supplemented by review of internal auditors. Observations of the internal auditors are subject to periodic review and compliance monitoring. The Audit Committee of Directors reviews the Internal Audit process and the adequacy and effectiveness of internal audit and controls periodically.

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 and Mr. Hitesh M. Donga, CFO 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.

DISCUSSION ON FINANCIAL PERFORMANCE WITH RESPECT TO OPERATIONAL PERFORMANCE:

Operational performance viz. total revenue during the year stood at Rs. 10.02 lakhs and the Company incurred loss tuning to Rs. 50.54 lakhs. Cash and cash equivalents at the end of the year stood at Rs. 31.15 lakhs.

DETAILS OF SIGNIFICANT CHANGES IN KEY FINANCIAL RATIOS, ALONG WITH DETAILED EXPLANATIONS THEREOF:

(i) Current Ratio: Improved by 46.96%

Explanation: Majorly due to increase in Current assets and decrease in current liabilities as compare to previous year.

(ii) Debt Equity Ratio: Improved by 38.24%

Explanation: Majorly due to decrease/repayment of borrowings.

DETAILS OF ANY CHANGE IN RETURN ON NET WORTH AS COMPARED TO THE IMMEDIATELY PREVIOUS FINANCIAL YEAR ALONG WITH A DETAILED EXPLANATION THEREOF:

The Company has incurred loss during the year and due to adjustment of past year's losses, your Company fall short to earn significant sum as return on Net Worth. Return on Networth has improved by 19.11% as compared to previous year.

Place: Ahmedabad
Date: 14th August, 2019

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 31/03/2019****Pursuant to Section 92 (3) of the Companies Act, 2013 and rule 12(1) of the Company (Management & Administration) Rules, 2014.****I. REGISTRATION & OTHER DETAILS:**

1	CIN	L27100GJ1991PLC016158
2	Registration Date	23 rd August, 1991
3	Name of the Company	Gujarat Natural Resources Limited
4	Category/Sub-category of the Company	Company limited by shares and Indian Non-Government Company
5	Address of the Registered office & contact details	8, Sigma Corporate, Nr. Mann Party Plot, S. G. High Way, Bodakdev, Ahmedabad, Gujarat (upto 12/06/2019) 3rd Floor, A Wing, Gopal Palace, Opp. Ocean Park, Nr. Nehru Nagar, Satellite Road, Ahmedabad-380015 (w.e.f. 13/06/2019) Phone: 079 - 4002 9806
6	Whether listed company	Yes
7	Name, Address & contact details of the Registrar & Transfer Agent, if any.	Accurate Securities & Registry Pvt. Ltd, 23, 3rd Floor, Sarthik Complex, Nr. Fun Republic, Iscon Cross Road, Satellite, Ahmedabad, Gujarat, 380015 (upto 16-05-2019) Purva Shareregistry (India) Pvt. Ltd. No. – 9, Shiv Shakti Industrial Estate, Ground Floor, J. R. Boricha Marg, Opp. Kasturba Hospital, Lower Parel, Mumbai - 400 011. (w.e.f. 17-05-2019)

II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY :

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

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

III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES -

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

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

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

IV. SHARE HOLDING PATTERN (EQUITY SHARE CAPITAL AND CONVERTIBLE WARRANTS BREAKUP AS PERCENTAGE OF TOTAL EQUITY):

A) 1. CATEGORY-WISE SHARE HOLDING (EQUITY SHARE CAPITAL)

Category of Shareholders	No. of Shares held at the beginning of the year as on 31 st March, 2018			No. of Shares held at the end of the year as on 31 st March, 2019			% Change during the year
	Demat	Physical	Total	Demat	Physical	Total	
A. Promoters							
(1) Indian							
a) Individual/ HUF	756221	Nil	756221	756221	Nil	756221	1.95
b) Central Govt	Nil	Nil	Nil	Nil	Nil	Nil	Nil
c) State Govt(s)	Nil	Nil	Nil	Nil	Nil	Nil	Nil
d) Bodies Corp.	8498141	Nil	8498141	8479470	Nil	8479470	21.88
e) Banks / FI	Nil	Nil	Nil	Nil	Nil	Nil	Nil
f) Any other Foreign Individual	Nil	Nil	Nil	Nil	Nil	Nil	Nil
Total shareholding of Promoter (A)	9254362	Nil	9254362	9235691	Nil	9235691	-0.05
B. Public Shareholding							
1. Institutions							
a) Mutual Funds	Nil	Nil	Nil	Nil	Nil	Nil	Nil
b) Banks / FI	0	800	800	0	800	800	0.00
c) Central Govt	Nil	Nil	Nil	Nil	Nil	Nil	Nil
d) State Govt(s)	Nil	Nil	Nil	Nil	Nil	Nil	Nil
e) Venture Capital Funds	Nil	Nil	Nil	Nil	Nil	Nil	Nil
f) Insurance Companies	Nil	Nil	Nil	Nil	Nil	Nil	Nil
g) FIs	Nil	Nil	Nil	Nil	Nil	Nil	Nil
h) Foreign Venture Capital Funds	Nil	Nil	Nil	Nil	Nil	Nil	Nil
i) Others (specify)	Nil	Nil	Nil	Nil	Nil	Nil	Nil
Sub-total (B)(1):-	0	800	800	0	800	800	0.00
2. Non-Institutions							
a) Bodies Corp.							
i) Indian	22249846	10300	22260146	22347102	10300	22357402	57.69
ii) Overseas	Nil	Nil	Nil	Nil	Nil	Nil	Nil
b) Individuals							

i) Individual shareholders holding nominal share capital upto Rs. 2 lakh	1136459	1552508	2688967	6.94	1265942	1427308	2693250	6.95	0.01
ii) Individual shareholders holding nominal share capital in excess of Rs 2 lakh	4205413	26000	4231413	10.92	4368167	26000	4394167	11.34	0.42
c) Others (specify)NRI/OCB									
OTHERS									
Non Resident Indians	104160	Nil	104160	0.27	10593	Nil	10593	0.03	-0.24
Overseas Corporate Bodies	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
Foreign Nationals	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
Clearing Members	1	Nil	1	0.00	664	Nil	664	0.00	0.00
Hindu Undivided Family	211796	Nil	211796	0.55	59078	Nil	59078	0.15	-0.40
Foreign Bodies - D R	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
Sub-total (B)(2):-	27907675	1588008	29496483	76.12	28051546	1463608	29515154	76.16	0.04
Total Public Shareholding (B)=(B)(1)+(B)(2)	27907675	1589608	29497283	76.12	28051546	1464408	29515954	76.17	0.05
C. Shares held by Custodian for GDRs & ADRs			Nil	Nil			Nil	Nil	Nil
Grand Total (A+B+C)	37162037	1589608	38751645	100	37287237	1464408	38751645	100	Nil

A) 2. CATEGORY-WISE SHARE HOLDING (CONVERTIBLE WARRANTS)

Sr. No.	Name of Warrant holder	Category (Promoter / Non - Promoter	No. of Convertible Warrants
1.	Infinium Natural Resources Investments Private Limited	Promoter	65,00,000
2.	VR Properties LLP	Non-Promoter	5,00,000
3.	Ashok Jawar	Non-Promoter	5,00,000
4.	DV Finance Services LLP	Non-Promoter	5,00,000
5.	Panadevi Lakhotia	Non-Promoter	10,00,000
6.	Island Builders and Developers Private Limited	Non-Promoter	20,00,000
7.	Yash Analysis and Consulting LLP	Non-Promoter	10,00,000
8.	West Mark Exports Private Limited	Non-Promoter	10,00,000
9.	Vishal Analysis and Consulting LLP	Non-Promoter	10,00,000
10.	Dinesh Chhaganlal Thakkar	Non-Promoter	40,00,000
11.	Arvind Chhaganlal Thakkar HUF	Non-Promoter	20,00,000
12.	Goyenka Real Estate LLP	Non-Promoter	25,00,000

13.	Shaurya Organics Private Limited	Non-Promoter	10,00,000
14.	Midrina Oil and Gas Services LLP	Non-Promoter	5,00,000
	Total		2,40,00,000

B) SHAREHOLDING OF PROMOTER

Sr. no.	Shareholder's Name	No. of Shares held at the beginning of the year as on 31 st March, 2018			No. of Shares held at the end of the year as on 31 st March, 2019			% change in shareholding during the year
		No. of Shares	% of total Shares of the co.	% of Shares Pledged / encumbered to total shares	No. of Shares	% of total Shares of the co.	% of Shares Pledged / encumbered to total shares	
1	Pranathi Constructions Pvt. Ltd.	3,940,57	10.17	Nil	3,940,570	10.17	Nil	Nil
2	Tiw Systems Private Limited	1,555,00	4.01	Nil	1,555,000	4.01	Nil	Nil
3	Advanced Energy Resources and Management Private Limited	530,000	1.37	Nil	530,000	1.37	Nil	Nil
4	Rhetan Rolling Mills Private Limited (Formerly Shree Ghantakarna Rolling Mills Private Limited)	505,000	1.30	Nil	505,000	1.30	Nil	Nil
5	Ashoka Metcast Limited (Formerly Tanya Estates Private Limited)	350,000	0.90	Nil	350,000	0.90	Nil	Nil
6	Infinium Natural Resources Investments Private Limited	300,000	0.77	Nil	300,000	0.77	Nil	Nil
7	Infinium Motors Private Limited	1,000,00	2.58	Nil	1,000,000	2.58	Nil	Nil
8	Ashok Chinubhai Shah	125,100	0.32	Nil	125,100	0.32	Nil	Nil
9	Malav Ajitbhai Mehta	48,000	0.12	Nil	48,000	0.12	Nil	Nil
10	Ilesh Infracap Private Limited	18,671	0.05	Nil	Nil	0.00	Nil	-0.05
11	Leena Ashok Shah	9,700	0.03	Nil	9,700	0.03	Nil	Nil
12	Mehta Jaysree Ajitbhai	8,421	0.02	Nil	8,421	0.02	Nil	Nil
13	Payal Shalin Shah	565,000	1.46	Nil	565,000	1.46	Nil	Nil
14	Ashnisha Industries Limited	298,900	0.77	Nil	298,900	0.77	Nil	Nil

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

Illesh Infracap Private Limited sold 18,671 i.e. 0.05% equity shares of the Company in open market during the year. Except for the above there is no change in Promoters' shareholding during the year 2018-19.

**D) SHAREHOLDING PATTERN OF TOP TEN SHAREHOLDERS AS ON 31ST MARCH, 2019:
(OTHER THAN DIRECTORS, PROMOTERS AND HOLDERS OF GDRS AND DRS):**

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

E) SHAREHOLDING OF DIRECTORS AND KEY MANAGERIAL PERSONNEL:

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

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

V. INDEBTEDNESS –

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

(in Rs.)

	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
Indebtedness at the beginning of the financial year				
i) Principal Amount	0.00	19,82,58,506	0.00	19,82,58,506
ii) Interest due but not paid	0.00	0.00	0.00	0.00
iii) Interest accrued but not due	0.00	0.00	0.00	0.00
Total (i+ii+iii)	0.00	19,82,58,506	0.00	19,82,58,506
Change in Indebtedness during the financial year				
* Addition	0.00	23,08,000	0.00	23,08,000
* Reduction	0.00	8,00,00,000	0.00	8,00,00,000
Net Change	0.00	(7,76,92,000)	0.00	(7,76,92,000)
Indebtedness at the end of the financial year				
i) Principal Amount	0.00	12,05,66,506	0.00	12,05,66,506
ii) Interest due but not paid	0.00	0.00	0.00	0.00
iii) Interest accrued but not due	0.00	0.00	0.00	0.00
Total (i+ii+iii)	0.00	12,05,66,506	0.00	12,05,66,506

VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL-**A. REMUNERATION TO MANAGING DIRECTOR, WHOLE-TIME DIRECTORS AND/OR MANAGER:****(in Lacs)**

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

B. REMUNERATION TO OTHER DIRECTORS

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

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

Sr. No.	Particulars of Remuneration	Key Managerial Personnel	
		CS	Total
1	Gross salary		
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	4.29	4.29
	(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,	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	4.29	4.29

VII. PENALTIES / PUNISHMENT/ COMPOUNDING OF OFFENCES:

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

Place: Ahmedabad
Date: 14th August, 2019

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 2018-19 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 2018 – 19 (Rs. In Lakhs)	Percentage increase / decrease in remuneration in the Financial Year 2018 – 19	Ratio of Remuneration of each Director to the Median Remuneration of Employees
1	Mr. Shalin A. Shah Managing Director	18	Nil	6:1
2	Ms. Sheetal G. Pandya Company Secretary & Compliance Officer	4.29	Nil	1.3:1

- iii. Median Remuneration of Employees (MRE) of the Company is ₹ 3.57 Lakhs for the Financial Year 2018-19. There was no increase in the remuneration during the year.
- iv. The number of permanent employees on the rolls of the Company is five for the year ended 31st March, 2019.
- v. The remuneration of the Key Managerial Personnel (KMP) is in line with the performance of the company.
- vi. The Market Capitalization as on 31st March, 2019 was ₹ 37.09 crores as compared to ₹ 89.13 crores as on March 31, 2018. Price Earnings Ratio of the Company was -73.62 as on 31st March, 2019 as against -164.29 as on 31st March, 2018.
- vii. Average percentage increase made in the salaries of employees including that of the managerial personnel in the last Financial Year was Nil.
- viii. The remuneration of each of the Key Managerial Personnel is given in (i) and (ii) above. The performance of the Company, in comparison, is as stated in (v) above.
- ix. There is no variable component in remuneration of Directors of the Company.
- x. The ratio of the remuneration of the highest paid director to that of the employees who are not directors but receive remuneration in excess of the highest paid director during the year — N.A.
- xi. It is hereby affirmed that the remuneration paid is as per the Remuneration Policy of the Company.

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

Place: Ahmedabad
Date: 14th August, 2019

For and on behalf of the Board

Sd/-
Ashok C. Shah
Director
DIN: 02467830

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

ANNEXURE – IV TO THE DIRECTORS REPORT**FORM NO. MR-3****SECRETARIAL AUDIT REPORT**FOR THE FINANCIAL YEAR ENDED 31ST MARCH, 2019

[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 3rd Floor, A Wing, Gopal Palace, Opp. Ocean Park, Nr. Nehru Nagar, Satellite Road, Ahmedabad – 380015. Secretarial Audit was conducted in a manner that provided me a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing my opinion thereon.

Based on my verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, I hereby report that in my opinion, the Company has, during the audit period covering the financial year ended on 31st March, 2019 complied with the statutory provisions listed hereunder and also that the Company has proper Board processes and compliance mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

I have examined the books, papers, minute books, forms and returns filed and other records maintained by **Gujarat Natural Resources Limited** (the Company) for the financial year ended on 31st March, 2019 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, 2015;
 - (c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009; (upto 8th November, 2018) and Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018 (w.e.f. 9th November, 2018);
 - (d) The Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014;
 - (e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008; [Not Applicable to the Company during the Audit Period]
 - (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 [Not Applicable to the Company during the Audit Period]

- (h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998 (upto 10th September, 2018) and The Securities and Exchange Board of India (Buyback of Securities) Regulations, 2018 (w.e.f. 11th September, 2018); [Not Applicable to the Company during the Audit Period]
- (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.
- A) The Company has maintained a Register of Directors' Attendance as prescribed in the Secretarial Standards.
 - B) The Directors have signed against their respective names after the meeting has been held.
 - C) The Company had not received proxy forms for the Annual General Meeting for the financial year ended 31st March, 2018.
 - D) The Company has complied with requirements of at least half of the total number of directors as independent directors as stated in Regulation 17 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.
 - E) The Company has complied with the of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.
 - F) The Company has obtained all necessary approvals under the various provisions of the Act;
 - G) There was no prosecution initiated and no fines or penalties were imposed during the year under review under the Act, SEBI Act, SCRA, Depositories Act, Listing Agreement and Rules, Regulations and Guidelines framed under these Acts against / on the Company, its Directors and Officers.

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.

During the year under review the Company had not complied with the provisions of the section 203 of the Companies Act, 2013 for appointment of Chief Financial Officer.

