

## **ANNUAL REPORT 2019 - 2020**

### **BOARD OF DIRECTORS**

Ashok C. Shah	Director & Chairman
Shalin A. Shah	Managing Director
Malav A. Mehta	Director
Pravinbhai V. Trivedi	Independent Director
Sarika Kulkarni (upto 5 <sup>th</sup> May, 2020)	Independent Director
Payal P. Pandya	Independent Director
Chitra J. Thaker (w.e.f. 30 <sup>th</sup> July, 2020)	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  
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.

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

The AGM will be held through video conferencing.

**NOTICE**

Notice is hereby given that the **29<sup>th</sup> Annual General Meeting of Gujarat Natural Resources Limited** will be held on Wednesday, 30<sup>th</sup> Day of September, 2020 at 11:30 a.m. through Video Conferencing (VC)/other Audio-Visual Means (OAVM) to transact the following Business:

**ORDINARY BUSINESS:**

1. To receive, consider and adopt the Standalone and Consolidated Financial Statements of the Company for the year ended 31<sup>st</sup> March, 2020 including audited Balance Sheet as at 31<sup>st</sup> March, 2020 and Statement of Profit and Loss and the cash flow statement for the year ended on that date and the Reports of the Directors and the Auditors thereon.
2. To re-appoint Mr. Malav Mehta (DIN: 01234736), who is liable to retire by rotation and being eligible, offers himself for re-appointment.

**SPECIAL BUSINESS:**

3. **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) (5) as under:

5. To carry on in India or elsewhere the business of prospecting, exploring, operating and working on mines, quarries and to win, set, crush, smelt, manufacture, process, excavate, dig, break, acquire, develop, exercise, turn to account, survey, produce, prepare, remove, undertake, barter, convert, finish, load, unload, handle, transport, buy sell, import, export, supply, and to act as agent, broker, Adatia, stockiest, distributor, consultant, contractor, manager, operator or otherwise to deal in all sorts of presents and future ores, minerals, deposits, goods, substances & materials, including sands, stones, and soils, chalk, clay, china clay, betonies, broils, calcite and coal, lignite, rockphoscate, brimstone, brine, bauxite, limestone, precious and other stones, gold, silver, diamonds, iron, aluminum, titanium, vanadium, mica, apalite, chrome, copper, gypsum, rutile, sulphate, tin, zinc, zircon, tungsten, silicon, brass, and other allied materials, by products, mixtures, blends, residues & substances, and to do all incidental acts and things necessary for the attainment of the objects under these presents and further to search, survey, discover and find out and to acquire by concession, grant, purchase, barter, lease, license, degrees & tenders the allotment or otherwise of land or water area from government, semi-government, local authorities, private bodies, corporations and other persons, such rights, powers, and privileges whatsoever for obtaining mines, open cast mines, bucket mines, quarries, deposits, etc. for the accomplishment of the above objects in India and outside India.

**“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.”

4. **Appointment of Ms. Chitra Janardan Thaker (DIN 07911689) as an Independent Director.**

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

**“RESOLVED THAT** pursuant to the provisions of section 149, 152 and all other applicable provisions of the Companies Act, 2013, if any and Companies (Appointment and Qualification of Directors) Rules,

2014 (including any statutory modification(s) or re-enactment thereof for the time being in force) read with Schedule IV, Ms. Chitra Janardan Thaker (DIN 07911689) who was appointed as an Additional Director pursuant to the provisions of Section 161 of the Companies Act, 2013 and the Articles of Association of the Company and who holds office up to the date of this Annual General Meeting and in respect of whom the Company has received a notice in writing under Section 160 of the Companies Act, 2013, from a member proposing her candidature for the office of Director, be and is hereby appointed as an Independent Director of the Company to hold office for 5 consecutive years for a term from July 30, 2020 to July 29, 2025, not liable to retire by rotation.”

“**RESOLVED FURTHER THAT** any Director of the Company be and is hereby authorised, on behalf of the Company, to do all such acts, deeds and things incidental thereto to give effect to aforesaid resolution.”

#### 5. Approval of Related Party Transaction.

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 188 of the Companies Act, 2013 and Rule 15 of the Companies (Meetings of Board and its Powers) Rules, 2014 and other applicable provisions and rules thereto, and Regulation 23 of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 and subject to such amendments as may be made therein, the approval of the Members of the Company be and is hereby accorded to the Board of Directors of the Company to enter into transactions as detailed hereunder with following Related Parties as defined under the Act for purchase/sale of goods, services and/or any other business activities during each of the financial year 2020-21 and 2021-22.

Name of related party	Maximum Amount of transaction for each of the financial year 2020-21 and 2021-22	Type of transaction
Ashoka Metcast Limited	50 crores	Purchase/sale of goods, services and/or any other business activities
Ashnisha Industries Limited	100 crores	Purchase/sale of goods, services and/or any other business activities
Lesha Industries Limited	100 crores	Purchase/sale of goods, services and/or any other business activities

“**RESOLVED FURTHER** that any Director of the Company be and is hereby authorised, on behalf of the Company, to negotiate and finalise other terms and conditions and to do all such acts, deeds and things including delegation of powers as may be necessary, proper or expedient to give effect to this resolution.”

Place: Ahmedabad  
Date: 4<sup>th</sup> September, 2020

For and on behalf of the Board

Sd/-  
Shalin A Shah  
Managing Director  
DIN: 00297447

**Explanatory Statement as required under Section 102 of the Companies Act, 2013****Item No. 3 of The Notice:****Insertion of new objects in the object clause of Memorandum of Association of the Company.**

The Company wants to include the objects related to mining 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. 3 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 electronically for inspection without any fee by the members from the date of circulation of this Notice up to the date of AGM. Members seeking to inspect the MOA can send an email to sheetal@gnrl.in

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

**Item No. 4 of The Notice:****Appointment of Ms. Chitra Janardan Thaker (DIN 07911689) as an Independent Director.**

The Board of Directors, on the recommendation of Nomination and Remuneration Committee, had appointed Ms. Chitra Janardan Thaker (DIN 07911689), as an Independent, Additional Director of the Company with effect from July 30, 2020.

Ms. Chitra Janardan Thaker (DIN 07911689) is a qualified Company Secretary and a law & Commerce graduate. She has experience in handling Company law and SEBI compliances. Copy of the draft letter for appointment of Ms. Chitra Janardan Thaker as an Independent Director would be available electronically for inspection without any fee by the members from the date of circulation of this Notice up to the date of AGM. Members seeking to inspect the letter of appointment can send an email to sheetal@gnrl.in

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

The Board of Directors is of the opinion that her vast knowledge and varied experience will be of great value to the Company and hence recommends the Resolution at Item No. 4 of this Notice for your approval. Ms. Chitra Janardan Thaker does not hold any shares in the company.

None of the Directors, Key Managerial Personnel and relatives thereof other than, Ms. Chitra Janardan Thaker has any concern or interest, financial or otherwise, in the resolution at Item No. 4 of the Notice.

**Item No. 5 of The Notice:****Approval of Related Party Transaction.**

The Audit Committee and the Board of Directors of the Company, at their respective meetings held on 4<sup>th</sup> September, 2020 has approved a proposal for entering into following related party transactions:

Name of Related Party	1. Ashoka Metcast Limited 2. Ashnisha Industries Limited 3. Lasha Industries Limited
Name of Related Director or KMP	Mr. Ashok C. Shah, Mr. Shalin A. Shah, Ms. Payal Pandya and Ms. Chitra Thaker
Nature of relationship	Mr. Shalin A. Shah, Managing Director of the Company is also Managing Director of Ashoka Metcast Limited and is Director of Ashnisha Industries Limited and Lasha Industries Limited. Mr. Ashok C. Shah, Director of the Company is Managing Director of Ashnisha Industries Limited and Lasha Industries Limited and is Director of Ashoka Metcast

	Limited. Ms. Payal P. Pandya Independent Director of the Company is Independent Director in Lesha Industries Limited and Ashoka Metcast Limited. Ms. Chitra Thaker, Independent Director of the Company is also Independent Director in Ashoka Metcast Limited and is Company Secretary of Lesha Industries Limited.
Material terms, monetary value and particulars of the contract or arrangement;	The transaction between the parties will be in the nature of purchase/sale of goods, services and/or any other business activities. The amount of the transactions shall be as stated in the resolution and the same has to be paid as per the terms agreed by both the parties.
The Manner of determining the pricing and other commercial terms, both included as part of contract and not considered as part of the contract	The pricing will be commensurate with the market value of the goods and shall be at arm's length.
Any other information relevant or important for the members to take a decision on the proposed resolution	N.A.

The transaction is Related Party Transaction and in terms of Section 188 of the Companies Act, 2013 and regulation 23 of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 and the applicable rules there under prior approval of the Shareholders by way of Special Resolution is required.

Accordingly, your directors recommend the resolution at Item No. 5 for approval as Special resolution as set out in the notice of the meeting.

Except Mr. Shalin A. Shah, Managing Director and Mr. Ashok C. Shah, Payal P. Pandya and Chitra Thaker Directors of the Company; Mrs. Leena A. Shah, Mrs. Payal S. Shah Relative of Director; Rhetan Rolling Mills Private Limited, Ashoka Metcast Limited and Ashnisha Industries Limited, Companies in which Director of the Company are Director/Member, none of the Directors or Key Managerial Personnel (KMP) or relatives of Directors and KMPs are concerned or interested in the Resolution.

**Place: Ahmedabad**

**Date: 4<sup>th</sup> September, 2020**

**For and on behalf of the Board**

**Sd/-**

**Shalin A Shah**

**Managing Director**

**DIN: 00297447**

**Annexure to the Notice of Annual General Meeting****Details of Directors seeking Appointment/Reappointment in Annual General Meeting**

Name of the Director	Mr. Malav Mehta (DIN: 01234736)	Ms. Chitra Janardan Thaker (DIN 07911689)
Age (Yrs.)	48 years	27 years
Date of first appointment	23/01/2010	30/07/2020
The no. of Meetings of the Board attended during the year	10	N.A.
Date of birth	07/09/1972	07/11/1992
Brief Resume and expertise	Bachelor's degree in chemical Engineering from L.D college of Engineering, Ahmedabad and Masters of Engineering from University of Massachusetts U.S.A. He possesses total experience of more than 20 years in business and his areas of expertise include Oil Gas, Information Technology and Automobiles.	Ms. Chitra J. Thaker is a qualified Company Secretary and a law & Commerce graduate. She has experience in handling Company law and SEBI compliances.
Designation	Director	Independent Director
Chairman/Member of the Committee of the Board of Directors of the Company	Nil	Member of Audit Committee and Chairperson of Nomination And Remuneration and member of Stakeholders' Relationship Committee in Ashoka Metcast Limited.
No. of Shares held in the Company	48000	Nil
Directorship in Other Listed Company	Nil	Ashoka Metcast Limited
Related to other directors	Not related to any other Director	No

**Place: Ahmedabad****Date: 4<sup>th</sup> September, 2020****For and on behalf of the Board**

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

**NOTES:**

1. In view of the massive outbreak of the COVID-19 pandemic, social distancing is a norm to be followed and pursuant to the Circular No. 14/2020 dated April 08, 2020, Circular No.17/2020 dated April 13, 2020 issued by the Ministry of Corporate Affairs followed by Circular No. 20/2020 dated May 05, 2020, physical attendance of the Members to the AGM venue is not required and Annual General Meeting (AGM) be held through video conferencing (VC) or other audio visual means (OAVM). Hence, Members can attend and participate in the ensuing AGM through VC/OAVM.

2. Pursuant to the Circular No. 14/2020 dated April 08, 2020, issued by the Ministry of Corporate Affairs, the facility to appoint proxy to attend and cast vote for the members is not available for this AGM. However, the Body Corporates are entitled to appoint authorized representatives to attend the AGM through VC/OAVM and participate thereat and cast their votes through e-voting.

3. The Members can join the AGM in the VC/OAVM mode 15 minutes before and after the scheduled time of the commencement of the Meeting by following the procedure mentioned in the Notice. The facility of participation at the AGM through VC/OAVM will be made available for 1000 members on first come first served basis. This will not include large Shareholders (Shareholders holding 2% or more shareholding), Promoters, Institutional Investors, Directors, Key Managerial Personnel, the Chairpersons of the Audit Committee, Nomination and Remuneration Committee and Stakeholders Relationship Committee, Auditors etc. who are allowed to attend the AGM without restriction on account of first come first served basis.

4. The attendance of the Members attending the AGM through VC/OAVM will be counted for the purpose of reckoning the quorum under Section 103 of the Companies Act, 2013.

5. Pursuant to the provisions of Section 108 of the Companies Act, 2013 read with Rule 20 of the Companies (Management and Administration) Rules, 2014 (as amended) and Regulation 44 of SEBI (Listing Obligations & Disclosure Requirements) Regulations 2015 (as amended), and the Circulars issued by the Ministry of Corporate Affairs dated April 08, 2020, April 13, 2020 and May 05, 2020 the Company is providing facility of remote e-voting to its Members in respect of the business to be transacted at the AGM. For this purpose, the Company has entered into an agreement with National Securities Depository Limited (NSDL) for facilitating voting through electronic means, as the authorized agency. The facility of casting votes by a member using remote e-voting system as well as venue voting on the date of the AGM will be provided by NSDL.

6. In line with the Ministry of Corporate Affairs (MCA) Circular No. 17/2020 dated April 13, 2020, the Notice calling the AGM has been uploaded on the website of the Company at [www.gnrl.in](http://www.gnrl.in). The Notice can also be accessed from the website of the Stock Exchange i.e. BSE Limited at [www.bseindia.com](http://www.bseindia.com) and the AGM Notice is also available on the website of NSDL (agency for providing the Remote e-Voting facility) i.e. [www.evoting.nsdl.com](http://www.evoting.nsdl.com).

7. AGM has been convened through VC/OAVM in compliance with applicable provisions of the Companies Act, 2013 read with MCA Circular No. 14/2020 dated April 08, 2020 and MCA Circular No. 17/2020 dated April 13, 2020 and MCA Circular No. 20/2020 dated May 05, 2020.

8. As per Regulation 40 of SEBI Listing Regulations, as amended, securities of listed companies can be transferred only in dematerialized form with effect from, April 1, 2019, except in case of request received for transmission or transposition of securities. In view of this and to eliminate all risks associated with physical shares and for ease of portfolio management, members holding shares in physical form are requested to consider converting their holdings to dematerialized form. Members can contact the Company or Company's Registrars and Transfer Agents, Purva Sharegistry (India) Private Limited for assistance in this regard.

9. To support the 'Green Initiative', Members who have not yet registered their email addresses are requested to register the same with their DPs in case the shares are held by them in electronic form and update the same on the website of the Company [www.gnrl.in](http://www.gnrl.in), in case the shares are held by them in physical form.

10. Members are requested to intimate changes, if any, pertaining to their name, postal address, email address, telephone/ mobile numbers, Permanent Account Number (PAN), mandates, nominations, power of attorney, bank details such as, name of the bank and branch details, bank account number, MICR code, IFSC code, etc., to their DPs in case the shares are held by them in electronic form and to RTA Purva Sharegistry (India) Private Limited in case the shares are held by them in physical form.

11. In compliance with the aforesaid MCA Circulars and SEBI Circular dated May 12, 2020, Notice of the AGM along with the Annual Report 2019-20 is being sent only through electronic mode to those Members whose email addresses are registered with the Company/ Depositories. Members may note that the Notice and Annual Report 2019-20 will also be available on the Company's website [www.gnrl.in](http://www.gnrl.in) and website of the Stock Exchange i.e. BSE Limited at [www.bseindia.com](http://www.bseindia.com).

12. The Business set out in the Notice will be transacted through electronic voting system and the Company is providing facility for voting by electronic means. Instructions and other information relating to e-voting are given in this Notice.

13. Pursuant to Section 91 of the Companies Act, 2013, The Register of Members and Share Transfer Books of the Company will be closed from 27<sup>th</sup> September, 2020 to 30<sup>th</sup> September, 2020 (both days inclusive).

14. The relative Explanatory Statements pursuant to Section 102 of the Companies Act, 2013, relating to the special business to be transacted at the meeting is annexed hereto.

15. The Securities & Exchange Board of India (SEBI) has mandated the submission of Permanent Account Number (PAN) by every participant in the securities market. Members holding shares in the Electronic form are therefore requested to submit their PAN to their depository Participants with whom they are maintaining their demat accounts. Members holding Physical shares can submit their PAN to the Company/Purva Sharegistry (India) Private Limited.

16. Since AGM will be held through VC/OAVM, the Route Map is not annexed in the Notice.

17. Instruction for E-Voting and joining AGM are as follows:

### **EVOTING INSTRUCTIONS**

#### **THE INSTRUCTIONS FOR MEMBERS FOR REMOTE E-VOTING ARE AS UNDER:-**

The remote e-voting period begins on (Sunday, 27<sup>th</sup> September, 2020 at 09:00 A.M.) and ends on (Tuesday, 29<sup>th</sup> September, 2020 at 05:00 P.M.) The remote e-voting module shall be disabled by NSDL for voting thereafter. And cut of Date for E-voting is 25<sup>th</sup> September, 2020.

#### **How do I vote electronically using NSDL e-Voting system?**

The way to vote electronically on NSDL e-Voting system consists of "Two Steps" which are mentioned below:

Step 1: Log-in to NSDL e-Voting system at <https://www.evoting.nsdl.com/>

Step 2: Cast your vote electronically on NSDL e-Voting system.

