

**ANNUAL REPORT 2020 - 2021****BOARD OF DIRECTORS**

Ashok C. Shah	Director & Chairman
Shalin A. Shah	Managing Director
Malav A. Mehta	Director (upto 23.09.2020)
Pravinbhai V. Trivedi	Independent Director
Sarika Kulkarni	Independent Director (upto 05.05.2020)
Payal P. Pandya	Independent Director
Chitra J. Thaker	Independent Director (from 30.07. 2020 till 02.07.2021)
Sheetal G. Pandya	Additional Director (from 20.10.2020)

**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 Sharegistry (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.

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**NOTICE**

Notice is hereby given that the **30<sup>th</sup> Annual General Meeting** of **Gujarat Natural Resources Limited** will be held on Thursday, 30<sup>th</sup> Day of September, 2021 at 12:30 p.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, 2021 including audited Balance Sheet as at 31<sup>st</sup> March, 2021 and Statement of Profit and Loss and the cash flow statement for the year ended on that date and the Reports of the Directors and the Auditors thereon.
2. To re-appoint Mr. Ashok C. Shah (DIN: 02467830), who is liable to retire by rotation and being eligible, offers himself for re-appointment.

**SPECIAL BUSINESS:**

3. **Regularise appointment of Ms. Sheetal Girish Pandya (DIN 07148000) as Non executive 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) and applicable Regulations of the SEBI (Listing Obligations and Disclosure Requirements) Regulation, 2015, Ms. Sheetal Girish Pandya (DIN 07148000) 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 Non-Executive Director of the Company 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.”

4. **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 the below mentioned financial years.

Name of related party	Maximum Amount of transaction/s	Financial Year	Type of transaction
Ashoka Metcast Limited	100 crores	2022-23	Purchase/sale of goods, services and/or any other business activities
Ashnisha Industries Limited	100 crores	2022-23	Purchase/sale of goods, services and/or any other business activities

Lesha Industries Limited	100 crores	2022-23	Purchase/sale of goods, services and/or any other business activities
Rhetan Rolling Mills Private Limited	100 crores	2021-22	Purchase/sale of goods, services and/or any other business activities
	100 crores	2022-23	

**“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.”

#### 5. Increase in authorised share capital of the company.

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

**“RESOLVED THAT**, pursuant to Section 61 and all other applicable provisions, and the relevant rules framed there under and in accordance with the provisions of the Articles of Association of the Company, if any, under the Companies Act, 2013, (including any amendment thereto or re-enactment thereof), the consent of Members of Company be and is hereby accorded to alter the Authorised Share Capital of Company from Rs. 65,00,00,000/- (Rupees Sixty Five Crores), divided into 6,50,00,000 (Six Crores Fifty Lacs) equity shares of Rs. 10/- (Rupees Ten) each to Rs. 81,00,00,000/- (Rupees Eighty one Crores), divided into 8,10,00,000 (Eight Crores Ten Lacs) equity shares of Rs. 10/- (Rupees Ten) each and consequently the existing Clause V of the Memorandum of Association of Company be and is hereby altered by substituting in its place and instead thereof the following new Clause V as under:

The Authorised Share Capital of the Company is Rs. 81,00,00,000/- (Rupees Eighty One Crores), divided into 8,10,00,000 (Eight Crores Ten Lacs) equity shares of Rs. 10/- (Rupees Ten) each.”

**“RESOLVED FURTHER THAT**, any Director of the Company be and is hereby authorised to sign and execute all the necessary documents, as may be required and to do all such things and acts as may be necessary for giving effect to the said resolution and file this resolution with the Concern Authorities on behalf of the Company.”

#### 6. To approve the continuation of directorship of Mr. Pravinbhai Vrajlal Trivedi (DIN: 02916910), Non-Executive, Independent Director who will attain the age of 75 years.

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

**“RESOLVED THAT** in terms of Regulation 17(1A) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (as amended from time to time, including any statutory modifications or re-enactment thereof), and other applicable provisions if any, of the Companies Act, 2013 and subject to such other approvals as may be necessary in this regard, consent and approval of the Company be and is hereby accorded, as set out in the Explanatory Statement annexed hereto, for continuation of directorship, effective February 1, 2022, of Mr. Pravinbhai Vrajlal Trivedi (DIN: 02916910), Non-Executive, Independent Director, who will attain the age of 75 years on February 1, 2022, on the existing terms and conditions of his appointment.

**RESOLVED FURTHER THAT** any of the Directors of the Company be and is hereby authorised to take such steps as may be necessary, proper and expedient to give effect to this Resolution.”

7. To transfer the assets held in GNRL Oil & Gas Ltd., Bahamas to its holding company GNRL Oil & Gas (I) Private Limited (Erstwhile Sigma Oil and Gas Private Limited).

To consider and, if thought fit, to pass the following Resolution as a Special Resolution

**“RESOLVED THAT** in accordance with Regulation 24 and other applicable provisions of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and other applicable SEBI regulations and applicable provisions of the Companies Act, 2013, the Rules made thereunder, (including any statutory modification(s) or re-enactment thereof, for the time being in force), and other applicable notifications, clarifications, circulars, rules and regulations issued by any governmental or statutory authorities and other necessary approvals, consents, as may be required and subject to the Memorandum and Articles of Association of the Company, the consent, approval and authority of the members of the Company be and is hereby accorded to the Board of Directors of the Company and/or its subsidiary companies (hereinafter referred to as the “Board” which term shall include any committee thereof), to transfer by way of sale, transfer, disposal upto 100% of the whole or substantially the whole of the assets held in GNRL Oil & Gas Ltd., Bahamas to its holding company GNRL Oil & Gas (I) Private Limited (Erstwhile Sigma Oil and Gas Private Limited) on the mutually agreeable terms and conditions, including the consideration, as may be mutually agreed by the Board of Directors.

**RESOLVED FURTHER THAT** the Board be and is hereby authorised to do all such acts, deeds, matters and things, including without limitation negotiation and execution of any document that may be required to give effect to the above authorisation, as the Board in its absolute discretion deem fit without being required to seek any fresh approval of the shareholders of the Company.”

#### 8. Approval of related party transaction

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

**“RESOLVED THAT,** pursuant to the provisions of Section 188 of the Companies Act, 2013 and all other applicable provisions and rules, if any, of the Companies Act, 2013 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 for following related party transactions:

Name of related party	Amount of transaction/s	Type of transaction
O3 Developers Private Limited	31,75,40,000	Loan taken
Rhetan Rolling Mills Private Limited	1,26,65,000	Loan granted

Place: Ahmedabad

Date: 4<sup>th</sup> September, 2021

For and on behalf of the Board

Sd/-  
Ashok C. Shah  
Director  
DIN: 02467830

**Explanatory Statement as required under Section 102 of the Companies Act, 2013****Item No. 3 of The Notice:****Appointment of Ms. Sheetal Girish Pandya (DIN 07148000) as Non-executive Director.**

The Board of Directors, on the recommendation of Nomination and Remuneration Committee, had appointed Ms. Sheetal Girish Pandya (DIN 07148000) as Non-executive, Additional Director of the Company with effect from October 20, 2020.

Ms. Sheetal Girish Pandya is a qualified Company Secretary & Commerce graduate. She has experience in handling Company law and SEBI compliances. She is currently serving as Company Secretary & Compliance Officer of Gujarat Natural Resources Limited. Copy of the draft letter for appointment of Ms. Sheetal Girish Pandya as a Non Executive 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. Sheetal Girish Pandya fulfils the conditions specified in the Companies Act, 2013 and rules made there under for her appointment as a 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. 3 of this Notice for your approval. Ms. Sheetal Girish Pandya does not hold any shares in the company.

None of the Directors, Key Managerial Personnel and relatives thereof other than, Ms. Sheetal Girish Pandya has any concern or interest, financial or otherwise, in the resolution at Item No. 3 of the Notice.

**Item No. 4 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, 2021 has approved a proposal for entering into following related party transactions:

Name of Related Party	1. Ashoka Metcast Limited 2. Ashnisha Industries Limited 3. Lesha Industries Limited 4. Rhetan Rolling Mills Private Limited
Name of Related Director or KMP	Mr. Ashok C. Shah, Mr. Shalin A. Shah & Ms. Payal Pandya
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, Rhetan Rolling Mills Private Limited and Lesha Industries Limited. Mr. Ashok C. Shah, Director of the Company is Managing Director of Ashnisha Industries Limited and Lesha Industries Limited and is Director of Rhetan Rolling Mills Private Limited and Ashoka Metcast Limited. Ms. Payal P. Pandya Independent Director of the Company is Independent Director in Lesha Industries Limited and Ashoka Metcast 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	The pricing will be commensurate with the market value

other commercial terms, both included as part of contract and not considered as part of the contract	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. 4 for approval as Special resolution as set out in the notice of the meeting.

Except Mr. Shalin A. Shah, Managing Director, Mr. Ashok C. Shah and Ms. Payal P. Pandya 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.

#### **Item No. 5 of The Notice:**

##### **Increase in authorised capital of the Company.**

The Board of Directors of the Company had proposed to increase the Authorised share Capital of the Company from Rs. 65,00,00,000/- to Rs. 81,00,00,000/- for business expansion of the Company. As per the provisions of Section 61 of the Companies Act, 2013 the Company can alter its Authorised Capital only by passing resolution at general meeting of the shareholders of the Company. Therefore, the Board of Directors of the Company has proposed to consider and if thought fit, to pass with or without modification(s) the resolution as Ordinary Resolution as set out in the notice of the meeting.

Consequently Company has to alter the existing Clause V of the Memorandum of Association of Company.

Accordingly, your directors recommend the resolution at Item No.5 for approval as Ordinary 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

In view of this context Board recommends the resolution for the acceptance by the members.

None of the Directors or their relatives are in any way, concerned or interested in the said resolution except in the capacity as a member.

#### **Item No. 6 of The Notice:**

##### **Continuation of directorship of Mr. Pravinbhai Vrajlal Trivedi (DIN: 02916910), Non-Executive, Independent Director who will attain the age of 75 years.**

Mr. Pravin V. Trivedi, IAS (Retd.) will attain the age of 75 years on February 1, 2022. He was appointed as Non-Executive Independent Director of the Company on 23<sup>rd</sup> January, 2010 and was re-appointed as Independent Director for second term of five consecutive years from 1<sup>st</sup> April, 2019 to 31<sup>st</sup> March, 2024 .