As explained by the Management, the Company had already appointed Managing Director and Company Secretary to comply with the provision of section 203 of the Companies Act, 2013. The Company was looking for the suitable candidate to be appointed as CFO, and the Management had appointed Mr. Hiteshkumar Donga as CFO with effect from 29/03/2019.

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

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

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

The following mentioned observations are made:

- A) The Directors have complied with the requirements as to disclosure of interests and concerns in contracts and arrangements, shareholdings and directorships in other companies and interests in other entities;

- B) The Directors have complied with the disclosure requirements in respect of their eligibility of appointment, their being independent and compliance with the Code of Business Conduct and ethics for Directors and Management Personnel;

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

I further report that the Company has made preferential allotment of 2,40,00,000 convertible warrants on June 25, 2018.

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

- i. Public/Right/Preferential issue of shares / debentures/sweat equity etc. :
- ii. Redemption / buy-back of securities
- iii. Merger / amalgamation / reconstruction etc.
- iv. Foreign technical collaborations.

Place : Ahmedabad

Date : 14th August, 2019

Sd/-

Chintan K. Patel

Practicing Company Secretary

Mem. No. A31987, COP No. 11959

ANNEXURE - A to the Secretarial Audit Report

To,

The Members,

Gujarat Natural Resources Limited

Our report of even date is to be read along with this letter.

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

Place : Ahmedabad

Date : 14th August, 2019

Sd/-

Chintan K. Patel

Practicing Company Secretary

Mem. No. A31987, COP No. 11959

ANNEXURE – IV(A) TO THE DIRECTORS REPORT**Secretarial Compliance Report of Gujarat Natural Resources Limited for the year ended March 31, 2019.**

I, **Chintan K. Patel, Partner of Patel & Associates, Company Secretaries** have examined:

- (a) all the documents and records made available to us and explanation provided by **Gujarat Natural Resources Limited** ("the listed entity"),
- (b) the filings/ submissions made by the listed entity to the stock exchanges,
- (c) website of the listed entity,
- (d) any other document/ filing, as may be relevant, which has been relied upon to make this certification,

for the year ended March 31, 2019 ("Review Period") in respect of compliance with the provisions of :

- (a) the Securities and Exchange Board of India Act, 1992 ("SEBI Act") and the Regulations, circulars, guidelines issued thereunder; and
- (b) the Securities Contracts (Regulation) Act, 1956 ("SCRA"), rules made thereunder and the Regulations, circulars, guidelines issued thereunder by the Securities and Exchange Board of India ("SEBI");

The specific Regulations, whose provisions and the circulars/ guidelines issued thereunder, have been examined, include:-

- (a) Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015;
- (b) Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018;
- (c) Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
- (d) Securities and Exchange Board of India (Buyback of Securities) Regulations, 2018; **Not Applicable during the period under review.**
- (e) Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014; **Not Applicable during the period under review.**
- (f) Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008; **Not Applicable during the period under review.**
- (g) Securities and Exchange Board of India (Issue and Listing of Non- Convertible and Redeemable Preference Shares) Regulations, 2013; **Not Applicable during the period under review.**
- (h) Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;

and circulars/ guidelines issued thereunder; and based on the above examination, I/We hereby report that, during the Review Period:

- (a) The listed entity has complied with the provisions of the above Regulations and circulars/ guidelines issued thereunder.
- (b) The listed entity has maintained proper records under the provisions of the above Regulations and circulars/ guidelines issued thereunder in so far as it appears from our examination of those records.
- (c) No actions taken against the listed entity/ its promoters/ directors/ material subsidiaries either by SEBI or by Stock Exchanges (*including under the Standard Operating Procedures issued by SEBI through various circulars*) under the aforesaid Acts/ Regulations and circulars/ guidelines issued.
- (d) This is first Secretarial Compliance Report, hence no action required to be taken by the listed entity to comply with the observations made in previous reports.

Place: Ahmedabad

Date: May 28, 2019

**For, Patel & Associates
Company Secretaries**

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

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

Corporate Governance is not simply a matter of creating checks and balances; it is about creating an outperforming organisation, which leads to increasing employee and customer satisfaction. Corporate Governance is a set of systems and practices to ensure that the operations of the Company are being managed in a way which ensures fairness, integrity, transparency and accountability in its dealings with its customers, stakeholders, dealers, lenders, government and employees.

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

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

Name of Director	Category	Designation
Mr. Shalin A. Shah	Promoter, Executive Director	Managing Director
Mr. Ashok C. Shah	Promoter, Non Executive Director	Chairman
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
Ms. Payal P. Pandya	Independent, Non Executive Director	Director

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

During the financial year 2018-19, 7 (**Seven**) Board Meetings were held on **16/04/2018, 30/05/2018, 25/06/2018, 14/08/2018, 06/11/2018, 14/02/2019 and 29/03/2019.**

The composition of Directors and the attendance at the Board Meeting during the year 2018-2019 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. Shalin A. Shah	Managing Director	5	--	1	6	Yes
Mr. Ashok C. Shah	Director/ Chairman	6	--	2	7	Yes
Mr. Malav Mehta	Director	12	--	--	5	No
Mr. Pravinbhai V. Trivedi	Independent Director	None	2	1	5	No
Ms. Sarika A. Kulkarni	Independent Director	None	--	--	5	No
Ms. Payal Pandya	Independent Director	2	1	2	7	Yes

Other board of directors or committees in which a director is a member or chairperson and the names of the listed entities where the person is a director is as under:

Name of Director	Name of other listed Company in which Directorship held	Category	Membership of		
			Audit Committee	Nomination & Remuneration Committee	Stakeholders' Relationship Committee
Mr. Shalin A. Shah	Lesha Industries Limited	Director	Member	Member	Chairman
	Ashoka Metcast Limited	Managing Director	Member	--	--
	Ashnisha Industries Limited	Director	Member	Member	--
Mr. Ashok C. Shah	Lesha Industries Limited	Managing Director	--	--	Member
	Ashoka Metcast Limited	Director	--	Member	Member
	Ashnisha Industries Limited	Managing Director	--	--	Member
* Mr. Malav Mehta	Infibeam Avenues Limited	Director	--	Member	Member
Mr. Pravinbhai V. Trivedi	Nil	--	--	--	--
Ms. Sarika A. Kulkarni	Nil	--	--	--	--
Ms. Payal Pandya	Lesha Industries Limited	Independent Director	Chairperson	Member	--
	Ashoka Metcast Limited	Independent Director	Chairperson	Member	Chairperson

* Malav Mehta is also member of Corporate Social Responsibility and Risk Management Committee of Infibeam Avenues Limited.

- Mr. Chintan K. Patel Practicing Company Secretary, Ahmedabad has certified that none of the directors on the board of the company has been debarred or disqualified from being appointed or continuing as directors of companies by the Securities Exchange Board of India/Ministry of Corporate Affairs or any such statutory authority. A copy of certificate received from him is enclosed with this report.
- Knowledge of business (Oil & Gas), information about raw material, Production/extraction process, Marketing, business strategy and evaluation of performance with industry benchmarks in the fields of Oil & Gas materials, are the key core skill / expertise /competence, in the context of the company's business apart from governance, finance and taxation functions and in the opinion of the Board, these skills are available with board.
- No Independent Director has resigned during the year and hence disclosure regarding reason for resignation is not applicable.
- Disclosure with respect to remuneration is given in point VI. Remuneration of directors and key managerial personnel of MGT-9 Extract of Annual Return.

2. BOARD COMMITTEES:

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

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

A. AUDIT COMMITTEE:

As a measure of good Corporate Governance and to provide assistance to the Board of Directors in fulfilling the Board's responsibilities, an Audit Committee had been constituted by the Board. The terms of reference

of this committee covers matters specified under Regulation 18 of SEBI Listing Regulations and Section 177 of the Companies Act, 2013 and other matters referred by the Board from time to time. Committee lays emphasis on adequate disclosures and compliance with all relevant statutes.

The Statutory Auditors, Internal Auditors and other relevant Senior Management persons are invited to attend the meetings of Audit Committee. Mrs. Payal Pandya, Chairman of the Audit Committee, was present at the last Annual General Meeting held on September 29, 2018. 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
Mrs. Payal Pandya	Chairperson	Non-Executive Independent Director
Mr. Ashok C. Shah	Member	Non-Executive Director
Mr. Pravin V. Trivedi	Member	Non-Executive Independent Director

Attendance of each member of the committee:

Committee Members	Meetings held	Meetings attended
Mrs. Payal Pandya	4	4
Mr. Ashok C. Shah	4	4
Mr. Pravin V. Trivedi	4	4

B. NOMINATION AND REMUNERATION COMMITTEE:

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

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

Composition of committee as on 31st March, 2019 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
Mrs. Payal Pandya	Member	Non-Executive Independent Director

There is appointment of Chief Financial Officer as key managerial personnel of the Company during the year. Meeting of Nomination and Remuneration Committee was held on 29/03/2019 and attended by all Committee Members.

Policy on Directors' Appointment and Remuneration

A transparent, fair and reasonable process for determining the appropriate remuneration at all levels of the Company is required to ensure that shareholders remain informed and confident in the management of the Company. To harmonize the aspirations of human resources consistent with the goals of the Company and in terms of the provisions of the Companies Act, 2013 and the rules made thereunder and the Listing Agreement as amended from time to time, policy on nomination and remuneration of Directors on the Board of the Company, Key Managerial Personnel and other employees in the Senior Management is formulated. The objective of the Policy is to outline a framework to ensure that the Company's remuneration levels are aligned with best industry practices and are good enough to attract and retain competent Directors on the Board, Key Managerial Personnel and Senior Management Personnel of the quality required.

1.1 Appointment criteria and qualifications

- a) 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

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

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

Details of Remuneration paid to Directors during the year:

A. Executive Directors

The remuneration paid to Directors during the financial year ended 31st March, 2019 is as follows:
Mr. Shalin A. Shah (MD) Rs. 18 Lacs.

B. Non Executive Directors

No sitting fees have been paid to Non – Executive Directors for attending any meetings during the financial year ended 31st March, 2019.

C. STAKEHOLDERS' RELATIONSHIP COMMITTEE:

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

Composition of committee as on 31st March, 2019 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
Mrs. Payal Pandya	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	4
Mrs. Payal Pandya	4	4

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

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

No. of Shareholders' complaints received during the year: 4

No. of complaints solved to the satisfaction of shareholders: 4

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

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

3. INDEPENDENT DIRECTORS:

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

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

During the year under review, the Independent Directors met on March 25, 2019, *inter alia*, to discuss:

- * Evaluation of the performance of Non Independent Directors and the Board of Directors as a whole;
- * Evaluation of the performance of the Chairman, taking into account the views of the Executive and Non-Executive Directors;

- * Evaluation of quality, content and timelines of flow of information between the Management and the Board that is necessary for the Board to effectively and reasonable perform its duties.

All Independent Directors were present at the Meeting.

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

http://gnrl.in/Familiarization_Programme_for_Independent_Directors.pdf

4. SHAREHOLDING OF NON-EXECUTIVE NON-PROMOTER DIRECTORS

None of the non-executive non- promoter directors of the Company holds any shares in the Company as on 31.03.2019.

5. DISCLOSURE OF RELATIONSHIPS BETWEEN DIRECTORS INTER-SE

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

6. POSTAL BALLOT:

During the year, the Company had not sought approval from the shareholders through Postal Ballot. The Company had provided e-voting facility at the time of Annual General Meeting for the year ended 31st March, 2018 and for the Extra-Ordinary General Meeting held on 11th June, 2018. 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
2015-16	30 th September, 2016	12:00 noon	8, Sigma Corporate, Nr. Mann Party Plot, S. G. Highway, Ahmedabad – 380 059	1
2016-17	29 th September, 2017	12:00 noon	8, Sigma Corporate, Nr. Mann Party Plot, S. G. Highway, Ahmedabad – 380 059	-
2017-18	29 th September, 2018	11:00 A.M.	8, Sigma Corporate, Nr. Mann Party Plot, S. G. Highway, Ahmedabad – 380 059	2

No Resolutions were put through postal ballot.

One Extra-Ordinary General Meeting was held on 11th June, 2018 during the year 2018-19 and 3 Special resolutions were passed at the Extra-Ordinary General Meeting.

Resolutions were passed through E-voting and poll at the Annual General Meeting for the financial year ended on 31st March, 2016, 31st March, 2017 and 31st March 2018 and at the Extra-Ordinary General Meeting held on 11th June, 2018.

8. DEMAT / REMAT OF SHARES

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

a)	Number of Demat requests approved	56
b)	Number of Shares Dematerialized	125200
c)	Percentage of Shares Dematerialized	0.32%
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) Private Limited, 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.

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

Mandatory requirements:

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

Non-Mandatory requirements:

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

10. MEANS OF COMMUNICATION:

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

11. ADDITIONAL INFORMATION TO SHAREHOLDERS**a. Annual General Meeting:**

Date: 30th September, 2019

Time: 11.00 a.m.

Address: 3rd Floor, A Wing, Gopal Palace, Opp. Ocean Park, Nr. Nehru Nagar, Satellite Road, Ahmedabad – 380015

Dividend payment date: No dividend recommended for the F.Y. 2018-19.

b. Calendar of Financial Year ended 31st March, 2019

The meetings of Board of Directors for approval of quarterly financial results during the Financial Year ended 31st March, 2019 were held on the following dates:

First Quarter Results: 14th August, 2018

Second Quarter and Half yearly Results: 6th November, 2018

Third Quarter Results: 14th February, 2019

Fourth Quarter and Annual Results: 30th May, 2019

c. Tentative Calendar for financial year ending 31st March, 2020

Unaudited Results for the quarter ended 30/06/2019	Second Week of August, 2019
Unaudited Results for the quarter ended 30/09/2019	Second Week of November, 2019
Unaudited Results for the last quarter ended 31/12/2019	Second Week of February 2020
Audited Results for the quarter ended 31/03/2020	Fourth Week of May 2020
Annual General Meeting for the year ending 31 st March, 2020	September, 2020

d. Date of Book Closure

25th September, 2019 to 30th September, 2019 (both days inclusive) for Annual General Meeting.

e. Regd. Office

3rd Floor, A Wing, Gopal Palace, Opp. Ocean Park, Nr. Nehru Nagar,
Satellite Road, Ahmedabad – 380015

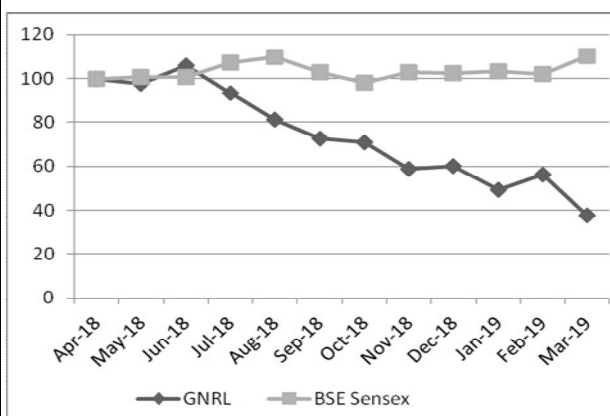
f. Equity shares of the Company are listed on BSE Limited Stock Exchange.

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
Apr, 2018	25.45	20.05
May, 2018	26.70	24.50
Jun, 2018	26.95	24.00
Jul, 2018	35.00	21.65
Aug, 2018	24.00	20.65
Sep, 2018	19.65	16.75
Oct, 2018	18.00	18.00
Nov, 2018	18.20	14.95
Dec, 2018	15.50	15.00
Jan, 2019	15.95	12.50
Feb, 2019	14.28	10.73
Mar, 2019	15.73	9.48

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) Private Limited. All valid transfers are processed within 15 days from the date of receipt.

j. Distribution of Shareholding as on 31st March, 2019 is as under:

Slab of Shareholdings	No. of Shareholder	% of Shareholder	No. of Shares	Amount (in ₹)	% of Capital
1-500	5538	86.38	1107810	11078100	2.86
501-1000	444	6.93	377291	3772910	0.97
1001-2000	159	2.48	241115	2411150	0.62
2001-3000	61	0.95	157890	1578900	0.41
3001-4000	30	0.47	107011	1070110	0.28
4001-5000	21	0.33	96502	965020	0.25
5001-10000	49	0.76	345711	3457110	0.89
10001 and above	109	1.70	36318315	363183150	93.72
TOTAL	6411	100.00	38751645	387516450	100.00

k. Dematerialization of Shares and liquidity

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

Issued, Subscribed and Paid up Capital as on March 31, 2019

	:	38751645
A. Electronic Holding in NSDL	:	12888705
B. Electronic Holding in CDSL	:	24398532
C. Physical Holding	:	1464408

l. Outstanding GDRs / ADRs / Warrants or Conversion instruments, Conversion date and like impact on equity

The Board of Directors of the Company has issued and allotted 2.4 crore compulsorily convertible warrants on June 25, 2018. The Warrants shall be converted into equal number of equity shares of face value of Rs. 10/- each at a premium of Rs. 12/- per equity share at any time before eighteen months from the date of allotment upon exercise of right to subscribe for equity shares by the Warrant holders.