#### **Details on Step 1 is mentioned below:**

##### **How to Log-in to NSDL e-Voting website?**

1. Visit the e-Voting website of NSDL. Open web browser by typing the following URL: <https://www.evoting.nsdl.com/> either on a Personal Computer or on a mobile.
2. Once the home page of e-Voting system is launched, click on the icon "Login" which is available under 'Shareholders' section.



3. A new screen will open. You will have to enter your User ID, your Password and a Verification Code as shown on the screen.

*Alternatively, if you are registered for NSDL eservices i.e. IDEAS, you can log-in at <https://eservices.nsd.com/> with your existing IDEAS login. Once you log-in to NSDL eservices after using your log-in credentials, click on e-Voting and you can proceed to Step 2 i.e. Cast your vote electronically.*

4. Your User ID details are given below:

Manner of holding shares i.e. Demat (NSDL or CDSL) or Physical	Your User ID is:
a) For Members who hold shares in demat account with NSDL.	8 Character DP ID followed by 8 Digit Client ID For example if your DP ID is IN300*** and Client ID is 12***** then your user ID is IN300***12*****.
b) For Members who hold shares in demat account with CDSL.	16 Digit Beneficiary ID For example if your Beneficiary ID is 12***** then your user ID is 12*****.
c) For Members holding shares in Physical Form.	EVEN Number followed by Folio Number registered with the company For example if folio number is 001*** and EVEN is 101456 then user ID is 101456001***

#### 5. Your password details are given below:

a) If you are already registered for e-Voting, then you can use your existing password to login and cast your vote.

b) If you are using NSDL e-Voting system for the first time, you will need to retrieve the 'initial password' which was communicated to you. Once you retrieve your 'initial password', you need to enter the 'initial password' and the system will force you to change your password.

c) How to retrieve your 'initial password'?

(i) If your email ID is registered in your demat account or with the company, your 'initial password' is communicated to you on your email ID. Trace the email sent to you from NSDL from your mailbox. Open the email and open the attachment i.e. a .pdf file. Open the .pdf file. The password to open the .pdf file is your 8 digit client ID for NSDL account, last 8 digits of client ID for CDSL account or folio number for shares held in physical form. The .pdf file contains your 'User ID' and your 'initial password'.

(ii) If your email ID is not registered, please follow steps mentioned below in process for those shareholders whose email ids are not registered.

6. If you are unable to retrieve or have not received the "Initial password" or have forgotten your password:

a) Click on "**Forgot User Details/Password?**" (If you are holding shares in your demat account with NSDL or CDSL) option available on [www.evoting.nsd.com](http://www.evoting.nsd.com).

b) **Physical User Reset Password?** (If you are holding shares in physical mode) option available on [www.evoting.nsd.com](http://www.evoting.nsd.com).

c) If you are still unable to get the password by aforesaid two options, you can send a request at [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in) mentioning your demat account number/folio number, your PAN, your name and your registered address.

d) Members can also use the OTP (One Time Password) based login for casting the votes on the e-Voting system of NSDL.

7. After entering your password, tick on Agree to "Terms and Conditions" by selecting on the check box.

8. Now, you will have to click on "Login" button.

9. After you click on the "Login" button, Home page of e-Voting will open.

Details on Step 2 is given below:

**How to cast your vote electronically on NSDL e-Voting system?**

1. After successful login at Step 1, you will be able to see the Home page of e-Voting. Click on e-Voting. Then, click on Active Voting Cycles.
2. After click on Active Voting Cycles, you will be able to see all the companies "EVEN" in which you are holding shares and whose voting cycle is in active status.
3. Select "EVEN" of company for which you wish to cast your vote.
4. Now you are ready for e-Voting as the Voting page opens.
5. Cast your vote by selecting appropriate options i.e. assent or dissent, verify/modify the number of shares for which you wish to cast your vote and click on "Submit" and also "Confirm" when prompted.
6. Upon confirmation, the message "Vote cast successfully" will be displayed.
7. You can also take the printout of the votes cast by you by clicking on the print option on the confirmation page.
8. Once you confirm your vote on the resolution, you will not be allowed to modify your vote.

**General Guidelines for shareholders**

- 1 Institutional shareholders (i.e. other than individuals, HUF, NRI etc.) are required to send scanned copy (PDF/JPG Format) of the relevant Board Resolution/ Authority letter etc. with attested specimen signature of the duly authorized signatory(ies) who are authorized to vote, to the Scrutinizer by e-mail to cschintanpatel@gmail.com with a copy marked to evoting@nsdl.co.in.
2. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential. Login to the e-voting website will be disabled upon five unsuccessful attempts to key in the correct password. In such an event, you will need to go through the "Forgot User Details/Password?" or "Physical User Reset Password?" option available on www.evoting.nsdl.com to reset the password.
3. In case of any queries, you may refer the Frequently Asked Questions (FAQs) for Shareholders and e-voting user manual for Shareholders available at the download section of www.evoting.nsdl.com or call on toll free no.: 1800-222-990 or send a request at evoting@nsdl.co.in.

**Process for those shareholders whose email ids are not registered with the depositories for procuring user id and password and registration of e mail ids for e-voting for the resolutions set out in this notice:**

**In case shares are held in physical mode:**

Please update your email id by providing the required details on web link provided as "REGISTER YOUR EMAIL ID" on the website of the company www.gnrl.in

**In case shares are held in demat mode:**

Please contact your Depository Participant (DP) and register your email address and bank account details in your demat account, as per the process advised by your DP.

**THE INSTRUCTIONS FOR MEMBERS FOR e-VOTING ON THE DAY OF THE AGM ARE AS UNDER:-**

1. The procedure for e-Voting on the day of the AGM is same as the instructions mentioned above for remote e-voting.
2. Only those Members/ shareholders, who will be present in the AGM through VC/OAVM facility and have not casted their vote on the Resolutions through remote e-Voting and are otherwise not barred from doing so, shall be eligible to vote through e-Voting system in the AGM.
3. Members who have voted through Remote e-Voting will be eligible to attend the AGM. However, they will not be eligible to vote at the AGM.
4. The details of the person who may be contacted for any grievances connected with the facility for e-Voting on the day of the AGM shall be the same person mentioned for Remote evoting.

**INSTRUCTIONS FOR MEMBERS FOR ATTENDING THE AGM THROUGH VC/OAVM ARE AS UNDER:**

1. Member will be provided with a facility to attend the AGM through VC/OAVM through the NSDL e-Voting system. Members may access the same at <https://www.evoting.nsdl.com> under shareholders/members login by using the remote e-voting credentials. The link for VC/OAVM will be available in shareholder/members login where the EVEN of Company will be displayed.  
Members who do not have the User ID and Password for e-Voting or have forgotten the User ID and Password may retrieve the same by following the remote e-Voting instructions mentioned in the notice to avoid last minute rush. Further members can also use the OTP based login for logging into the e-Voting system of NSDL.
2. Members are encouraged to join the Meeting through Laptops for better experience.
3. Further Members will be required to allow Camera and use Internet with a good speed to avoid any disturbance during the meeting.
4. Please note that Participants Connecting from Mobile Devices or Tablets or through Laptop connecting via Mobile Hotspot may experience Audio/Video loss due to Fluctuation in their respective network. It is therefore recommended to use Stable Wi-Fi or LAN Connection to mitigate any kind of aforesaid glitches.
5. Shareholders who would like to express their views/have questions may send their questions in advance at least 10 days before the AGM mentioning their name, demat account number/folio number, email id, mobile number at [sheetal@gnrl.in](mailto:sheetal@gnrl.in). The same will be replied by the company suitably.
6. Shareholders who would like to express their views or have questions may send their questions in advance, mentioning their Name, Demat account number, Folio Number, mobile number and e-mail address at [sheetal@gnrl.in](mailto:sheetal@gnrl.in) from September 18, 2020 (9:00 a.m. IST) to September 22, 2020 (5:00 p.m. IST). Those Members who have registered themselves as a speaker will only be allowed to express their views/ask questions during the AGM. The Company reserves the right to restrict the number of speakers depending on the availability of time for the AGM.

## Directors' Report

Dear Members,

Your Directors have pleasure in presenting the 29<sup>th</sup> Annual Report on the business and operations of the Company and the Audited Accounts for the Financial Year ended 31<sup>st</sup> March, 2020.

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

(₹ in Lacs)

Particulars	Standalone		Consolidated	
	Year ended 31/03/2020	Year ended 31/03/2019	Year ended 31/03/2020	Year ended 31/03/2019
Sales & Other Income	359.79	10.02	1131.36	813.80
Exceptional Items	0.00	0.00	0.00	0.00
Expenditure	351.26	60.28	950.41	603.05
Profit Before Depreciation and Tax	8.53	(50.26)	180.95	210.75
Depreciation & amortisation expense	0.23	0.28	421.26	466.23
Extraordinary Item	2522.30	0.00	2522.30	0.00
Taxation	0.00	0.00	(16.55)	30.48
Deferred Tax	0.00	0.00	(0.04)	(7.81)
<b>Net Profit (Loss) for the year</b>	<b>(2514)</b>	<b>(50.54)</b>	<b>(2746.02)</b>	<b>(232.80)</b>

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 2019-20.

**3. SHARE CAPITAL:**

The authorized share capital of the company as on March 31, 2020 was ₹ 65,00,00,000 divided into 6,50,00,000 equity shares of ₹10/- each.

The paid up share capital of the company as on April 1, 2019 was ₹ 38,75,16,450/- divided into 3,87,51,645 equity shares of ₹10/- each. The Company had on June 25, 2018, allotted 2,40,00,000 fully convertible warrants of face value of ₹10/- each at price of ₹ 22/- per warrant on preferential allotment basis. Out of the above 60,00,000 warrants were converted into equity shares on October 4, 2019 and 1,15,00,000 warrants were converted into equity shares on December 21, 2019. The paid up share capital of the company after the herein before referred conversion of warrants and as on March 31, 2020 stood at ₹ 56,25,16,450/- divided into 5,62,51,645 equity shares of ₹10/- each.

**4. RESERVES:**

Reserves & Surplus at the end of the year stood at Rs. 4210.67 lakhs as compared to Rs. 5587.17 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 were no research activities carried out during the year as well as no foreign exchange income or outgo during the year.











































ANNEXURE – IV TO THE DIRECTORS REPORT

## FORM NO. MR-3

## SECRETARIAL AUDIT REPORT

FOR THE FINANCIAL YEAR ENDED 31<sup>ST</sup> MARCH, 2020

*[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 3<sup>rd</sup> 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 31<sup>st</sup> March, 2020 complied with the statutory provisions listed hereunder and also that the Company has proper Board processes and compliance mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

I have examined the books, papers, minute books, forms and returns filed and other records maintained by **Gujarat Natural Resources Limited** (the Company) for the financial year ended on 31<sup>st</sup> March, 2020 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, 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, 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 31<sup>st</sup> March, 2019.  
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 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.**

**The Company had not complied with the regulation 24 (1) of SEBI (LODR) Regulations, 2015. The Company had not appointed at least one independent director on the board of directors of an unlisted material subsidiary/ies i.e. (1) Heramec Oil & Gas (Singapore) Pte Ltd. (2) GNRL Oil & Gas Ltd. (Formerly Heramec Ltd).**

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, Out of the above 60,00,000 warrants were converted into equity shares on October 4, 2019 and 1,15,00,000 warrants were converted into equity shares on December 21, 2019 during the year under review. Remaining 65 lacs warrants were forfeited upon expiry of 18 months from the date of allotment and upon not exercising their right/entitlement for conversion of warrants by the warrant holders.

**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 : 4<sup>th</sup> September, 2020**

**Sd/-**

**Chintan K. Patel**

**Practicing Company Secretary**

**UDIN: A031987B000662221**

**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 : 4<sup>th</sup> September, 2020**

**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, 2020.**

I, **Chintan K. Patel, Practicing Company Secretary** 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, 2020 (“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 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 except in respect of matters specified below:

Sr. No.	Compliance Requirement (Regulations / circulars / guidelines including specific clause)	Deviations	Observations / Remarks of the Practicing Company Secretary
1	As per regulation 24 (1) of SEBI (LODR) Regulations, 2015 at least one independent director on the board of directors of the listed entity shall be a director on the board of directors of an unlisted material subsidiary, whether incorporated in India or not.	The Company had not appointed at least one independent director on the board of directors of an unlisted material subsidiary/ies i.e. (1) Heramec Oil & Gas (Singapore) Pte Ltd. (2) GNRL Oil & Gas Ltd. (Formerly Heramec Ltd)	The Company had not complied with the regulation 24 (1) of SEBI (LODR) Regulations, 2015. The Company had not appointed at least one independent director on the board of directors of an unlisted material subsidiary/ies i.e. (1) Heramec Oil & Gas (Singapore) Pte Ltd. (2) GNRL Oil & Gas Ltd. (Formerly Heramec Ltd).

- (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) No observation made in the previous report hence no action required to be taken by the listed entity to comply with the observations made in previous reports.

**NOTE: As safety measure Physical verification of the documents could not be done due to the Pandemic Covid-19.**

**Place: Ahmedabad**

**Date: July 31, 2020**

**Chintan K. Patel**  
**Practicing Company Secretary**  
**UDIN: A031987B000538152**  
**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 (upto 5 <sup>th</sup> May, 2020)	Independent, Non Executive Director	Director
Ms. Payal P. Pandya	Independent, Non Executive Director	Director
Chitra J. Thaker (w.e.f. 30 <sup>th</sup> July, 2020)	Independent, Non Executive Director	Director

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

During the financial year 2019-20, **11 (Eleven)** Board Meetings were held on 30/05/2019, 13/06/2019, 26/06/2019, 14/08/2019, 04/10/2019, 14/11/2019, 21/12/2019, 24/12/2019, 27/01/2020, 14/02/2020 and 24/02/2020.

The composition of Directors and the attendance at the Board Meeting during the year 2019-2020 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	10	Yes
Mr. Ashok C. Shah	Director/ Chairman	6	--	2	11	Yes
Mr. Malav Mehta	Director	8	--	--	11	No
Mr. Pravinbhai V. Trivedi	Independent Director	None	2	1	7	No
Ms. Sarika A. Kulkarni	Independent Director	None	--	--	10	No
Ms. Payal Pandya	Independent Director	2	1	2	11	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

\* Mr. 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, Chairperson of the Audit Committee, was present at the last Annual General Meeting held on September 30, 2019. 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.

Audit Committee meetings were held on 30/05/2019, 14/08/2019, 14/11/2019 and 14/02/2020. 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 31<sup>st</sup> March, 2020 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

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

Committee Members	Meetings held	Meetings attended
Mr. Pravin V. Trivedi	4	4

Mr. Ashok C. Shah	4	4
Mrs. Payal Pandya	4	4

There is appointment of Chief Financial Officer as key managerial personnel of the Company during the year. Meetings of Nomination and Remuneration Committee were held on 14/08/2019, 14/11/2019, 27/01/2020 and 14/02/2020.

### 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 31<sup>st</sup> March, 2020 is as follows:

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

##### B. Non Executive Directors

No sitting fees have been paid to Non – Executive Directors for attending any meetings during the financial year ended 31<sup>st</sup> March, 2020.

#### C. STAKEHOLDERS' RELATIONSHIP COMMITTEE:

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

Composition of committee as on 31<sup>st</sup> March, 2020 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. Meetings of Stakeholders' Relationship Committee were held on 30/05/2019, 14/08/2019, 14/11/2019 and 14/02/2020.

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

No. of Shareholders' complaints received during the year: 0

No. of complaints solved to the satisfaction of shareholders: 0

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 February 29, 2020, 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 reasonably perform its duties.

All Independent Directors were present at the Meeting.

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

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

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

None of the non-executive non- promoter directors of the Company holds any shares in the Company as on 31.03.2020.

#### 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 31<sup>st</sup> March, 2019 held on 30<sup>th</sup> September, 2019 and for the Extra-Ordinary General Meeting held on 27<sup>th</sup> February, 2020. The Company had appointed Chintan K. Patel, Practicing Company Secretary 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
2016-17	29 <sup>th</sup> September, 2017	12:00 noon	8, Sigma Corporate, Nr. Mann Party Plot, S. G. Highway, Ahmedabad – 380 059	-
2017-18	29 <sup>th</sup> September, 2018	11:00 A.M.	8, Sigma Corporate, Nr. Mann Party Plot, S. G. Highway, Ahmedabad – 380 059	2
2018-19	30 <sup>th</sup> September, 2019	11:00 A.M.	3rd Floor, A Wing, Gopal Palace, Opp. Ocean Park, Nr. Nehru Nagar, Satellite Road, Ahmedabad - 380015	2

No Resolutions were put through postal ballot.

One Extra-Ordinary General Meeting was held on 27<sup>th</sup> February, 2020 during the year 2019-20 and 2 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 31<sup>st</sup> March, 2017, 31<sup>st</sup> March, 2018 and 31<sup>st</sup> March 2019 and at the Extra-Ordinary General Meeting held on 27<sup>th</sup> February, 2020.

#### 8. DEMAT / REMAT OF SHARES

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

- |    |                                   |      |
|----|-----------------------------------|------|
| a) | Number of Demat requests approved | 10   |
| b) | Number of Shares Dematerialized   | 4400 |

c)	Percentage of Shares Dematerialized	0.008%
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:

- i. There are no materially significant related party transactions that may have potential conflict with the interest of the Company at large.
- ii. There were no instances of non-compliance nor have any penalties/strictures imposed by Stock Exchanges or SEBI or any other statutory authority on any matters related to capital market, during last 3 financial years.
- iii. Whistle Blower Policy  
In terms of SEBI Listing Regulations, the Company has established vigil mechanism for directors, employees and other stakeholders to report concerns about unethical behavior, actual or suspected fraud or violation of the Company's code of conduct or ethical policy.  
([www.gnrl.in/Whistle\\_Blower\\_Policy.pdf](http://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](http://www.gnrl.in/Policy_on_Material_Subsidiaries.pdf)) and policy on dealing with related party transactions ([www.gnrl.in/Related\\_Party\\_Transaction\\_Policy.pdf](http://www.gnrl.in/Related_Party_Transaction_Policy.pdf))
- 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 BSE 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:** 30<sup>th</sup> September, 2020

**Time:** 11:30 a.m.

The AGM will be held through video conferencing.