He possesses Bachelor's degree in Science and Law. He Possesses total experience of 34 years in Public administration in Indian Administrative Service and has worked in various position like Collector & District Magistrate, Commissioner Geology Mining, Commissioner of Transport, Secretary Education to Government of Gujarat. He has also served as Managing Director of Gujarat Agro Industries, Gujarat State Finance Corporation and has held Directorship of various State PSU's like GIDC, GMDC, GIIC, GSRTC during his tenure.

In terms of Regulation 17(1A) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, approval of the Members, by means of a Special Resolution is necessary for the continuation of directorships of Non-Executive Directors, who have attained the age of 75 years.

At its meeting held on September 4, 2021 the Board of Directors approved the continuation of the appointment of Mr. Pravin V. Trivedi, as Non-Executive, Independent Director of the Company on the existing terms and conditions of his appointment.

Considering the rich experience of Mr. Pravin V. Trivedi and his contribution to the Company, it would be in the best interest of the Company, to continue to avail his services and guidance by continuing him as Non-Executive, Independent Director of the Company.

Mr. Pravin V. Trivedi does not hold any equity shares of the Company.

Mr. Pravin V. Trivedi is not related to any other director. Except Mr. Pravin V. Trivedi none of the other Directors/Key Managerial Personnel are interested in or concerned with the said Resolution.

The Board recommends passing of the said Special Resolution.

#### **Item No. 7 of the Notice**

**To transfer the assets held in GNRL Oil & Gas Ltd., Bahamas to its holding company GNRL Oil & Gas (I) Private Limited (Erstwhile Sigma Oil and Gas Private Limited)**

The Board of Directors of GNRL Oil & Gas (I) Private Limited (Erstwhile Sigma Oil and Gas Private Limited), (wholly owned subsidiary of the Company) and the authorized representatives of Indian project office of GNRL Oil & Gas Ltd. are of the view that transfer of all the assets of GNRL Oil & Gas Ltd. to GNRL Oil & Gas (I) Private Limited (Erstwhile Sigma Oil and Gas Private Limited) would offer better operating efficiency and would be in the best interest of both the Companies.

GNRL Oil & Gas (I) Private Limited (Erstwhile Sigma Oil and Gas Private Limited) is a wholly owned subsidiary of the Company and GNRL Oil & Gas Ltd. is a step down subsidiary. Consent of the members of the Company is being sought, as an enabling authorisation, to authorize the Board of Directors of the Company and /or its subsidiary companies, to effect transfer of assets in the manner as set out at item no. 7 of this notice.

The Board recommend the Resolution at Item No. 7 of the accompanying Notice, for the approval of the members of the Company by way of a Special Resolution.

None of the Directors or Key Managerial Persons of the Company or their relatives is in any way concerned or interested, financially or otherwise, except to the extent of equity shares held by them in the Company, in the resolution set out at Item No. 7 of this Notice.

#### **Item No. 8 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 22<sup>nd</sup> June, 2020 has approved a proposal for entering into following related party transactions:

Name of Related Party	1. O3 Developers Private Limited and 2. Rhetan Rolling Mills Private Limited
Name of Related Director or KMP	Mr. Ashok C. Shah, Mr. Shalin A. Shah, Mr. Malav Mehta
Nature of relationship	Mr. Shalin A. Shah, Managing Director of the Company is Director of Rhetan Rolling Mills Private Limited. Mr. Ashok C. Shah, Director of the Company is Director of Rhetan Rolling Mills Private Limited Mr. Malav Mehta Former Director of the Company was shareholder of O3 Developers Private Limited
Material terms, monetary value and particulars of the contract or arrangement;	The transaction between the parties will be in the nature of Loan taken and granted. The amount of the transactions shall be as stated in the resolution.
The Manner of determining the pricing and other commercial terms, both included as part of contract and not considered as part of the contract	N.A.
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 approval of the Shareholders by way of Special Resolution is required.

Accordingly, your directors recommend the resolution at Item No. 8 for approval as Special resolution as set out in the notice of the meeting.

Except Mr. Shalin A. Shah, Managing Director, Mr. Ashok C. Shah 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 regarding related party transaction with Rhetan Rolling Mills Private Limited.

Except Mr. Malav Ajitbhai Mehta, Former Director of the Company; Mrs. Jayshreeben Ajitbhai Mehta, Relative of Former Director; Infinium Natural Resources Investments Private Limited, Tiw Systems Private Limited, Advanced Energy Resources & Management Private Limited and Infinium Motors Private Limited, Companies in which Former Director/relative of Director 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 regarding related party transaction with O3 Developers Private Limited.

**Place: Ahmedabad**

**Date: 4<sup>th</sup> September, 2021**

**For and on behalf of the Board**

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



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

Name of the Director	Mr. Ashok C. Shah (DIN: 02467830)	Ms. Sheetal Girish Pandya (DIN: 07148000)	Mr. Pravinbhai V. Trivedi (DIN 02916910)
Age (Yrs.)	76 years	34 years	74 years
Date of first appointment	23/08/1991	20/10/2020	23/01/2010
The no. of Meetings of the Board attended during the year	10	5	10
Date of birth	07/09/1944	15/07/1987	01/02/1947
Brief Resume and expertise	Engineering and Administrative Degree. He has vast experience of more than 40 years in technical and administrative fields.	Company Secretary and a commerce graduate. Has more than 7 years of experience in handling secretarial matters of the Company.	Mr. Pravin V. Trivedi, IAS (Retd.) is aged about 63 years and possesses Bachelor's degree in Science and Law. He Possesses total experience of 34 years in Public administration in Indian Administrative Service and has worked in various position like Collector & District Magistrate, Commissioner Geology Mining, Commissioner of Transport, Secretary Education to Government of Gujarat. He has also served as Managing Director of Gujarat Agro Industries, Gujarat State Finance Corporation and has held Directorship of various State PSU's like GIDC, GMDC, GIIC, GSRTC during his tenure.
Designation	Director, Chairman	Director	Independent Director
Chairman/Member of the Committee of the Board of Directors of the Company	Member of Audit Committee and Nomination And Remuneration Committee in Gujarat Natural Resources Limited. Member of Stakeholders' Relationship committee and Nomination And Remuneration Committee in Ashoka Metcast Limited. Member of Stakeholders' Relationship committee in Leshia Industries Limited. Member of Stakeholders' Relationship committee in	None	Member of Audit Committee and Chairman of Nomination And Remuneration and Stakeholders' Relationship Committee in Gujarat Natural Resources Limited.

**Annual Report 2020-21****Gujarat Natural Resources Limited**

	Ashnisha Industries Limited		
No. of Shares held in the Company	1,25,100	Nil	Nil
Directorship in Other Listed Company	Lesha Industries Limited, Ashnisha Industries Limited and Ashoka Metcast Limited	Nil	Nil
Related to other directors	Mr. Ashok C. Shah and Mr. Shalin A. Shah are related as Father-Son.	Not related to any other director	Not related to any other director

**Place: Ahmedabad****Date: 4<sup>th</sup> September, 2021****For and on behalf of the Board**

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

**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 and Circular No. 02/2021 dated January 13, 2021 and all other relevant circulars issued from time to time, physical attendance of the Members to the EGM/AGM venue is not required and general meeting be held through video conferencing (VC) or other audio visual means (OAVM). Hence, Members can attend and participate in the ensuing EGM/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 EGM/AGM. However, the Body Corporates are entitled to appoint authorised representatives to attend the EGM/AGM through VC/OAVM and participate there at and cast their votes through e-voting.
3. The Members can join the EGM/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 EGM/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 EGM/AGM without restriction on account of first come first served basis.
4. The attendance of the Members attending the EGM/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 EGM/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 EGM/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 EGM/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 websites of the Stock Exchange i.e. BSE Limited at [www.bseindia.com](http://www.bseindia.com) and the EGM/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. EGM/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, MCA Circular No. 20/2020 dated May 05, 2020 and MCA Circular No. 2/2021 dated January 13, 2021.
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 2020-21** 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 2020-21** 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, 2021 to 30<sup>th</sup> September, 2021** (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. Members are requested to note that dividends that are not claimed within seven years from the date of transfer to the Company's Unpaid Dividend Account, will, as per Section 124 of the Act, be transferred to the Investor Education and Protection Fund (IEPF). Further, shares on which the dividends remain unclaimed for seven consecutive years will also be transferred to the IEPF as per Section 124 of the Act, and the applicable rules. Reminder letters in this regards to claim unpaid dividend for the year 2013-14 has been sent to the respective shareholders.
18. Instruction for E-Voting and joining AGM are as follows:

**THE INSTRUCTIONS FOR MEMBERS FOR REMOTE E-VOTING AND JOINING GENERAL MEETING ARE AS UNDER:-**

**The remote e-voting period begins on Monday, September 27, 2021 at 9:00 A.M. and ends on Wednesday, September 29, 2021 at 5: 00 P.M. The remote e-voting module shall be disabled by NSDL for voting thereafter. The Members, whose names appear in the Register of Members / Beneficial Owners as on the record date (cut-off date) i.e. September 24, 2021, may cast their vote electronically. The voting right of shareholders shall be in**

proportion to their share in the paid-up equity share capital of the Company as on the cut-off date, being September 24, 2021

### 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: Access to NSDL e-Voting system

##### A) Login method for e-Voting and joining virtual meeting for Individual shareholders holding securities in demat mode

In terms of SEBI circular dated December 9, 2020 on e-Voting facility provided by Listed Companies, Individual shareholders holding securities in demat mode are allowed to vote through their demat account maintained with Depositories and Depository Participants. Shareholders are advised to update their mobile number and email Id in their demat accounts in order to access e-Voting facility.