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 Shareregistry (India) Private Limited (Unit: Gujarat Natural Resources Limited)
Unit no. 9, Shiv Shakti Ind. Estt.
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 Shareregistry (India) Private Limited are registered and returned within a period of 15 days from the date of receipt, if the documents are in order in all respects. The Share Transfer Committee of the Company meets as often as required.

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

p. List of all credit rating obtained by the entity during the financial year : Not Applicable

q. Details of utilization of funds raised through preferential allotment or qualified institutions placement:

The funds amounting to Rs. 13.20 crores raised through preferential allotment of fully and compulsorily convertible warrants is given to the subsidiary of the Company viz. Sigma Oil & Gas Private Limited for development of Subsidiary's business of Oil & Gas exploration.

r. During the financial year there were no recommendations of any committee of the board, which is mandatorily required and board has not accepted the same.

s. During the year company and its subsidiaries has paid Rs. 4,76,000/- as total fees for all services given by Statutory Auditor of the Company and its subsidiaries. No payment was done to any network entity of which statutory auditor is part.

Place: Ahmedabad

Date: 14th August, 2019

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 2018-19.

Place: Ahmedabad

Date: 14th August, 2019

For and on behalf of the Board

Sd/-
Ashok C. Shah
Director
DIN: 02467830

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

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

To
The Members
GUJARAT NATURAL RESOURCES LIMITED

We have examined the compliance of conditions of Corporate Governance by Gujarat Natural Resources Limited ('the Company') for the year ended on 31st March, 2019, as per Chapter IV of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (Listing Regulations).

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

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

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

Place : Ahmedabad
Date : 14th August, 2019

Sd/-
Chintan K. Patel
Practicing Company Secretary
Mem. No. A31987
COP No. 11959

CERTIFICATE OF NON-DISQUALIFICATION OF DIRECTORS

(Pursuant to Regulation 34(3) and Schedule V Para C clause (10)(i) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015)

I, Chintan K. Patel, Practicing Company Secretary, have examined the registers, records and books and papers of Gujarat Natural Resources Limited (the Company) as required to be maintained under the Companies Act, 2013 (the Act) and the rules made thereunder for the financial year ended on 31 March, 2019. In my opinion and to the best of my information and according to the examinations carried out by me and explanations furnished to me by the company, its directors and officers, I certify that none of the directors on the board of the company have been debarred or disqualified from being appointed or continuing as directors of companies by the Securities Exchange Board of India/Ministry of Corporate Affairs or any such statutory authority.

Place : Ahmedabad

Date : 14th August, 2019

Sd/-

Chintan K. Patel

Practicing Company Secretary

Mem. No. A31987

COP No. 11959

CEO & CFO 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 2018-19 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 for financial reporting and that we have evaluated the effectiveness of the internal control systems of the Company pertaining to financial reporting 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.

For and on behalf of the Board

Place: Ahmedabad
Date: 14th August, 2019

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

Sd/-
Hitesh M. Donga
Chief Financial Officer

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	2018-19	2018-19	2018-19	2018-19	2018-19	2018-19
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	5.59	26,63,444	NIL	NIL	(69,165)	NIL
7	Total assets	7136.62	1,28,00,681	4,82,000	1,83,284	4,012,835	2,55,218
8	Total Liabilities	7136.62	1,28,00,681	4,82,000	1,83,284	4,012,835	2,55,218
9	Investments	3481.88	NIL	NIL	NIL	NIL	NIL
10	Turnover	14.90	11,28,034	NIL	NIL	NIL	NIL
11	Profit before taxation	(0.91)	(2,85,271)	NIL	NIL	(6,757)	NIL
12	Provision for taxation	1.39	65,550	NIL	NIL	NIL	NIL
13	Profit after taxation	(2.30)	(2,19,720)	NIL	NIL	(6,757)	NIL
14	Proposed Dividend	NIL	NIL	NIL	NIL	NIL	NIL
15	% of shareholding	100% held by Gujarat Natural Resources Limited	100% held by Sigma Oil & Gas Private Limited	100% held by Sigma Oil & Gas Private Limited	100% held by Sigma Oil & Gas Private Limited	100% held by Sigma Oil & Gas Private Limited	100% held by Gorlas Corporate Holdings Ltd

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

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

Part "B": Associates and Joint Ventures

There are no Associates of the Company.

Independent Auditor's Report

To the Members of Gujarat Natural Resources Limited

Report on the Financial Statements

We have audited the accompanying financial statements of **GUJARAT NATURAL RESOURCES LIMITED** ("the company"), which comprise the Balance Sheet as at 31st March 2019, the Statement of Profit and Loss, the Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

The Company's Board of Directors is responsible for the matters in section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with the Companies (Indian Accounting Standards) Rules, 2015. This responsibility also includes the maintenance of adequate accounting records in accordance with the provision of the Act for safeguarding of the assets of the Company and for preventing and detecting the frauds and other irregularities, selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of internal financial control, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

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

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

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

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

Matter of Emphasis:

- The company has some trade receivables, which has been considered as doubtful debts. Accordingly, company has not recognized provision of doubtful debts amounting to 739.71 lacs, as a result thereof the debit balance of profit & loss A/c is understated by the said sum and correspondingly Sundry debtors are overstated by the said sum.
- The company has in past granted/renewed loans and advances to other companies, which has been identified as non-performing asset. Accordingly, company has not recognized any income from the same. In the opinion of directors, the process of recovery is going on and the same is not fully doubtful of recovery. However in our opinion company needs to make provision for such long outstanding

nonperforming assets amounting to **Rs. 206.17lacs**. Due to non-provision in this regard the debit balance of profit & loss account is under stated and balance of loans and advances is overstated by the said sum. This matter has been already emphasized by previous auditor.

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

Opinion

In our opinion and to the best of our information and according to the explanations given to us, except for the effects of the matter described in the matter of emphasis paragraph above, the

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

- a) in the case of the Balance Sheet, of the state of affairs of the Company as at March 31, 2019;
- b) in the case of the Statement of Profit and Loss, of the loss for the year ended on that date; and
- c) in the case of the Cash Flow Statement, of the cash flows for the year ended on that date.

Report on other Legal and Regulatory Requirements

1. As required by the Companies (Auditor’s Report) Order, 2016 (“the Order”) issued by the Central Government in terms of Section 143 (11) of the Act, we give in the Annexure a statement on the matters specified in paragraphs 3 and 4 of the Order.
2. As required by section 143(3) of the Act, we report that:
 - a) We have sought and obtained all the information and an explanation which is to the best of our knowledge and beliefs were necessary for the purposes of our audit.
 - b) In our opinion proper books of account as required by law have been kept by the Company so far as appears from our examination of those books.
 - c) The Balance Sheet, the Statement of Profit and Loss, and Cash Flow Statement dealt with by this Report are in agreement with the books of account.
 - d) In our opinion, the aforesaid financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with the Companies (Indian Accounting Standard) Rules, 2015, as amended
 - e) On the basis of written representations received from the directors as on 31 March, 2019, taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2019, from being appointed as a director in terms of Section 164(2) of the Act.
 - f) With respect to the other matters included in the Auditor’s Report and to our best of our information and according to the explanations given to us:
 - i. The Company does not have any pending litigations which would impact its financial position.
 - ii. The Company did not have any long-term contracts including derivatives contracts for which there were any material foreseeable losses.
 - iii. There is no amount required to be transferred, to the investor’s education & Protection Fund by the Company.

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

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

Place : Ahmedabad
Date : 30/05/2019

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

We have audited the internal financial controls over financial reporting of **GUJARAT NATURAL RESOURCES LIMITED** ("the Company") as of March 31, 2019 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

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

Auditors' Responsibility

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

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

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

Meaning of Internal Financial Controls over Financial Reporting

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

Inherent Limitations of Internal Financial Controls over Financial Reporting

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

Opinion

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2019.

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

Place : Ahmedabad
Date : 30/05/2019

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

Reports under The Companies (Auditor's Report) Order, 2016 (CARO 2016) for the year ended on 31st March 2019

To,
The Members of GUJARAT NATURAL RESOURCES LIMITED

(1) In Respect of Fixed Assets

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

(2) In Respect of Inventories

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

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

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

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

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

In our opinion and according to the information and explanations given to us, the company has complied with the provisions of section 185 and 186 of the Companies Act, 2013 except non charging of interest as provided u/s 186(7) in respect of loans granted by the company

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

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

(6) Maintenance of cost records

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

(7) Deposit of Statutory Dues

- (a) The Company has generally been regular in depositing undisputed statutory dues, including Provident Fund, Income-tax, Sales Tax, Wealth Tax, Service Tax, Duty of customs, Duty of excise, Value added tax, Cess and any other material statutory dues with the appropriate authorities.
- (b) According to the information and explanations given to us, disputed amount is payable in respect of income tax or sales tax or wealth tax or service tax or duty of customs or duty of excise or value added tax or cess as at 31st March, 2019.

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

(8) Repayment of Loans and Borrowings

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

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

Based upon the audit procedures performed and the information and explanations given by the management, the company has not raised moneys by way of initial public offer or further public offer including debt instruments and term Loans. Accordingly, the provisions of clause 3 (ix) of the Order are not applicable to the Company and hence not commented upon.

(10) Reporting of Fraud During the Year

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

(11) Managerial Remuneration

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

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

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

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

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

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

According to the information and explanations given to us and on the basis of our examination of the record of the company, the company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year under review. Accordingly, the provisions of clause 3 (xiv) of the Order are not applicable to the Company and hence not commented upon

(15) Compliance under section 192 of Companies Act – 2013

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

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

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

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

CA. Mitt S. Patel
(Partner)

Place : Ahmedabad

Date : 30/05/2019

Membership No. 163940

BALANCE SHEET AS AT 31/03/2019

Particulars	Note No.	As at 31st March, 2019	As at 31st March, 2018
ASSETS			
1 Non-current Assets			
(a) Property , Plant and Equipment	1	1,01,152	1,26,597
(b) Capital work in progress		-	-
(c) Intangible assets	1	881	3,637
(d) Intangible assets under development		-	-
(e) Financial Assets :			
i) Investments	2	34,18,73,517	34,18,73,517
ii) Loans	3	2,55,19,581	2,55,31,314
(f) Deferred tax assets (Net)		-	-
(g) Other non-current assets	4	3,62,91,962	3,46,04,212
Total Non-current Assets		40,37,87,093	40,21,39,277
2 Current Assets			
(a) Inventories		-	-
(b) Financial Assets :			
i) Investments		-	-
ii) Trade Receivables	5	7,50,91,384	7,39,70,650
iii) Cash & Cash Equivalents	6	31,14,784	32,47,845
iv) Loans	7	67,00,98,555	62,33,28,484
v) Other Financial Assets		-	-
(c) Other Current Assets		-	-
Total - Current Assets		74,83,04,723	70,05,46,979
Total Assets		1,15,20,91,816	1,10,26,86,257
I. Equity & Liabilities			
1. Equity			
(a) Share Capital	8	38,75,16,450	38,75,16,450
(b) Other Equity	9	55,87,16,600	43,17,71,039
Total Equity		94,62,33,050	81,92,87,489
2. Liabilities			
A) Non Current Liabilities			
(a) Financial Liabilities			
i) Borrowings		-	-
(b) Deferred Tax Liabilities (Net)		-	-
(c) Other Non Current Liabilities		-	-
Total Non- Current Liabilities		-	-
B) Current Liabilities			
(a) Financial Liabilities			
i) Borrowings	10	12,05,66,506	19,82,58,506
ii) Trade Payables	11	8,12,59,457	8,12,59,457
iii) Other Financial Liabilities		-	-
(b) Other Current Liabilities	12	37,95,804	36,38,305
(c) Short Term Provisions	13	2,37,000	2,42,500
Total Current Liabilities		20,58,58,767	28,33,98,768
Total Equity & Liabilities		1,15,20,91,816	1,10,26,86,257
Contingent Liabilities & Commitments	Nil		

For Gujarat Natural Resources Limited

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

Ashok C. Shah

Director

DIN : 02467830

Place : Ahmedabad

Date : 30/05/2019

Malav A. Mehta

Director

DIN : 01234736

Hitesh Donga

CFO

Sheetal Pandya

Company Secretary

CA. Mitt S. Patel

Partner

Membership No. 163940

STATEMENT OF PROFIT & LOSS ACCOUNT FOR THE PERIOD FROM 01-04-2018 TO 31-03-2019

Particulars	Note No.	2018-19	2017-18
I Revenue From Operations		-	-
II Other Income	14	10,02,333	2,94,071
III Total Revenue (I+II)		10,02,333	2,94,071
IV Expenses			
Purchase of Stock in Trade		-	-
Changes in Inventories		-	-
Employee Benefit Expenses	15	38,36,530	33,58,000
Finance Costs	16	35	58,313
Depreciation & Amortisation Expenses	17	28,201	2,31,283
Other Expenses	18	21,92,006	20,10,036
Total Expenses		60,56,772	56,57,632
V Profit Before Exceptional & Extraordinary Items & Tax (III-IV)		(50,54,439)	(53,63,561)
VII Exceptional Items			-
VIII Profit Before Extraordinary Items & Tax		(50,54,439)	(53,63,561)
Extraordinary Items			-
IX Profit Before Tax		(50,54,439)	(53,63,561)
X Tax Expenses			
Current Tax/ Interest on Income Tax/ Deferred Tax			
XI Profit/(Loss) for the period from Continuing Operations(IX-X)		(50,54,439)	(53,63,561)
XII Profit/(Loss) from Discontinuing Operations			
XIII Tax Expense of Discontinuing Operations			
XIV Profit/(Loss) from Discontinuing Operations (after tax)(XII-XIII)			-
XV Profit/(Loss) for the Period(XI+XIV)		(50,54,439)	(53,63,561)
XVI Earning Per Equity Share			
Basic		(0.13)	(0.14)
Diluted		(0.11)	(0.12)

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

For Gujarat Natural Resources Limited

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

Ashok C. Shah

Director

DIN : 02467830

Place : Ahmedabad

Date : 30/05/2019

Malav A. Mehta

Director

DIN : 01234736

Hitesh Donga

CFO

Sheetal Pandya

Company Secretary

CA. Mitt S. Patel

Partner

Membership No. 163940

STATEMENT OF CHANGES IN EQUITY FOR THE PERIOD ENDED MARCH 31, 2019

A. Equity Share Capital Amount in Rs.

Particulars	2018-19		2017-18	
	No. Shares	Amount	No. Shares	Amount
i) Opening Balance at the beginning of Financial Year	3,87,51,645	38,75,16,450	3,87,51,645	38,75,16,450
Changes in equity share capital during the year	-	-	-	-
Closing Balance at the end of Financial Year	3,87,51,645	38,75,16,450	3,87,51,645	38,75,16,450

B. Other Equity Amount in Rs.

Particulars	Reserves and Surplus				Total
	Security Premium	Revaluation reserve	Retained Earnings	Share Warrant	
Balance as at 1st April, 2017	43,33,33,445	5,28,683	32,72,472	-	43,71,34,600
Change during the Year	-	-	(53,63,561)	-	(53,63,561)
Balance as at March 31, 2018	43,33,33,445	5,28,683	(20,91,089)	-	43,17,71,039
Change during the Year	-	-	(50,54,439)	13,20,00,000	12,69,45,561
Other comprehensive income	-	-	-	-	-
Total Comprehensive Income / (loss) for the year	-	-	(50,54,439)	13,20,00,000	12,69,45,561
Balance as at March 31, 2019	43,33,33,445	5,28,683	(71,45,528)	13,20,00,000	55,87,16,600