**Dividend payment date:** No dividend recommended for the F.Y. 2019-20.

##### b. Calendar of Financial Year ended 31<sup>st</sup> March, 2020

The meetings of Board of Directors for approval of quarterly financial results during the Financial Year ended 31<sup>st</sup> March, 2020 were held on the following dates:

**First Quarter Results:** 14<sup>th</sup> August, 2019

**Second Quarter and Half yearly Results:** 14<sup>th</sup> November, 2019

**Third Quarter Results:** 14<sup>th</sup> February, 2020

**Fourth Quarter and Annual Results:** 30<sup>th</sup> July, 2020

c. **Tentative Calendar for financial year ending 31<sup>st</sup> March, 2021**

Unaudited Results for the quarter ended 30/06/2020	Second Week of September, 2020
Unaudited Results for the quarter ended 30/09/2020	Second Week of November, 2020
Unaudited Results for the last quarter ended 31/12/2020	Second Week of February 2021
Audited Results for the quarter ended 31/03/2021	Fourth Week of May 2021
Annual General Meeting for the year ending 31 <sup>st</sup> March, 2021	September, 2021

d. **Date of Book Closure**

27<sup>th</sup> September, 2020 to 30<sup>th</sup> September, 2020 (both days inclusive) for Annual General Meeting.

e. **Regd. Office**

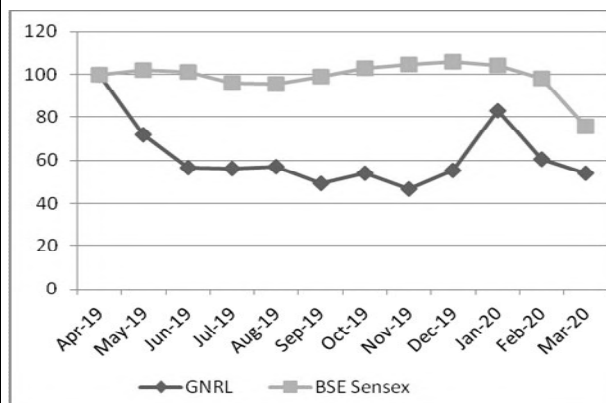
3rd Floor, A Wing, Gopal Palace, Opp. Ocean Park, Nr. Nehru Nagar,  
Satellite Road, Ahmedabad – 380015

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, 2019	16.9	10.04
May, 2019	16.7	12
Jun, 2019	11.6	9.45
Jul, 2019	9.5	9.4
Aug, 2019	10.5	9.5
Sep, 2019	9.5	8.22
Oct, 2019	9.51	8.22
Nov, 2019	8.59	7.77
Dec, 2019	9.24	8
Jan, 2020	16.18	9.4
Feb, 2020	13.55	10.11
Mar, 2020	10.11	9.03

**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 31<sup>st</sup> March, 2020 is as under:**

Slab of Shareholdings	No. of Shareholder	% of Shareholder	No. of Shares	Amount (in ₹)	% of Capital
1-500	5525	86.46	1106119	11061190	1.97
501-1000	446	6.98	379720	3797200	0.68
1001-2000	156	2.44	235800	2358000	0.42
2001-3000	57	0.89	146938	1469380	0.26
3001-4000	29	0.45	102858	1028580	0.18
4001-5000	20	0.31	91586	915860	0.16
5001-10000	45	0.7	316927	3169270	0.56
10001 and above	112	1.75	53871697	538716970	95.77
<b>TOTAL</b>	<b>6390</b>	<b>100</b>	<b>56251645</b>	<b>562516450</b>	<b>100</b>

**k. Dematerialization of Shares and liquidity**

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

<b>Issued, Subscribed and Paid up Capital as on March 31, 2020</b>	:	56251645
A. Electronic Holding in NSDL	:	17818379
B. Electronic Holding in CDSL	:	36973258
C. Physical Holding	:	1460008

**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. Out of these 2.4 crore warrants 1.75 crore warrants were converted into equal number of equity shares of face value of Rs. 10/- each at a premium of Rs. 12/- per equity share during the year upon exercise of right to subscribe for equity shares by the Warrant holders. Remaining 65 lacs warrants were forfeited upon expiry of 18 months from the date of allotment and upon not exercising their right/entitlement for conversion of warrants 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 Sharegistry (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 Sharegistry (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:  
During the year 1.75 crore warrants were converted into equal number of equity shares. The funds amounting to Rs. 28.875 crores raised upon conversion of convertible warrants issued on preferential allotment is used for general corporate purpose. As there is no deviations, in the use of proceeds from the objects stated in the explanatory statement to the notice for the general meeting no explanation in this regards is applicable to be given in the Directors' Report.
- 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. 5,53,450/- 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: 4<sup>th</sup> September, 2020

For and on behalf of the Board

Sd/-	Sd/-
Ashok C. Shah	Shalin A. Shah
Director	Managing Director
DIN: 02467830	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 2019-20.

**Place: Ahmedabad**  
**Date: 4<sup>th</sup> September, 2020**

**For and on behalf of the Board**

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

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

**ANNEXURE – VI TO THE DIRECTORS REPORT**

**CORPORATE GOVERNANCE CERTIFICATE**

To  
The Members  
**GUJARAT NATURAL RESOURCES LIMITED**

We have examined the compliance of conditions of Corporate Governance by Gujarat Natural Resources Limited ('the Company') for the year ended on 31<sup>st</sup> March, 2020, 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, **Except Company had not complied with the regulation 24 (1) of SEBI (LODR) Regulations, 2015. The Company had not appointed at least one independent director on the board of directors of an unlisted material subsidiary/ies i.e. (1) Heramec Oil & Gas (Singapore) Pte Ltd. (2) GNRL Oil & Gas Ltd. (Formerly Heramec Ltd).**

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 : 4<sup>th</sup> September, 2020**

**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<sup>st</sup> March, 2020. 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 : 4<sup>th</sup> September, 2020**

**Sd/-**

**Chintan K. Patel**

**Practicing Company Secretary**

**UDIN: A031987B000662243**

**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 2019-20 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: 4<sup>th</sup> September, 2020**

**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	2019-20	2019-20	2019-20	2019-20	2019-20	2019-20
4	Reporting currency and Exchange rate as on the last date of the relevant Financial year	INR	USD	USD	USD	USD	USD
5	Share capital	102,900,000	50	4,82,000	10,000	40,82,000	9100
6	Reserves & surplus	280,956	2,512,322	NIL	NIL	(75,168)	NIL
7	Total assets	750,612,500	1,23,00,639	4,82,000	1,83,284	4,006,832	2,55,218
8	Total Liabilities	750,612,500	1,23,00,639	4,82,000	1,83,284	4,006,832	2,55,218
9	Investments	348,187,569	NIL	NIL	NIL	NIL	NIL
10	Turnover	19,45,330	10,62,321	NIL	NIL	NIL	NIL
11	Profit before taxation	(100,676)	(341,606)	NIL	NIL	(6,003)	NIL
12	Provision for taxation	(177,041)	60,393	NIL	NIL	NIL	NIL
13	Profit after taxation	(277,717)	(2,81,212)	NIL	NIL	(6,003)	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

UDIN:20163940AAAAIN6830

### To the Members of Gujarat Natural Resources Limited

#### Opinion

We have audited the accompanying financial statements of **Gujarat Natural Resources Limited** ("the Company"), which comprise the balance sheet as at March 31, 2020, and the Statement of Profit and Loss and statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the **Companies Act, 2013** ('Act') in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2020, its loss and cash flows for the year ended on that date.

#### Basis for opinion

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Companies Act, 2013, as amended ("the Act). Our responsibilities under those Standards are further described in the "Auditor's Responsibilities for the Audit of the Standalone Financial Results" section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Act and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence obtained by us is sufficient and appropriate to provide a basis for our opinion.

#### Emphasis of Matter:

- The company has in past granted/renewed loans and advances to other companies, which has been identified as non- performing asset. Accordingly, company has not recognized any income from the same. In the opinion of directors, the process of recovery is going on and the same is not fully doubtful of recovery. However in our opinion company needs to make provision for such long outstanding nonperforming assets amounting to **Rs. 206.17 lacs**. Due to non-provision in this regard the debit balance of profit & loss account is under stated and balance of loans and advances is overstated by the said sum. This matter has been already emphasized by previous auditor.
- The company is carrying Pre-Operative Expenses of Rs. 3,50,11,249.34/- 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. 3,50,11,249.34/-** needs to be written off in the forthcoming financial years.

#### Management's Responsibility for the Financial Statements

The Statement has been prepared on the basis of the annual standalone financial statements for the year ended March 31, 2020. The Board of Directors of the Company are responsible for the preparation and presentation of the Statement that give a true and fair view of the loss and other comprehensive income and other financial information in accordance with the applicable accounting standards prescribed under Section 133 of the Act read with relevant rules issued there under and other accounting principles generally accepted in India and in compliance with Regulation 33 of the Listing Regulations, This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the 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 Statement that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing Statement, the Board of Directors are responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Board of Directors either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

The Board of Directors are also responsible for overseeing the Company's financial reporting process.

**Auditor's Responsibilities for the Audit of the Standalone Financial Results**

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.

**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, 2020, taken on record by the Board of Directors, none of the directors is disqualified as on 31<sup>st</sup> March, 2020, 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 : 30/07/2020

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### **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, 2020 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, 2020.

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

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

Place : Ahmedabad

Date : 30/07/2020

**Reports under The Companies (Auditor's Report) Order, 2016 (CARO 2016) for the year ended on 31st March 2020**

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.

**(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, 2020.

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 made Conversion of Warrants to Equity Shares during the year under review. Accordingly, the provisions of clause 3 (xiv) of the Order are not applicable to the Company and hence not commented upon

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

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

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

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

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

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

Place : Ahmedabad

Date : 30/07/2020



## BALANCE SHEET AS AT 31/03/2020

Particulars	Note No.	As at 31 <sup>st</sup> March, 2020	As at 31 <sup>st</sup> March, 2019
<b>ASSETS</b>			
<b>1 Non-current Assets</b>			
(a) Property, Plant and Equipment	1	1,29,264	1,01,152
(b) Other Intangible assets		-	-
(c) Capital work in progress	1	881	881
(d) Intangible assets under development		-	-
(e) Financial Assets :			
i) Investments	2	15,43,50,000	34,18,73,517
ii) Loans	3	53,50,097	2,55,19,581
(f) Deferred tax assets (Net)		-	-
(g) Other non-current assets	4	3,62,91,962	3,62,91,962
<b>Total Non-current Assets</b>		<b>19,61,22,204</b>	<b>40,37,87,093</b>
<b>2 Current Assets</b>			
(a) Inventories		-	-
(b) Financial Assets :			
i) Investments		-	-
ii) Trade Receivables	5	1,13,59,152	7,50,91,384
iii) Cash & Cash Equivalents	6	14,50,407	31,14,784
iv) Loans	7	87,95,77,203	67,00,98,555
v) Other Financial Assets		-	-
(c) Other Current Assets		-	-
<b>Total - Current Assets</b>		<b>89,23,86,762</b>	<b>74,83,04,723</b>
<b>Total Assets</b>		<b>1,08,85,08,966</b>	<b>1,15,20,91,816</b>
<b>Equity &amp; Liabilities</b>			
<b>1. Equity</b>			
(a) Share Capital	8	56,25,16,450	38,75,16,450
(b) Other Equity	9	42,10,66,549	55,87,16,600
<b>Total Equity</b>		<b>98,35,82,999</b>	<b>94,62,33,050</b>
<b>2. Liabilities</b>			
<b>A) Non Current Liabilities</b>			
(a) Financial Liabilities			
i) Borrowings		-	-
(b) Deferred Tax Liabilities (Net)		-	-
(c) Other Non Current Liabilities		-	-
<b>Total Non- Current Liabilities</b>		<b>-</b>	<b>-</b>
<b>B) Current Liabilities</b>			
(a) Financial Liabilities			
i) Borrowings	10	2,12,53,506	12,05,66,506
ii) Trade Payables	11	8,12,59,457	8,12,59,457
iii) Other Financial Liabilities		-	-
(b) Other Current Liabilities	12	21,63,504	37,95,804
(c) Short Term Provisions	13	2,49,500	2,37,000
<b>Total Current Liabilities</b>		<b>10,49,25,967</b>	<b>20,58,58,767</b>
<b>Total Equity &amp; Liabilities</b>		<b>1,08,85,08,966</b>	<b>1,15,20,91,816</b>
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 : 30/07/2020

Shalin A. Shah

Managing Director

DIN : 00297447

Hitesh Donga

CFO

Sheetal Pandya

Company Secretary

CA. Mitt S. Patel

Partner

Membership No. 163940

**STATEMENT OF PROFIT & LOSS ACCOUNT FOR THE PERIOD FROM 01-04-2019 TO 31-03-2020**

Particulars	Note No.	2019-20	2018-19
I Revenue From Operations	14	3,49,87,680	-
II Other Income	15	9,91,560	10,02,333
<b>III Total Revenue (I+II)</b>		<b>3,59,79,240</b>	<b>10,02,333</b>
<b>IV Expenses</b>			
Purchase of Stock in Trade	16	2,96,45,280	-
Changes in Inventories		-	-
Employee Benefit Expenses	17	38,76,329	38,36,530
Finance Costs	18	12,634	35
Depreciation & Amortisation Expenses	19	23,521	28,201
Other Expenses	20	15,91,423	21,92,006
<b>Total Expenses</b>		<b>3,51,49,187</b>	<b>60,56,772</b>
<b>V Profit Before Exceptional &amp; Extraordinary Items &amp; Tax (III-IV)</b>		<b>8,30,053</b>	<b>(50,54,439)</b>
VI Exceptional Items			-
<b>VII Profit Before Extraordinary Items &amp; Tax</b>		<b>8,30,053</b>	<b>(50,54,439)</b>
Extraordinary Items		25,22,30,103	-
<b>VIII Profit Before Tax</b>		<b>(25,14,00,050)</b>	<b>(50,54,439)</b>
<b>IX Tax Expenses</b>			
Current Tax/ Interest on Income Tax/ Deferred Tax			
<b>X Profit/(Loss) for the period from Continuing Operations(IX-X)</b>		<b>(25,14,00,050)</b>	<b>(50,54,439)</b>
XI Profit/(Loss) from Discontinuing Operations			
XII Tax Expense of Discontinuing Operations			
<b>XIII Profit/(Loss) from Discontinuing Operations (after tax)(XII-XIII)</b>			-
<b>XIV Profit/(Loss) for the Period(XI+XIV)</b>		<b>(25,14,00,050)</b>	<b>(50,54,439)</b>
<b>XV Earning Per Equity Share</b>			
Basic		(4.47)	(0.13)
Diluted		(5.60)	(0.11)

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

For, Gujarat Natural Resources Limited

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

Ashok C. Shah

Director

DIN : 02467830

Place : Ahmedabad

Date : 30/07/2020

Shalin A. Shah

Managing Director

DIN : 00297447

Hitesh Donga

CFO

Sheetal Pandya

Company Secretary

CA. Mitt S. Patel

Partner

Membership No. 163940

**CASHFLOW STATEMENT FOR THE YEAR ENDED ON 31<sup>ST</sup> MARCH, 2020**

Particulars	2019-20	2018-19
<b>A Cash flow from Operating Activities</b>		
Net Profit Before Tax	<b>(25,14,00,050)</b>	<b>(50,54,439)</b>
Adjustments for:		
Add : Depreciation	23,521	28,201
Less : Exceeds Provision	-	-
Add : Interest Expenses	-	-
Operating Profit / (Loss) before Working Capital Changes	<b>(25,13,76,529)</b>	<b>(50,26,238)</b>
Adjustments for:		
Increase/(Decrease) in Trade Payable	-	-
Increase/(Decrease) in other current liabilities	(16,32,300)	1,57,499
Increase/(Decrease) in Short Term Borrowings	(9,93,13,000)	(7,76,92,000)
Increase/(Decrease) in Provisions	12,500	(5,500)
(Increase)/Decrease in Trade Receivables	6,37,32,232	(11,20,734)
(Increase)/Decrease in inventories	-	-
(Increase)/Decrease in Short term Loans & Advances	(20,94,78,648)	(4,67,70,071)
<b>Cashflow generated from Operating Activities</b>	<b>(49,80,55,745)</b>	<b>(13,04,57,045)</b>
Income Tax Paid ( Net of Refund)	-	-
<b>Net Cashflow generated from Operating Activities A</b>	<b>(49,80,55,745)</b>	<b>(13,04,57,045)</b>
<b>B Cash flow from Investment Activities</b>		
Purchase of Fixed Assets	(51,632)	-
Sale of Assets	-	-
Sale of Investments	18,75,23,517	-
Dividend Income	-	-
<b>Net Cashflow generated from Investments Activities B</b>	<b>18,74,71,885</b>	-
<b>C Cash flow from Financing Activities</b>		
Interest Expenses	-	-
Issue of Convertible Warrant	(9,62,50,000)	13,20,00,000
Increase/(Decrease) in Share Capital	38,50,00,000	-
(Increase)/Decrease in other non-current assets	-	(16,87,750)
(Increase)/Decrease in Long term loans & advances	2,01,69,484	11,733
Increase/(Decrease) in current liabilities & provisions	-	-
Net Change in Unsecured Loans Taken	-	-
<b>Net Cashflow generated from Financing Activities C</b>	<b>30,89,19,484</b>	<b>13,03,23,983</b>
<b>Net Change in Cash &amp; Cash Equivalents (A+B+C)</b>	<b>(16,64,376)</b>	<b>(1,33,062)</b>
Opening Cash & Cash Equivalents	31,14,784	32,47,845
<b>Closing Cash &amp; Cash Equivalents</b>	<b>14,50,407</b>	<b>31,14,784</b>