Login method for Individual shareholders holding securities in demat mode is given below:

Type of shareholders	Login Method
Individual Shareholders holding securities in demat mode with NSDL.	<ol style="list-style-type: none"> <li>1. If you are already registered for <b>NSDL IDeAS facility</b>, please visit the e-Services website of NSDL. Open web browser by typing the following URL: <a href="https://eservices.nsdl.com/">https://eservices.nsdl.com/</a> either on a Personal Computer or on a mobile. Once the home page of e-Services is launched, click on the “<b>Beneficial Owner</b>” icon under “Login” which is available under “<b>IDeAS</b>” section. A new screen will open. You will have to enter your User ID and Password. After successful authentication, you will be able to see e-Voting services. Click on “Access to e-Voting” under e-Voting services and you will be able to see e-Voting page. Click on options available against company name or <b>e-Voting service provider - NSDL</b> and you will be redirected to NSDL e-Voting website for casting your vote during the remote e-Voting period or joining virtual meeting &amp; voting during the meeting.</li> <li>2. If the user is not registered for IDeAS e-Services, option to register is available at <a href="https://eservices.nsdl.com">https://eservices.nsdl.com</a>. Select “<b>Register Online for IDeAS</b>” Portal or click at <a href="https://eservices.nsdl.com/SecureWeb/IdeasDirectReg.jsp">https://eservices.nsdl.com/SecureWeb/IdeasDirectReg.jsp</a></li> <li>3. Visit the e-Voting website of NSDL. Open web browser by typing the following URL: <a href="https://www.evoting.nsdl.com/">https://www.evoting.nsdl.com/</a> either on a Personal Computer or on a mobile. Once the home page of e-Voting system is launched, click on the icon “Login” which is available under ‘Shareholder/Member’ section. A new screen will open. You will have to enter your User ID (i.e. your sixteen digit demat account number held with NSDL), Password/OTP and a Verification Code as shown on the screen. After successful authentication, you will be redirected to NSDL Depository site wherein you can see e-Voting page. Click on options available against company name or <b>e-Voting service provider - NSDL</b> and you will be redirected to e-Voting website of NSDL for casting your vote during the remote e-Voting period or joining virtual meeting &amp; voting during the meeting.</li> </ol>

Individual Shareholders holding securities in demat mode with CDSL	<ol style="list-style-type: none"> <li>Existing users who have opted for Easi / Easiest, they can login through their user id and password. Option will be made available to reach e-Voting page without any further authentication. The URL for users to login to Easi / Easiest are <a href="https://web.cdslindia.com/myeasi/home/login">https://web.cdslindia.com/myeasi/home/login</a> or <a href="http://www.cdslindia.com">www.cdslindia.com</a> and click on New System Myeasi.</li> <li>After successful login of Easi/Easiest the user will be also able to see the E Voting Menu. The Menu will have links of <b>e-Voting service provider i.e. NSDL</b>. Click on <b>NSDL</b> to cast your vote.</li> <li>If the user is not registered for Easi/Easiest, option to register is available at <a href="https://web.cdslindia.com/myeasi/Registration/EasiRegistration">https://web.cdslindia.com/myeasi/Registration/EasiRegistration</a></li> <li>Alternatively, the user can directly access e-Voting page by providing demat Account Number and PAN No. from a link in <a href="http://www.cdslindia.com">www.cdslindia.com</a> home page. The system will authenticate the user by sending OTP on registered Mobile &amp; Email as recorded in the demat Account. After successful authentication, user will be provided links for the respective ESP i.e. <b>NSDL</b> where the e-Voting is in progress.</li> </ol>
Individual Shareholders (holding securities in demat mode) login through their depository participants	You can also login using the login credentials of your demat account through your Depository Participant registered with NSDL/CDSL for e-Voting facility. Once login, you will be able to see e-Voting option. Once you click on e-Voting option, you will be redirected to NSDL/CDSL Depository site after successful authentication, wherein you can see e-Voting feature. Click on options available against company name or <b>e-Voting service provider-NSDL</b> and you will be redirected to e-Voting website of NSDL for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting.

**Important note:** Members who are unable to retrieve User ID/ Password are advised to use Forget User ID and Forget Password option available at abovementioned website.

**Helpdesk for Individual Shareholders holding securities in demat mode for any technical issues related to login through Depository i.e. NSDL and CDSL.**

Login type	Helpdesk details
Individual Shareholders holding securities in demat mode with NSDL	Members facing any technical issue in login can contact NSDL helpdesk by sending a request at <a href="mailto:evoting@nsdl.co.in">evoting@nsdl.co.in</a> or call at toll free no.: 1800 1020 990 and 1800 22 44 30
Individual Shareholders holding securities in demat mode with CDSL	Members facing any technical issue in login can contact CDSL helpdesk by sending a request at <a href="mailto:helpdesk.evoting@cdslindia.com">helpdesk.evoting@cdslindia.com</a> or contact at 022- 23058738 or 022-23058542-43

**B) Login Method for shareholders other than Individual shareholders holding securities in demat mode and shareholders holding securities in physical mode.**

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

- 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.
- Once the home page of e-Voting system is launched, click on the icon "Login" which is available under 'Shareholder/Member' section.

3. A new screen will open. You will have to enter your User ID, your Password/OTP 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.nsdl.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. Password details for shareholders other than Individual shareholders are given below:
- If you are already registered for e-Voting, then you can use your existing password to login and cast your vote.
  - 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.
  - How to retrieve your 'initial password'?
    - 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'.
    - 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:
- Click on "**Forgot User Details/Password?**" (If you are holding shares in your demat account with NSDL or CDSL) option available on [www.evoting.nsdl.com](http://www.evoting.nsdl.com).
  - Physical User Reset Password?** (If you are holding shares in physical mode) option available on [www.evoting.nsdl.com](http://www.evoting.nsdl.com).
  - 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 etc.
  - 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.

## Step 2: Cast your vote electronically and join General Meeting on NSDL e-Voting system.

### How to cast your vote electronically and join General Meeting on NSDL e-Voting system?

1. After successful login at Step 1, you will be able to see all the companies “EVEN” in which you are holding shares and whose voting cycle and General Meeting is in active status.
2. Select “EVEN” of company for which you wish to cast your vote during the remote e-Voting period and casting your vote during the General Meeting. For joining virtual meeting, you need to click on “VC/OAVM” link placed under “Join General Meeting”.
3. Now you are ready for e-Voting as the Voting page opens.
4. 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.
5. Upon confirmation, the message “Vote cast successfully” will be displayed.
6. You can also take the printout of the votes cast by you by clicking on the print option on the confirmation page.
7. 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](mailto:cschintanpatel@gmail.com) with a copy marked to [evoting@nsdl.co.in](mailto: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](http://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](http://www.evoting.nsdl.com) or call on toll free no.: 1800 1020 990 and 1800 22 44 30 or send a request to NSDL at [evoting@nsdl.co.in](mailto: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:

1. In case shares are held in physical mode please provide Folio No., Name of shareholder, scanned copy of the share certificate (front and back), PAN (self attested scanned copy of PAN card), AADHAR (self attested scanned copy of Aadhar Card) by email to [sheetal@gnrl.in](mailto:sheetal@gnrl.in)
2. In case shares are held in demat mode, please provide DPID-CLID (16 digit DPID + CLID or 16 digit beneficiary ID), Name, client master or copy of Consolidated Account statement, PAN (self attested scanned copy of PAN card), AADHAR (self attested scanned copy of Aadhar Card) to [sheetal@gnrl.in](mailto:sheetal@gnrl.in). If you are an Individual shareholders holding securities in demat mode, you are requested to refer to the login method explained at **step 1 (A)** i.e. **Login method for e-Voting and joining virtual meeting for Individual shareholders holding securities in demat mode.**
3. Alternatively shareholder/members may send a request to [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in) for procuring user id and password for e-voting by providing above mentioned documents.
4. In terms of SEBI circular dated December 9, 2020 on e-Voting facility provided by Listed Companies, Individual shareholders holding securities in demat mode are allowed to vote through their demat account maintained with Depositories and Depository Participants. Shareholders are required to update their mobile number and email ID correctly in their demat account in order to access e-Voting facility.



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

1. The procedure for e-Voting on the day of the EGM/AGM is same as the instructions mentioned above for remote e-voting.
2. Only those Members/ shareholders, who will be present in the EGM/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 EGM/AGM.
3. Members who have voted through Remote e-Voting will be eligible to attend the EGM/AGM. However, they will not be eligible to vote at the EGM/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 EGM/AGM shall be the same person mentioned for Remote e-voting.

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

1. Member will be provided with a facility to attend the EGM/AGM through VC/OAVM through the NSDL e-Voting system. Members may access by following the steps mentioned above for **Access to NSDL e-Voting system**. After successful login, you can see link of "VC/OAVM link" placed under **"Join General meeting"** menu against company name. You are requested to click on VC/OAVM link placed under Join General Meeting menu. The link for VC/OAVM will be available in Shareholder/Member login where the EVEN of Company will be displayed. Please note that the 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.
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 mentioning their name demat account number/folio number, email id, mobile number at sheetal@gnrl.in. The same will be replied by the company suitably.

## Directors' Report

Dear Members,

Your Directors have pleasure in presenting the 30<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, 2021.

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

(Rs. in Lacs)

Particulars	Standalone		Consolidated	
	Year ended 31/03/2021	Year ended 31/03/2020	Year ended 31/03/2021	Year ended 31/03/2020
Sales & Other Income	239.75	359.79	916.44	1131.36
Exceptional Items	0.00	0.00	0.00	0.00
Expenditure	322.67	351.26	918.93	950.41
Profit Before Depreciation and Tax	(82.92)	8.53	(2.49)	180.95
Depreciation & amortisation expense	0.31	0.23	413.04	421.26
Extraordinary Item	0.00	2522.30	0	2522.30
Taxation	0.00	0.00	0.05	(16.55)
Deferred Tax	0.00	0.00	3.69	(0.04)
<b>Net Profit (Loss) for the year</b>	<b>(83.23)</b>	<b>(2514)</b>	<b>(419.27)</b>	<b>(2746.02)</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 2020-21.

### 3. SHARE CAPITAL:

The authorized share capital of the company as on April 1, 2020 was Rs. 65,00,00,000 divided into 6,50,00,000 equity shares of Rs. 10/- each. The paid up share capital of the company as on April 1, 2020 was Rs. 56,25,16,450/- divided into 5,62,51,645 equity shares of Rs. 10/- each.

The Company had allotted following fully convertible warrants of face value of Rs. 10/- each at price of Rs. 12/- per warrant on preferential allotment basis.

Date of allotment	No. of warrants
December 30, 2020	1,05,00,000
January 4, 2021	1,35,00,000
<b>Total</b>	<b>2,40,00,000</b>

### 4. RESERVES:

Reserves & Surplus at the end of the year stood at Rs. 5367.45 lakhs as compared to Rs. 4210.67 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.

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

There have been no material changes and commitments affecting the financial position of the Company since the close of financial year i.e. since 31<sup>st</sup> March, 2021.

The Company is engaged in the business of Oil & Gas exploration and trading of goods and others.

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

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

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

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

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

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

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

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

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

**11. MEETING OF BOARD OF DIRECTORS:**

During the year under the review, 10 (Ten) Board meetings were held, with gap between Meetings not exceeding the period prescribed under the Companies Act, 2013 and Rules made thereunder. Details of Board and Board committee meetings held during the year are given in the Corporate Governance Report.