See accompanying notes to the financial statements

In terms of our report attached

For Gujarat Natural Resources Limited

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

Ashok C. Shah

Director

DIN : 02467830

Place : Ahmedabad

Date : 30/05/2019

Malav A. Mehta

Director

DIN : 01234736

Hitesh Donga

CFO

Sheetal Pandya

Company Secretary

CA. Mitt S. Patel

Partner

Membership No. 163940

CASHFLOW STATEMENT FOR THE YEAR ENDED ON 31ST MARCH, 2019

Particulars	2018-19	2017-18
A Cash flow from Operating Activities		
Net Profit Before Tax	(50,54,439)	(53,63,561)
Adjustments for:		
Add : Depreciation	28,201	2,31,283
Less : Exceeds Provision	-	-
Add : Interest Expenses	-	58,195
Operating Profit / (Loss) before Working Capital Changes	(50,26,238)	(50,74,083)
Adjustments for:		
Increase/(Decrease) in Trade Payable	-	-
Increase/(Decrease) in other current liabilities	1,57,499	11,09,726
Increase/(Decrease) in Short Term Borrowings	(7,76,92,000)	17,78,05,000
Increase/(Decrease) in Provisions	(5,500)	(61,27,683)
(Increase)/Decrease in Trade Receivables	(11,20,734)	-
(Increase)/Decrease in inventories	-	(12,98,72,961)
(Increase)/Decrease in Short term Loans & Advances	(4,67,70,071)	-
Cashflow generated from Operating Activities	(13,04,57,045)	3,78,39,999
Income Tax Paid (Net of Refund)	-	-
Net Cashflow generated from Operating Activities A	(13,04,57,045)	3,78,39,999
B Cash flow from Investment Activities		
Purchase of Fixed Assets	-	(75,500)
Sale of Assets	-	1,17,01,880
Purchase of Investments	-	(3,64,81,193)
Dividend Income	-	-
Net Cashflow generated from Investments Activities B	-	(2,48,54,813)
C Cash flow from Financing Activities		
Interest Expenses	-	(58,195)
Issue of Convertible Warrant	13,20,00,000	-
Increase/(Decrease) in Share Capital	-	(1,18,83,332)
(Increase)/Decrease in other non-current assets	(16,87,750)	-
(Increase)/Decrease in Long term loans & advances	11,733	(2,24,225)
Increase/(Decrease) in current liabilities & provisions	-	-
Net Change in Unsecured Loans Taken	-	-
Net Cashflow generated from Financing Activities C	13,03,23,983	(1,21,65,752)
Net Change in Cash & Cash Equivalents (A+B+C)	(1,33,062)	8,19,434
Opening Cash & Cash Equivalents	32,47,845	24,28,411
Closing Cash & Cash Equivalents	31,14,784	32,47,845

For Gujarat Natural Resources Limited

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

Ashok C. Shah

Director

DIN : 02467830

Place : Ahmedabad

Date : 30/05/2019

Malav A. Mehta

Director

DIN : 01234736

Hitesh Donga

CFO

Sheetal Pandya

Company Secretary

CA. Mitt S. Patel

Partner

Membership No. 163940

Notes to the Financial Statements**1 Property, Plant & Equipment**

Particulars	Gross Block			Depreciation			Net Block		
	As at 01-04-2018	Addition	Deduction	As at 31/03/2019	As at 01/04/2018	Depreciation Charge	Deduction	As at 31/03/2018	As at 31/03/2019
Furniture & Fixture	1244503	-	-	12,44,503	1237957.09	-	-	6545.91	6545.91
Office Equipments	787900	-	-	7,87,900	748504.84	-	-	39395.16	39,395
Computer	138300	-	-	1,38,300	121612.97	11,101	-	16687.03	5,586
Airconditioner	75,500	-	-	75,500	11,531	14,344	-	63969	49,625
Plant and Machinery	6,58,064	-	-	6,58,064	6,58,064	-	-	-	-
Total Tangible Assets	29,04,267	-	-	29,04,267	27,77,670	25,445	-	1,26,597	1,01,152

2 Intangible Assets

Particulars	Gross Block			Depreciation			Net Block		
	As at 01-04-2018	Addition	Deduction	As at 31-03-2019	As at 01-04-2018	Depreciation Charge	Deduction	As at 01-04-2018	As at 31-03-2019
Software	17,500	-	-	17,500	13,863	2,756	-	3,637	881
Total Tangible Assets	17,500	-	-	17,500	13,863	2,756	-	3,637	881

2 Non Current Investments

Particular	No. of Shares 2019	No. of Shares 2018	As at 31st March, 2019	As at 31st March, 2018
(A) Other Investments - Quoted			18,75,23,517	18,75,23,517
(1) Investment in Equity Shares				
Amrapali Capital & Finance Service Ltd (Equity Share of Rs. 10 each)	13,52,400	13,52,400	4,17,17,108	4,17,17,108
Amrapali Fincap Ltd (Equity Share of Rs. 10 each)	16,24,800	16,24,800	14,58,06,409	14,58,06,409
(B) Other Investments - Un Quoted			15,43,50,000	15,43,50,000
(1) Investment in Equity Shares				
(a) Others				
10290000 Equity Shares of Rs 10/- Each of Sigma Oil & Gas Private Limited			15,43,50,000	15,43,50,000
Total			34,18,73,517	34,18,73,517
Market Value of the Quoted Shares			5,79,04,920	11,48,16,900
Market Value of the Un Quoted Shares			15,43,50,000	15,43,50,000

3 Loan

Particulars	As at 31st March, 2019	As at 31st March, 2018
Unsecured, Considered Good	57,97,152	57,97,152
Capital Advances	8,75,000	8,75,000
Balance with government Authorities	2,37,913	2,20,946
Other Advances	1,86,09,516	1,86,38,216
Total	2,55,19,581	2,55,31,314

4 Other Non Current Assets

Particulars	As at 31st March, 2019	As at 31st March, 2018
Preliminary Exp.	35,57,750	18,70,000
Public Issue Exp	8,80,765	8,80,765
Pre-operative Exp	1,59,12,910	1,59,12,910
De-Merger Exp	1,46,59,824	1,46,59,824
Interest Receivable	12,80,713	12,80,713
Total	3,62,91,962	3,46,04,212

5 Trade Receivables

Particulars	As at	As at
	31st March, 2019	31st March, 2018
Outstanding for less than 6 months from the due date	11,20,734	-
Unsecured, considered good		
Outstanding for more than 6 months from the due date	7,39,70,650	7,39,70,650
Unsecured, considered good		
Total	7,50,91,384	7,39,70,650

6 Cash & Cash Equivalents

Particulars	As at	As at
	31st March, 2019	31st March, 2018
Cash on Hand	19,93,993	20,04,341
Balance with Banks		
In Current account	90,787	2,51,892
Unpaid Dividend account	10,30,003	9,91,613
Total	31,14,784	32,47,845

7 Short Term Loans & Advances

Particulars	As at	As at
	31st March, 2019	31st March, 2018
Advance Tax and Tds	-	-
Loan to Subsidiary Company	51,99,38,555	39,67,46,635
Loan to Corporate Body	15,01,60,000	22,65,81,849
Other Advances		
Prepaid Exp	-	-
Total	67,00,98,555	62,33,28,484

8 Share Capital**1 Authorized, Issued, Subscribed and Paidup share capital**

Particulars	As at 31st March, 2019		As at 31st March, 2018	
	No. of Shares	Amount	No. of Shares	Amount
Authorised Share Capital				
Equity Shares of Rs. 10 Each	6,50,00,000	65,00,00,000	4,00,00,000	40,00,00,000
Total				
Issued Share Capital				
Equity Shares of Rs. 10 Each	3,87,51,645	38,75,16,450	3,87,51,645	38,75,16,450
Total	3,87,51,645	38,75,16,450	3,87,51,645	38,75,16,450
Subscribed & Fully Paid				
Equity Shares of Rs. 10 Each	3,87,51,645	38,75,16,450	3,87,51,645	38,75,16,450
Total	3,87,51,645	38,75,16,450	3,87,51,645	38,75,16,450

2 Details of the Shares for the Preceding Five Years

Particulars	01-04-2014 to 31-03-2019
Number Of Equity Shares Bought Back	-
Number Of Preference Shares Redeemed	-
Number of Equity Share Issue as Bonus Share	-
Number of Preference Share Issue as Bonus Share	-
Number of Equity Shares Allotted For Contracts	-
Without Payment Received In Cash	-
Number of Preference Shares Allotted For Contracts	-
Without Payment Received In Cash	-

3 Reconciliation of Share Capital

Particulars	As at 31st March, 2019		As at 31st March, 2018	
	No. of Shares	Amount	No. of Shares	Amount
Equity Shares (Face Value Rs. 10.00)				
Shares Outstanding at the Beginning of the Year	3,87,51,645	38,75,16,450	3,87,51,645	38,75,16,450
Shares issued during the year	-	-	-	-
Shares cancelled during the year	-	-	-	-
Shares Outstanding at the End of the Year	3,87,51,645	38,75,16,450	3,87,51,645	38,75,16,450

4 Share Holders Holding More than 5% Share

Name of the Share Holders	As at 31st March, 2019		As at 31st March, 2018	
	No. of Shares	Amount	No. of Shares	Amount
Pranathi Constructions Pvt Ltd	39,40,570	10.17	39,40,570	10.17
Algorab Power Projects Private Limited	38,57,145	9.95	38,57,145	9.95
Patron Energy Private Limited	38,01,570	9.81	38,01,570	9.81
Padma Real Infra Private Limited	21,71,000	5.60	21,71,000	5.60
Blowing Traders Private Limited	21,49,986	5.55	21,49,986	5.55

9 Reserve & Surplus

Particulars	As at 31st March, 2019	As at 31st March, 2018
Convertible Warrant A/C	13,20,00,000	-
Securities Premium Account	43,33,33,445	43,33,33,445
Revaluation Reserve	5,28,683	5,28,683
Profit & Loss A/c		
Opening balance	(20,91,089)	32,72,472
(-) Proposed Dividend	-	-
(-) Transfer of Current Year Profit/(Loss)	(50,54,439)	(53,63,561)
Closing balance	(71,45,528)	(20,91,089)
Total	55,87,16,600	43,17,71,039

10 Short term Borrowings

Particulars	As at 31st March, 2019	As at 31st March, 2018
Loan from Subsidiary Company	2,04,53,506	2,04,53,506
Loan from Directors	28,13,000	5,05,000
Loan from Other	9,73,00,000	17,73,00,000
Total	12,05,66,506	19,82,58,506

11 Trade Payables

Particulars	As at 31st March, 2019	As at 31st March, 2018
Due to Micro & Small Enterprises		
Trade Payable for Goods	8,12,59,457	8,12,59,457
Total	8,12,59,457	8,12,59,457

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

- (a) Amount due and outstanding to suppliers as at the end of the accounting year;
- (b) interest paid during the year;
- (c) interest payable at the end of the accounting year;
- (d) interest accrued and unpaid at the end of the accounting year; have not been given, the company is making efforts to get the confirmation from the suppliers as regards their status under the said act.

12 Other Current Liabilities

Particulars	As at 31st March, 2019	As at 31st March, 2018
Statutory Dues	22,588	17,680
Unpaid Dividend	10,30,003	9,91,613
Other Payable	27,43,213	26,29,012
Total	37,95,804	36,38,305

13 Short Term Provisions

Particulars	As at 31st March, 2019	As at 31st March, 2018
Provision for Employee Benefits	2,37,000	2,42,500
Total	2,37,000	2,42,500

14 Other Income

Particulars	2018-19	2017-18
Commission Income	9,91,800	-
Other Income	3,654	-
Excess Provision	6,879	2,94,071
Total	10,02,333	2,94,071

15 Employee Benefit Expenses

Particulars	2018-19	2017-18
Salary & Wages	20,36,530	15,58,000
Directors Remuneration	18,00,000	18,00,000
Total	38,36,530	33,58,000

16 Finance Costs

Particulars	2018-19	2017-18
Interest Expense	-	58,195
Bank Charges	35	118
Total	35	58,313

17 Depreciation

Particulars	2018-19	2017-18
Depreciation	28201	2,31,283
Total	28,201	2,31,283

18 Other Expenes

Particulars	2018-19	2017-18
Payment to Auditors*	75,000	75,000
Accounting Charges	1,13,600	1,04,000
Cosultancy Charges	-	10,000
Conveyance Exp	97,516	16,510
E Voting Charges	10,000	5,000
Repair & Maintanance Exps	76,400	41,770
Travelling Expenses	-	1,62,666
Foreign Currency Exps	-	82,315
Legal & Professional Charges	3,97,700	7,86,000
Office Exps	178580	1500
Preliminary Expense Written off	187250	-
Telephone Exps	46,641	67,683
Share Transfer Charges	45,000	55,715
Share Listing Exps	6,10,750	4,65,000
Stationary & Printing Exp	1,00,672	67772
ROC Fees	4,200	3600
RTA Charges	50,000	25,000.00
Other Miscellaneous Expenses	1,98,697	40,505
Total	21,92,006	20,10,036
*Payment to Auditors		
For Audit Fees	75,000	75,000

19. Significant Accounting Policies**Company Overview**

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

Basis for Preparation of Financial statements

The financial statements comply in all material aspects with Indian Accounting Standards (Ind AS) notified under Section 133 of the Companies Act, 2013 (the Act) [Companies (Indian Accounting Standards) Rules, 2015] and other relevant provisions of the Act.

The financial statements have been prepared on the historical cost convention under accrual basis of accounting except for certain financial assets and liabilities (as per the accounting policy below), which have been measured at fair value.

Property, plant and Equipment

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

Depreciation is recognized based on the cost of assets less their residual values over their useful lives, using the straight-line method. The useful life of property, plant and equipment is considered based on life prescribed in schedule II to the Companies Act, 2013 for year 2018-19 and for year 2017-18

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

Financial Instruments

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

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

Financial assets**Initial recognition and measurement**

All financial assets, are recognized initially at fair value.

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

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

Equity instruments

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

Financial liabilities

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

Financial liabilities at amortized cost

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

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

Current versus non-current classification

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

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

All other assets are classified as non-current.

A liability is current when:

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

Fair value measurement

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

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

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

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

Revenue recognition

The Company has adopted Ind AS 115 from 1st April, 2018 and opted for modified retrospective application with the cumulative effect of initially applying this standard recognised at the date of initial

application. The standard has been applied to all open contracts as on 1st April, 2018, and subsequent contracts with customers from that date.

Performance obligation:

The revenue is recognized on fulfilment of performance obligation.

Sale of products:

The Company earns revenue primarily from sale of oil and natural gas exploration.

Payment for the sale is made as per the credit terms in the agreements with the customers. The credit period is generally short term, thus there is no significant financing component.

The Company's contracts with customers do not provide for any right to returns, refunds or similar obligations. The Company's obligation to repair or replace faulty products under standard warranty terms is recognised as a provision.

Revenue is recognised when the performance obligations are satisfied and the control of the product is transferred, being when the goods are delivered as per the relevant terms of the contract at which point in time the Company has a right to payment for the asset, customer has possession and legal title to the asset, customer bears significant risk and rewards of ownership and the customer has accepted the asset or the Company has objective evidence that all criteria for acceptance have been satisfied.

Borrowing costs

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

Taxation

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

Current tax

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

Deferred tax

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

Earnings per share

The Company presents basic and diluted earnings per share (EPS) data for its ordinary shares. Basic EPS is calculated by dividing the profit or loss attributable to the ordinary shareholders of the company by the weighted average number of ordinary shares outstanding during the period. Where ordinary shares are issued but not fully paid, they are treated in the calculation of basic earnings per share as a fraction of an ordinary share to the extent that they were entitled to participate in dividends during the period relative to a fully paid ordinary share. Diluted earnings per share is computed by dividing the net profit after tax by the weighted average number of equity shares

considered for deriving basic EPS and also weighted average number of equity shares that could have been issued upon conversion of all dilutive potential equity shares. Dilutive potential equity shares are deemed converted as of the beginning of the period, unless issued at a later date. Dilutive potential equity shares are determined independently for each period presented.