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 : 30/07/2020

Shalin A. Shah

Managing Director

DIN : 00297447

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, 2020

## A. EQUITY SHARE CAPITAL

Particulars	Amount in ₹			
	2019-20		2018-19	
	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	1,75,00,000	17,50,00,000	-	-
<b>Closing Balance at the end of Financial Year</b>	<b>5,62,51,645</b>	<b>56,25,16,450</b>	<b>3,87,51,645</b>	<b>38,75,16,450</b>

## B. OTHER EQUITY

Particulars	Reserves and Surplus				Total
	Security Premium	General reserve	Retained Earnings	Share Warrant	
	Balance as at 1 <sup>st</sup> April, 2018	43,33,33,445	5,28,683	(20,91,089)	
Change during the Year	-	-	(50,54,439)	-	(50,54,439)
Balance as at March 31, 2019	43,33,33,445	5,28,683	(71,45,528)	13,20,00,000	55,87,16,600
Change during the Year	21,00,00,000	-	(25,14,00,050)	(9,62,50,000)	(13,76,50,050)
Other comprehensive income	-	-	-	-	-
<b>Total Comprehensive Income / (loss) for the year</b>	<b>21,00,00,000</b>	<b>-</b>	<b>(25,14,00,050)</b>	<b>(9,62,50,000)</b>	<b>(13,76,50,050)</b>
Balance as at March 31, 2020	64,33,33,445	5,28,683	(25,85,45,578)	3,57,50,000	42,10,66,550

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 : 30/07/2020

Shalin A. Shah

Managing Director

DIN : 00297447

Hitesh Donga

CFO

Sheetal Pandya

Company Secretary

CA. Mitt S. Patel

Partner

Membership No. 163940

**1 PROPERTY, PLANT AND EQUIPMENT**

Particulars	Gross Block			Depreciation			Net Block			
	As at 01/04/2019	Addition	Deduction	As at 31/03/2020	As at 01/04/2019	Depreciation Charge	Deduction	As at 31/03/2020	As at 01/04/2019	As at 31/03/2020
Furniture & Fixtures	1244503	-	-	12,44,503	1237957.09	-	-	1237957.09	6545.91	6545.91
Office Equipments	787900	-	-	7,87,900	748504.84	-	-	748504.84	39395.16	39,395
Computer	138300	27,650	-	1,65,950	132713.97	4,940	-	1,37,653	5586.03	28,297
Air conditioner	75,500	-	-	75,500	25,875	14,344	-	40219	49625	35,281
Plant and Machinery	6,58,064	-	-	6,58,064	6,58,064	-	-	658064	0	-
Printer	-	23,982	-	23,982	-	4,237	-	4237	0	19,745
<b>Total Tangible Assets</b>	<b>29,04,267</b>	<b>51,632</b>	<b>-</b>	<b>29,55,899</b>	<b>28,03,115</b>	<b>23,521</b>	<b>-</b>	<b>28,26,635</b>	<b>1,01,152</b>	<b>1,29,264</b>

**2 INTANGIBLE ASSETS**

Particulars	Gross Block			Depreciation			Net Block			
	As at 01/04/2019	Addition	Deduction	As at 31/03/2020	As at 01/04/2019	Depreciation Charge	Deduction	As at 31/03/2020	As at 31/03/2019	As at 31/03/2020
Software	17,500	-	-	17,500	16,619	-	-	16,619	881	881
<b>Total Tangible Assets</b>	<b>17,500</b>	<b>-</b>	<b>-</b>	<b>17,500</b>	<b>16,619</b>	<b>-</b>	<b>-</b>	<b>16,619</b>	<b>881</b>	<b>881</b>

**2 Non Current Investments**

Particular	No. of Shares 2020	No. of Shares 2019	As at 31 <sup>st</sup> March, 2020	As at 31 <sup>st</sup> March, 2019
<b>(A) Other Investments - Quoted</b>			-	<b>18,75,23,517</b>
<b>(1) Investment in Equity Shares</b>				
Amrapali Capital & Finance Service Ltd (Equity Share of Rs. 10 each)	-	13,52,400	-	4,17,17,108
Amrapali Fincap Ltd (Equity Share of Rs. 10 each)	-	16,24,800	-	14,58,06,409
<b>(B) Other Investments - Un Quoted</b>			<b>15,43,50,000</b>	<b>15,43,50,000</b>
(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
<b>Total</b>			<b>15,43,50,000</b>	<b>34,18,73,517</b>
Market Value of the Quoted Shares			-	5,79,04,920
Market Value of the Un Quoted Shares			15,43,50,000	15,43,50,000

**3 Loan**

Particulars	As at 31 <sup>st</sup> March, 2020	As at 31 <sup>st</sup> March, 2019
<b>Unsecured, Considered Good</b>	11,82,946	57,97,152
Capital Advances	8,75,000	8,75,000
Balance with government Authorities	2,92,151	2,37,913
Other Advances	30,00,000	1,86,09,516
<b>Total</b>	<b>53,50,097</b>	<b>2,55,19,581</b>

**4 Other Non Current Assets**

Particulars	As at 31 <sup>st</sup> March, 2020	As at 31 <sup>st</sup> March, 2019
Preliminary Exp.	35,57,750	35,57,750
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
<b>Total</b>	<b>3,62,91,962</b>	<b>3,62,91,962</b>

**5 Trade Receivables**

Particulars	As at	
	31 <sup>st</sup> March, 2020	31 <sup>st</sup> March, 2019
Outstanding for less than 6 months from the due date Unsecured, considered good	1,13,59,152	11,20,734
Outstanding for more than 6 months from the due date Unsecured, considered good	-	7,39,70,650
<b>Total</b>	<b>1,13,59,152</b>	<b>7,50,91,384</b>

**6 Cash & Cash Equivalents**

Particulars	As at	
	31 <sup>st</sup> March, 2020	31 <sup>st</sup> March, 2019
<b>Cash on Hand</b>	88,836	19,93,993
<b>Balance with Banks</b>		
In Current account	3,31,568	90,787
Unpaid Divided account	10,30,004	10,30,003
<b>Total</b>	<b>14,50,407</b>	<b>31,14,784</b>

**7 Short Term Loans & Advances**

Particulars	As at	
	31 <sup>st</sup> March, 2020	31 <sup>st</sup> March, 2019
Advance Tax and Tds	-	-
Loan to Subsidiary Company	51,22,44,555	51,99,38,555
Loan to Corporate Body	36,73,32,648	15,01,60,000
Other Advances	-	-
<b>Total</b>	<b>87,95,77,203</b>	<b>67,00,98,555</b>

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

Particulars	As at 31st March, 2020		As at 31st March, 2019	
	No. of Shares	Amount	No. of Shares	Amount
<b>Authorised Share Capital</b>				
Equity Shares of Rs. 10 Each	6,50,00,000	65,00,00,000	6,50,00,000	65,00,00,000
<b>Total</b>				
<b>Issued Share Capital</b>				
Equity Shares of Rs. 10 Each	5,62,51,645	56,25,16,450	3,87,51,645	38,75,16,450
<b>Total</b>	<b>5,62,51,645</b>	<b>56,25,16,450</b>	<b>3,87,51,645</b>	<b>38,75,16,450</b>
<b>Subscribed &amp; Fully Paid</b>				
Equity Shares of Rs. 10 Each	5,62,51,645	56,25,16,450	3,87,51,645	38,75,16,450
<b>Total</b>	<b>5,62,51,645</b>	<b>56,25,16,450</b>	<b>3,87,51,645</b>	<b>38,75,16,450</b>

**2 Details of the Shares for the Preceding Five Years**

Particulars	01-04-2015 to 31-03-2020
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, 2020		As at 31st March, 2019	
	No. of Shares	Amount	No. of Shares	Amount
<b>Equity Shares</b> (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 converted from convertible warrants	1,75,00,000	17,50,00,000	-	-
<b>Shares Outstanding at the End of the Year</b>	<b>5,62,51,645</b>	<b>56,25,16,450</b>	<b>3,87,51,645</b>	<b>38,75,16,450</b>

**4 Share Holders Holding More than 5% Share**

Name of the Share Holders	As at 31st March, 2020		As at 31st March, 2019	
	No. of Shares	% of Holding	No. of Shares	% of Holding
Pranati Constructions Pvt Ltd	38,35,570	6.82	39,40,570	10.17
Algorab Power Projects Private Limited	-	-	38,57,145	9.95
Patron Energy Private Limited	38,01,570	6.76	38,01,570	9.81
Padma Real Infra Private Limited	-	-	21,71,000	5.60
Blowing Traders Private Limited	-	-	21,49,986	5.55
O3 Developers Private Limited	68,00,000	12.09	-	-
Dinesh Chhaganlal Thakkar	40,00,000	7.11	-	-
Goyenka Real Estate LLP	3857145	6.86	-	-



**9 Other Equity**

Particulars	As at	
	31 <sup>st</sup> March, 2020	31 <sup>st</sup> March, 2019
Convertible Warrant A/C	3,57,50,000	13,20,00,000
Securities Premium Account	64,33,33,445	43,33,33,445
Revaluation Reserve	5,28,683	5,28,683
<b>Profit &amp; Loss A/c</b>		
Opening balance	(71,45,528)	(20,91,089)
(-) Proposed Dividend	-	-
(-) Transfer of Current Year Profit/(Loss)	(25,14,00,050)	(50,54,439)
Closing balance	(25,85,45,578)	(71,45,528)
<b>Total</b>	<b>42,10,66,549</b>	<b>55,87,16,600</b>

**10 Short term Borrowings**

Particulars	As at	
	31 <sup>st</sup> March, 2020	31 <sup>st</sup> March, 2019
Loan from Subsidiary Company	2,04,53,506	2,04,53,506
Loan from Directors	6,00,000	28,13,000
Loan from Other	2,00,000	9,73,00,000
<b>Total</b>	<b>2,12,53,506</b>	<b>12,05,66,506</b>

**11 Trade Payables**

Particulars	As at	
	31 <sup>st</sup> March, 2020	31 <sup>st</sup> March, 2019
Due to Micro & Small Enterprises		
Trade Payable for Goods	8,12,59,457	8,12,59,457
<b>Total</b>	<b>8,12,59,457</b>	<b>8,12,59,457</b>

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 Act, 2006 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.

**12 Other Current Liabilities**

Particulars	As at	
	31 <sup>st</sup> March, 2020	31 <sup>st</sup> March, 2019
Statutory Dues	22,167	22,588
Unpaid Dividend	10,30,003	10,30,003
Other Payable	11,11,334	27,43,213
<b>Total</b>	<b>21,63,504</b>	<b>37,95,804</b>

**13 Short Term Provisions**

Particulars	As at 31 <sup>st</sup> March, 2020	As at 31 <sup>st</sup> March, 2019
Provision for Employee Benefits	2,49,500	2,37,000
<b>Total</b>	<b>2,49,500</b>	<b>2,37,000</b>

**14 Revenue from Operations**

Particulars	2019-20	2018-2019
<b>(A) Sale of Products</b>	3,49,87,680	-
(1) Sale of Goods	3,49,87,680	-
<b>Total</b>	<b>3,49,87,680</b>	-

**15 Other Income**

Particulars	2019-20	2018-2019
Commission Income	-	9,91,800
Interest Income	9,49,340	-
Other Income	5,593	3,654
Excess Provision	36,627	6,879
<b>Total</b>	<b>9,91,560</b>	<b>10,02,333</b>

**16 Purchase of Stock in Trade**

Particulars	2019-20	2018-2019
<b>(A) Purchase of Products</b>		
(1) Purchase of Goods	2,96,45,280	-
<b>Total</b>	<b>2,96,45,280</b>	-

**17 Employee Benefit Expenses**

Particulars	2019-20	2018-2019
Salary & Wages	20,76,329	20,36,530
Directors Remuneration	15,00,000	18,00,000
<b>Total</b>	<b>38,76,329</b>	<b>38,36,530</b>

**18 Finance Costs**

Particulars	2019-20	2018-2019
Interest Expense	-	-
Bank Charges	12,634	35
<b>Total</b>	<b>12,634</b>	<b>35</b>

**19 Depreciation**

Particulars	2019-20	2018-2019
Depreciation	23,521	28,201
<b>Total</b>	<b>23,521</b>	<b>28,201</b>

**20 Other Expenses**

Particulars	2019-20	2018-2019
Payment to Auditors *	75,000	75,000
Accounting Charges	1,14,400	1,13,600
Conveyance Exp	-	97,516
E Voting Charges	5,000	10,000
Repair & Maintenance Exps	27,855	76,400
Legal & Professional Charges	40,000	3,97,700
Office Exps	3,15,693	178,580
Preliminary Expense Written off	-	18,725
Telephone Exps	32,221	46,641
Share Transfer Charges	97,398	45,000
Share Listing Exps	5,71,846	6,10,750
Stationary & Printing Exp	31,268	1,00,672.1
ROC Fees	17,500	4,200
RTA Charges	9,000	50,000
Other Miscellaneous Expenses	2,54,243	1,98,697
<b>Total</b>	<b>15,91,423</b>	<b>21,92,006</b>
<b>*Payment to Auditors</b>		
For Audit Fees	75,000	75,000

**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, trading of goods and others. The company is listed on Bombay Stock Exchange.

- Statement of Compliance**

The Standalone Financial Statements comply, in all material aspects, with Indian Accounting Standards ('Ind AS') notified under Section 133 of the Companies Act, 2013 ('the Act') read with Rule 3 of the Companies (Indian Accounting Standards) Rules, 2015 and other relevant provisions of the Act.

Accordingly, the Company has prepared these Standalone Financial Statements which comprises of Balance Sheet as at 31 March 2020, the Statement of Profit and Loss, the Statement of Cash Flows and the Statement of Changes in Equity for the year ended as on that date, and accounting policies and other explanatory information.

- Basis for Preparation of Financial statements**

The Standalone Financial Statements have been prepared on the historical cost basis, except for certain financial instruments and defined benefit plans which are measured at fair value at the end of each reporting period. Historical cost is generally based on the fair value of the consideration given in exchange for goods and services. 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.

All assets and liabilities have been classified as current or non-current as per the Company's normal operating cycle and other criteria set out in the Schedule III to the Act

- **Current versus non-current classification**

The Company presents assets and liabilities in the balance sheet based on current/non-current classification. An asset is classified as current when it satisfies any of the following criteria:

- It is expected to be realised in, or is intended for sale or consumption in, the Company's normal operating cycle. it is held primarily for the purpose of being traded;
- it is expected to be realised within 12 months after the reporting date; or
- It is cash or cash equivalent unless it is restricted from being exchanged or used to settle a liability for at least 12 months after the reporting date.

All other assets are classified as non-current.

A liability is classified as current when it satisfies any of the following criteria:

- it is expected to be settled in the Company's normal operating cycle;
- it is held primarily for the purpose of being traded;
- it is due to be settled within 12 months after the reporting date; or the Company does not have an unconditional right to defer settlement of the liability for at least 12 months after the reporting date

Terms of a liability that could, at the option of the counterparty, result in its settlement by the issue of equity instruments do not affect its classification.

All other liabilities are classified as non-current.

Deferred tax assets and liabilities are classified as non-current assets and liabilities.

- **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 2019-20. For year 2018-19.

<b>Asset</b>	<b>Useful Life</b>
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**

- **Classification**

The Company classifies its financial assets in the following measurement categories:

- those to be measured subsequently at fair value (either through OCI, or through profit or loss), and
- those measured at amortised cost.
- those measured at carrying cost for equity instruments subsidiaries and joint ventures.

- **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 are classified as either financial liabilities or as equity in accordance with the substance of the contractual arrangement.

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 recorded at the proceeds received, net of direct issue costs.

#### **Equity instruments**

The Company subsequently measures all equity investments at fair value. Where the Company's management has elected to present fair value gains and losses on equity investments in OCI, there is no subsequent reclassification of fair value gains and losses to the Standalone Statement of Profit and Loss. When the financial asset is derecognised, the cumulative gain or loss previously recognised in OCI is reclassified to equity. Dividends from such investments are recognised in the Standalone Statement of Profit and Loss within other income when the Company's right to receive payments is established. Impairment losses (and reversal of impairment losses) on equity investments measured at FVTOCI are not reported separately from other changes in fair value.

#### **Financial liabilities**

The Company's financial liabilities comprise borrowings, trade payables and other liabilities. These are initially measured at fair value, net of transaction costs, and are subsequently measured at amortised cost using the EIR method. The EIR is a method of calculating the amortised cost of a financial liability and of allocating interest expense over the relevant period at effective interest rate. The effective interest rate is the rate that exactly discounts estimated future cash payments through the expected life of the financial liability, or, where appropriate, a shorter period.

#### **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.

- **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 Steel Product and Trading in goods. 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 recognised on temporary differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit. Deferred tax liabilities are recognised for all taxable temporary differences. Deferred tax assets are recognised for all deductible temporary differences to the extent that it is probable that taxable profits will be available against which those deductible temporary differences can be utilised. Such deferred tax assets and liabilities are not recognised if the temporary difference arises from the initial recognition (other than in a business combination) of assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit. In addition, deferred tax liabilities are not recognised if the temporary difference arises from the initial recognition of goodwill.