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

**12. EXTRACTS OF ANNUAL RETURN:**

Pursuant to Section 92(3) read with section 134(3)(a) of the Companies Act, 2013, copies of the Annual Returns of the Company prepared in accordance with Section 92(1) of the Companies Act, 2013 read with Rule 11 of the Companies (Management and Administration) Rules, 2014 are placed on the website of the Company and is accessible at the weblink: <http://gnrl.in/announcements/>

**13. RELATED PARTY TRANSACTIONS:**

There are no materially significant related party transactions as per Companies Act, 2013 made by the Company which may have a potential conflict with the interest of the Company at large. Accordingly, disclosure in Form AOC-2 is not applicable and provided for.

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

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

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

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

Further, Ms. Sarika Kulkarni has resigned as an Independent Director of the Company w.e.f. 6<sup>th</sup> May, 2020 and Ms. Chitra Thaker was appointed w.e.f. 30<sup>th</sup> July, 2020. Ms. Sheetal Girish Pandya has been appointed as an Additional, Non-Independent Director of the Company w.e.f. 20<sup>th</sup> October, 2020 and Mr. Malav Mehta has resigned from the post of directorship w.e.f. 23<sup>rd</sup> September, 2020.

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

#### **15. EVALUATION OF BOARD, COMMITTEES AND DIRECTORS:**

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

The following were the Evaluation Criteria:

##### **(a) For Independent Directors:**

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

##### **(b) For Executive Directors:**

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

The Directors expressed their satisfaction with the evaluation process.

#### **16. POLICY ON APPOINTMENT AND REMUNERATION OF DIRECTORS:**

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

#### **17. MANAGERIAL REMUNERATION**

The Company has paid Mr. Shalin A. Shah (Managing Director) Rs. 17.75 Lakhs as managerial remuneration during the year.

**18. INDEPENDENT DIRECTORS' MEETING:**

Independent Directors of the Company had met on 12.03.2021 during the year, review details of which are given in the Corporate Governance Report.

**19. COMMITTEES OF THE BOARD:**

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

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

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

**20. AUDITORS:****A. Statutory Auditors**

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

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

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

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

**B. Secretarial Auditors**

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

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

Further, pursuant to Regulation 24A of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, GNRL Oil & Gas (I) Private Limited (Erstwhile Sigma Oil and Gas Private Limited) (Material Indian Subsidiary) has obtained Secretarial Audit Report for the financial year ended 31<sup>st</sup> March, 2021 from M/s. Amisha Shah & Associates and is annexed herewith as **Annexure III (B)**.

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

The Company has an internal financial Control System, commensurate with size, scale and complexity of its operations. The internal financial controls are adequate and are operating effectively so as to ensure orderly and efficient conduct of business operations. The Audit Committee formulates the scope, functioning, periodicity and methodology for conducting the internal audit. The internal auditors carry out audit, covering inter alia, monitoring and evaluating the efficiency & adequacy of internal control systems in the Company, its compliance

with operating systems, accounting procedures and policies at all locations and submit their periodical internal audit reports to the Audit Committee. Based on the internal audit report and review by the Audit committee, process owners undertake necessary actions in their respective areas. The internal auditors have expressed that the internal control system in the Company is robust and effective. The Board has also put in place requisite legal compliance framework to ensure compliance of all the applicable laws and that such systems are adequate and operating effectively.

**22. RISK MANAGEMENT:**

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

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

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

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

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

**25. PREVENTION OF INSIDER TRADING:**

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

The Company has adopted and amended its Code of Conduct for Prevention of Insider Trading w.e.f. April 1, 2019 pursuant to Securities and Exchange Board of India (Prohibition of Insider Trading) (Amendment) Regulations, 2018.

**26. DIRECTORS' RESPONSIBILITY STATEMENT:**

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

- i. In the preparation of the annual accounts, the applicable accounting standards had been followed along with proper explanation relating to material departures;
- ii. The directors had selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the company at the end of the financial year 31<sup>st</sup> March, 2021 and of the profit and loss of the company for that period;

- iii. The directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of Companies Act, 2013 and Rules made thereunder for safeguarding the assets of the company and for preventing and detecting fraud and other irregularities;
- iv. The directors had prepared the annual accounts on a going concern basis;
- v. The directors had laid down internal financial controls to be followed by the company and that such internal financial controls are adequate and were operating effectively, and
- vi. The directors had devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

## 27. CORPORATE GOVERNANCE:

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

## 28. GENERAL SHAREHOLDER INFORMATION:

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

## 29. CORPORATE SOCIAL RESPONSIBILITY:

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

## 30. MANAGEMENT DISCUSSION AND ANALYSIS REPORT:

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

## 31. PARTICULARS OF EMPLOYEES AND RELATED DISCLOSURES :

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

## 32. LISTING OF SHARES:

The Equity Shares of the Company are listed on the BSE Limited (BSE) with scrip code No. 513536 & security id: GNRL. The Company confirms that the annual listing fee to the stock exchange for the financial year 2021-22 will be paid in due course.

## 33. RELATED PARTY DISCLOSURE:

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

Sr. No.	Disclosure of loans / advances / investments / Outstanding during the year	As at 31 <sup>st</sup> March, 2021	Maximum amount during the year
1	Loans and advances in the nature of loans to subsidiary	657149643	512244555
2	Loans and advances in the nature of loans to associate	0	0
3	Loans and advances in the nature of loans to firms/companies in which directors are interested	12045000	12665000

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

**34. ACKNOWLEDGEMENT:**

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

**Place: Ahmedabad**

**Date: 4<sup>th</sup> September, 2021**

**For and on behalf of the Board**

<b>Sd/-</b>	<b>Sd/-</b>
<b>Ashok C. Shah</b>	<b>Sheetal G. Pandya</b>
<b>Director</b>	<b>Director</b>
<b>DIN: 02467830</b>	<b>DIN: 07148000</b>



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

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

GNRL Oil & Gas Limited (GOGL), Subsidiary of the Company, has acquired additional 70% participating interest in Allora, Dholasan, North Kathana fields. Considering the above acquisition, GOGL now holds 100% participating interest & operatorship in these fields. The consolidated revenue/profitability of the Company is expected to increase in view of this acquisition.

**OPPORTUNITY & THREATS:**

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

The Company's strategy is to:

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

**COMPETITION:**

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

**SEGMENT WISE AND PRODUCT WISE PERFORMANCE:**

The Company is carrying out its operations in oil and gas exploration, trading of goods and others. Details on segment wise performance of the Company is provided separately in Notes to Accounts.

**RISK AND CONCERN:**

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

**INITIATIVES BY THE COMPANY:**

The Company has taken the following initiatives:

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

**OUTLOOK:**

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

**INTERNAL CONTROL SYSTEMS AND THEIR ADEQUACY:**

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

**HUMAN RESOURCE:**

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

**HEALTH, SAFETY AND ENVIRONMENTAL PROTECTION:**

Your Company focuses on protecting the interests of the environment, safeguarding the health and safety of employees and ensuring the sustainability of the business in line with your Company's objectives, policies, and the requirements of applicable laws and regulations. Your Company believes that a safety culture is central to taking safety to higher levels and its top management continuously works towards establishing, sustaining and improving the safety culture. In view of the current COVID pandemic, health and safety measures have taken an unprecedented importance and the Company is taking all the necessary measures in this regards.

**CEO AND CFO CERTIFICATION:**

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

**CAUTIONARY STATEMENT:**

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

**DISCUSSION ON FINANCIAL PERFORMANCE WITH RESPECT TO OPERATIONAL PERFORMANCE:**

Operational performance viz. total revenue during the year stood at Rs. 239.75 lakhs and the Company incurred loss tuning to Rs. 83.22 lakhs. Cash and cash equivalents at the end of the year stood at Rs. 36.22 lakhs.

**DETAILS OF SIGNIFICANT CHANGES IN KEY FINANCIAL RATIOS:**

	Standalone		Consolidate	
	2020-21	2019-20	2020-21	2019-20
Debtors Turnover Ratio	1.65	0.43	1.61	0.94
Inventory Turnover Ratio	0.00	0.00	-409.10	1290.55
Interest coverage ratio	0.08	66.70	-2.37	-4.35
Current Ratio	4.84	8.50	1.98	2.71
Debt Equity Ratio	0.00	0.00	0.07	0.14
Operating Profit Margin	4.04	2.41	-36.09	-18.24
Net Profit Margin	-44.53	-718.54	-51.78	-256.41
Return on Network	-0.76	-25.56	-0.04	-0.28
P/E Ratio	-87.20	-2.02	-17.20	-1.85

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

The Company has incurred loss during the year and due to adjustment of past year's losses, your Company fall short to earn significant sum as return on Net Worth.

**Place: Ahmedabad**

**Date: 4<sup>th</sup> September, 2021**

**For and on behalf of the Board**

**Sd/-**

**Ashok C. Shah**

**Director**

**DIN: 02467830**

**Sd/-**

**Sheetal G. Pandya**

**Director**

**DIN: 07148000**

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

- i. The ratio of the remuneration of each Director to the Median Remuneration of the Employees of the Company for the Financial Year 2020-21 and
- ii. The percentage increase in remuneration of each Director, Chief Financial Officer, Chief Executive Officer, Company Secretary or Manager, if any, in the Financial Year

Sr. No.	Name of Director/KMP and its Designation	Remuneration to the Director / KMP for the Financial Year 2020 –21 (Rs. In Lakhs)	Percentage increase / decrease in remuneration in the Financial Year 2020 – 21	Ratio of Remuneration of each Director to the Median Remuneration of Employees
1	Mr. Shalin A. Shah Managing Director	17.75	Nil	4.58:1
2	Ms. Sheetal G. Pandya Company Secretary & Compliance Officer	3.87	Nil	1:1
3	Hitesh M. Donga Chief Financial Officer	4.70	Nil	1.21:1

- iii. Median Remuneration of Employees (MRE) of the Company is Rs. 3.87 Lakhs for the Financial Year 2020-21. There was no increase in the remuneration during the year.
- iv. The number of permanent employees on the rolls of the Company is five for the year ended 31<sup>st</sup> March, 2021.
- v. The remuneration of the Key Managerial Personnel (KMP) is in line with the performance of the company.
- vi. The Market Capitalization as on 31<sup>st</sup> March, 2021 was Rs. 72.56 crores as compared to Rs. 50.80 crores as on March 31, 2020. Price Earnings Ratio of the Company was -87.20 as on 31<sup>st</sup> March, 2021 as against -2.02 as on 31<sup>st</sup> March, 2020.
- vii. Average percentage increase made in the salaries of employees including that of the managerial personnel in the last Financial Year was Nil.
- viii. The remuneration of each of the Key Managerial Personnel is given in (i) and (ii) above. The performance of the Company, in comparison, is as stated in (v) above.
- ix. There is no variable component in remuneration of Directors of the Company.
- x. The ratio of the remuneration of the highest paid director to that of the employees who are not directors but receive remuneration in excess of the highest paid director during the year — N.A.
- xi. It is hereby affirmed that the remuneration paid is as per the Remuneration Policy of the Company.