20. Notes on Accounts➤ **Contingent liabilities not provided for**

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

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

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

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

Sr. No.	Name	Relationship
1	Shalin A Shah	Director
2	Malav A Mehta	Director
3	Ashok C Shah	Director
4	Pravinbhai V Trivedi	Director
5	Payal Pandya	Director
6	Sarika A Kukrani	Director
7	Hiteshkumar M Donga	CFO
8	Sheetal G Pandya	Company Secretary
9	O3 Developers Pvt Ltd (Formerly Known as Infinium Natural Resources Ltd)	Entities where Key Managerial Personnel /Director exercise significant influence and there are related party transactions during the year
13	Sigma Oil & Gas Pvt. Ltd.	Indian Subsidiary Company
14	GNRL Oil & Gas Limited (Formerly known as Heramec Ltd)	Foreign Step-down Subsidiary Companies
15	Gorlas Corporate Holding Ltd	
16	Heramec Oil & Gas (Singapore) Pte Ltd	
17	Alkor Petro Overseas Ltd	
18	Gorlas Global Energy PLC	

➤ **Transactions with Related Parties**

Transactions that have taken place during the period April 1, 2018 to March 31, 2019 with related parties by the company stated below.

Sr. No.	Name	Nature of the Transaction	Amount 2018-19	Amount 2017-18
1	Shalin A. Shah	Loan Taken	27,80,000	83,000
		Loan Repaid	50,000	-
		Closing Balance	28,13,000	83,000
	Shalin A. Shah	Remuneration Payable	15,90,000	18,00,000
		Remuneration Paid	15,90,000	18,00,000
		Closing Balance	1,32,500	-
2	Ashok C Shah	Loan Taken	-	4,22,000
		Loan Repaid	4,22,000	-
		Closing Balance	-	4,22,000
3	Hiteshkumar M Donga	Salary Payable	3,57,500	-
		Salary Paid	3,55,000	-
		Closing Balance	27,500	-
4	Sheetal G Pandya	Salary Payable	4,29,000	-
		Salary Paid	4,26,000	-
		Closing Balance	33,000	-
5	Sigma Oil & Gas Pvt. Ltd.	Loan Granted	12,95,00,000	-
		Loan Recovered	63,08,080	67,40,000
		Closing Balance	51,99,38,555	39,67,47,000
6	O3 Developers Pvt Ltd	Loan Taken	-	20,13,00,000
		Loan Paid	8,00,00,000	2,40,00,000
		Closing Balance	9,73,00,000	17,73,00,000.
7	GNRL Oil & Gas Limited (Formerly known as Heramec Ltd)	Loan Taken	-	3,50,000
		Loan Repaid	-	3,50,000
		Amount Outstanding	2,04,54,000	2,04,54,000
8	Lesha Industries Limited	Loan Taken	-	-
		Loan Repaid	-	25,000
		Amount Outstanding	-	-

➤ **Payment to the Auditors**

Particulars	2018-19	2017-18
Audit Fees	75,000	75,000
Company Matter	0	0
Income Tax Fees	0	0
Others	0	0
Total	75,000	75,000

➤ **Earnings per Share:-**

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

Particulars	31-03-2019	31-03-2018
Net Profit Attributable to share holders	(50,54,439)	(53,63,561)
Weighted average number of equity shares (Nos.)	3,87,51,645	3,87,51,645
Basic earnings per share (Rs.)	(0.13)	(0.14)
Diluted earnings per share (Rs.)	(0.11)	(0.12)
Nominal value of equity share (Rs.)	10	10

➤ **Details of loan made during the year 2018-19 as per section 186(4) of The Companies Act 2013**

(Amount in Rs.)

Name of the Entity	Nature of Transaction	Amount (Outstanding)	Purpose of Loan	Period
Akhil Retail Pvt Ltd	Loan Given	7,98,00,000	Business	Short Term Advances – On Demand
Shivaansh Estates Pvt Ltd	Loan Given	6,53,60,000	Business	Short Term Advances – On Demand

➤ **Capital Management**

The Company manages its capital to ensure that entities in the Company will be able to continue as going concerns while maximizing the return to stakeholders through the optimization of the debt and equity balance. The capital structure of the Company consists of net debt (borrowings offset by cash and bank balances) and total equity of the Company.

Particulars	As at 31st March, 2019	As at 31st March, 2018
Total equity attributable to the equity share holders of the company	387,516,450	387,516,450
As percentage of total capital	76.74%	66.52%
Current loans and borrowings	120,566,506	198,258,506
Non-current loans and borrowings	-	-
Total loans and borrowings	120,566,506	198,258,506
Cash and cash equivalents	3,114,784	3,247,845
Net loans & borrowings	117,451,722	195,010,660
As a percentage of total capital	23.26%	33.48%
Total capital (loans and borrowings and equity)	504,968,172	582,527,111

➤ Fair Value measurements

A. Financial instruments by category

Particulars	As at 31st March, 2019			As at 31st March, 2018		
	Amortized Cost	FVTPL	FVTOCI	Amortized Cost	FVTPL	FVTOCI
Financial Asset						
Investment	-	34,18,73,517	-	-	34,18,73,517	-
Non Current Loans	2,55,19,581	-	-	2,55,31,314	-	-
Trade receivables	7,50,91,384	-	-	7,39,70,650	-	-
Cash & Cash Equivalents	31,14,784	-	-	32,47,845	-	-
Current Loans	67,00,98,555	-	-	62,33,28,484	-	-
Total Financial Asset	77,38,24,304	34,18,73,517	-	72,60,78,293	34,18,73,517	-
Financial Liabilities						
Borrowings	12,05,66,506	-	-	19,82,58,506	-	-
Trade Payables	8,12,59,457	-	-	8,12,59,457	-	-
Other Financial Liabilities	-	-	-	-	-	-
Total Financial Liabilities	20,18,25,963	-	-	27,95,17,963	-	-

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

Fair value hierarchy

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

B. Fair value hierarchy for assets

Financial assets measured at fair value at March 31, 2019

	Level 1	Level 2	Level 3	Total
Financial Assets				
Investment	34,18,73,517	-	-	34,18,73,517

Financial assets measured at fair value at March 31, 2018

	Level 1	Level 2	Level 3	Total
Financial Assets				
Investment	34,18,73,517	-	-	34,18,73,517

Notes:

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

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

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

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

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

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

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

➤ Financial risk management

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

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

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

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

(a) Credit risk

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

Trade Receivables

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

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

Particulars	Gross Carrying Amount	Expected credit losses rate (%)	Expected Credit Losses	Carrying amount of Trade Receivable
Considered for Goods	11,20,734	0	0	11,20,734
0-12 Months	7,39,70,650	0	0	7,39,70,650
More than 1 Year				
Total	7,50,91,384	0	0	7,50,91,384

(b) Liquidity risk

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

Liquidity Table

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

As at March 31, 2019

Financial Liabilities	Payable within 0 to 12 months	More than 12 months	Total
Non-current financial liabilities			
Borrowings	-	-	-
Current financial liabilities			
Borrowings	12,05,66,506	-	12,05,66,506
Trade Payables	8,12,59,457	-	8,12,59,457
Other Financial Liability	-	-	-
	20,18,25,963		20,18,25,963
Total financial liabilities	20,18,25,963	-	20,18,25,963

As at March 31, 2018

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

(C) Price Risk**Exposure**

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

➤ Others

- In opinion of the management of the company, all loans, advances and deposits are recoverable in cash or kind for value to be received for which no provision is required. However in the opinion of the auditors, it shall be prudent to make sufficient provision for such non-performing assets amounting to Rs. 206.17Lacs.
- Sundry debtors over six months included Rs. 739.71 lacs non-performing in nature. In the opinion of the Directors, they are good and recoverable. The Directors are hopeful of getting recoveries in the next year as present market conditions are not favorable. However in the opinion of the Auditor, it shall be prudent to identify the same as doubtful of recovery requiring adequate provision. It has been explained that the management of the company is pursuing recoveries and actual losses, if any, shall be adjusted as and when arises.
- As informed by the management that the loans are interest free, which in our opinion is violation of Section 186 (7) of the Companies Act, 2013.
- Confirmation of the concerned parties for the amount due to them and/or due from them as per accounts of the company is not received. Necessary adjustments, if any, will be made when accounts are reconciled or settled. Balance of sundry debtors and creditors, loans and advances accepted and given in the balance sheet are subject to confirmation.
- In the opinion of board of directors the value of loans and advances and other current assets have a value on realization in the ordinary course of business at least equal to the amount at which they are stated in balance sheet.
- There is carry forward of losses, the company need not to recognize deferred tax assets in the event of non-availability of convincing evidence as to future income.
- The previous year's figures have been reworked, regrouped, rearranged and reclassified wherever necessary. Amounts and other disclosures for the preceding year are included as an integral part of the current year financial statements and are to be read in relation to the amounts and other disclosures relating to the current year.

For Gujarat Natural Resources Limited

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

Ashok C. Shah

Director

DIN : 02467830

Place : Ahmedabad

Date : 30/05/2019

Malav A. Mehta

Director

DIN : 01234736

Hitesh Donga

CFO

Sheetal Pandya

Company Secretary

CA. Mitt S. Patel

Partner

Membership No. 163940

Independent Auditor's Report

To the Members of Gujarat Natural Resources Limited

Report on the Financial Statements

We have audited the accompanying financial statements of **GUJARAT NATURAL RESOURCES LIMITED** ("the company"), and its Subsidiary (the Company and its subsidiary constitute "the Group"), which comprise the Consolidated Balance Sheet as at 31st March 2019, the Consolidated Statement of Profit and Loss, and also the Consolidated Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information. (Hereinafter referred to as Consolidated Financial Statements)

Management's Responsibility for the Financial Statements

The Holding Company's Board of Directors is responsible for the preparation of these Consolidated financial statements in terms of the requirements of the Companies Act, 2013 (hereinafter referred to as "the Act") that give a true and fair view of the Consolidated financial position, Consolidated financial performance and Consolidated cash flows of the Group in accordance with the Accounting principles generally accepted in India, including the Accounting Standards specified under section 133 of the Act, read with the Companies (Indian Accounting Standards) Rules, 2015. The respective Board of the Directors of the Companies included in the Group are responsible for maintenance of adequate accounting records in accordance with the provision of the Act for safeguarding the assets of the group and for preventing and detecting frauds and other irregularities; the selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the consolidated financial statements by the Directors of the Holding Company, as aforesaid.

Auditor's Responsibility

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

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

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

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

Matter of Emphasis:

- The company has some trade receivables, which has been considered as doubtful debts. Accordingly, company has not recognized provision of doubtful debts amounting to **739.71** lacs, as a result thereof the debit balance of profit & loss A/c is understated by the said sum and correspondingly Sundry debtors are overstated by the said sum.

- The company has in past granted/renewed loans and advances to other companies, which has been identified as non- performing asset. Accordingly, company has not recognized any income from the same. In the opinion of directors, the process of recovery is going on and the same is not fully doubtful of recovery. However in our opinion company needs to make provision for such long outstanding nonperforming assets amounting to **Rs. 206.17lacs**. Due to non-provision in this regard the debit balance of profit & loss account is under stated and balance of loans and advances is overstated by the said sum. This matter has been already emphasized by previous auditor.
- The company is carrying Pre-Operative Expenses of Rs. 3,33,23,499/- as “other non-current assets” which in our opinion needs to be written off. And Due to the same Profit & Loss account is under stated. So the amount of **Rs. 3,33,23,499/-** needs to be written off in the forthcoming financial years.

Opinion

In our opinion and to the best of our information and according to the explanations given to us, except for the effects of the matter described in the matter of emphasis paragraph above, the aforesaid Consolidated financial statements, give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India;

- a) in the case of the Balance Sheet, of the state of affairs of the Company as at March 31, 2019;
- b) in the case of the Statement of Profit and Loss, of the Loss for the year ended on that date; and
- c) in the case of the Cash Flow Statement, of the cash flows for the year ended on that date.

Other Matters

- In respect of the financial statement of One subsidiary and its One step down subsidiary, we did not carry out the audit. This financial statements have been audited by other auditor whose reports have been furnished to us by the Management and in our opinion, in so far as it relates to the amount included in respect of this subsidiaries is based solely on the report of other auditor.
- We further report that in respect of the Four foreign step down subsidiaries, we have relied on the Unaudited Financial Statement, these unaudited financial statements as approved by the respective Board of Directors of these companies have been furnished to us by the management and our report in so far as it relates to the amounts included in respect of these Four step down subsidiaries is based solely on such approved financial statements.

Report on other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2016 ("the Order") issued by the Central Government in terms of Section 143 (11) of the Act, we give in the Annexure a statement on the matters specified in paragraphs 3 and 4 of the Order.
2. As required by section 143(3) of the Act, we report that:
 - a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
 - b) In our opinion proper books of account as required by law have been kept by the Company so far as appears from our examination of those books.
 - c) The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss, and Consolidated Cash Flow Statement dealt with by this Report are in agreement with the books of account maintained for the purpose of preparation of the consolidated financial statements.
 - d) In our opinion, the aforesaid consolidated financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Companies (Indian Accounting Standard) Rules, 2015, as amended;
 - e) On the basis of written representations received from the directors as on 31 March, 2019, taken on record by the Board of Directors, none of the directors is disqualified as on 31 March, 2019, from being appointed as a director in terms of Section 164(2) of the Act.

- f) With respect to the other matters included in the Auditor's Report and to our best of our Information and according to the explanations given to us:
- i. The Company does not have any pending litigations which would impact its financial position.
 - ii. The Company did not have any long-term contracts including derivatives contracts for which there were any material foreseeable losses.
 - iii. There is no amount required to be transferred, to the investor's education & Protection Fund by the Company.

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

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

Place : Ahmedabad

Date : 30/05/2019

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

In conjunction with our audit of the consolidated financial statements of the Company as of and for the year ended March 31, 2019, we have audited the internal financial controls over financial reporting of **Gujarat Natural Resources Limited** (hereinafter referred to as "the Holding Company") and its subsidiary companies, which are companies incorporated in India, as of that date.

Management's Responsibility for Internal Financial Controls

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

Auditors' Responsibility

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

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the

design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

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

Meaning of Internal Financial Controls over Financial Reporting

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

Inherent Limitations of Internal Financial Controls over Financial Reporting

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

Opinion

In our opinion, the Holding Company and its subsidiary companies, which are companies incorporated in India, have, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2019, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

Matters

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

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

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

Place : Ahmedabad
Date : 30/05/2019

CONSOLIDATED BALANCE SHEET AS AT 31/03/2019

Particulars	Note No.	As at 31st March, 2019	As at 31st March, 2018
ASSETS			
1 Non-current Assets			
(a) Property , Plant and Equipment	1	27,66,97,436	31,48,16,300
(b) Capital work in progress	2	42,37,46,022	42,33,04,974
(c) Intangible assets	1	881	3,637
(d) Goodwill	1	13,87,29,744	13,97,42,344
(e) Financial Assets :			
i) Investments	3	18,75,23,517	18,75,23,517
ii) Loans	4	5,81,80,537	5,72,76,812
(f) Deferred tax assets (Net)		-	-
(g) Other non-current assets	5	4,99,13,380	4,67,48,269
Total Non-current Assets		1,13,47,91,517	1,16,94,15,853
2 Current Assets			
(a) Inventories		2,84,36,451	2,87,86,543
(b) Financial Assets :			
i) Investments		-	-
ii) Trade Receivables	6	9,64,23,564	9,54,14,634
iii) Cash & Cash Equivalents	7	2,09,97,027	2,81,11,443
iv) Loans	8	15,47,06,541	23,08,43,702
v) Other Financial Assets		-	-
(c) Other Current Assets	9	11,58,228	14,15,606
Total - Current Assets		30,17,21,811	38,45,71,929
Total Assets		1,43,65,13,328	1,55,39,87,782
I. Equity & Liabilities			
1. Equity			
(a) Share Capital	10	38,75,16,450	38,75,16,450
(b) Other Equity	11	57,78,06,252	47,25,16,326
Total Equity		96,53,22,702	86,00,32,776
2. Liabilities			
A) Non Current Liabilities			
(a) Financial Liabilities			
i) Borrowings	12	8,68,15,220	21,44,65,731
(b) Deferred Tax Liabilities (Net)	13	3,01,77,477	3,32,25,713
(c) Other Non Current Liabilities	14	7,79,51,823	9,68,90,284
Total Non- Current Liabilities		19,49,44,520	34,45,81,728
B) Current Liabilities			
(a) Financial Liabilities			
i) Borrowings	15	14,17,29,221	21,95,94,726
ii) Trade Payables	16	9,63,42,372	9,79,94,593
iii) Other Financial Liabilities		-	-
(b) Other Current Liabilities	17	3,67,96,264	2,99,95,744
(c) Short Term Provisions	18	13,78,250	17,88,215
Total Current Liabilities		27,62,46,107	34,93,73,278
Total Equity & Liabilities		1,43,65,13,328	1,55,39,87,782
Contingent Liabilities & Commitments	Nil		