The carrying amount of deferred tax assets is reviewed at the end of each reporting year and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

- **Earnings per share**

The Company presents basic and diluted earnings per share (EPS) data for its ordinary shares. Basic earnings per share is computed by dividing the profit or loss after tax by the weighted average number of equity shares outstanding during the year. The weighted average number of equity shares outstanding during the year is adjusted for treasury shares, bonus issue, bonus element in a rights issue to existing shareholders, share split and reverse share split (consolidation of shares).

Diluted earnings per share is computed by dividing the profit/(loss) after tax as adjusted for dividend, interest and other charges to expense or income (net of any attributable taxes) relating to the dilutive potential equity shares, by the weighted average number of equity shares considered for deriving basic earnings per share and the weighted average number of equity shares which could have been issued on the conversion of all dilutive potential equity shares including the treasury shares held by the Company to satisfy the exercise of the share options by the employees

- **Impact of the COVID-19 pandemic on the business :**

The Company is engaged in the business of Oil & Gas exploration. The lockdown imposed from 23<sup>rd</sup> March 2020 was further extended by various announcements made by the Central and State Government around the time. Covid-19 pandemic has affected world economy badly and our Company is no exception. Crude oil prices dropped and demand for Oil also fell drastically.

Our business activity has not been shut down during the lockdown period as the Company was part of Government denominated indispensable services and the Company worked with reduced staff. Also work from home policy was adopted by the Company for those employees particularly administrative and management staff who could work from home during the entire period of lockdown.

The Company has been operational during the lockdown period.

- **Steps taken to ensure smooth functioning of operations;**

The Company has put in place strict monitoring procedure for combating Covid-19 pandemic. Following precautions and safety measures are taken:

- Thermal screening of all the employees and visitors;
- Sanitizing the premises and vehicles on regular basis;
- Maintenance of social distancing at all workplaces;
- Enforcing wearing of masks and regular cleaning of hands with soap water by all the employees and visitors;
- Regular update of the health of all the employees and their families.

- **Estimation of the future impact of COVID-19 on its operations**

These are early days and the Company is not in a position to measure with certainty the potential impact on operations but expects normalcy to be achieved only after a quarter. The circumstances are improving gradually.

- **Details of impact of COVID-19 on listed entity's:-**

- Capital and financial resources:** The Company does not foresee any impact on its capital and financial resources due to the COVID -19 pandemic.
- Profitability:** In view of the disrupted economic conditions, it is difficult to ascertain the profitability accurately.
- Liquidity position:** The Company is in comfortable liquidity position and is able to meet its debts and other fiscal commitments.
- Ability to service debt and other financing arrangements:** The Company has no long term debts from banks or financial institutions.
- Assets:** Company has secured all the assets and is in working condition.
- Internal financial reporting and control:** The Company has adequate internal financial reporting and control System. There are ample reporting and reviewing mechanisms for normal and extraordinary dealings.
- Supply chain:** There is disruption in the supply chain as some of the vendors have restarted their production partially and are ready to provide required supplies.
- Demand for its products:** The definitive impact of COVID-19 over the demand of our products is still not assessed accurately.

- **Existing contracts/agreements where non-fulfilment of the obligations by any party will have significant impact on Company's business:** None

- **Other relevant material updates about the Company's business:** No such material information at this point of time.

## 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	Hiteshkumar M Donga	CFO
6	Payal Punit Pandya	Director
7	Sarika A Kukrani	Director
8	Sheetal G Pandya	Company Secretary
9	O3 Developers Pvt 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)	
12	Gorlas Corporate Holding Ltd	
13	Heramec Oil & Gas (Singapore) Pte Ltd	Foreign Step-down Subsidiary Companies
14	Alkor Petro Overseas Ltd	
15	Gorlas Global Energy PLC	

➤ **Transactions with Related Parties**

Transactions that have taken place during the period April 1, 2019 to March 31, 2020 with related parties by the company stated below.

Sr. No.	Name	Nature of the Transaction	Amount 2019-20	Amount 2018-19
1	Shalin A. Shah	Loan Taken	9,22,000	27,80,000
		Loan Repaid	31,35,000	50,000
		<b>Closing Balance</b>	<b>6,00,000</b>	<b>28,13,000</b>
	Shalin A. Shah	Remuneration Payable	15,90,000	15,90,000
		Remuneration Paid	15,90,000	15,90,000
		<b>Closing Balance</b>	<b>1,32,500</b>	<b>1,32,500</b>
2	Hiteshkumar M Donga	Salary Payable	4,07,500	3,57,500
		Salary Paid	3,95,000	3,55,000
		<b>Closing Balance</b>	<b>40,000</b>	<b>27,500</b>

Sr. No.	Name	Nature of the Transaction	Amount 2019-20	Amount 2018-19
3	Sheetal G Pandya	Salary Payable	4,29,000	4,29,000
		Salary Paid	4,29,000	4,26,000
		<b>Closing Balance</b>	<b>33,000</b>	<b>33,000</b>
4	Sigma Oil & Gas Pvt. Ltd.	Loan Granted	NIL	12,95,00,000
		Loan Recovered	76,94,000	63,08,080
		<b>Closing Balance</b>	<b>51,22,44,555</b>	<b>51,99,38,555</b>
5	O3 Developers Pvt Ltd	Loan Taken	75,00,000	NIL
		Loan Paid	10,46,00,000	8,00,00,000
		<b>Closing Balance</b>	<b>2,00,000</b>	<b>9,73,00,000</b>

➤ **Payment to the Auditors**

Particulars	2019-20	2018-19
Audit Fees	75,000	75,000
Company Matter	0	0
Income Tax Fees	0	0
Others	0	0
<b>Total</b>	<b>75,000</b>	<b>75,000</b>

(Amount in Lacs)

Particulars	Oil & Gas Product		Trading of Goods		Others		Total	
	2019-20	2018-19	2019-20	2018-19	2019-20	2018-19	2019-20	2018-19
Segment Revenue	-	-	349.88	-	-	-	349.88	-
External Turnover	-	-	349.88	-	-	-	349.88	-
Inter Segment Turnover	-	-	-	-	-	-	-	-
Gross Turnover	-	-	-	-	-	-	349.88	-
<b>Less: GST Recovered</b>	-	-	-	-	-	-	-	-
Gross Turnover	-	-	349.88	-	-	-	349.88	-
<b>Segment Results before Interest &amp; Taxes</b>	-	-	53.43	-	9.92	10.02	63.35	10.02
<b>Less: Finance Cost &amp; Other un-allocable Expenditure</b>	-	-	-	-	-	-	(55.04)	(60.57)
Net Profit / (Loss) before Tax	-	-	-	-	-	-	8.31	(50.55)
<b>Less: Taxes</b>	-	-	-	-	-	-	-	-
Net Profit / (Loss) After Tax	-	-	-	-	-	-	8.31	(50.55)

➤ **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	31-03-2020	31-03-2019
Net Profit Attributable to share holders	(251,400,050)	(50,54,439)
Weighted average number of equity shares (Nos.)	4,48,76,303	3,87,51,645
Basic earnings per share (Rs.)	(4.47)	(0.13)
Diluted earnings per share (Rs.)	(5.60)	(0.11)
Nominal value of equity share (Rs.)	10	10

➤ **Details of loan made during the year 2019-20 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	7,65,00,000	Business	Short Term Advances – On Demand
Shivaansh Estates Pvt Ltd	Loan Given	6,45,20,000	Business	Short Term Advances – On Demand
Chhattarpur Occassions Pvt Ltd	Loan Given	6,60,00,000	Business	Short Term Advances-On Demand
Emerald Vision LLP	Loan Given	4,95,00,000	Business	Short Term Advances-On Demand
Mangaldas Finance	Loan Given	2,00,00,000	Business	Short Term Advances-On Demand
Newworth Vyapaar Pvt Ltd	Loan Given	358,12,648	Business	Short Term Advances-On Demand
Umang Trading Pvt Ltd	Loan Given	5,00,00,000	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, 2020	As at 31st March, 2019
<b>Total equity attributable to the</b>		
equity share holders of the company	562,516,450	387,516,450
As percentage of total capital	76.74%	76.74%
Current loans and borrowings	21,253,506	120,566,506
Non-current loans and borrowings	-	-
Total loans and borrowings	21,253,506	120,566,506
Cash and cash equivalents	1,450,407	3,114,784

Particulars	As at	As at
	31st March, 2020	31st March, 2019
Net loans & borrowings	1,98,03,099	117,451,722
As a percentage of total capital	23.26%	23.26%
<b>Total capital (loans and borrowings and equity)</b>	<b>76,054,744</b>	<b>504,968,172</b>

➤ **Fair Value measurements**

**A. Financial instruments by category**

Particulars	As at 31st March, 2020			As at 31st March, 2019		
	Amortized Cost	FVTPL	FVTOCI	Amortized Cost	FVTPL	FVTOCI
<b>Financial Asset</b>						
Investment	-	154,350,000	-	-	34,18,73,517	-
Non Current Loans	53,50,097	-	-	2,55,19,581	-	-
Trade receivables	11,359,152	-	-	7,50,91,384	-	-
Cash & Cash Equivalents	1,450,407	-	-	31,14,784	-	-
Current Loans	879,577,203	-	-	67,00,98,555	-	-
<b>Total Financial Asset</b>	<b>89,77,36,859</b>	<b>154,350,000</b>	<b>-</b>	<b>77,38,24,304</b>	<b>34,18,73,517</b>	<b>-</b>
<b>Financial Liabilities</b>						
Borrowings	21,253,506	-	-	12,05,66,506	-	-
Trade Payables	8,12,59,457	-	-	8,12,59,457	-	-
Other Financial Liabilities	-	-	-	-	-	-
<b>Total Financial Liabilities</b>	<b>102,512,963</b>	<b>-</b>	<b>-</b>	<b>20,18,25,963</b>	<b>-</b>	<b>-</b>

\* 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, 2020**

	Level 1	Level 2	Level 3	Total
<b>Financial Assets</b>				
Investment	154,350,000	-	-	154,350,000

**Financial assets measured at fair value at March 31, 2019**

	Level 1	Level 2	Level 3	Total
<b>Financial Assets</b>	34,18,73,517	-	-	34,18,73,517
Investment				

**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
<b>Considered for Goods</b>				
0-12 Months	11,359,152	0	0	11,359,152
More than 1 Year	0	0	0	0
<b>Total</b>	<b>11,359,152</b>	<b>0</b>	<b>0</b>	<b>11,359,152</b>

**(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, 2020

Financial Liabilities	Payable within 0 to 12 months	More than 12 months	Total
<b>Non-current financial liabilities</b>			
Borrowings	-	-	-
<b>Current financial liabilities</b>			
Borrowings	21,253,506	-	21,253,506
Trade Payables	81,259,457	-	81,259,457
Other Financial Liability	-	-	-
<b>Total financial liabilities</b>	<b>102,512,963</b>	<b>-</b>	<b>102,512,963</b>

## As at March 31, 2019

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

**(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.
- 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 :** 30/07/2020**Shalin A. Shah**

Managing Director

DIN : 00297447

**Hitesh Donga**

CFO

**Sheetal Pandya**

Company Secretary

**CA. Mitt S. Patel**

Partner

Membership No. 163940



## Independent Auditor's Report

UDIN:20163940AAAIO1061

To the Members of Gujarat Natural Resources Limited

### Opinion

We have audited the consolidated financial statements of **Gujarat Natural Resources Limited** (here in after referred to as the "Holding Company" or the "Corporation") and its subsidiaries (Holding Company and its subsidiaries together referred to as the "Group") which comprise the consolidated balance sheet as at 31 March 2020, and the consolidated statement of profit and loss (including other comprehensive income), consolidated statement of changes in equity and consolidated statement of cash flows for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies and other explanatory information (hereinafter referred to as the "consolidated financial statements").

In our opinion and to the best of our information and according to the explanations given to us, and based on the consideration of reports of other auditors on separate financial statements of such subsidiaries . as were audited by the other auditors, the aforesaid consolidated financial statements give the information required by the Companies Act, 2013 ("Act") in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the consolidated state of affairs of the Group as at 31 March 2020, of its consolidated Loss and other comprehensive income, consolidated changes in equity and consolidated cash flows for the year then ended.

### Basis for Opinion

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Act. Our responsibilities under those SAs are further described in the Auditor's Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are independent of the Group in accordance with the ethical requirements that are relevant to our audit of the consolidated financial statements in terms of the Code of Ethics issued by the Institute of Chartered Accountants of India and the relevant provisions of the Act, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence obtained by us is sufficient and appropriate to provide a basis for our opinion.

### Management's and Board of Directors' Responsibilities for the Consolidated Financial Statements

The Holding Company's management and Board of Directors are responsible for the preparation and presentation of these consolidated financial statements in term of the requirements of the Act that give a true and fair view of the consolidated state of affairs, consolidated loss and other comprehensive income, consolidated statement of changes in equity and consolidated cash flows of the Group in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) specified under section 133 of the Act. The respective Management and Board of Directors of the companies included in the Group are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of each company 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 the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring accuracy and completeness of the accounting records, relevant to the preparation and presentation of the consolidated 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 Management and Directors of the Holding Company, as aforesaid.

In preparing the consolidated financial statements, the respective Management and Board of Directors of the companies included in the Group are responsible for assessing the ability of each company to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the respective Board of Directors either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

The respective Board of Directors of the companies included in the Group is responsible for overseeing the financial reporting process of each company.

### **Auditor's Responsibilities for the Audit of the Consolidated Financial Statements**

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also :

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on the internal financial controls with reference to the consolidated financial statements and the operating effectiveness of such controls based on our audit.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Management and Board of Directors
- Conclude on the appropriateness of Management and Board of Directors use of the going concern basis of accounting in preparation of consolidated financial statements and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the appropriateness of this assumption. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of such entities or business activities within the Group and joint operations to express an opinion on the consolidated financial statements, of which we are the independent auditors. We are responsible for the direction, supervision and performance of the audit of financial information of such entities. For the other entities included in the consolidated financial statements, which have been audited by other auditors, such other auditors remain responsible for the direction, supervision and performance of the audits carried out by them. We remain solely responsible for our audit opinion.

We communicate with those charged with governance of the Holding Company and such other entities included in the consolidated financial statements of which we are the independent auditors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditors' report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

#### **Matter of Emphasis:**

- The company has some trade receivables, which has been considered as doubtful debts. Accordingly, company has not recognized provision of doubtful debts amounting to **739.71 lacs**, as a result thereof the debit balance of profit & loss A/c is understated by the said sum and correspondingly Sundry debtors are overstated by the said sum.
- The company has in past granted/renewed loans and advances to other companies, which has been identified as non- performing asset. Accordingly, company has not recognized any income from the same. In the opinion of directors, the process of recovery is going on and the same is not fully doubtful of recovery. However in our opinion company needs to make provision for such long outstanding nonperforming assets amounting to **Rs. 206.17 lacs**. Due to non-provision in this regard the debit balance of profit & loss account is under stated and balance of loans and advances is overstated by the said sum. This matter has been already emphasized by previous auditor.

#### **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 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<sup>st</sup> March, 2020, taken on record by the Board of Directors, none of the directors is disqualified as on 31<sup>st</sup> March, 2020, 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 : 30/07/2020

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### **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, 2020 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 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") 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 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, 2020, 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.