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

Place: Ahmedabad

Date: 4<sup>th</sup> September, 2021

For and on behalf of the Board

Sd/-

Ashok C. Shah  
Director  
DIN: 02467830

Sd/-

Sheetal G. Pandya  
Director  
DIN: 07148000

ANNEXURE – III TO THE DIRECTORS REPORT**FORM NO. MR-3****SECRETARIAL AUDIT REPORT**FOR THE FINANCIAL YEAR ENDED 31<sup>ST</sup> MARCH, 2021

*[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, 2021 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, 2021 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, 2020.  
 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 of face value of Rs. 10/- each at price of Rs. 12/- per warrant during the year as per the Special Resolution passed by the members of the Company in the Extra Ordinary General Meeting held on December 19, 2020.

**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, 2021**

**Sd/-**

**Chintan K. Patel**

**Practicing Company Secretary**

**UDIN: A031987C000895894**

**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, 2021**

**Sd/-**

**Chintan K. Patel**

**Practicing Company Secretary**

**Mem. No. A31987, COP No. 11959**

**ANNEXURE – III(A) TO THE DIRECTORS REPORT****Secretarial Compliance Report of Gujarat Natural Resources Limited for the year ended March 31, 2021.**

I, Chintan K. Patel, Practicing Company Secretary have examined:

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

for the year ended March 31, 2021 ("Review Period") in respect of compliance with the provisions of :

- the Securities and Exchange Board of India Act, 1992 ("SEBI Act") and the Regulations, circulars, guidelines issued thereunder; and
- 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:-

- Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015;
- Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018;
- Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
- Securities and Exchange Board of India (Buyback of Securities) Regulations, 2018; **Not Applicable during the period under review.**
- Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014; **Not Applicable during the period under review.**
- Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008; **Not Applicable during the period under review.**
- 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.**
- 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:

- 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) Observation made in the previous report and action required to be taken by the listed entity to comply with the observations made in previous reports.

Sr. No.	Observations of the Practicing Company Secretary in the previous reports	Observations made in the secretarial compliance report for the year ended... <i>(The years are to be mentioned)</i>	Actions taken by the listed entity, if any	Comments of the Practicing Company Secretary on the actions taken by the listed entity
1	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).	Observation made in the secretarial compliance report for the year ended March 31, 2020, i.e. f.y. 2019-20	The management of the Company is looking for suitable candidate to be appointed as Independent Director on its Board as well as on the Board of its material subsidiaries.	The Company is looking for suitable candidate to be appointed as Independent Director on its Board as well as on the Board of its material subsidiaries. The management had given assurance to comply with regulation.

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

Place: Ahmedabad  
Date: June 29, 2021

Sd/-  
Chintan K. Patel  
Practicing Company Secretary  
UDIN: A031987C000537217  
Mem. no. A31987, COP no. 11959

**ANNEXURE – III(B) TO THE DIRECTORS REPORT****Form No. MR-3****SECRETARIAL AUDIT REPORT****FOR THE FINANCIAL YEAR ENDED 31st MARCH, 2021**

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

**To,  
The Members,  
Sigma Oil and Gas Private Limited**

**We, M/s. Amisha Shah & Associates (FRN- S2020GJ744600)** have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by M/s. Sigma Oil and Gas Private Limited (hereinafter called the company).

Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing my Opinion thereon.

Based on our 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, we hereby report that in our opinion, the company has, during the audit period covering the financial year ended on 31st March, 2021 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:

We have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on 31st, March, 2021 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 there under-Not applicable to company during the purview.
- (iii) The Depositories Act, 1996 and the Regulations and Bye-laws Framed there under;
- (iv) Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial borrowing;
- (v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):- Not applicable to company during the purview.
  - (a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011
  - (b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992-
- (vi) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009- Not applicable to company during the purview.
  - (a) The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999;

- (b) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008;
- (c) 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;
- (d) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009; and
- (e) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998;

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

- a) Secretarial Standards issued by The Institute of Company Secretaries of India
- b) The Listing Agreements entered into by the Company with Stock Exchange(s):- Not applicable to company during the purview.

**We further report that**

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

The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act.

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.

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

**However, the suitable policy for the Employees, is required to be framed to sustain their interest in the company for a longer and to ordinate the good level of corporate Governance in the eyes of the stakeholder.**

**Place : Ahmedabad**

**Date: 07-08-2021**

**For, Amisha Shah & Associates**

**Sd/-**  
**Amisha Shah (Gandhi)**  
**ACS No.-37340**  
**CP No.19819**  
**UDIN- A037340C000751262**

**Disclaimer Certificate**

**To,  
The Members**

My report of even date is to be read along with this supplementary testimony.

1. Maintenance of secretarial record is the responsibility of the management of the company.  
My responsibility is to express an opinion on these secretarial records based on my audit.
2. I have followed the audit practices and processes 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. I believe that the processes and practices, the company had followed provide a reasonable basis for my opinion.

3. I have not verified the correctness and appropriateness of financial records and Books of Accounts of the company.
4. Wherever required, I have obtained the Management Representation about the compliance of laws, rules and regulations and happening of events etc.,
5. The compliance of the provisions of Corporate and other applicable laws, rules, regulations, standards is the responsibility of management.

My examination was limited to the verification of procedures on test basis.

6. The Secretarial Audit report is neither an assurance as to the future viability of the company nor of the efficacy or effectiveness with which the management has conducted the affairs of the company.

**Place : Ahmedabad**

**Date: 07-08-2021**

**For, Amisha Shah & Associates**

**Sd/-  
Amisha Shah (Gandhi)  
ACS No.-37340  
CP No.19819  
UDIN- A037340C000751262**

**ANNEXURE IV – 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 (upto 23.09.2020)	Promoter, Non Executive Director	Director
Mr. Pravinbhai V. Trivedi	Independent, Non Executive Director	Director
Ms. Sarika A. Kulkarni (upto 05.05.2020)	Independent, Non Executive Director	Director
Ms. Payal P. Pandya	Independent, Non Executive Director	Director
Ms. Chitra J. Thaker (w.e.f. 30.07.2020 to 02.07.2021)	Independent, Non Executive Director	Director
Ms. Sheetal Girish Pandya (w.e.f 20.10.2020)	Additional, Non Executive Director	Director

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

During the financial year 2020-21, **10 (Ten)** Board Meetings were held on 22-06-2020, 30-07-2020, 04-09-2020, 15-09-2020, 20-10-2020, 12-11-2020, 19-11-2020, 30-12-2020, 04-01-2021 and 13-02-2021.

The composition of Directors and the attendance at the Board Meeting during the year 2020-2021 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	10	Yes
Mr. Malav Mehta	Director	2	--	--	4	No
Mr. Pravinbhai V. Trivedi	Independent Director	None	2	1	10	No
Ms. Sarika A. Kulkarni	Independent Director	None	--	--	0	No
Ms. Payal Pandya	Independent Director	2	1	2	10	Yes

Ms. Chitra J. Thaker	Independent Director	1			8	Yes
Ms. Sheetal Girish Pandya	Director	0			5	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	Nil	--	--	--	--
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
Ms. Chitra J. Thaker	Ashoka Metcast Limited	Independent Director	Member	Chairperson	Member
Ms. Sheetal Girish Pandya	Nil	--	--	--	--

- 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.
- Ms. Sarika A. Kulkarni, Independent Director has resigned during the year due to pre-occupation and family reasons and she has confirmed there are no other material reasons other than those provided.
- Disclosure with respect to remuneration is given in Annexure II

## 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, 2020. 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 22/06/2020, 30/07/2020, 15/09/2020, 20/10/2020, 12/11/2020 and 13/02/2021. 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	6	6
Mr. Ashok C. Shah	6	6
Mr. Pravin V. Trivedi	6	6

#### 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, 2021 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	2	2
Mr. Ashok C. Shah	2	2
Mrs. Payal Pandya	2	2

There is appointment of Ms. Chitra J. Thaker and Ms. Sheetal Girish Pandya during the year. Meetings of Nomination and Remuneration Committee were held on 30/07/2020 and 20/10/2020,

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

**1.2 Term / Tenure**

- Managing Director/Whole-time Director/Manager (Managerial Personnel)  
The Company shall appoint or re-appoint any person as its Managerial Personnel for a term not exceeding five years at a time. No re-appointment shall be made earlier than one year before the expiry of term.
- Independent Director
  - An Independent Director shall hold office for a term of up to five consecutive years on the Board of the Company and will be eligible for reappointment on passing of a special resolution by the Company and disclosure of such appointment in the Board's report.
  - No Independent Director shall hold office for more than two consecutive terms, but such Independent Director shall be eligible for appointment after expiry of three years of ceasing to become an Independent Director. Provided that an Independent Director shall not, during the said period of three years, be appointed in or be associated with the Company in any other capacity, either directly or indirectly.



## 1.3 Evaluation

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

## 1.4 Removal

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

## 2.1 Remuneration Policy

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

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

**Details of Remuneration paid to Directors during the year:****A. Executive Directors**

The remuneration paid to Directors during the financial year ended 31<sup>st</sup> March, 2021 is as follows:

Mr. Shalin A. Shah (MD) Rs. 17.75 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, 2021.

**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, 2021 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	3	3
Mr. Shalin A. Shah	3	3
Mrs. Payal Pandya	3	3

Ms. Sheetal G. Pandya, Company Secretary is the Compliance Officer of the Company. Meetings of Stakeholders' Relationship Committee were held on 30/07/2020, 12/11/2020 and 13/02/2021.

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 March 12, 2021, *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 31.03.2021.

### 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, 2020 held on 30<sup>th</sup> September, 2020 and for the Extra-Ordinary General Meeting held on 19<sup>th</sup> December, 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
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.	3 <sup>rd</sup> Floor, A Wing, Gopal Palace, Opp. Ocean Park, Nr. Nehru Nagar, Satellite Road, Ahmedabad - 380015	2
2019-20	30 <sup>th</sup> September, 2020	11:30 A.M.	Video Conferencing (VC)/other Audio-Visual Means (OAVM)	2

No Resolutions were put through postal ballot.