For Gujarat Natural Resources Limited

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

Ashok C. Shah

Director

DIN : 02467830

Place : Ahmedabad

Date : 30/05/2019

Malav A. Mehta

Director

DIN : 01234736

Hitesh Donga

CFO

Sheetal Pandya

Company Secretary

CA. Mitt S. Patel

Partner

Membership No. 163940

**CONSOLIDATED STATEMENT OF PROFIT & LOSS ACCOUNT FOR THE PERIOD
FROM 01-04-2018 TO 31-03-2019**

Particulars	Note No.	2018-19	2017-18
I Revenue From Operations	19	7,92,62,009	7,47,69,816
II Other Income	20	21,18,275	25,34,764
III Total Revenue (I+II)		8,13,80,284	7,73,04,580
IV Expenses			
Purchase of Stock in Trade		-	-
Changes in Inventories	21	71,163	(41,089)
Employee Benefit Expenses	22	1,33,95,643	1,34,30,321
Finance Costs	23	64,97,402	70,42,315
Depreciation & Amortisation Expenses	24	4,66,22,731	4,48,86,698
Other Expenses	25	4,03,39,680	4,83,06,487
Total Expenses		10,69,26,619	11,36,24,732
V Profit Before Exceptional & Extraordinary Items & Tax (III-IV)		(2,55,46,335)	(3,63,20,152)
VII Exceptional Items			-
VIII Profit Before Extraordinary Items & Tax		(2,55,46,335)	(3,63,20,152)
Extraordinary Items (Share Application Money Written Off)			3,88,01,925
IX Profit Before Tax		(2,55,46,335)	24,81,773
X Tax Expenses			
Excess Provision of Income Tax		(7,81,621)	(8,71,072)
Current Tax/Interest on Income Tax/Deferred Tax		30,48,236	18,00,000
XI Profit/(Loss) for the period from Continuing Operations(IX-X)		(2,32,79,720)	15,52,845
XII Profit/(Loss) from Discontinuing Operations			
XIII Tax Expense of Discontinuing Operations			
XIV Profit/(Loss) from Discontinuing Operations (after tax)(XII-XIII)			-
XV Profit/(Loss) for the Period(XI+XIV)		(2,32,79,720)	15,52,845
XVI Earning Per Equity Share			
Basic		(0.60)	0.04
Diluted		(0.52)	0.03

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

For Gujarat Natural Resources Limited

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

Ashok C. Shah

Director

DIN : 02467830

Place : Ahmedabad

Date : 30/05/2019

Malav A. Mehta

Director

DIN : 01234736

Hitesh Donga

CFO

Sheetal Pandya

Company Secretary

CA. Mitt S. Patel

Partner

Membership No. 163940

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE PERIOD ENDED MARCH 31, 2019**A. Equity Share Capital**

Amount in Rs.

Particulars	2018-19		2017-18	
	No. Shares	Amount	No. Shares	Amount
i) Opening Balance at the beginning of Financial Year	3,87,51,645	38,75,16,450	3,87,51,645	38,75,16,450
Changes in equity share capital during the year	-	-	-	-
Closing Balance at the end of Financial Year	3,87,51,645	38,75,16,450	3,87,51,645	38,75,16,450

B. Other Equity

Amount in Rs.

Particulars	Reserves and Surplus					Total
	Security Premium	Revaluation reserve	Capital Reserve	Retained Earnings	Share Warrant	
Balance as at 1st April, 2017	51,53,31,551	5,28,683	2,01,09,545	(6,48,52,253)	-	47,11,17,526
Change during the Year	-	-	-	13,98,800	-	13,98,800
Balance as at March 31, 2018	51,53,31,551	5,28,683	2,01,09,545	(6,34,53,453)	-	47,25,16,326
Change during the Year	-	-	-	(2,32,79,720)	13,20,00,000	10,87,20,280
Other comprehensive income	-	-	-	(34,30,354)	-	(34,30,354)
Total Comprehensive Income / (loss) for the year	-	-	-	(2,67,10,074)	13,20,00,000	10,52,89,926
Balance as at March 31, 2019	51,53,31,551	5,28,683	2,01,09,545	(9,01,63,527)	13,20,00,000	57,78,06,252

See accompanying notes to the financial statements

In terms of our report attached**For Gujarat Natural Resources Limited**

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

Ashok C. Shah

Director

DIN : 02467830

Place : Ahmedabad

Date : 30/05/2019

Malav A. Mehta

Director

DIN : 01234736

Hitesh Donga

CFO

Sheetal Pandya

Company Secretary

CA. Mitt S. Patel

Partner

Membership No. 163940

CONSOLIDATED CASHFLOW STATEMENT FOR THE YEAR ENDED ON 31ST MARCH, 2019

Particulars	2018-19	2017-18
A Cash flow from Operating Activities		
Net Profit Before Tax	(2,55,46,335)	24,81,773
Adjustments for:		
Add : Depreciation	4,66,22,731	4,48,86,698
Less : Interest Income	(10,76,084)	(7,68,766)
Less : Extra-Ordinary Items	-	(3,88,01,925)
Add : Adjustment due to Consolidation	-	(7,748)
Add : Interest Expenses	63,24,995	65,26,022
Operating Profit / (Loss) before Working Capital Changes	2,63,25,307	1,43,16,054
Adjustments for:		
Increase/(Decrease) in Trade Payable	(16,52,221)	(2,23,85,422)
Increase/(Decrease) in other current liabilities	68,00,520	1,21,07,444
Increase/(Decrease) in Short Term Borrowings	(7,80,16,645)	17,89,24,309
Increase/(Decrease) in Provisions	(4,09,965)	(1,03,17,495)
(Increase)/Decrease in Trade Receivables	(10,08,930)	49,46,287
(Increase)/Decrease in inventories	3,50,092	(1,72,536)
(Increase)/Decrease in Short term Loans & Advances	7,61,37,161	(10,22,51,772)
(Increase)/Decrease in Other Current Asset	2,57,378	(4,42,622)
Cashflow generated from Operating Activities	2,87,82,697	7,47,24,247
Income Tax Paid (Net of Refund)	(30,48,236)	(18,00,000)
Net Cashflow generated from Operating Activities A	2,57,34,461	7,29,24,247
B Cash flow from Investment Activities		
Purchase of Fixed Assets	(85,01,111)	(1,42,10,981)
Increase/(Decrease) in Capital Work in Progress	(4,41,048)	54,90,673
Sale of Assets	-	1,16,27,276
Sale of Investments	-	-
Purchase of Investments	-	(3,64,81,193)
Interest Income	10,76,084	7,68,766
Net Cashflow generated from Investments Activities B	(78,66,075)	(3,28,05,459)
C Cash flow from Financing Activities		
Interest Expenses	(63,24,995)	(65,26,022)
Issue of Convertible Warrant	13,20,00,000	-
(Increase)/Decrease in other non-current assets	(31,65,111)	(1,25,38,604)
(Increase)/Decrease in Long term loans & advances	(9,03,725)	(3,52,079)
Increase/(Decrease) in Other Non Current liabilities	(1,89,38,461)	(7,06,76,127)
Net Change in Unsecured Loans Taken	(12,76,50,511)	6,04,06,570
Net Cashflow generated from Financing Activities C	(2,49,82,803)	(2,96,86,262)
Net Change in Cash & Cash Equivalents (A+B+C)	(71,14,417)	1,04,32,525
Opening Cash & Cash Equivalents	2,81,11,443	1,76,78,918
Closing Cash & Cash Equivalents	2,09,97,026	2,81,11,443

For Gujarat Natural Resources Limited

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

Ashok C. Shah

Director

DIN : 02467830

Place : Ahmedabad

Date : 30/05/2019

Malav A. Mehta

Director

DIN : 01234736

Hitesh Donga

CFO

Sheetal Pandya

Company Secretary

CA. Mitt S. Patel

Partner

Membership No. 163940

Notes to the Financial Statements

1 Property, Plant & Equipment

Particulars	Gross Block			Depreciation			Net Block	
	As at 01-04-2018	Addition	Deduction	As at 31/03/2019	As at 01/04/2018	Depreciation Charge	As at 31/03/2018	As at 31/03/2019
Plant & Machinery	16100780	21,120.00	-	1,61,21,900	11316670	5,50,924	4784110	4254306
Building	1224825	-	-	12,24,825	664794	52449	560031	5,07,582
Producing Properties	55,08,85,440	84,79,991	-	55,93,65,431	24,33,41,593	45433271	307543847	27,05,90,567
Cell Phone Instru.	6,33,582	-	-	6,33,582	5,57,206	25,202	76376	51,174
Furniture & Fixture	20,91,244	-	-	20,91,244	19,99,936	17,830	9130791	73,478
Office Equipment	14,44,170	-	-	14,44,170	12,61,085	23,638	183085.4	1,59,447
Computer	20,08,721	-	-	20,08,721	19,09,679	25,123	9904179	73,919
Vehicles	69,87,215	-	-	69,87,215	55,08,714	4,91,538	1478501	9,86,963
Total Tangible Assets	58,13,75,977	85,01,111	-	58,98,77,088	26,65,59,677	4,66,19,975	31,48,16,300	27,66,97,436
Goodwill								
Particulars	Gross Block			Depreciation			Net Block	
	As at 01-04-2018	Addition	Deduction	As at 31-03-2019	As at 01-04-2018	Depreciation Charge	As at 01-04-2018	As at 31-03-2019
Goodwill on Consolidation**	13,97,42,344	-	10,12,600	13,87,29,744	-	-	13,97,42,344	13,87,29,744
Total Intangible Assets	13,97,42,344	-	10,12,600	13,87,29,744	-	-	13,97,42,344	13,87,29,744
Intangible Assets								
Particulars	Gross Block			Depreciation			Net Block	
	As at 01-04-2018	Addition	Deduction	As at 31-03-2019	As at 01-04-2018	Depreciation Charge	As at 01-04-2018	As at 31-03-2019
Software	17,500	-	-	17,500	13,863	2,756	3,637	881
Total Intangible Assets	17,500	-	-	17,500	13,863	2,756	3,637	881

Note : (**) Differ

2 Capital Work in Process

Particulars	As at 31st March, 2019	As at 31st March, 2018
Tangible		
Capital Work In Process	42,37,46,022	42,33,04,974
Total	42,37,46,022	42,33,04,974

3 Investments

Particular	No. of Shares 2019	No. of Shares 2018	As at 31st March, 2019	As at 31st March, 2018
(A) Other Investments - Quoted			18,75,23,517	18,75,23,517
(1) Investment in Equity Shares				
Amrapali Capital & Finance Service Ltd (Equity Share of Rs. 10 each)	13,52,400	13,52,400	4,17,17,108	4,17,17,108
Amrapali Fincap Ltd (Equity Share of Rs. 10 each)	16,24,800	16,24,800	14,58,06,409	14,58,06,409
(B) Other Investments - Un Quoted			-	-
Total			18,75,23,517	18,75,23,517
Market Value of the Quoted Shares			5,79,04,920	11,48,16,900

4 Loan

Particulars	As at 31st March, 2019	As at 31st March, 2018
Deposit	74,56,016	57,97,152
Capital Advances	8,75,000	8,75,000
Balance with government Authorities	2,37,913	2,20,946
Other Advances	4,96,11,608	5,03,83,714
Total	5,81,80,537	5,72,76,812

5 Other Non Current Assets

Particulars	As at 31st March, 2019	As at 31st March, 2018
Preliminary Exp.	35,57,750	18,70,000
Public Issue Exp	8,80,765	8,80,765
Pre-operative Exp	1,59,12,910	1,59,12,910
De-Merger Exp	1,46,59,824	1,46,59,824
Interest Receivable	12,80,713	12,80,713
Other	72,56,982	58,38,585
Advance Income Tax	63,64,436	63,05,472
Total	4,99,13,380	4,67,48,269

6 Trade Receivables

Particulars	As at 31st March, 2019	As at 31st March, 2018
Outstanding for less than 6 months from the due date	2,20,02,914	2,09,93,984
Unsecured, considered good		
Outstanding for more than 6 months from the due date	7,44,20,650	7,44,20,650
Unsecured, considered good		
Total	9,64,23,564	9,54,14,634

7 Cash & Cash Equivalents

Particulars	As at 31st March, 2019	As at 31st March, 2018
Cash on Hand	20,04,844	20,82,845
Balance with Banks		
In Current account	17,08,810	1,54,36,908
Term Deposits with Bank for the period of more than three months but less than twelve months	1,62,53,369	96,00,078
Unpaid Dividend A/C	10,30,003	9,91,613
Total	2,09,97,027	2,81,11,443

8 Short Term Loans & Advances

Particulars	As at 31st March, 2019	As at 31st March, 2018
Loan to Corporate Body	15,01,60,000	14,75,81,849
Other Advances	45,46,541	8,32,61,853
Prepaid Exp	-	-
Total	15,47,06,541	23,08,43,702

9 Other Current Asset

Particulars	As at 31st March, 2019	As at 31st March, 2018
Balance with Govt, Authority	4,00,000	4,00,000
Other receivable and deposit	7,39,081	6,94,952
Prepaid Exp	19,147	3,20,654
Total	11,58,228	14,15,606

10 Share Capital**1 Authorized, Issued, Subscribed and Paidup share capital**

Particulars	As at 31st March, 2019		As at 31st March, 2018	
	No. of Shares	Amount	No. of Shares	Amount
Authorised Share Capital				
Equity Shares of Rs. 10 Each	6,50,00,000	65,00,00,000	4,00,00,000	40,00,00,000
Total				
Issued Share Capital				
Equity Shares of Rs. 10 Each	3,87,51,645	38,75,16,450	3,87,51,645	38,75,16,450
Total	3,87,51,645	38,75,16,450	3,87,51,645	38,75,16,450
Subscribed & Fully Paid				
Equity Shares of Rs. 10 Each	3,87,51,645	38,75,16,450	3,87,51,645	38,75,16,450
Total	3,87,51,645	38,75,16,450	3,87,51,645	38,75,16,450

2 Details of the Shares for the Preceding Five Years

Particulars	01-04-2014 to 31-03-2019	
Number Of Equity Shares Bought Back	-	
Number Of Preference Shares Redeemed	-	
Number of Equity Share Issue as Bonus Share	-	
Number of Preference Share Issue as Bonus Share	-	
Number of Equity Shares Allotted For Contracts	-	
Without Payment Received In Cash	-	
Number of Preference Shares Allotted For Contracts	-	
Without Payment Received In Cash	-	

3 Reconciliation of Share Capital

Particulars	As at 31st March, 2019		As at 31st March, 2018	
	No. of Shares	Amount	No. of Shares	Amount
Equity Shares (Face Value Rs. 10.00)				
Shares Outstanding at the Beginning of the Year	3,87,51,645	38,75,16,450	3,87,51,645	38,75,16,450
Shares issued during the year	-	-	-	-
Shares cancelled during the year	-	-	-	-
Shares Outstanding at the End of the Year	3,87,51,645	38,75,16,450	3,87,51,645	38,75,16,450

4 Share Holders Holding More than 5% Share

Name of the Share Holders	As at 31st March, 2019		As at 31st March, 2018	
	No. of Shares	Amount	No. of Shares	Amount
Pranathi Constructions Pvt Ltd	39,40,570	10.17	39,40,570	10.17
Algorab Power Projects Private Limited	38,57,145	9.95	38,57,145	9.95
Patron Energy Private Limited	38,01,570	9.81	38,01,570	9.81
Padma Real Infra Private Limited	21,71,000	5.60	21,71,000	5.60
Blowing Traders Private Limited	21,49,986	5.55	21,49,986	5.55