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

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

Place : Ahmedabad  
Date : 30/07/2020

## CONSOLIDATED BALANCE SHEET AS AT 31/03/2020

Particulars	Note No.	As at	
		31 <sup>st</sup> March, 2020	31 <sup>st</sup> March, 2019
<b>ASSETS</b>			
<b>1 Non-current Assets</b>			
(a) Property , Plant and Equipment	1	28,72,71,761	27,66,97,437
(b) Capital work in progress	2	38,04,80,230	42,37,46,022
(c) Intangible assets	1	881	881
(d) Goodwill	1	13,58,69,380	13,87,29,744
(e) Financial Assets :			
i) Investments	3	-	18,75,23,517
ii) Loans	4	3,75,94,356	5,81,80,537
(f) Deferred tax assets (Net)		33,106	-
(g) Other non-current assets	5	4,97,25,750	4,99,13,380
<b>Total Non-current Assets</b>		<b>89,09,75,463</b>	<b>1,13,47,91,518</b>
<b>2 Current Assets</b>			
(a) Inventories		3,11,79,530	2,84,36,451
(b) Financial Assets :			
i) Investments		-	-
ii) Trade Receivables	6	3,57,61,629	9,64,23,564
iii) Cash & Cash Equivalents	7	5,51,20,616	2,09,97,027
iv) Loans	8	37,31,42,540	15,47,06,541
v) Other Financial Assets		-	-
(c) Other Current Assets	9	51,55,913	11,58,228
<b>Total - Current Assets</b>		<b>50,03,60,228</b>	<b>30,17,21,811</b>
<b>Total Assets</b>		<b>1,39,13,35,691</b>	<b>1,43,65,13,329</b>
<b>I. Equity &amp; Liabilities</b>			
<b>1. Equity</b>			
(a) Share Capital	10	56,25,16,450	38,75,16,450
(b) Other Equity	11	41,23,67,220	57,78,06,252
<b>Total Equity</b>		<b>97,48,83,670</b>	<b>96,53,22,702</b>
<b>2. Liabilities</b>			
<b>A) Non Current Liabilities</b>			
(a) Financial Liabilities			
i) Borrowings	12	13,31,92,747	8,68,15,220
(b) Deferred Tax Liabilities (Net)	13	2,83,92,078	3,01,77,477
(c) Other Non Current Liabilities	14	7,04,55,679	7,79,51,823
<b>Total Non- Current Liabilities</b>		<b>23,20,40,505</b>	<b>19,49,44,520</b>
<b>B) Current Liabilities</b>			
(a) Financial Liabilities			
i) Borrowings	15	3,90,92,673	14,17,29,221
ii) Trade Payables	16	10,46,58,442	9,63,42,372
iii) Other Financial Liabilities		-	-
(b) Other Current Liabilities	17	3,92,74,677	3,67,96,264
(c) Short Term Provisions	18	13,85,724	13,78,250
<b>Total Current Liabilities</b>		<b>18,44,11,516</b>	<b>27,62,46,107</b>
<b>Total Equity &amp; Liabilities</b>		<b>1,39,13,35,691</b>	<b>1,43,65,13,328</b>
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 : 30/07/2020

Shalin A. Shah

Managing Director

DIN : 00297447

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 01-04-2019 TO 31-03-2020**

Particulars	Note No.	2019-20	2018-19
I Revenue From Operations	19	10,70,94,000	7,92,62,009
II Other Income	20	60,42,242	21,18,275
<b>III Total Revenue (I+II)</b>		<b>11,31,36,242</b>	<b>8,13,80,284</b>
<b>IV Expenses</b>			
Purchase of Stock in Trade		2,96,45,280	-
Changes in Inventories	21	(81,747)	71,163
Employee Benefit Expenses	22	1,74,71,946	1,33,95,643
Finance Costs	23	45,48,660	64,97,402
Depreciation & Amortisation Expenses	24	4,21,26,205	4,66,22,731
Other Expenses	25	4,34,56,833	4,03,39,680
<b>Total Expenses</b>		<b>13,71,67,178</b>	<b>10,69,26,619</b>
<b>V Profit Before Exceptional &amp; Extraordinary Items &amp; Tax (III-IV)</b>		<b>(2,40,30,936)</b>	<b>(2,55,46,335)</b>
VII Exceptional Items		-	-
<b>VIII Profit Before Extraordinary Items &amp; Tax</b>		<b>(2,40,30,936)</b>	<b>(2,55,46,335)</b>
Extraordinary Items		25,22,30,103	-
<b>IX Profit Before Tax</b>		<b>(27,62,61,039)</b>	<b>(2,55,46,335)</b>
<b>X Tax Expenses</b>			
Excess Provision of Income Tax		(4,485)	(7,81,621)
Current Tax/ Interest on Income Tax/ Deferred Tax		(16,55,505)	30,48,236
<b>XI Profit/(Loss) for the period from Continuing Operations (IX-X)</b>		<b>(27,46,01,049)</b>	<b>(2,32,79,720)</b>
XII Profit/(Loss) from Discontinuing Operations			
XIII Tax Expense of Discontinuing Operations			
<b>XIV Profit/(Loss) from Discontinuing Operations (after tax) (XII-XIII)</b>			-
<b>XV Profit/(Loss) for the Period (XI+XIV)</b>		<b>(27,46,01,049)</b>	<b>(2,32,79,720)</b>
<b>XVI Earning Per Equity Share</b>			
Basic		(4.88)	(0.60)
Diluted		(6.12)	(0.52)

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 : 30/07/2020

Shalin A. Shah

Managing Director

DIN : 00297447

Hitesh Donga

CFO

Sheetal Pandya

Company Secretary

CA. Mitt S. Patel

Partner

Membership No. 163940

**CONSOLIDATED CASHFLOW STATEMENT FOR THE YEAR ENDED ON 31<sup>ST</sup> MARCH, 2020**

Particulars	2019-20	2018-19
<b>A Cash flow from Operating Activities</b>		
Net Profit Before Tax	(27,62,61,039)	(2,55,46,335)
Adjustments for:		
Add : Depreciation	4,21,26,205	4,66,22,731
Less : Interest Income	(33,84,259)	(10,76,084)
Less : Extra-Ordinary Items	-	-
Add : Adjustment due to Consolidation	(18,85,870)	-
Add : Interest Expenses	44,95,608	63,24,995
Operating Profit / (Loss) before Working Capital Changes	<b>(23,49,09,354)</b>	<b>2,63,25,307</b>
Adjustments for:		
Increase/(Decrease) in Trade Payable	83,16,070	(16,52,221)
Increase/(Decrease) in other current liabilities	24,78,414	68,00,520
Increase/(Decrease) in Short Term Borrowings	(10,26,36,548)	(7,80,16,645)
Increase/(Decrease) in Provisions	7,474	(4,09,965)
(Increase)/Decrease in Trade Receivables	6,06,61,935	(10,08,930)
(Increase)/Decrease in inventories	(27,43,079)	3,50,092
(Increase)/Decrease in Short term Loans & Advances	(21,84,35,999)	7,61,37,161
(Increase)/Decrease in Other Current Asset	(39,97,685)	2,57,378
<b>Cashflow generated from Operating Activities</b>	<b>(49,12,58,773)</b>	<b>2,87,82,697</b>
Income Tax Paid ( Net of Refund)	-	(30,48,236)
<b>Net Cashflow generated from Operating Activities A</b>	<b>(49,12,58,773)</b>	<b>2,57,34,461</b>
<b>B Cash flow from Investment Activities</b>		
Purchase of Property , Plant and Equipment	(94,35,000)	(89,42,159)
Sale of Assets	-	-
Sale of Investments	18,75,23,517	-
Purchase of Investments	-	-
Interest Income	33,84,259	10,76,084
<b>Net Cashflow generated from Investments Activities B</b>	<b>18,14,72,776</b>	<b>(78,66,075)</b>
<b>C Cash flow from Financiag Activities</b>		
Interest Expenses	(44,95,608)	(63,24,995)
Issue of Convertible Warrant	(9,62,50,000)	13,20,00,000
Proceeds/(Repayment) towards share capital	38,50,00,000	
(Increase)/Decrease in other non-current assets	1,87,630	(31,65,111)
(Increase)/Decrease in Long term loans & advances	2,05,86,181	(9,03,725)
Increase/(Decrease) in Other Non Current liabilities	(74,96,144)	(1,89,38,461)
Net Change in Unsecured Loans Taken	4,63,77,527	(12,76,50,511)
<b>Net Cashflow generated from Financing Activities C</b>	<b>34,39,09,586</b>	<b>(2,49,82,803)</b>
<b>Net Change in Cash &amp; Cash Equivalents (A+B+C)</b>	<b>3,41,23,590</b>	<b>(71,14,417)</b>
Opening Cash & Cash Equivalents	2,09,97,026	2,81,11,443
<b>Closing Cash &amp; Cash Equivalents</b>	<b>5,51,20,616</b>	<b>2,09,97,026</b>

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 : 30/07/2020

Shalin A. Shah

Managing Director

DIN : 00297447

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, 2020****A. EQUITY SHARE CAPITAL**

Particulars	Amount in ₹			
	2019-20		2018-19	
	No. Shares	Amount	No. Shares	Amount
i) <b>Opening Balance at the beginning of Financial Year</b>	<b>3,87,51,645</b>	<b>38,75,16,450</b>	<b>3,87,51,645</b>	<b>38,75,16,450</b>
Changes in equity share capital during the year	<b>1,75,00,000</b>	<b>17,50,00,000</b>	-	-
<b>Closing Balance at the end of Financial Year</b>	<b>5,62,51,645</b>	<b>56,25,16,450</b>	<b>3,87,51,645</b>	<b>38,75,16,450</b>

**B. OTHER EQUITY**

Particulars	Reserves and Surplus					Total
	Security Premium	Revaluation reserve	Capital Reserve	Retained Earnings	Share Warrant	
	<b>Balance as at 1<sup>st</sup> April, 2018</b>	51,53,31,551	5,28,683	2,01,09,545	(6,34,53,453)	
Change during the Year	-	-	-	(2,67,10,074)	-	(2,67,10,074)
<b>Balance as at March 31, 2019</b>	<b>51,53,31,551</b>	<b>5,28,683</b>	<b>2,01,09,545</b>	<b>(9,01,63,527)</b>	<b>13,20,00,000</b>	<b>57,78,06,252</b>
Change during the Year	21,00,00,000	-	-	(27,46,01,049)	(9,62,50,000)	(16,08,51,049)
Other comprehensive income	-	-	-	(45,87,982)	-	(45,87,982)
<b>Total Comprehensive Income / (loss) for the year</b>	<b>21,00,00,000</b>	<b>-</b>	<b>-</b>	<b>(27,91,89,031)</b>	<b>(9,62,50,000)</b>	<b>(16,54,39,031)</b>
<b>Balance as at March 31, 2020</b>	<b>72,53,31,551</b>	<b>5,28,683</b>	<b>2,01,09,545</b>	<b>(36,93,52,558)</b>	<b>3,57,50,000</b>	<b>41,23,67,221</b>

For, Gujarat Natural Resources Limited

For, G M C A & Co.  
Chartered Accountants  
FRN No:109850WAshok C. Shah  
Director  
DIN : 02467830  
Place : Ahmedabad  
Date : 30/07/2020Shalin A. Shah  
Managing Director  
DIN : 00297447Hitesh Donga  
CFOSheetal Pandya  
Company SecretaryCA. Mitt S. Patel  
Partner  
Membership No. 163940

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

Particulars	Gross Block			Depreciation			Net Block			
	As at 01-04-2019	Addition	Deduction	As at 31/03/2020	As at 01/04/2019	Depreciation Charge	Deduction	As at 31/03/2020	As at 31/03/2020	
Plant & Machinery	16121901	1,81,125 00	-	1,63,03,026	11867594	5,01,008	-	12368602.25	4254306.56	3934423.31
Building	1224825	23,10,403	-	35,35,228	717243	118565.32	-	8,35,808	507582	26,99,419
Producing Properties	559365431	4,59,68,782	-	60,53,34,213	28,87,74,864	40588020.36	-	32,93,62,884	270590567	27,59,71,329
Cell Phone Instru.	633582	-	-	6,33,582	5,82,408	11,010	-	5,93,418	51174.22	40,164
Furniture & Fixture	2091244	2,48,400	-	23,39,644	20,17,766	66,743	-	20,84,509	73477.91	2,55,135
Office Equipment	1444170	3,54,900	-	17,99,070	12,84,723	76,668	-	13,61,391	159447.40	4,37,679
Computer	2008721	1,57,145	-	21,65,866	19,34,802	28,719	-	19,63,522	73918.79	2,02,344
Printer	0	23,982	-	23,982	-	-	-	-	0	23,982
Vehicles	6987215	40,36,304	33,45,218	76,78,301	60,00,252	7,35,472	27,64,706	39,71,017	986963	37,07,283.59
<b>Total Tangible Assets</b>	<b>58987089</b>	<b>5,32,81,041</b>	<b>33,45,218</b>	<b>63,98,12,911</b>	<b>31,31,79,652</b>	<b>4,21,26,205</b>	<b>27,64,706</b>	<b>35,25,41,151</b>	<b>27,66,97,437</b>	<b>28,72,71,761</b>
<b>Goodwill</b>										
Particulars	As at 01-04-2019	Gross Block Addition	Deduction	As at 31/03/2020	As at 01/04/2019	Depreciation Charge	Deduction	As at 31/03/2020	As at 01/04/2019	As at 31/03/2020
Goodwill on Consolidation **	13,87,29,744	-	28,60,364	13,58,69,380	-	-	-	-	13,87,29,744	13,58,69,380
<b>Total Tangible Assets</b>	<b>13,87,29,744</b>	<b>-</b>	<b>28,60,364</b>	<b>13,58,69,380</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>13,87,29,744</b>	<b>13,58,69,380</b>
<b>Intangible Assets</b>										
Particulars	As at 01-04-2019	Gross Block Addition	Deduction	As at 31/03/2020	As at 01/04/2019	Depreciation Charge	Deduction	As at 31/03/2020	As at 31/03/2019	As at 31/03/2020
Software	17,500	-	-	17,500	16,619	-	-	16,619	881	881
<b>Total Tangible Assets</b>	<b>17,500</b>	<b>-</b>	<b>-</b>	<b>17,500</b>	<b>16,619</b>	<b>-</b>	<b>-</b>	<b>16,619</b>	<b>881</b>	<b>881</b>

Note : (\*\*) Differ

**2 Capital Work in Process**

Particulars	As at 31 <sup>st</sup> March, 2020	As at 31 <sup>st</sup> March, 2019
<b>Tangible</b>		
Capital Work In Process	38,04,80,230	42,37,46,022
<b>Total</b>	<b>38,04,80,230</b>	<b>42,37,46,022</b>

**3 Investments**

Particular	No. of Shares 2020	No. of Shares 2019	As at 31 <sup>st</sup> March, 2020	As at 31 <sup>st</sup> March, 2019
<b>(A) Other Investments - Quoted</b>			-	<b>18,75,23,517</b>
<b>(1) Investment in Equity Shares</b>				
Amrapali Capital & Finance Service Ltd	-	13,52,400	-	4,17,17,108
(Equity Share of 10 each)	-	16,24,800	-	14,58,06,409
Amrapali Fincap Ltd (Equity Share of 10 each)				
<b>(B) Other Investments - Un Quoted</b>			-	-
<b>Total</b>			-	<b>18,75,23,517</b>
<b>Market Value of the Quoted Shares</b>				5,79,04,920

**4 Loan**

Particulars	As at 31 <sup>st</sup> March, 2020	As at 31 <sup>st</sup> March, 2019
Deposit	20,59,393	74,56,016
Capital Advances	8,75,000	8,75,000
Balance with government Authorities	2,92,151	2,37,913
Other Advances	3,43,67,812	4,96,11,608
<b>Total</b>	<b>3,75,94,356</b>	<b>5,81,80,537</b>

**5 Other Non Current Assets**

Particulars	As at 31 <sup>st</sup> March, 2020	As at 31 <sup>st</sup> March, 2019
Preliminary Exp.	35,57,750	35,57,750
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	71,94,592	72,56,982
Advance Income Tax	62,39,196	63,64,436
<b>Total</b>	<b>4,97,25,750</b>	<b>4,99,13,380</b>

**6 Trade Receivables**

Particulars	As at 31 <sup>st</sup> March, 2020	As at 31 <sup>st</sup> March, 2019
Outstanding for less than 6 months from the due date Unsecured, considered good	1,13,59,152	2,20,02,914
Outstanding for more than 6 months from the due date Unsecured, considered good	2,44,02,477	7,44,20,650
<b>Total</b>	<b>3,57,61,629</b>	<b>9,64,23,564</b>

**7 Cash & Cash Equivalents**

Particulars	As at 31 <sup>st</sup> March, 2020	As at 31 <sup>st</sup> March, 2019
<b>Cash on Hand</b>	1,17,547	20,04,844
<b>Balance with Banks</b>		
In Current account	50,83,512	17,08,810
Term Deposits with Bank for the period of more than three months but less than twelve months	4,88,89,553	1,62,53,369
Unpaid Dividend A/C	10,30,004	10,30,003
<b>Total</b>	<b>5,51,20,616</b>	<b>2,09,97,027</b>

**8 Short Term Loans & Advances**

Particulars	As at 31 <sup>st</sup> March, 2020	As at 31 <sup>st</sup> March, 2019
Loan to Corporate Body	367332648	15,01,60,000
Other Advances	58,09,892	45,46,541
Prepaid Exp	-	-
<b>Total</b>	<b>37,31,42,540</b>	<b>15,47,06,541</b>

**9 Other Current Asset**

Particulars	As at 31 <sup>st</sup> March, 2020	As at 31 <sup>st</sup> March, 2019
Balance with Govt, Authority	400000	4,00,000
Other receivable and deposit	4732829 2	7,39,081
Prepaid Exp	23,084	19,147
<b>Total</b>	<b>51,55,913</b>	<b>11,58,228</b>

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

Particulars	As at 31 <sup>st</sup> March, 2020		As at 31 <sup>st</sup> March, 2019	
	No. of Shares	Amount	No. of Shares	Amount
<b>Authorised Share Capital</b>				
Equity Shares of Rs. 10 Each	6,50,00,000	65,00,00,000	6,50,00,000	65,00,00,000
<b>Total</b>				
<b>Issued Share Capital</b>				
Equity Shares of Rs. 10 Each	5,62,51,645	56,25,16,450	3,87,51,645	38,75,16,450
<b>Total</b>	<b>5,62,51,645</b>	<b>56,25,16,450</b>	<b>3,87,51,645</b>	<b>38,75,16,450</b>
<b>Subscribed &amp; Fully Paid</b>				
Equity Shares of Rs. 10 Each	5,62,51,645	56,25,16,450	3,87,51,645	38,75,16,450
<b>Total</b>	<b>5,62,51,645</b>	<b>56,25,16,450</b>	<b>3,87,51,645</b>	<b>38,75,16,450</b>

**2 Details of the Shares for the Preceding Five Years**

Particulars	01-04-2015 to 31-03-2020
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 31 <sup>st</sup> March, 2020		As at 31 <sup>st</sup> March, 2019	
	No. of Shares	Amount	No. of Shares	Amount
<b>Equity Shares</b> (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 cancelled during the year	-	-	-	-
Shares converted from convertible warrants	1,75,00,000	17,50,00,000	-	-
<b>Shares Outstanding at the End of the Year</b>	<b>5,62,51,645</b>	<b>56,25,16,450</b>	<b>3,87,51,645</b>	<b>38,75,16,450</b>