One Extra-Ordinary General Meeting was held on 19<sup>th</sup> December, 2020 during the year 2020-21 and 1 Special resolution was 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, 2018 and 31<sup>st</sup> March 2019 and through E-voting at the Annual General Meeting for the financial year ended on 31<sup>st</sup> March, 2021 and at the Extra-Ordinary General Meeting held on 19<sup>th</sup> December, 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	16
b)	Number of Shares Dematerialized	10100
c)	Percentage of Shares Dematerialized	0.018%
d)	Number of Remat requests approved	1
e)	Number of Shares Rematted	4000

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.

\*Corporate Action executed for transfer of physical shares to IEPF Authority not included in the no. of shares Dematerialised.

## **9. DISCLOSURES:**

- There are materially significant related party transactions however they do not have any potential conflict with the interest of the Company at large.
- There were no instances of non-compliance nor have any penalties/strictures imposed by Stock Exchanges or SEBI or any other statutory authority on any matters related to capital market, during last 3 financial years.
- Whistle Blower Policy  
In terms of SEBI Listing Regulations, the Company has established vigil mechanism for directors, employees and other stakeholders to report concerns about unethical behavior, actual or suspected fraud or violation of the Company's code of conduct or ethical policy.  
([www.gnrl.in/Whistle\\_Blower\\_Policy.pdf](http://www.gnrl.in/Whistle_Blower_Policy.pdf))
- The Company has also adopted Policy for determining material subsidiaries ([www.gnrl.in/Policy\\_on\\_Material\\_Subsidaries.pdf](http://www.gnrl.in/Policy_on_Material_Subsidaries.pdf)) and policy on dealing with related party transactions ([www.gnrl.in/Related\\_Party\\_Transaction\\_Policy.pdf](http://www.gnrl.in/Related_Party_Transaction_Policy.pdf))
- Details of Compliance with Mandatory requirements and adoption of Non-mandatory requirements of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirement) Regulations, 2015.

### **Mandatory requirements:**

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

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

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

## **10. MEANS OF COMMUNICATION:**

Board of Directors approves and takes on record Unaudited Quarterly Results and Audited Annual Results in the prescribed form and announces forthwith the results and intimate to the 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, 2021**Time:** 12:30 a.m.

The AGM will be held through video conferencing.

**Dividend payment date:** No dividend recommended for the F.Y. 2020-21.**b. Calendar of Financial Year ended 31<sup>st</sup> March, 2021**

The meetings of Board of Directors for approval of quarterly financial results during the Financial Year ended 31<sup>st</sup> March, 2021 were held on the following dates:

**First Quarter Results:** 15<sup>th</sup> September, 2020**Second Quarter and Half yearly Results:** 12<sup>th</sup> November, 2020**Third Quarter Results:** 13<sup>th</sup> February, 2021**Fourth Quarter and Annual Results:** 30<sup>th</sup> June, 2021**c. Tentative Calendar for financial year ending 31<sup>st</sup> March, 2022**

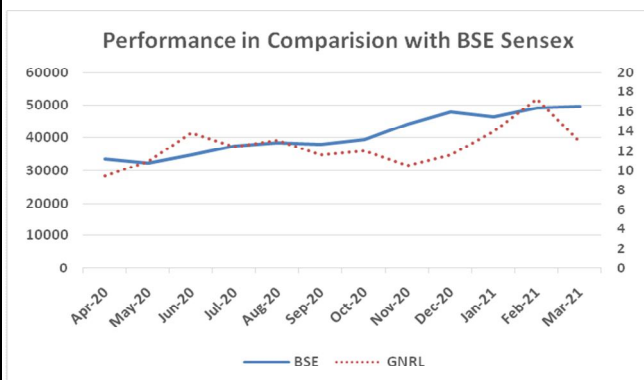
Unaudited Results for the quarter ended 30/06/2021	Second Week of August, 2021
Unaudited Results for the quarter ended 30/09/2021	Second Week of November, 2021
Unaudited Results for the last quarter ended 31/12/2021	Second Week of February 2022
Audited Results for the quarter ended 31/03/2022	Fourth Week of May 2022
Annual General Meeting for the year ending 31 <sup>st</sup> March, 2022	September, 2022

**d. Date of Book Closure**27<sup>th</sup> September, 2021 to 30<sup>th</sup> September, 2021 (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 Rs. / Per Share)**

Month	Market Price of Share of GNRL at BSE	
	Month's High	Month's Low
Apr, 2020	9.95	9.03
May, 2020	10.95	9.94
Jun, 2020	16.10	10.75
Jul, 2020	14.00	11.78
Aug, 2020	14.50	9.20
Sep, 2020	13.67	9.50
Oct, 2020	12.58	10.35
Nov, 2020	12.25	10.26
Dec, 2020	13.95	10.36
Jan, 2021	15.99	10.50
Feb, 2021	19.61	13.38
Mar, 2021	17.50	12.90

**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 Shareregistry (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, 2021 is as under:**

Slab of Shareholdings	No. of Shareholder	% of Shareholder	No. of Shares	Amount (in Rs.)	% of Capital
1-500	1854	77.70	206050	2060500	0.37
501-1000	166	6.96	140035	1400350	0.25
1001-2000	107	4.48	165743	1657430	0.29
2001-3000	46	1.93	115700	1157000	0.21
3001-4000	27	1.13	97128	971280	0.17
4001-5000	27	1.13	124491	1244910	0.22
5001-10000	44	1.84	319196	3191960	0.57
10001 and above	115	4.82	55083302	550833020	97.92
<b>TOTAL</b>	<b>2386</b>	<b>100</b>	<b>56251645</b>	<b>562516450</b>	<b>100.00</b>

**k. Dematerialization of Shares and liquidity**

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

<b>Issued, Subscribed and Paid up Capital as on March 31, 2021</b>	:	56251645
A. Electronic Holding in NSDL	:	18256251
B. Electronic Holding in CDSL	:	37866386
C. Physical Holding	:	129008

**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 1,05,00,000 and 1,35,00,000 Convertible warrants on 30/12/2020 and 04/01/2021 respectively.

**m. Investors' correspondence:**

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

Purva Shareregistry (India) Private Limited (Unit: Gujarat Natural Resources Limited)  
Unit no. 9, Shiv Shakti Ind. Estt.  
J.R. Boricha marg  
Lower Parel (E)  
Mumbai 400 011

**n. Share Transfer System**

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

**o. There are no shares lying in the demat suspense account or unclaimed suspense account.****p. List of all credit rating obtained by the entity during the financial year : Not Applicable****q. Details of utilization of funds raised through preferential allotment or qualified institutions placement:**

During the year 2.4 crore convertible warrants were issued and allotted. The funds amounting to Rs. 7.2 crores raised upon allotment of convertible warrants issued on preferential allotment is used as long term resources of the Company, funding working capital requirements, invested in wholly owned subsidiary of the Company and 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. 3,94,600/- 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, 2021**

**For and on behalf of the Board**

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

**Sd/-  
Sheetal G. Pandya  
Director  
DIN: 07148000**

**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 2020-21.

**Place: Ahmedabad**

**Date: 4<sup>th</sup> September, 2021**

**For and on behalf of the Board**

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

**Sd/-  
Sheetal G. Pandya  
Director  
DIN: 07148000**

ANNEXURE – V 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, 2021, 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, 2021

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, 2021. 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, 2021**

**Sd/-**

**Chintan K. Patel**

**Practicing Company Secretary**

**UDIN: A031987C000896488**

**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 2020-21 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: 30<sup>th</sup> June, 2021**

**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	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	GNRL Oil & Gas (I) Private Limited (Erstwhile Sigma Oil and Gas Private Limited)
2	The date since when subsidiary was acquired	02/11/2007	02/11/2007	02/11/2007	30/05/2009	02/11/2007	08/05/2009
3	Reporting period for the subsidiary	2020-21	2020-21	2020-21	2020-21	2020-21	2020-21
4	Reporting currency and Exchange rate as on the last date of the relevant Financial year	USD	USD	USD	USD	USD	Rupees
5	Share capital	50	4,82,000	10,000	40,82,000	9100	10,29,00,000
6	Reserves & surplus	20,21,536	NIL	NIL	(81,386)	NIL	(1,000,899)
7	Total assets	1,24,96,984	4,82,000	1,83,284	4,000,614	2,55,218	83,68,43,590
8	Total Liabilities	1,24,96,984	4,82,000	1,83,284	4,000,614	2,55,218	83,68,43,590
9	Investments	NIL	NIL	NIL	NIL	NIL	34,81,87,569
10	Turnover	9,11,979	NIL	NIL	NIL	NIL	NIL
11	Profit before taxation	(424,593)	NIL	NIL	(6,218)	NIL	(12,61,971)
12	Provision for taxation	14,470	NIL	NIL	NIL	NIL	(19,884)
13	Profit after taxation	(4,39,063)	NIL	NIL	(6,218)	NIL	(12,81,855)
14	Proposed Dividend	NIL	NIL	NIL	NIL	NIL	NIL
15	% of shareholding	100% held by GNRL Oil & Gas (I) Private Limited (Erstwhile Sigma Oil and Gas Private Limited)	100% held by GNRL Oil & Gas (I) Private Limited (Erstwhile Sigma Oil and Gas Private Limited)	100% held by GNRL Oil & Gas (I) Private Limited (Erstwhile Sigma Oil and Gas Private Limited)	100% held by GNRL Oil & Gas (I) Private Limited (Erstwhile Sigma Oil and Gas Private Limited)	100% held by Gorlas Corporate Holdings Ltd	100% held by Gujarat Natural Resources Limited

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

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

## Part "B": Associates and Joint Ventures

There are no Associates of the Company.

## Independent Auditor's Report

### To the Members of Gujarat Natural Resources Limited

#### Opinion

We have audited the accompanying financial statements of **Gujarat Natural Resources Limited** ("the Company"), which comprise the balance sheet as at March 31, 2021 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, 2021 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. 206.17lacs. Due to non-provision in this regard the debit balance of profit & loss account is under stated and balance of loans and advances is overstated by the said sum. This matter has been already emphasized by previous auditor.
- The company is carrying Pre-Operative Expenses of Rs.3,50,11,249.34/- 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, 2021. 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 thereunder.

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

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

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

**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, 2021, taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2021, 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)

Place : Ahmedabad

Date : 30/06/2021

Membership No. 163940  
UDIN :21163940AAAAOU1850

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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, 2021 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, 2021.