11 Reserve & Surplus

Particulars	As at 31st March, 2019	As at 31st March, 2018
Convertible Warrant A/C	13,20,00,000	-
Securities Premium Account	51,53,31,551	51,53,31,551
Capital Reserve	2,01,09,545	2,01,09,545
Revaluation Reserve	5,28,683	5,28,683
Profit & Loss A/c		
Opening balance	(6,34,53,453)	(6,48,52,253)
Foreign Exchange Fluctuation	(34,30,354)	(1,54,045)
(-) Transfer of Current Year Profi/(Loss)	(2,32,79,720)	15,52,845
Closing balance	(9,01,63,527)	(6,34,53,453)
Total	57,78,06,252	47,25,16,325.87

12 Non Current Borrowing

Particulars	As at 31st March, 2019	As at 31st March, 2018
1. Secured loan		
Corporation Bank.- Mahindra Bolero Loan	-	1,60,061
2. Unsecured loan		
From Inter Corporate	-	2,62,13,897
Others	8,68,15,220	18,80,91,773
Total	8,68,15,220	21,44,65,731

Maturity Profile and Rate of Interest on Secured Loan

Particulars	2019-20
Corporation Bank.- Mahindra Bolero Loan (10.65%) (No. of Outstanding Installments -12)	1,56,736
Total	1,56,736

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

13 Deferred Tax Liabilities (Net)

Particulars	As at 31st March, 2019	As at 31st March, 2018
Deferred Tax Liabilities (Net)	3,01,77,477	3,32,25,713
Total	3,01,77,477	3,32,25,713

14 Other long term Liabilities

Particulars	As at 31st March, 2019	As at 31st March, 2018
Security Deposit	5,00,000	5,00,000
From Joint Venture	7,74,51,823	9,63,90,284
Total	7,79,51,823	9,68,90,284

15 Short term Borrowings

Particulars	As at 31st March, 2019	As at 31st March, 2018
Unsecured Loans repayable on Demand	10,01,13,000	17,86,28,959
Borrowing from bank		
From Bank	4,09,88,478	4,04,12,422
Corporation Bank Car Loan	6,27,743	5,53,345
Total	14,17,29,221	21,95,94,726

16 Trade Payables

Particulars	As at 31st March, 2019	As at 31st March, 2018
Due to Micro & Small Enterprises		
Trade Payable for Goods	9,63,42,372	9,79,94,593
Total	9,63,42,372	9,79,94,593

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

- Amount due and outstanding to suppliers as at the end of the accounting year;
- interest paid during the year;
- interest payable at the end of the accounting year;
- interest accrued and unpaid at the end of the accounting year; have not been given, the company is making efforts to get the confirmation from the suppliers as regards their status under the said act.

17 Other Current Liabilities

Particulars	As at 31st March, 2019	As at 31st March, 2018
Statutory Dues	10,74,052	19,67,168
Unpaid Dividend	10,30,003	9,91,614
Other Payable	3,46,92,209	2,70,36,962
Total	3,67,96,264	2,99,95,744

18 Short Term Provisions

Particulars	As at 31st March, 2019	As at 31st March, 2018
Provision for Employee Benefits	2,37,000	2,42,500
Provision for Exp	3,02,400	4,20,750
Provision for Joint Venture	8,38,850	11,24,965
Total	13,78,250	17,88,215

19 Revenue from Operation

Particulars	2018-19	2017-18
Sales	7,92,62,009	7,47,69,816
Total	7,92,62,009	7,47,69,816

20 Other Income

Particulars	2018-19	2017-18
Commission Income	9,91,800	-
Other Income	15,966	35,535
Interest Income	10,76,084	7,68,766
Interest on Income Tax Refund	26,231	5,66,777
Sundry Balance Written Back	1,315	8,69,615
Excess Provision	6,879	2,94,071
Total	21,18,275	25,34,764

21 Changes in Inventories

Particulars	2018-19	2017-18
Opening Stock	1,99,376	1,58,287
Less		
Closing Stock	(1,28,213)	(1,99,376)
Total	71,163	(41,089)

22 Employee Benefit Expenses

Particulars	2018-19	2017-18
Salary & Wages	1,33,95,643	1,34,30,321
Total	1,33,95,643	1,34,30,321

23 Finance Costs

Particulars	2018-19	2017-18
Interest Expense	63,24,995	65,26,022
Bank Charges	1,72,407	5,16,293
Total	64,97,402	70,42,315

24 Depreciation & Amortisation Expenses

Particulars	2018-19	2017-18
Depreciation & Amortisation Expenses	4,66,22,731	4,48,86,698
Total	4,66,22,731	4,48,86,698

25 Other Expenses

Particulars	2018-19	2017-18
Payment to Auditors *	4,05,400	4,07,200
Accounting Charges	1,13,600	1,04,000
Cosultancy Charges	9,864	10,000
Conveyance Exp	97,516	16,510
Donation	-	10,29,400
E Voting Charges	10,000	5,000
Handling and Processing	26,65,964	38,36,194
Repair & Maintanance Exps	10,62,621	3,32,646
Travelling Expenses	3,92,420	13,67,574
Foreign Currency Exps	233	4,00,208
Legal & Professional Charges	42,87,457	27,97,040
Office Exps	373550	156095
Preliminary Expense Written off	187250	310688
Telephone Exps	46,641	67,683
Share Transfer Charges	45,000	55,715
Share Listing Exps	6,10,750	4,65,000
Stationary & Printing Exp	1,45,590	111964
Rent, Rates & Taxes	44,53,815	5943581
ROC Fees	11,535	5000
RTA Charges	50,000	25,000
Other Miscellaneous Expenses	2,53,70,474	3,08,59,989
Total	4,03,39,680	4,83,06,487
* Payment to Auditors		
For Audit Fees	4,05,400	4,07,200

➤ **Significant Accounting Policies****Company Overview**

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

Basis for Preparation of Financial statements

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

Principles of Consolidation

- (a) The financial statements of the Holding Company and its subsidiaries are combined on a line by line basis by adding together like items of assets, liabilities, equity, incomes, expenses and cash flows, after fully eliminating intra-group balances and intra-group transactions.

- (b) Profits or losses resulting from intra-group transactions that are recognized in assets, such as Inventory and Property, Plant and Equipment, are eliminated in full.
- (c) Goodwill represents the difference between the Company's share in the net worth of subsidiaries and the cost of acquisition at each point of time of making the investment in the subsidiaries.
- (d) The Consolidated Financial Statements have been prepared using uniform accounting policies for like transactions and other events in similar circumstances.

Property, plant and Equipment

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

Depreciation is recognized based on the cost of assets less their residual values over their useful lives, using the straight-line method. The useful life of property, plant and equipment is considered based on life prescribed in schedule II to the Companies Act, 2013 for year 2018-19. For year 2017-18

Financial Instruments

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

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

Financial assets

Initial recognition and measurement

All financial assets, are recognized initially at fair value.

Financial liabilities and equity instruments

Classification as debt or equity

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

Equity instruments

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

Financial liabilities

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

Financial liabilities at amortized cost

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

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

Current versus non-current classification

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

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

All other assets are classified as non-current.

A liability is current when:

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

Fair value measurement

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

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

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

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

Revenue recognition

The Company has adopted Ind AS 115 from 1st April, 2018 and opted for modified retrospective application with the cumulative effect of initially applying this standard recognised at the date of initial application. The standard has been applied to all open contracts as on 1st April, 2018, and subsequent contracts with customers from that date.

Performance obligation:

The revenue is recognized on fulfilment of performance obligation.

Sale of products:

The Company earns revenue primarily from sale of oil and natural gas exploration.

Payment for the sale is made as per the credit terms in the agreements with the customers. The credit period is generally short term, thus there is no significant financing component.

The Company's contracts with customers do not provide for any right to returns, refunds or similar obligations. The Company's obligation to repair or replace faulty products under standard warranty terms is recognised as a provision.

Revenue is recognised when the performance obligations are satisfied and the control of the product is transferred, being when the goods are delivered as per the relevant terms of the contract at which point in time the Company has a right to payment for the asset, customer has possession and legal title to the asset, customer bears significant risk and rewards of ownership and the customer has accepted the asset or the Company has objective evidence that all criteria for acceptance have been satisfied.

Borrowing costs

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

Taxation

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

Current tax

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

Deferred tax

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

Earnings per share

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

26. Notes on Accounts**➤ Interest in Joint Ventures**

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

AS AN OPERATOR(4 FIELDS)	AS A NON OPERATOR (4 FIELDS)
<ul style="list-style-type: none"> Allora Field Dholasan Field Kanawara Field North Kathana Field 	<ul style="list-style-type: none"> Unawa Field North Balol Field CB-ONN-2004/1 CB-ONN-2004/4

The unincorporated joint ventures relating to the above mentioned Fields were set up under the respective Production Sharing Contracts (PSCs) entered into with the Government of India. The details of the participating interest as on March 31, 2019 are set out below.

Sr. No	Field–Location Status	Joint Ventures Partners	Participating Interest (%)
1	Dholasan Field Onshore Development	1. Gujarat State Petroleum Corporation Ltd. 2. GNRL Oil & Gas Limited (Formerly Heramec Limited) (Operator)	70.00 30.00
2	Kanawara Field Onshore Development	1. Gujarat State Petroleum Corporation Ltd. 2. GNRL Oil & Gas Limited (Formerly Heramec Limited) (Operator)	70.00 30.00
3	North Kathana Field Onshore Development	1. Gujarat State Petroleum Corporation Ltd. 2. GNRL Oil & Gas Limited (Formerly Heramec Limited) (Operator)	70.00 30.00
4	Allora Field Onshore Development	1. Gujarat State Petroleum Corporation Ltd. 2. GNRL Oil & Gas Limited (Formerly Heramec Limited) (Operator)	70.00 30.00
5	Unawa Field Onshore Development	1. Gujarat State Petroleum Corporation Ltd. (Operator) 2. GNRL Oil & Gas Limited (Formerly Heramec Limited)	70.00 30.00
6	North Balol Field Onshore Development	1. Gujarat State Petroleum Corporation Ltd. 2. GNRL Oil & Gas Limited (Formerly Heramec Limited) 3. Hindustan Oil Exploration Company Limited (Operator)	45.00 30.00 25.00
7	CB-ONN-2004/1 Field Onshore Development	1. Oil and Natural Gas Corporation Ltd.(Operator) 2. Gujarat State Petroleum Corporation Ltd. 3. GNRL Oil & Gas Limited (Formerly Heramec Limited)	50.00 40.00 10.00
8	CB-ONN-2004/4 Field Onshore Development	1. Oil and Natural Gas Corporation (Operator) 2. Gujarat State Petroleum Corporation Ltd. 3. GNRL Oil & Gas Limited (Formerly Heramec Limited)	50.00 40.00 10.00

In taking up its share of balances of assets, liabilities, income and expenditure from the Unincorporated joint ventures as at March 31, 2019 GNRL Oil & Gas Limited (Formerly Heramec Limited) has applied its participating interest in the respective PSCs'.

➤ **JV accounts of CB ONN 2004/01 and CB ONN 2004/04**

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

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

Particulars	Proved Developed Reserves (Oil) (Million MT)	Proved Developed Reserves (Gas) (Million Cubic Meter)
Beginning of the Period	7.72	409.46
Recoverable Reserves	1.519	72.867
Additions	-	-
Deletions	-	-
Production	0.001	4.015
Closing Balance for the year ended on 31.03.2019	1.518	68.852

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

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

Particulars	As at 31st March, 2019	As at 31st March, 2018
Fixed Assets	848,753,524	839,811,366
Current Assets	732,340,551	676,461,414
Current Liabilities	132,503,263	106,100,118

The Profit and Loss Account of the subsidiaries includes its share in Profit or Loss pertaining to the respective Joint Ventures. The summary of Profit and Loss Account for the year ended 31st March 2019 and 31st March 2018 is given as under:

	2018-19		2017-18	
	Aggregate of all JVs	Heramec's Share	Aggregate of all JVs	Heramec's Share
INCOME				
Sale of Crude Oil	100,629,607	30,188,883	85,536,136	25,660,842
Sale of Gas	154,785,574	46,435,672	148,221,580	44,466,474
Sludge Sales	-	-	4,409,439	1,322,831
Increase/(Decrease) in Stock	938,963	281,689	196,743	59,023
Other Income	529,935	158,981	581,995	174,599
Total	256,884,079	77,065,225	238,945,893	71,683,769
EXPENDITURE				
Production and Administrative Expenses	126,654,410	37,996,323	167,828,005	50,348,401
Total Expenditure before Depreciation	126,654,410	37,996,323	167,828,005	50,348,401
PROFIT BEFORE DEPRECIATION	130,229,669	39,068,902	71,117,888	21,335,368

➤ **Contingent Liabilities**

1. The Company has given Bank Guarantees given/agreed in favor of Director General of Hydrocarbon, (DGH) New Delhi, India and the same is outstanding as on March 31, 2019 amounting to USD 2,00,770 equivalent to ` 66,65,384/-. (Previous year: USD 3,14,355 equivalent to ` 1,53,80,019 /-). This guarantee represents the share of GNRL Oil & Gas Limited (Formerly known as Heramec Limited) in respect of the total estimated annual expenditure as per Approved Work Program in the contract area during the development phase of the existing discoveries. This bank guarantee represents the 30% share of Participating Interest (PI) of GNRL Oil & Gas Limited.
2. The Company has received notice from VAT department on 08/12/2014 for non-payment of VAT on Sludge Sale for the FY 2008-09 and FY 2009-10. Total demand raised by the department is of Rs 23,97,321/- and Rs 27,39,762/- for FY 2008-09 and FY 2009-10 respectively (Including Interest and penalty). The Company has filed appeal before Gujarat Value Added Tax Tribunal, against demand raised and paid advance payment of ` 4,00,000/- for granting appeal and stay against the recovery of the outstanding demand as per the order of the Gujarat Value Added Tax Tribunal dated 13/2/2015. Further on the same matter, the stay was granted by the way of order dated 03/03/2015, and the matter has been referred to the first appellant authority and it will have the liberty to decide the matter independently.
3. During the financial year 2011-2012 discovery of oil in TS#8 (Tarapur South#8) of CB-ON/2 field has been regularized and shall be governed by provisions of PSC for North Kathana Joint Venture as per the regularization order received from the Directorate General of Hydrocarbons, Ministry of Petroleum & Natural Gas, Govt. of India dated 15th February 2012. Based on the said order, the company has recognized asset (NK#5) and corresponding income on the basis of its participating interest in North Kathana PSC. In view of the same, the Company has not considered any liability towards the operator of CB-ON/2 under the said regularization order while consolidating the Joint Venture accounts on a line by line basis.
4. JV accounts of CB ONN 2004/01 and CB ONN 2004/04:-
The company has not received the Joint Venture accounts of CB ONN 2004/01 and CB ONN 2004/4 from the JV Partner, ONGC. In the absence of the same, the financial results and any possible outflow of these JV accounts could not be considered for accounting purposes at the Company level.
5. Penalty of Rs 92,500/- for the accounting year 2009-10 raised by Income Tax Authorities, which is disputed by the Company.

➤ **Capital Expenditure Commitments: Nil (PY – NIL)**

➤ **Related Party Transactions:**

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

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

Sr. No.	Name	Relationship
1	Shalin A Shah	Director
2	Malav A Mehta	
3	Ashok C Shah	
4	Pravinbhai V Trivedi	
5	Sarika A Kukrani	
6	Payal Pandya	
7	Hiteshkumar M Donga	Key Managerial Personnel
8	Sheetal G Pandya	
9	O3 Developers Pvt Ltd (Formerly known as Infinium Natural Resources Ltd)	Entities where Key Managerial Personnel / Director exercise significant influence and there are related party transactions during the year
10	Sigma Oil & Gas Pvt. Ltd.	Indian Subsidiary Company
11	GNRL Oil & Gas Limited (Formerly known as Heramec Ltd)	Foreign Step-down Subsidiary Companies
12	Gorlas Corporate Holding Ltd	
13	Heramec Oil & Gas (Singapore) Pte Ltd	
14	Alkor Petro Overseas Ltd	
15	Gorlas Global Energy PLC	
16	Pranav Tejpal Kapadia	Key Managerial Personnel of Indian Subsidiary Company
17	Hetal Maheshwari	
18	Ilesh Shah	

➤ **Transactions with Related Parties**

Transactions that have taken place during the period April 1, 2018 to March 31, 2019 with related parties by the company stated below.