**4 Share Holders Holding More than 5% Share**

Name of the Share Holders	As at 31 <sup>st</sup> March, 2020		As at 31 <sup>st</sup> March, 2019	
	No. of Shares	% of Holding	No. of Shares	% of Holding
Pranathi Constructions Pvt Ltd	38,35,570	6.82	39,40,570	10.17
Algorab Power Projects Private Limited	-	-	38,57,145	9.95
Patron Energy Private Limited	38,01,570	6.76	38,01,570	9.81
Padma Real Infra Private Limited	-	-	21,71,000	5.60
Blowing Traders Private Limited	-	-	21,49,986	5.55
O3 Developers Private Limited	68,00,000	12.09	-	-
Dinesh Chhaganlal Thakkar	40,00,000	7.11	-	-
Goyenka Real Estate LLP	38,57,145	6.86	-	-

**11 Other Equity**

Particulars	As at	As at
	31 <sup>st</sup> March, 2020	31 <sup>st</sup> March, 2019
<b>Convertible Warrant A/C</b>	<b>3,57,50,000</b>	<b>13,20,00,000</b>
<b>Securities Premium Account</b>	<b>72,53,31,551</b>	<b>51,53,31,551</b>
<b>Capital Reserve</b>	<b>2,01,09,545</b>	<b>2,01,09,545</b>
<b>Revaluation Reserve</b>	<b>5,28,683</b>	<b>5,28,683</b>
<b>Profit &amp; Loss A/c</b>		
Opening balance	(9,01,63,527)	(6,34,53,453)
Foreign Exchange Fluctuation	(45,87,982)	(34,30,354)
(-) Transfer of Current Year Profi/(Loss)	(27,46,01,049)	(2,32,79,720)
Closing balance	<b>(36,93,52,558)</b>	<b>(9,01,63,527)</b>
<b>Total</b>	<b>41,23,67,220</b>	<b>57,78,06,252</b>

**12 Non Current Borrowing**

Particulars	As at	As at
	31 <sup>st</sup> March, 2020	31 <sup>st</sup> March, 2019
<b>1. Secured loan</b>		
Corporation Bank.- Mahindra Bolero Loan		-
<b>2. Unsecured loan</b>		
From Inter Corporate		-
Others	13,31,92,747	8,68,15,220
<b>Total</b>	<b>13,31,92,747</b>	<b>8,68,15,220</b>

**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
<b>Total</b>	<b>1,56,736</b>

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	
	31 <sup>st</sup> March, 2020	31 <sup>st</sup> March, 2019
Deferred Tax Liabilities (Net)	2,83,92,078	3,01,77,477
<b>Total</b>	<b>2,83,92,078</b>	<b>3,01,77,477</b>

**14 Other long term Liabilities**

Particulars	As at	
	31 <sup>st</sup> March, 2020	31 <sup>st</sup> March, 2019
Security Deposit	5,00,000	5,00,000
From Joint Venture	6,99,55,679	7,74,51,823
<b>Total</b>	<b>7,04,55,679</b>	<b>7,79,51,823</b>

**15 Short term Borrowings**

Particulars	As at	
	31 <sup>st</sup> March, 2020	31 <sup>st</sup> March, 2019
Unsecured Loans repayable on Demand	8,00,000	10,01,13,000
<b>Borrowing from bank</b>		
From Bank	3,77,09,861	4,09,88,478
Corporation Bank Car Loan	5,82,812	6,27,743
<b>Total</b>	<b>3,90,92,673</b>	<b>14,17,29,221</b>

**16 Trade Payables**

Particulars	As at	
	31 <sup>st</sup> March, 2020	31 <sup>st</sup> March, 2019
Due to Micro & Small Enterprises		
Trade Payable for Goods	10,46,58,442	9,63,42,372
<b>Total</b>	<b>10,46,58,442</b>	<b>9,63,42,372</b>

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	
	31 <sup>st</sup> March, 2020	31 <sup>st</sup> March, 2019
Statutory Dues	14,77,605	10,74,052
Unpaid Dividend	10,30,003	10,30,003
Other Payable	3,67,67,070	3,46,92,209
<b>Total</b>	<b>3,92,74,677</b>	<b>3,67,96,264</b>

**18 Short Term Provisions**

Particulars	As at	
	31 <sup>st</sup> March, 2020	31 <sup>st</sup> March, 2019
Provision for Employee Benefits	2,49,500	2,37,000
Provision for Exp	2,98,550	3,02,400
Provision for Joint Venture	8,37,674	8,38,850
<b>Total</b>	<b>13,85,724</b>	<b>13,78,250</b>

**19 Revenue from Operation**

Particulars	2019-2020	2018-2019
(1) Sales of Oil and Gas Product.	7,01,64,000	7,92,62,009
(2) Sales of Trading of Goods	3,69,30,000	-
<b>Total</b>	<b>10,70,94,000</b>	<b>7,92,62,009</b>

**20 Other Income**

Particulars	2019-2020	2018-2019
Commission Income		9,91,800
Other Income	10,28,029	15,966
Interest Income	33,84,259	10,76,084
Interest on Income Tax Refund	1,84,325	26,231
Sundry Balance Written Back		1,315
Excess Provision	14,45,629	6,879
<b>Total</b>	<b>60,42,242</b>	<b>21,18,275</b>

**21 Changes in Inventories**

Particulars	2019-2020	2018-2019
Opening Stock	1,28,213	1,99,376
<b>Less</b>		
Closing Stock	(2,09,960)	(1,28,213)
<b>Total</b>	<b>(81,747)</b>	<b>71,163</b>

**22 Employee Benefit Expenses**

Particulars	2019-2020	2018-2019
Salary & Wages	1,74,71,946	1,33,95,643
<b>Total</b>	<b>1,74,71,946</b>	<b>1,33,95,643</b>

**23 Finance Costs**

Particulars	2019-2020	2018-2019
Interest Expense	44,82,974	63,24,995
Bank Charges	65,686	1,72,407
<b>Total</b>	<b>45,48,660</b>	<b>64,97,402</b>

**24 Depreciation & Amortisation Expenses**

Particulars	2019-2020	2018-2019
Depreciation & Amortisation Expenses	4,21,26,205	4,66,22,731
<b>Total</b>	<b>4,21,26,205</b>	<b>4,66,22,731</b>



**25 Other Expenses**

<b>Particulars</b>	<b>2019-2020</b>	<b>2018-2019</b>
Payment to Auditors *	5,53,450	4,05,400
Accounting Charges	1,14,400	1,13,600
Cosultancy Charges	13,500	9,864
Conveyance Exp		97,516
Insurance Exp	11,74,279	
Donation	3,000	-
E Voting Charges	5,000	10,000
Handling and Processing	29,14,267	26,65,964
Repair & Maintanance Exps	7,27,022	10,62,621
Travelling Expenses	3,99,727	3,92,420
Foreign Currency Exps		233
Legal & Professional Charges	51,59,013	42,87,457
Office Exps	6,00,481	373550
Preliminary Expense Written off		187250
Telephone Exps	32,221	46,641
Share Transfer Charges	97,398	45,000
Share Listing Exps	5,71,846	6,10,750
Stationary & Printing Exp	73,250	1,45,590
Rent, Rates & Taxes	27,11,748	44,53,815
ROC Fees	23,500	11,535
RTA Charges	9,000	50,000
Other Miscellaneous Expenses	2,82,73,731	2,53,70,474
<b>Total</b>	<b>4,34,56,833</b>	<b>4,03,39,680</b>
<b>* Payment to Auditors</b>		
For Audit Fees	5,53,450	4,05,400

➤ **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, trading of goods and other. The company is listed on Bombay Stock Exchange.

• **Basis of preparation and presentation**i. **Basis of Preparation**

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 its subsidiaries, being the entities that it controls. Controls are assessed in accordance with the requirement of Ind AS 110 - Consolidated Financial Statements.

**ii. Basis of Measurement**

The financial statements have been prepared on a historical cost basis, except for the following:

- certain financial assets and liabilities (including derivative instruments) that are measured at fair value (refer accounting policy regarding financial instruments)
- asset held for sale and biological Assets – measured at fair value less cost to sell;
- defined benefit plans – plan assets measured at fair value less present value of defined benefit obligation; and
- share-based payments

**• Basis 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.
- e) The Financial statements of the current financial year are consolidated financial statements, whereas the comparative information is standalone financial statement of preceding financial year.

**• Functional and Presentation Currency :**

Items included in the financial statements of the company are measured using the currency of the primary economic environment in which the company operates ("the functional currency"). Indian Rupee is the functional currency of the company.

The financial Statements are presented in Indian Rupees and all values are rounded to the nearest lakhs as per the requirement of Schedule III, except when otherwise indicated.

**• Current versus non-current classification**

The Company presents assets and liabilities in the balance sheet based on current/ non-current classification an asset is classified as current when it satisfies any of the following criteria:

- It is expected to be realised in, or is intended for sale or consumption in, the Company's normal operating cycle. it is held primarily for the purpose of being traded;
- it is expected to be realised within 12 months after the reporting date; or
- It is cash or cash equivalent unless it is restricted from being exchanged or used to settle a liability for at least 12 months after the reporting date.

All other assets are classified as non-current.

A liability is classified as current when it satisfies any of the following criteria:

- it is expected to be settled in the Company's normal operating cycle;
- it is held primarily for the purpose of being traded;
- it is due to be settled within 12 months after the reporting date; or the Company does not have an unconditional right to defer settlement of the liability for at least 12 months after the reporting date

Terms of a liability that could, at the option of the counterparty, result in its settlement by the issue of equity instruments do not affect its classification.

All other liabilities are classified as non-current.

Deferred tax assets and liabilities are classified as non-current assets and liabilities.

- **Goodwill**

Goodwill arising on an acquisition of a business is carried at cost as established at the date of acquisition of the business less accumulated impairment losses, if any.

For the purposes of impairment testing, goodwill is allocated to each of the Group's cash-generating units (or groups of cash-generating units) that is expected to benefit from the synergies of the combination.

A cash-generating unit to which goodwill has been allocated is tested for impairment annually, or more frequently when there is indication that the unit may be impaired. If the recoverable amount of the cash-generating unit is less than its carrying amount, the impairment loss is allocated first to reduce the carrying amount of any goodwill allocated to the unit and then to the other assets of the unit pro rata based on the carrying amount of each asset in the unit. Any impairment loss for goodwill is recognised directly in the consolidated Statement of Profit and Loss. An impairment loss recognised for goodwill is not reversed in subsequent periods. On disposal of the relevant cash-generating unit, the attributable amount of goodwill is included in the determination of the profit or loss on disposal.

- **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 2019-20. For year 2018-19

<b>Asset</b>	<b>Useful Life</b>
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**

- **Classification**

The Company classifies its financial assets in the following measurement categories:

- those to be measured subsequently at fair value (either through OCI, or through profit or loss), and
    - those measured at amortized cost.
    - those measured at carrying cost for equity instruments of subsidiaries and joint ventures.
  - **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.

- **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 1<sup>st</sup> April, 2019 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 1<sup>st</sup> April, 2019, 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.

- **Impact of the COVID-19 pandemic on the business**

The Company is engaged in the business of Oil & Gas exploration. The lockdown imposed from 23<sup>rd</sup> March 2020 was further extended by various announcement made by the Central and State Government around the time. Covid-19 pandemic has affected world economy badly and our Company is no exception. Crude oil prices dropped and demand for Oil also fell drastically.

- **Ability to maintain operations including the factory/units/office spaces functioning and closed down:**

Our business activity has not been shut down during the lockdown period as the Company was part of Government denominated indispensable services and the Company worked with reduced staff. Also work from home policy was adopted by the Company for those employees particularly administrative and management staff who could work from home during the entire period of lockdown.

- **Schedule, if any, for restarting the operations**

The Company has been operational during the lockdown period.

- **Steps taken to ensure smooth functioning of operations:**

The Company has put in place following strict monitoring procedure for Covid-19 to ensure smooth functioning of operations:

- thermal screening of all the employees and visitors;
- Sanitizing the premises on regular basis;
- Maintenance of social distancing at all workplaces;
- Enforcing wearing of masks, thermal temperature checking and regular cleaning of hands with soap water of all the employees and visitors;
- Check Aarogya Setu App on regular basis of all the employee

- **Estimation of the future impact of COVID-19 on its operations:**

These are early days and the Company is not in a position to measure with certainty the potential impact on operations but expects normalcy to be achieved only after a quarter. The circumstances are improving gradually.

- **Details of impact of COVID-19 on listed entity's:-**
  - a. **Capital and financial resources:** The Company does not foresee any impact on its capital and financial resources due to the COVID -19 pandemic.
  - b. **Profitability:** In view of the disrupted economic conditions, it is difficult to ascertain the profitability accurately.
  - c. **Liquidity position:** The Company is in comfortable liquidity position and is able to meet its debts and other fiscal commitments.
  - d. **Ability to service debt and other financing arrangements:** The Company has no long term debts from banks or financial institutions.
  - e. **Assets:** Company has secured all the assets and is in working condition.
  - f. **Internal financial reporting and control:** The Company has adequate internal financial reporting and control System. There are ample reporting and reviewing mechanisms for normal and extraordinary dealings.
  - g. **Supply chain:** There is disruption in the supply chain as some of the vendors have restarted their production partially and are ready to provide required supplies.
  - h. **Demand for its products:** The definitive impact of COVID-19 over the demand of our products is still not assessed accurately.
- **Existing contracts/agreements where non-fulfilment of the obligations by any party will have significant impact on Company's business:** None
- **Other relevant material updates about the Company's business:** No such material information at this point of time.

## 25. 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"> <li>• Allora Field</li> <li>• Dholasan Field</li> <li>• Kanawara Field</li> <li>• North Kathana Field</li> </ul>	<ul style="list-style-type: none"> <li>• Unawa Field</li> <li>• North Balol Field</li> <li>• CB-ONN-2004/1</li> <li>• CB-ONN-2004/4</li> </ul>

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, 2020 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.	70.00
		2. GNRL Oil & Gas Limited (Formerly Heramec Limited) (Operator)	30.00
2	Kanawara Field Onshore Development	1. Gujarat State Petroleum Corporation Ltd.	70.00
		2. GNRL Oil & Gas Limited (Formerly Heramec Limited) (Operator)	30.00
3	North Kathana Field Onshore Development	1. Gujarat State Petroleum Corporation Ltd.	70.00
		2. GNRL Oil & Gas Limited (Formerly Heramec Limited) (Operator)	30.00
4	Allora Field Onshore Development	1. Gujarat State Petroleum Corporation Ltd.	70.00
		2. GNRL Oil & Gas Limited (Formerly Heramec Limited) (Operator)	30.00
5	Unawa Field Onshore Development	1. Gujarat State Petroleum Corporation Ltd. ( Operator)	70.00
		2. GNRL Oil & Gas Limited (Formerly Heramec Limited)	30.00
6	North Balol Field Onshore Development	1. Gujarat State Petroleum Corporation Ltd.	45.00
		2. GNRL Oil & Gas Limited (Formerly Heramec Limited)	30.00
		3. Hindustan Oil Exploration Company Limited (Operator)	25.00
7	CB-ONN-2004/1 Field Onshore Development	1. Oil and Natural Gas Corporation Ltd.(Operator)	50.00
		2. Gujarat State Petroleum Corporation Ltd.	40.00
		3. GNRL Oil & Gas Limited (Formerly Heramec Limited)	10.00
8	CB-ONN-2004/4 Field Onshore Development	1. Oil and Natural Gas Corporation (Operator)	50.00
		2. Gujarat State Petroleum Corporation Ltd.	40.00
		3. GNRL Oil & Gas Limited (Formerly Heramec Limited)	10.00

In taking up its share of balances of assets, liabilities, income and expenditure from the unincorporated joint ventures as at March 31, 2020 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 this 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:

<b>Particulars</b>	<b>Proved Developed Reserves (Oil) (Million MT)</b>	<b>Proved Developed Reserves (Gas) (Million Cubic Meter)</b>
Beginning of the Period	7.72	409.46
Recoverable Reserves	1.52	68.85
Additions	-	-
Deletions	-	-
Production	0.019	22.70
Closing Balance for the year ended on 31.03.2020	1.50	46.15

The Company's share of reserve as on 30<sup>th</sup> 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 Statement of Profit and Loss. The summary of the Company's share in Assets & Liabilities of Joint Ventures are as follow:

<b>PARTICULARS</b>	<b>AS AT 31<sup>st</sup> March 2020</b>	<b>AS AT 31<sup>st</sup> March 2019</b>
Fixed Assets	853,945,740	848,753,524
Current Assets	1,005,396,422	732,340,551
Current Liabilities	76,001,499	132,503,263

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 31<sup>st</sup> March 2020 and 31<sup>st</sup> March 2019 is given as under:

<b>PARTICULARS</b>	<b>2019-2020</b>		<b>2018-2019</b>	
	<b>Aggregate of all JVs</b>	<b>Heramec's Share</b>	<b>Aggregate of all JVs</b>	<b>Heramec's Share</b>
<b>INCOME</b>				
Sale of Crude Oil	73,590,031	26,947,310	100,629,607	30,188,883
Sale of Gas	140,918,939	42,275,682	154,785,574	46,435,672
Sludge Sales	-	-	-	-

PARTICULARS	2019-2020		2018-2019	
	Aggregate of all JVs	Heramec's Share	Aggregate of all JVs	Heramec's Share
Increase/(Decrease) in Stock	293,054	293,054	938,963	281,689
Other Income	444,779	155,674	529,935	158,981
<b>Total</b>	<b>215,246,803</b>	<b>69,671,719</b>	<b>256,884,079</b>	<b>77,065,225</b>
<b>EXPENDITURE</b>				
Production and Administrative Expenses	125,239,302	44,463,496	126,654,410	37,996,323
<b>Total Expenditure before Depreciation</b>	<b>125,239,302</b>	<b>44,463,496</b>	<b>126,654,410</b>	<b>37,996,323</b>
<b>PROFIT BEFORE DEPRECIATION</b>	<b>90,007,501</b>	<b>25,208,224</b>	<b>130,229,669</b>	<b>39,068,902</b>

### ➤ Contingent Liabilities

1. The Company has given Bank Guarantees given/agreed in favour of Director General of Hydrocarbon, (DGH) New Delhi, India and the same is outstanding as on March 31, 2020 amounting to USD 161,299 equivalent to ₹ 61,02,615/-. (Previous year: USD 200,770 equivalent to ₹ 66,15,384 /-). 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. Reporting amount of Bank Guarantee is not adjusted for F.Y. 2019-20 as till the conclusion of the financial year, there is no Managing Committee meeting for deciding Bank Guarantee.
2. The Company has received notice from VAT department on 08/12/2014 for non-payment of VAT on Sludge Sale for the FY 2008-09 and FY 2009-10. Total demand raised by the department is of 23,97,321/- and 27,39,762/- for FY 2008-09 and FY 2009-10 respectively (Including Interest and penalty). The Company has filed appeal before Gujarat Value Added Tax Tribunal, against demand raised and paid advance payment of 4,00,000/- for granting appeal and stay against the recovery of the outstanding demand as per the order of the Gujarat Value Added Tax Tribunal dated 13/2/2015. Further on the same matter, the stay was granted by the way of order dated 03/03/2015, and the matter has been referred to the first 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 15<sup>th</sup> 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.