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

**CA. Mitt S. Patel**  
(Partner)  
Membership No. 163940  
UDIN :21163940AAAAOU1850

Place : Ahmedabad  
Date : 30/06/2021

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**Reports under The Companies (Auditor's Report) Order, 2016 (CARO 2016) for the year ended on 31st March 2021**

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

**(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, 2021.

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. 17,75,627 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

UDIN :21163940AAAAOU1850

Place : Ahmedabad

Date : 30/06/2021



**BALANCE SHEET AS AT 31/03/2021**

Particulars	Note No.	As at 31 <sup>st</sup> March, 2021	As at 31 <sup>st</sup> March, 2020
<b>I. ASSETS</b>			
<b>1 Non-current Assets</b>			
(a) Property, Plant and Equipment	1	98,564	1,29,264
(b) Capital work in progress		-	-
(c) Intangible assets	1	881	881
(d) Intangible assets under development		-	-
(e) Financial Assets :			
i) Investments	2	15,43,50,000	15,43,50,000
ii) Loans	3	49,47,364	53,50,097
(f) Deferred tax assets (Net)		655	-
(g) Other non-current assets	4	3,62,91,962	3,62,91,962
<b>Total Non-current Assets</b>		<b>19,56,89,426</b>	<b>19,61,22,204</b>
<b>2 Current Assets</b>			
(a) Inventories		-	-
(b) Financial Assets :			
i) Investments		-	-
ii) Trade Receivables	5	-	1,13,59,152
iii) Cash & Cash Equivalents	6	36,22,959	14,50,407
iv) Loans	7	1,13,54,07,818	87,95,77,203
v) Other Financial Assets		-	-
(c) Other Current Assets		-	-
<b>Total - Current Assets</b>		<b>1,13,90,30,777</b>	<b>89,23,86,762</b>
<b>Total Assets</b>		<b>1,33,47,20,203</b>	<b>1,08,85,08,966</b>
<b>II. Equity &amp; Liabilities</b>			
<b>1. Equity</b>			
(a) Share Capital	8	56,25,16,450	56,25,16,450
(b) Other Equity	9	53,67,44,860	42,10,66,550
<b>Total Equity</b>		<b>1,09,92,61,310</b>	<b>98,35,83,000</b>
<b>2. Liabilities</b>			
A) Non Current Liabilities			
(a) Financial Liabilities			
i) Borrowings		-	-
(b) Deferred Tax Liabilities (Net)		-	-
(c) Other Non Current Liabilities		-	-
<b>Total Non- Current Liabilities</b>		-	-
B) Current Liabilities			
(a) Financial Liabilities			
i) Borrowings	10	14,95,42,130	2,12,53,506
ii) Trade Payables	11	8,29,69,277	8,12,59,457
iii) Other Financial Liabilities		-	-
(b) Other Current Liabilities	12	27,25,486	21,63,504
(c) Short Term Provisions	13	2,22,000	2,49,500
<b>Total Current Liabilities</b>		<b>23,54,58,893</b>	<b>10,49,25,966</b>
<b>Total Equity &amp; Liabilities</b>		<b>1,33,47,20,203</b>	<b>1,08,85,08,966</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 : 30/06/2021

Shalin A. Shah

Managing Director

DIN : 00297447

Hitesh Donga

CFO

Sheetal G Pandya

Company Secretary

CA. Mitt S. Patel

Partner

Membership No. 163940

UDIN:21163940AAAAOU1850

## STATEMENT OF PROFIT &amp; LOSS ACCOUNT FOR THE PERIOD FROM 01-04-2020 TO 31-03-2021

Particulars	Note No.	2020-21	2019-20
I Revenue From Operations	14	1,86,88,500	3,49,87,680
II Other Income	15	52,86,130	9,91,560
<b>III Total Revenue (I+II)</b>		<b>2,39,74,630</b>	<b>3,59,79,240</b>
IV Expenses			
Purchase of Stock in Trade	16	1,65,87,900	2,96,45,280
Changes in Inventories		-	-
Employee Benefit Expenses	17	32,64,581	38,76,329
Finance Costs	18	90,90,810	12,634
Depreciation & Amortisation Expenses	19	30,700	23,521
Other Expenses	20	33,22,984	15,91,423
<b>Total Expenses</b>		<b>3,22,96,975</b>	<b>3,51,49,187</b>
<b>V Profit Before Exceptional &amp; Extraordinary Items &amp; Tax (III-IV)</b>		<b>-83,22,344.72</b>	<b>8,30,053</b>
VI Exceptional Items			-
<b>VII Profit Before Extraordinary Items &amp; Tax</b>		<b>(83,22,345)</b>	<b>8,30,053</b>
Extraordinary Items		-	25,22,30,103
<b>VIII Profit Before Tax</b>		<b>(83,22,345)</b>	<b>(25,14,00,050)</b>
IX Tax Expenses			
Current Tax/ Interest on Income Tax/ Deferred Tax		-655	
<b>X Profit/(Loss) for the period from Continuing Operations(IX-X)</b>		<b>(83,21,690)</b>	<b>(25,14,00,050)</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>(83,21,690)</b>	<b>(25,14,00,050)</b>
XV Earning Per Equity Share			
Basic		(0.15)	(4.47)
Diluted		(0.15)	(5.60)
<b>The Notes referred to above form an integral part of the Balance Sheet</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 : 30/06/2021

Shalin A. Shah

Managing Director

DIN : 00297447

Hitesh Donga

CFO

Sheetal G Pandya

Company Secretary

CA. Mitt S. Patel

Partner

Membership No. 163940

UDIN:21163940AAAAOU1850

**CASHFLOW STATEMENT FOR THE YEAR ENDED ON 31<sup>ST</sup> MARCH, 2021**

Particulars	2020-21	2019-20
<b>A Cash flow from Operating Activities</b>		
Net Profit Before Tax	(83,22,345)	(25,14,00,050)
Adjustments for:		
Add Depreciation	30,700	23,521
Less Exceeds Provision	-	-
Add Interest Expenses	-	-
Operating Profit / (Loss) before Working Capital Changes	(82,91,645)	(25,13,76,529)
Adjustments for:		
Increase/(Decrease) in Trade Payable	17,09,820	-
Increase/(Decrease) in other current liabilities	5,61,982	(16,32,300)
Increase/(Decrease) in Short Term Borrowings	12,82,88,624	(9,93,13,000)
Increase/(Decrease) in Provisions	(27,500)	12,500
(Increase)/Decrease in Trade Receivables	1,13,59,152	6,37,32,232
(Increase)/Decrease in inventories	-	-
(Increase)/Decrease in Short term Loans & Advances	(25,58,30,615)	(20,94,78,648)
<b>Cashflow generated from Operating Activities</b>	<b>(12,22,30,181)</b>	<b>(49,80,55,745)</b>
Income Tax Paid ( Net of Refund)	-	-
<b>Net Cashflow generated from Operating Activities A</b>	<b>(12,22,30,181)</b>	<b>(49,80,55,745)</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>-</b>	<b>18,74,71,885</b>
<b>C Cash flow from Financing Activities</b>		
Interest Expenses	-	-
Issue of Convertible Warrant	12,40,00,000	(9,62,50,000)
Increase/(Decrease) in Share Capital	-	38,50,00,000
(Increase)/Decrease in other non-current assets	-	-
(Increase)/Decrease in Long term loans & advances	4,02,733	2,01,69,484
Increase/(Decrease) in current liabilities & provisions	-	-
Net Change in Unsecured Loans Taken	-	-
<b>Net Cashflow generated from Financing Activities C</b>	<b>12,44,02,733</b>	<b>30,89,19,484</b>
<b>Net Change in Cash &amp; Cash Equivalents (A+B+C)</b>	<b>21,72,552</b>	<b>(16,64,376)</b>
Opening Cash & Cash Equivalents	14,50,407	31,14,784
<b>Closing Cash &amp; Cash Equivalents</b>	<b>36,22,958</b>	<b>14,50,407</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 : 30/06/2021

Shalin A. Shah  
Managing Director  
DIN : 00297447

Hitesh Donga  
CFO

Sheetal G Pandya  
Company Secretary

CA. Mitt S. Patel  
Partner

Membership No. 163940  
UDIN:21163940AAAAOU1850

## STATEMENT OF CHANGES IN EQUITY FOR THE PERIOD ENDED MARCH 31, 2021

## A. EQUITY SHARE CAPITAL

Particulars	Amount in ₹			
	2020-21		2019-20	
	No. Shares	Amount	No. Shares	Amount
i) Opening Balance at the beginning of Financial Year	7,37,51,645	73,75,16,450	5,62,51,645	56,25,16,450
Changes in equity share capital during the year			1,75,00,000	17,50,00,000
Closing Balance at the end of Financial Year	7,37,51,645	73,75,16,450	7,37,51,645	73,75,16,450

## B. OTHER EQUITY

Particulars	Reserves and Surplus				Amount in ₹
	Security Premium	General reserve	Retained Earnings	Share Warrant	Total
Balance as at 1 <sup>st</sup> April, 2019	43,33,33,445	5,28,683	(71,45,528)	-	42,67,16,600
Change during the Year	21,00,00,000	-	(25,14,00,050)	-	(4,14,00,050)
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
Change during the Year		-	(83,21,690)	-	(83,21,690)
Other comprehensive income	-	-	-		-
Total Comprehensive Income / (loss) for the year	-	-	(83,21,690)	-	(83,21,690)
Balance as at March 31, 2021	64,33,33,445	5,28,683	(26,68,67,268)	3,57,50,000	41,27,44,860

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 : 30/06/2021

Shalin A. Shah  
Managing Director  
DIN : 00297447

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CFO

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Partner  
Membership No. 163940  
UDIN:21163940AAAAOU1850

**1 PROPERTY , PLANT AND EQUIPMENT**

Particulars	Gross Block			Depreciation			Net Block		
	As at 01/04/2020	Addition	Deduction	As at 31/03/2021	As at 01/04/2020	Depreciation Charge	As at 31/03/2021	As at 01/04/2020	As at 31/03/2021
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	165950	-	-	1,65,950	137653.49	8,756	1,46,409	28296.51	19,541
Air conditioner	75,500	-	-	75,500	40,219	14,344	54563	35,281	20,937
Plant and Machinery	6,58,064	-	-	6,58,064	6,58,064	-	658064	0	-
Printer	23,982	-	-	23,982	4,237	7,600	11837	19745	12,145
<b>Total Tangible Assets</b>	<b>29,55,899</b>	<b>-</b>	<b>-</b>	<b>29,55,899</b>	<b>28,26,635</b>	<b>30,700</b>	<b>28,57,335</b>	<b>1,29,264</b>	<b>98,564</b>
Previous year Balance	29,04,267	51,632	-	29,55,899	28,03,115	23,521	2826635.42	101152.1	1,29,264