Sr. No.	Name	Nature of the Transaction	Amount 2018-19
1	Shalin A. Shah	Loan Taken	27,80,000
		Loan Repaid	50,000
		Closing Balance	28,13,000
		Remuneration Payable	15,90,000
		Remuneration Paid	15,90,000
		Closing Balance	1,32,500
2	Ashok C Shah	Loan Taken	-
		Loan Repaid	4,22,000
		Closing Balance	-
3	Hiteshkumar M Donga	Salary Payable	3,57,500
		Salary Paid	3,55,000
		Closing Balance	27,500

Sr. No.	Name	Nature of the Transaction	Amount 2018-19
4	Sheetal G Pandya	Salary Payable	4,29,000
		Salary Paid	4,26,000
		Closing Balance	33,000
5	Loan given to Sigma Oil & Gas Pvt. Ltd. By Gujarat Natural resources Ltd	Loan Granted	12,95,00,000
		Loan Recovered	63,08,080
		Closing Balance	51,99,38,555
6	O3 Developers Pvt Ltd	Loan Taken	NIL
		Loan Paid	8,00,00,000
		Closing Balance	9,73,00,000
7	Hetal Maheshwari	Salary Paid	1,50,707
8	Services Provided by Sigma Oil & Gas Pvt. Ltd. To its Subsidiaries	Car Rent	10,80,000
		Hire Charges	3,84,000
9	Loan Taken By Sigma Oil & Gas Pvt. Ltd from O3 Developers Pvt Ltd	Loan Taken	1,71,75,000
		Loan Repaid	13,10,00,000
		Closing Balance	5,97,75,000
10	Loan given by Sigma Oil & Gas Pvt. Ltd to GNRL Oil and Gas Ltd.	Loan Given	1,38,83,640
		Closing Balance	27,68,28,364
11	Loan given by Sigma Oil & Gas Pvt. Ltd to Heramec Oil And Gas (Singapore) Pte Ltd	Loan Given	4,19,295
12	Ilesh Shah	Loan Repaid	84,86,950
13	Pranav Kapadia	Remuneration Paid	67,56,905

EXPENDITURE IN FOREIGN CURRENCY:

Particulars	For the year ended 31 ST March, 2019	For the year ended 31 ST March, 2018
i) Consultancy Expenses	120,041	93,743
ii) Others	-	90,439
Totals	120,041	184,182

SALES TURNOVER:

Description	Unit	Quantity	Value
Crude Oil	MBBLs	6.56	30,188,884
		P.Y. 7.65	P.Y. 25,660,841
Natural Gas	MM3	4211.88	46,435,672
		P.Y. 3997.14	P.Y. 44,466,475

OPENING AND CLOSING STOCK OF GOODS PRODUCED & TRADED:

Description	Unit	Quantity	Value in ₹
Opening Stock			
Crude Oil	MBBLs	0.34	199,376
		P.Y. 0.34	P.Y. 158,287
Closing Stock			
Crude Oil	MBBLs	0.20	128,213
		P.Y. 0.34	P.Y. 199,376

ACTUAL PRODUCTION

Description	Unit	Actual Production for the Year
Crude Oil	MBBLs	6.85 P.Y. 8.22
Natural Gas	MM3	4222.79 P.Y. 4014.63

* MM3 - Thousand Cubic Meter

* MMBL - Thousand Barrels

CIF value of Imports:

Particulars	For the year ended 31 ST March, 2019	For the year ended 31 ST March, 2018
i) Raw Materials	--	--
ii) Components and Spare Parts	23,783	--
iii) Capital Goods	--	--
Total	23,783	--

Earning in Foreign Currency:

Particulars	For the year ended 31 ST March, 2019	For the year ended 31 ST March, 2018
Earnings in Foreign Currency (Liquidated Damages)	--	--

➤ **Payment to the Auditors**

Particulars	2018-19	2017-18
Audit Fees	322,800	324,600
Company Matter	0	0
Income Tax Fees	0	0
Others	82,600	82,600
Total	405,400	407,200

➤ **Earnings per Share: -**

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

Particulars	31-03-2019	31-03-2018
Net Profit Attributable to share holders	(23,279,720)	15,52,845
Weighted average number of equity shares (Nos.)	3,87,51,645	3,87,51,645
Basic earnings per share (Rs.)	(0.60)No EPS	0.04
Diluted earnings per share (Rs.)	(0.52)No EPS	0.03
Nominal value of equity share (Rs.)	10	10

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

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

Particular	Gratuity (Funded)			Leave Encashment (Non-funded)		
I Change in obligaton during the year ended 31st March, 2019	2018-19	2017-18	2016-17	2018-19	2017-18	2016-17
1 Liability at the beginning of the Year	6,122,471	5,318,041	4,353,057	2,516,158	2,489,162	1,925,776
2 Interest cost	444,881	377,546	340,630	188,712	172,665	148,438
3 Current service cost	750,161	788,498	698,569	668,146	333,458	266,241
4 Past service cost	-	525,527	-	-	-	-
5 Benefit Paid **	(36,346)	(131,798)	(17,812)	(617,630)	(790,186)	(572,934)
6 Actuarial (gain) / Losses **	(381,444)	(755,343)	(56,403)	372,341	311,059	721,641
7 Liability at the end of the year	6,899,723	6,122,471	5,318,041	3,127,727	2,516,158	2,489,162
II Change in assets during the year ended 31st March, 2019	2018-19	2017-18	2016-17	2018-19	2017-18	2016-17
1 Plan assets at the beginning of the year	4,886,931	4,522,803	4,116,077	-	-	-
2 Expected return of plan assets	382,043	348,675	304,898	-	-	-
3 Contributons **	1,603,242	180,363	132,295	-	-	-
4 Benefit paid **	(36,346)	(131,798)	(17,812)	-	-	-
6 Actuarial gain / (Loss)	888	(33,111)	(12,655)	-	-	-
7 Expenses deducted from fund	-	-	-	-	-	-
8 Plan assets at the end of the year	6,836,758	4,886,932	4,522,803	-	-	-
III Actual return on plan assets	2018-19	2017-18	2016-17	2018-19	2017-18	2016-17
1 Expected return of plan assets	382,043	348,675	304,898	-	-	-
2 Actuarial gain / (loss)	888	(33,111)	(12,655)	-	-	-
3 Actual return on plan assets	382,931	315,564	292,243	-	-	-
IV Net asset / (liability) recognized in the Balance Sheet as at 31st March, 2019	2018-19	2017-18	2016-17	2018-19	2017-18	2016-17
1 Liability at the end of the year	6,899,723	6,122,471	5,318,041	3,127,727	2,516,158	2,489,162
2 Plan assets at the end of the year	(6,836,758)	(4,886,932)	(4,522,803)	-	-	-
3 Unrecognised Past Service Cost	(76,629)	(153,257)	-	-	-	-
4 Amount recognized in the Balance Sheet Accrued (Asset)/Liability	(13,664)	1,082,282	795,238	3,127,727	2,516,158	2,489,162
V Expenses recognized in the Statement of Profit & Loss account for the year ended 31st March, 2019	2018-19	2017-18	2016-17	2018-19	2017-18	2016-17
1 Current service cost	750,161	788,498	698,569	668,146	333,458	266,241
2 Interest cost	444,881	377,546	340,630	188,712	172,665	148,438
3 Expected return on plan assets	(382,043)	(348,675)	(304,898)	(304,898)	-	-
4 Actuarial (gain) / Losses	(382,332)	(722,232)	(43,748)	(43,748)	311,059	721,641

Particular	Gratuity (Funded)			Leave Encashment (Non-funded)		
5 Past service cost	76,629	372,270	-	-	-	-
6 Total expenses	507,296	467,407	690,553	122,9199	817,182	1,136,320
VI Balance Sheet reconciliaton	2018-19	2017-18	2016-17	2018-19	2017-18	2016-17
1 Opening net liability /(asset)	1,235,540	795,238	236,980	2,516,158	2,489,162	1,925,776
2 Expenses as above	507,296	467,407	690,553	1,229,199	817,182	1,136,320
3 Employer contributon	(1,603,242)	(180,363)	(132,295)	-	-	-
4. Benefis paid directly by the Company	-	-	-	(617,630)	(790,186)	(572,934)
5 Amount recognized in the Balance Sheet	139,594	1,082,282	795,238	3,127,727	2,516,158	2,489,162
VII Actuarial assumptons	2018-19	2017-18	2016-17	2018-19	2017-18	2016-17
1 Discount rate	7.45%	7.50%	7.20%	7.45%	7.50%	7.20%
2 Rate of return on plan assets	7.45%	7.50%	7.20%	0.00%	0.00%	0.00%
3 Salary Escalaton	8.33%	8.33%	8.33%	8.33%	8.33%	8.33%
VIII Amount for the current period is as under *						
Particular	2018-19	2017-18	2016-17	2018-19	2017-18	2016-17
Gratuity(Funded)						
Defined Benefit obligaton	6,899,723	6,122,471	5,318,041	3,127,727	2,516,158	2,489,162
Plan asset	6,836,758	4,886,932	4,522,803	-	-	-
Surplus/(deficit)	(62,965)	(1,235,539)	(795,238)	(3,127,727)	(2,516,158)	(2,489,162)
Experience adjustment on plan liability **	(414,018)	(576,667)	(444,234)	351,777	376,792	562,710
Acturial Loss /(Gain) due to change in Actuarial Assumption	32,574	(178,676)	387,831	20,564	(65,733)	158,931
Experience adjustment on plan assets	(888)	33,111	12,655	-	-	-

* With respect to Gratuity & Leave Encashment, the Company has taken actuarial valuation report for the year ended 31st March, 2019.

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

Investment details:

The funds are managed by LIC and LIC has not provided break up of planned assets by investment type for the year 2018-19.

Expected Employers contribution for the next financial year:

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

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

➤ Capital Management

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

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

Particulars	As at 31st March, 2019	As at 31st March, 2018
Total equity attributable to the equity share holders of the company	387,516,450	387,516,450
As percentage of total capital	65.12%	48.84%
Current loans and borrowings	141,729,221	219,594,726
Non-current loans and borrowings	86,815,220	214,465,731
Total loans and borrowings	228,544,441	43,40,60,456
Cash and cash equivalents	20,997,027	28,111,443
Net loans & borrowings	207,547,414	405949014
As a percentage of total capital	34.88%	51.16%
Total capital (loans and borrowings and equity)	595,063,864	79,34,65,464

➤ **Fair Value measurements**

A. Financial instruments by category

Particulars	As at 31st March, 2019			As at 31st March, 2018		
	Amortized Cost	FVTPL	FVTOCI	Amortized Cost	FVTPL	FVTOCI
Financial Asset						
Investment	-	187,523,517	-	-	187,523,517	-
Non Current Loans	58,180,537	-	-	57,276,812	-	-
Trade receivables	96,423,564	-	-	95,414,634	-	-
Cash & Cash Equivalents	20,997,027	-	-	28,111,443	-	-
Loans	154,706,541	-	-	231,164,356	-	-
Total Financial Asset	330,307,669	187,523,517	-	411,967,245	-	-
Financial Liabilities						
Non-Current Borrowing	86,815,220	-	-	214,465,731	-	-
Current Borrowings	141,729,221	-	-	219,594,726	-	-
Trade Payables	96,342,372	-	-	97,994,593	-	-
Total Financial Liabilities	324,886,813	-	-	532,055,050	-	-

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

Fair value hierarchy

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

B. Fair value hierarchy for assets**Financial assets measured at fair value at March 31, 2019**

	Level 1	Level 2	Level 3	Total
Financial Assets				
Investment	187,523,517	-	-	187,523,517

Financial assets measured at fair value at March 31, 2018

	Level 1	Level 2	Level 3	Total
Financial Assets				
Investment	187,523,517	-	-	187,523,517

Notes:

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

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

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

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

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

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

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

➤ FINANCIAL RISK MANAGEMENT

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

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

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

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

(a) Credit risk

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

Trade Receivables

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

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

Particulars	Gross Carrying Amount	Expected credit losses rate (%)	Expected Credit Losses	Carrying amount of Trade Receivable
Considered for Goods	22,002,914	0	0	22,002,914
0-12 Months	74,420,650	0	0	74,420,650
More than 1 Year				
Total	96,423,564	0	0	96,423,564

(b) Liquidity risk

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

Liquidity Table

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

As at March 31, 2019

Financial Liabilities	Payable within 0 to 12 months	More than 12 months	Total
Non-current financial liabilities			
Borrowings	-	86,815,220	86,815,220
Current financial liabilities			
Borrowings	141,729,221	-	141,729,221
Trade Payables	96,342,372	-	96,342,372
Other Financial Liability	-	-	-
	238,071,593		238,071,593
Total financial liabilities	238,071,593	86,815,220	324,886,813

As at March 31, 2018

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

(c) Market Risk

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

- Interest rate risk

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

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

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

Particulars	As at March 31, 2019	As at March 31, 2018
Floating Rate Borrowings	41,616,221	41,125,828

(d) Price Risk**Exposure**

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

➤ Others

- In opinion of the management of the company, all loans, advances and deposits are recoverable in cash or kind for value to be received for which no provision is required. However in the opinion of the auditors, it shall be prudent to make sufficient provision for such non-performing assets amounting to Rs. 206.17 Lacs.
- Sundry debtors over six months included Rs. 739.71 lacs non-performing in nature. In the opinion of the Directors, they are good and recoverable. The Directors are hopeful of getting recoveries in the next year as present market conditions are not favorable. However in the opinion of the Auditor, it shall be prudent to identify the same as doubtful of recovery requiring adequate provision. It has been explained that the management of the company is pursuing recoveries and actual losses, if any, shall be adjusted as and when arises.
- As informed by the management that the loans are interest free, which in our opinion is violation of Section 186 (7) of the Companies Act, 2013.
- Confirmation of the concerned parties for the amount due to them and/or due from them as per accounts of the company is not received. Necessary adjustments, if any, will be made when accounts are reconciled or settled. Balance of sundry debtors and creditors, loans and advances accepted and given in the balance sheet are subject to confirmation.
- In the opinion of board of directors the value of loans and advances and other current assets have a value on realization in the ordinary course of business at least equal to the amount at which they are stated in balance sheet.
- There is carry forward of losses, the company need not to recognize deferred tax assets in the event of non-availability of convincing evidence as to future income.
- The previous year's figures have been reworked, regrouped, rearranged and reclassified wherever necessary. Amounts and other disclosures for the preceding year are included as an integral part of the current year financial statements and are to be read in relation to the amounts and other disclosures relating to the current year.

For Gujarat Natural Resources Limited

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

Ashok C. Shah

Director

DIN : 02467830

Place : Ahmedabad

Date : 30/05/2019

Malav A. Mehta

Director

DIN : 01234736

Hitesh Donga

CFO

Sheetal Pandya

Company Secretary

CA. Mitt S. Patel

Partner

Membership No. 163940

GUJARAT NATURAL RESOURCES LIMITED

Regd. Office: 3rd Floor, A Wing, Gopal Palace, Opp. Ocean Park, Nr. Nehru Nagar,
Satellite Road, Ahmedabad – 380015

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 Monday, September 30, 2019 at the Registered Office of the Company at 11:00 a.m.

Signature of the Attending Shareholder/Proxy: _____

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

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GUJARAT NATURAL RESOURCES LIMITED

Regd. Office: 3rd Floor, A Wing, Gopal Palace, Opp. Ocean Park, Nr. Nehru Nagar,
Satellite Road, Ahmedabad – 380015

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: 3rd Floor, A Wing, Gopal Palace, Opp. Ocean Park, Nr. Nehru Nagar,
Satellite Road, Ahmedabad – 380015

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 30th day of September, 2019 At 11:00 a.m. at 3rd Floor, A Wing, Gopal Palace, Opp. Ocean Park, Nr. Nehru Nagar, Satellite Road, Ahmedabad – 380015 and at any adjournment thereof in respect of such resolutions as are indicated in the notice.

Signed this ____ Day of ____ 2019

Signature _____

Signature of Proxy Holder(s) _____

Affix Revenue Stamp

Notes:

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

To,

If undelivered please return to:

GUJARAT NATURAL RESOURCES LIMITED

3rd Floor, A Wing, Gopal Palace, Opp. Ocean Park, Nr. Nehru Nagar,
Satellite Road, Ahmedabad – 380015