➤ **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	Managing 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 (KMP)
8	Sheetal G Pandya	Company Secretary
9	O3 Developers Pvt 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) Pvt Ltd	
14	Alkor Petro Overseas Ltd	
15	Gorlas Global Energy PLC	
16	Pranav Tejpal Kapadia	Key Managerial Personnel of Indian Subsidiary Company
17	Monica Mahaveer Jain	
18	Hetal Maheshwari	

➤ **Transactions with Related Parties**

Transactions that have taken place during the period April 1, 2019 to March 31, 2020 with related parties by the company stated below :

Sr. No.	Name	Nature of the Transaction	Amount Outstanding
1	Shalin A. Shah	Loan Taken	9,22,000
		Loan Repaid	31,35,000
		<b>Closing Balance</b>	<b>6,00,000</b>
		Remuneration Payable	15,90,000
		Remuneration Paid	15,90,000
		<b>Closing Balance</b>	<b>1,32,500</b>
2	Hiteshkumar M Donga	Salary Payable	4,07,500
		Salary Paid	3,95,000
		Closing Balance	40,000

Sr. No.	Name	Nature of the Transaction	Amount Outstanding
3	Sheetal G Pandya	Salary Payable	4,29,000
		Salary Paid	4,29,000
		<b>Closing Balance</b>	<b>33,000</b>
4	Loan given to Sigma Oil & Gas Pvt. Ltd. By Gujarat Natural resources Ltd	Loan Granted	NIL
		Loan Recovered	76,94,000
		<b>Closing Balance</b>	<b>51,22,44,555</b>
5	O3 Developers Pvt Ltd	Loan Taken	75,00,000
		Loan Paid	10,46,00,000
		<b>Closing Balance</b>	<b>2,00,000</b>
6	Hetal Maheshwari	Salary Paid	1,44,000
7	Monica Mahaveer Jain	Salary Paid	95,333
8	Services Provided by Sigma Oil & Gas Pvt. Ltd. To its Subsidiaries	Car Rent	1,559,000
		Hire Charges	3,84,000
9	Loan given by Sigma Oil & Gas Pvt. Ltd to GNRL Oil and Gas Ltd.	Loan Given	3,69,42,264
		<b>Closing Balance</b>	<b>313,770,628</b>
10	Pranav Kapadia	Remuneration Paid	1,00,38,621

**EXPENDITURE IN FOREIGN CURRENCY:**

Particulars	For the year ended 31 <sup>st</sup> March, 2020	For the year ended 31 <sup>st</sup> March, 2019
i) Consultancy Expenses	185,227	120,041
ii) Others	-	-
<b>Totals</b>	<b>185,227</b>	<b>120,041</b>

**SALES TURNOVER:**

Description	Unit	Quantity	Value
Crude Oil	MBBLs	6.64	26,947,310
		P.Y. 6.56	P.Y. 3,01,88,884
Natural Gas	MM3	3,503.49	42,275,682
		P.Y. 4211.88	P.Y. 4,64,35,672

**OPENING AND CLOSING STOCK OF GOODS PRODUCED & TRADED:**

Description	Unit	Quantity	Value in ₹
<b>Opening Stock</b>			
Crude Oil	MBBLs	0.2	128,213
		P.Y 0.34	P.Y. 1,99,376
<b>Closing Stock</b>			
Crude Oil	MBBLs	0.07	209,960
		P.Y 0.20	P.Y. 1,28,213

**ACTUAL PRODUCTION**

Description	Unit	Actual Production for the Year
Crude Oil	MBBLs	6.83 P.Y. 6.85
Natural Gas	MM3	3,512.10 P.Y. 4.222.79

\* MM3 - Thousand Cubic Meter

\* MMBL - Thousand Barrels

**CIF value of Imports:**

Particulars	For the year ended 31 <sup>st</sup> March, 2020	For the year ended 31 <sup>st</sup> March, 2019
i) Raw Materials	--	--
ii) Components and Spare Parts	54,130	23,783
iii) Capital Goods	--	--
<b>Total</b>	<b>54,130</b>	<b>23,783</b>

**Earning in Foreign Currency:**

Particulars	For the year ended 31 <sup>st</sup> March, 2020	For the year ended 31 <sup>st</sup> March, 2019
Earnings in Foreign Currency (Liquidated Damages)	--	--

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

➤ **Payment to the Auditors**

Particulars	2019-2020	2018-2019
Audit Fees	470,850	322,800
Company Matter	0	0
Income Tax Fees	0	0
Others	82,600	82,600
<b>Total</b>	<b>553,450</b>	<b>405,400</b>

➤ **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	31-03-2020	31-03-2019
Net Profit Attributable to share holders	(27,46,01,049)	(23,279,720)
Weighted average number of equity shares (Nos.)	4,48,76,303	3,87,51,645
Basic earnings per share (Rs.)	(4.88) <b>No EPS</b>	(0.60) <b>No EPS</b>
Diluted earnings per share (Rs.)	(6.12) <b>No EPS</b>	(0.52) <b>No EPS</b>
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)					
	2019-2020	2018-2019	2017-2018	2019-2020	2018-2019	2017-2018
<b>I Change in obligaton during the year ended 31<sup>st</sup> March, 2020</b>						
1 Liability at the beginning of the Year	6,899,723	6,122,471	5,318,041	3,127,727	2,516,158	2,489,162
2 Interest cost	497,542	444,881	377,546	226,416	188,712	172,665
3 Current service cost	766,538	750,161	788,498	415,380	668,146	333,458
4 Past service cost	-	-	525,527	-	-	-
5 Benefit Paid **	(200,590)	(36,346)	(131,798)	(1,146,640)	(617,630)	(790,186)
6 Actuarial (gain) / Losses **	(2,392,438)	(381,444)	(755,343)	(1,179,001)	372,341	311,059
7 Liability at the end of the year	5,570,775	6,899,723	6,122,471	1,443,882	3,127,727	2,516,158
<b>II Change in assets during the year ended 31<sup>st</sup> March, 2019</b>						
1 Plan assets at the beginning of the year	6,836,758	4,886,931	4,522,802	-	-	-
2 Expected return of plan assets	521,405	382,043	348,675	-	-	-
3 Contributions **	218,271	1,603,242	180,363	-	-	-
4 Benefit paid **	(200,590)	(36,346)	(131,798)	-	-	-
6 Actuarial gain / (Loss)	(57,883)	888	(33,111)	-	-	-
7 Expenses deducted from fund			-	-	-	-
8 Plan assets at the end of the year	7,317,961	6,836,758	4,886,931	-	-	-
<b>III Actual return on plan assets</b>	<b>2019-2020</b>	<b>2018-2019</b>	<b>2017-2018</b>	<b>2019-2020</b>	<b>2018-2019</b>	<b>2017-2018</b>
1 Expected return of plan assets	521,405	382,043	348,675	-	-	-
2 Actuarial gain / (loss)	(57,883)	888	(33,111)	-	-	-
3 Actual return on plan assets	463,522	382,931	315,564	-	-	-
<b>IV Net asset / (liability) recognized in the Balance Sheet as at 31<sup>st</sup> March, 2019</b>	<b>2019-2020</b>	<b>2018-2019</b>	<b>2017-2018</b>	<b>2019-2020</b>	<b>2018-2019</b>	<b>2017-2018</b>
1 Liability at the end of the year	5,570,775	6,899,723	6,122,471	1,443,882	3,127,727	2,516,158
2 Plan assets at the end of the year	(7,317,961)	(6,836,758)	(4,886,931)	-	-	-
3 Unrecognized Past Service Cost	-	(76,629)	(153,257)	-	-	-
4 Amount recognized in the Balance Sheet Accrued (Asset)/Liability	(1,747,186)	(13,664)	1,082,283	1,443,882	3,127,727	2,516,158

Particular	Gratuity (Funded)					
	2019-2020	2018-2019	2017-2018	2019-2020	2018-2019	2017-2018
<b>V Expenses recognized in the Statement of Profit &amp; Loss account for the year ended 31<sup>st</sup> March, 2019</b>						
1 Current service cost	766,538	750,161	788,498	415,380	668,146	333,458
2 Interest cost	497,542	444,881	377,546	226,416	188,712	172,665
3 Expected return on plan assets	(521,405)	(382,043)	(348,675)	-	-	-
4 Actuarial (gain) / Losses	(2,334,555)	(382,332)	(722,232)	(1,179,001)	372,341	311,059
5 Past service cost	76,629	76,629	372,270	-	-	-
6 Total expenses	(1,515,251)	507,296	467,407	(537,205)	1,229,199	817,182
<b>VI Balance Sheet reconciliation</b>	<b>2019-2020</b>	<b>2018-2019</b>	<b>2017-2018</b>	<b>2019-2020</b>	<b>2018-2019</b>	<b>2017-2018</b>
1 Opening net liability /(asset)	62,965	1,235,540	795,239	3,127,727	2,516,158	2,489,162
2 Expenses as above	(1,515,251)	507,296	467,407	(537,205)	1,229,199	817,182
3 Employer contribution	218,271	(1,603,242)	(180,363)	-	-	-
4. Benefits paid directly by the Company	-	-	-	(1,146,640)	(617,630)	(790,186)
5 Amount recognized in the Balance Sheet	(1,670,557)	139,594	1,082,283	1,443,882	3,127,727	2,516,158
<b>VII Actuarial assumptions</b>	<b>2019-2020</b>	<b>2018-2019</b>	<b>2017-2018</b>	<b>2019-2020</b>	<b>2018-2019</b>	<b>2017-2018</b>
1 Discount rate	6.80%	7.45%	7.50%	6.80%	7.45%	7.50%
2 Rate of return on plan assets	6.80%	7.45%	7.50%	0.00%	0.00%	0.00%
3 Salary Escalation	0.00%	8.33%	8.33%	0.00%	8.33%	8.33%
<b>VIII Amount for the current period is as under *</b>						
<b>Particular</b>	<b>2019-2020</b>	<b>2018-2019</b>	<b>2017-2018</b>	<b>2019-2020</b>	<b>2018-2019</b>	<b>2017-2018</b>
Gratuity(Funded)						
Defined Benefit obligation	5,570,775	6,899,723	6,122,471	1,443,882	3,127,727	2,516,158
Plan asset	7,317,961	6,836,758	4,886,931	-	-	-
Surplus/(deficit)	1,747,186	(62,965)	(1,235,540)	(1,443,882)	(3,127,727)	(2,516,158)
Experience adjustment on plan liability **	(495,073)	(414,018)	(576,667)	(587,084)	351,777	376,792
Actuarial Loss /(Gain) due to change in Actuarial Assumption	(1,894,690)	32,574	(178,676)	(593,071)	20,564	(65,733)
Experience adjustment on plan assets	57,883	(888)	33,111	-	-	-

\* With respect to Gratuity & Leave Encashment, the Company has taken actuarial valuation report for the year ended 31<sup>st</sup> March, 2015.

\*\* 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 2019-20

**Expected Employers contribution for the next financial year:**

For the gratuity which is 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.

➤ **Segment Reporting:**

The Company's operating segments are established on the basis of those components of the Company that are evaluated regularly by the Executive Committee (the 'Chief Operating Decision Maker' as defined in Ind AS 108 - 'Operating Segments'), in deciding how to allocate resources and in assessing performance. These have been identified taking into account nature of products and services, the differing risks and returns and the internal business reporting systems.

The Group has three principal operating and reporting segments;

- Oil and Gas Product.
- Trading of Goods.
- Others

(Amount in Lacs)

Particulars	Oil and Gas Product	Trading of Goods	Others	Total
	2019-20	2019-20	2019-20	2019-20
<b>Segment Revenue</b>	701.64	369.30	-	1070.94
External Turnover	701.64	369.30	-	1070.94
Inter Segment Turnover	-	-	-	-
<b>Gross Turnover</b>	<b>701.64</b>	<b>369.30</b>	-	<b>1070.94</b>
<b>Less: GST Recovered</b>	-	-	-	-
<b>Gross Turnover</b>	<b>701.64</b>	<b>369.30</b>	-	<b>1070.94</b>

(Amount in Lacs)

Particulars	Oil and Gas Product	Trading of Goods	Others	Total
	2019-20	2019-20	2019-20	2019-20
<b>Segment Results before Interest &amp; Taxes</b>	704.29	72.85	60.42	837.56
<b>Less: Finance Cost &amp; Other un-allocable Expenditure</b>	-	-	-	1076.04
<b>Net Profit / (Loss) before Tax</b>	-	-	-	<b>(238.48)</b>

➤ **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 31 <sup>st</sup> March, 2020	As at 31 <sup>st</sup> March, 2019
<b>Total equity attributable to the equity share holders of the company</b>	<b>562,516,450</b>	<b>387,516,450</b>
As percentage of total capital	82.76%	65.12%
Current loans and borrowings	39,092,673	141,729,221
Non-current loans and borrowings	133,192,747	86,815,220
<b>Total loans and borrowings</b>	<b>172,285,420</b>	<b>228,544,441</b>
Cash and cash equivalents	55,120,616	20,997,027
Net loans & borrowings	117,164,804	207,547,414
As a percentage of total capital	17.24%	34.88%
<b>Total capital (loans and borrowings and equity)</b>	<b>679,681,254</b>	<b>595,063,864</b>

➤ **Fair Value measurements**

**Financial instruments by category**

Particulars	As at 31 <sup>st</sup> March, 2020			As at 31 <sup>st</sup> March, 2019		
	Amortized Cost	FVTPL	FVTOCI	Amortized Cost	FVTPL	FVTOCI
<b>Financial Asset</b>						
Investment	-	-	-	-	187,523,517	-
Non-Current Loan	37,594,356	-	-	58,180,537	-	-
Trade receivables	35,761,629	-	-	96,423,564	-	-
Cash & Cash Equivalents	55,120,616	-	-	20,997,027	-	-
Loan	373,142,540	-	-	154,706,541	-	-
<b>Total Financial Asset</b>	<b>501,619,140</b>	-	-	<b>330,307,669</b>	<b>187,523,517</b>	-
<b>Financial Liabilities</b>						
Non-Current Borrowing	133,192,747	-	-	86,815,220	-	-
Current Borrowings	39,092,673	-	-	141,729,221	-	-
Trade Payables	104,658,442	-	-	96,342,372	-	-
<b>Total Financial Liabilities</b>	<b>276,943,862</b>	-	-	<b>324,886,813</b>	-	-

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

**A 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, 2020**

	Level 1	Level 2	Level 3	Total
<b>Financial Assets</b>	-	-	-	-
Investment				

**Financial assets measured at fair value at March 31, 2019**

	Level 1	Level 2	Level 3	Total
<b>Financial Assets</b>				
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				
0-12 Months	11,359,152	0	0	11,359,152
More than 1 Year	24,402,477	0	0	24,402,477
<b>Total</b>	<b>35,761,629</b>	<b>0</b>	<b>0</b>	<b>35,761,629</b>

**(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, 2020

Financial Liabilities	Payable within 0 to 12 months	More than 12 months	Total
<b>Non-current financial liabilities</b>			
Borrowings	-	133,192,747	133,192,747
<b>Current financial liabilities</b>			
Borrowings	39,274,677	-	39,092,673
Trade Payables	104,658,442	-	104,658,442
Other Financial Liability	-	-	-
	<b>143,933,119</b>		<b>143,933,119</b>
<b>Total financial liabilities</b>	<b>143,933,119</b>	<b>133,192,747</b>	<b>277,125,866</b>

## As at March 31, 2019

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

**(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	As at
	March 31, 2020	March 31, 2019
Floating Rate Borrowings	38,292,673	41,616,221

**(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. 244.02 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**

**Ashok C. Shah**

Director

DIN : 02467830

**Place :** Ahmedabad

**Date :** 30/07/2020

**Shalin A. Shah**

Managing Director

DIN : 00297447

**Hitesh Donga**

CFO

**Sheetal Pandya**

Company Secretary

**For, G M C A & Co.**

**Chartered Accountants**

FRN No:109850W

**CA. Mitt S. Patel**

Partner

Membership No. 163940