**2 INTANGIBLE ASSETS**

Particulars	Gross Block			Depreciation			Net Block		
	As at 01/04/2020	Addition	Deduction	As at 31/03/2021	As at 01/04/2020	Depreciation Charge	As at 31/03/2021	As at 01/04/2020	As at 31/03/2021
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>16,619</b>	<b>881</b>	<b>881</b>
Previous year Balance	17,500	-	-	17,500	16,619	-	16,619	881	881

**2 Investments**

Particular	No. of Shares 2021	No. of Shares 2020	As at 31 <sup>st</sup> March, 2021	As at 31 <sup>st</sup> March, 2020
<b>(A) Other Investments - Quoted</b>			-	-
<b>(1) Investment in Equity Shares</b>				
Amrapali Capital & Finance Service Ltd (Equity Share of Rs. 10 each)	-	-	-	-
Amrapali Fincap Ltd (Equity Share of Rs. 10 each)	-	-	-	-
<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>15,43,50,000</b>
Market Value of the Quoted Shares			-	-
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, 2021	As at 31 <sup>st</sup> March, 2020
Deposite Unsecured, Considered Good	41,188	11,82,946
Capital Advances	8,75,000	8,75,000
Balance with government Authorities	10,31,176	2,92,151
Other Advances	30,00,000	30,00,000
<b>Total</b>	<b>49,47,364</b>	<b>53,50,097</b>

**4 Other Non Current Assets**

Particulars	As at 31 <sup>st</sup> March, 2021	As at 31 <sup>st</sup> March, 2020
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	As at
	31 <sup>st</sup> March, 2021	31 <sup>st</sup> March, 2020
Outstanding for less than 6 months from the due date	-	1,13,59,152
Unsecured, considered good		
Outstanding for more than 6 months from the due date	-	-
Unsecured, considered good		
<b>Total</b>	<b>-</b>	<b>1,13,59,152</b>

**6 Cash & Cash Equivalents**

Particulars	As at	As at
	31 <sup>st</sup> March, 2021	31 <sup>st</sup> March, 2020
<b>Cash on Hand</b>	1,75,924	88,835
<b>Balance with Banks</b>		
In Current account	34,47,034	3,31,568
Unpaid Dividend account	-	10,30,004
<b>Total</b>	<b>36,22,959</b>	<b>14,50,406</b>

**7 Short Term Loans & Advances**

Particulars	As at	As at
	31 <sup>st</sup> March, 2021	31 <sup>st</sup> March, 2020
Advance Tax and Tds	-	-
Loan to Subsidiary Company	65,71,49,643	51,22,44,555
Loan to Corporate Body	47,82,58,175	36,73,32,648
Other Advances	-	-
<b>Total</b>	<b>1,13,54,07,818</b>	<b>87,95,77,203</b>

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

Particulars	As at 31st March, 2021		As at 31st March, 2020	
	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	5,62,51,645	56,25,16,450
<b>Total</b>	<b>5,62,51,645</b>	<b>56,25,16,450</b>	<b>5,62,51,645</b>	<b>56,25,16,450</b>
<b>Subscribed &amp; Fully Paid</b>				
Equity Shares of Rs. 10 Each	5,62,51,645	56,25,16,450	5,62,51,645	56,25,16,450
<b>Total</b>	<b>5,62,51,645</b>	<b>56,25,16,450</b>	<b>5,62,51,645</b>	<b>56,25,16,450</b>

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

Particulars	01-04-2015 to 31-03-2021
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, 2021		As at 31st March, 2020	
	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	5,62,51,645	56,25,16,450	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>5,62,51,645</b>	<b>56,25,16,450</b>

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

Name of the Share Holders	As at 31st March, 2021		As at 31st March, 2020	
	No. of Shares	% of Holding	No. of Shares	% of Holding
Pranati Constructions Pvt Ltd	38,35,570	6.82	38,35,570	6.82
Patron Energy Private Limited	38,01,570	6.76	38,01,570	6.76
O3 Developers Private Limited	68,00,000	12.09	68,00,000	12.09
Dinesh Chhaganlal Thakkar	40,00,000	7.11	40,00,000	7.11
Goyenka Real Estate LLP	36,76,396	6.54	38,57,145	6.86



**9 Other Equity**

Particulars	As at 31 <sup>st</sup> March, 2021	As at 31 <sup>st</sup> March, 2020
Convertible Warrant Forefieted A/C	3,57,50,000	3,57,50,000
Money received against Convertible Warrant	12,40,00,000	
Securities Premium Account	64,33,33,445	64,33,33,445
Revaluation Reserve	5,28,683	5,28,683
Profit & Loss A/c		
Opening balance	(25,85,45,578)	(71,45,528)
(-) Proposed Dividend	-	-
(-) Transfer of Current Year Profi/(Loss)	(83,21,690)	(25,14,00,050)
Closing balance	(26,68,67,268)	(25,85,45,578)
<b>Total</b>	<b>53,67,44,860</b>	<b>42,10,66,550</b>

**10 Short term Borrowings**

Particulars	As at 31 <sup>st</sup> March, 2021	As at 31 <sup>st</sup> March, 2020
Loan from Subsidiary Company	2,04,53,505	2,04,53,506
Loan from Directors	-	6,00,000
Loan from Other	12,90,88,625	2,00,000
<b>Total</b>	<b>14,95,42,130</b>	<b>2,12,53,506</b>

**11 Trade Payables**

Particulars	As at 31 <sup>st</sup> March, 2021	As at 31 <sup>st</sup> March, 2020
Due to Micro & Small Enterprises		
Trade Payable for Goods	8,29,69,277	8,12,59,457
<b>Total</b>	<b>8,29,69,277</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 regarding:

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

**12 Other Current Liabilities**

Particulars	As at 31 <sup>st</sup> March, 2021	As at 31 <sup>st</sup> March, 2020
Statutory Dues	1,52,093	22,167
Unpaid Divided	8,30,292	10,30,003
Other Payable	17,43,101	11,11,334
<b>Total</b>	<b>27,25,486</b>	<b>21,63,504</b>

**13 Short Term Provisions**

Particulars	As at 31 <sup>st</sup> March, 2021	As at 31 <sup>st</sup> March, 2020
Provision for Employee Benefits	2,22,000	2,49,500
<b>Total</b>	<b>2,22,000</b>	<b>2,49,500</b>

**14 Revenue from Operations**

Particulars	2020-21	2019-20
<b>(A) Sale of Products</b>	1,86,88,500	3,49,87,680
(1) Sale of Goods	1,86,88,500	3,49,87,680
<b>Total</b>	<b>1,86,88,500</b>	<b>3,49,87,680</b>

**15 Other Income**

Particulars	2020-21	2019-20
Commission Income	-	-
Interest Income	52,86,130	9,49,340
Other Income	-	5,593
Excess Provision	-	36,627
<b>Total</b>	<b>52,86,130</b>	<b>9,91,560</b>

**16 Purchase of Stock in Trade**

Particulars	2020-21	2019-20
<b>(A) Purchase of Products</b>		
(1) Purchase of Goods	1,65,87,900	2,96,45,280
<b>Total</b>	<b>1,65,87,900</b>	<b>2,96,45,280</b>

**17 Employee Benefit Expenses**

Particulars	2020-21	2019-20
Salary & Wages	14,88,954	20,76,329
Directors Remuneration	17,75,627	18,00,000
<b>Total</b>	<b>32,64,581</b>	<b>38,76,329</b>

**18 Finance Costs**

Particulars	2020-21	2019-20
Interest Expense	90,76,438	12,634
Bank Charges	14,372	-
<b>Total</b>	<b>90,90,810</b>	<b>12,634</b>

**19 Depreciation**

Particulars	2020-21	2019-20
Depreciation	30,700	23,521
<b>Total</b>	<b>30,700</b>	<b>23,521</b>

**20 Other Expenses**

Particulars	2020-21	2019-20
Payment to Auditors *	75,000	75,000
Accounting Charges	1,03,400	1,14,400
Conveyance Exp	-	-
E Voting Charges	35,000	5,000
Repair & Maintanance Exps	-	27,855
Legal & Professional Charges	20,000	40,000
Office Exps	3,03,249	315692.65
Preliminary Expense Written off	-	0
Telephone Exps	23,241	32,221
Share Transfer Charges	85,722	97,398
Share Listing Exps	6,34,000	5,71,846
Stationary & Printing Exp	11,467	31268
ROC Fees	22,800	17,500
RTA Charges	-	9,000
Other Miscellaneous Expenses	20,09,106	2,54,243
<b>Total</b>	<b>33,22,984</b>	<b>15,91,423</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 2021, 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 2020-21.

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

• **Financial Instruments**

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

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

Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit or loss are recognized immediately in profit or loss.

- **Financial Assets**

- **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 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 derecognized, the cumulative gain or loss previously recognized 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 fulfillment 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 utilized. 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

## 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	Managing Director
2	Ashok C Shah	Director
3	Pravinbhai V Trivedi	Director
4	Hiteshkumar M Donga	CFO
5	Payal Punit Pandya	Director
6	Chitra J Thaker	Director (upto 02/07/2021)
7	Sheetal G Pandya	Company Secretary
8	Sheetal G Pandya	Director (w.e.f 20/10/2020)
9	Malav Mehta	Director (upto 23/09/2020)

Sr. No.	Name	Relationship
10	O3 Developers Pvt Ltd	Entities where Key Managerial Personnel / Director exercise significant influence and there are related party transactions during the year
11	Rhetan Rolling Mills Private Limited	
12	Sigma Oil & Gas Pvt. Ltd.	Indian Subsidiary Company
13	GNRL Oil & Gas Limited (Formerly known as Heramec Ltd)	Foreign Step-down Subsidiary Companies
14	Gorlas Corporate Holding Ltd	
15	Heramec Oil & Gas (Singapore) Pte Ltd	
16	Alkor Petro Overseas Ltd	
17	Gorlas Global Energy PLC	

➤ **Transactions with Related Parties**

Transactions that have taken place during the period April 1, 2020 to March 31, 2021 with related parties by the company stated below.

Sr. No.	Name	Nature of the Transaction	Amount 2020-21	Amount 2019-20
1	Shalin A. Shah	Loan Taken	96,00,000	9,22,000
		Loan Repaid	1,02,00,000	31,35,000
		<b>Closing Balance</b>	<b>NIL</b>	<b>6,00,000</b>
	Shalin A. Shah	Remuneration Payable	15,70,000	15,90,000
		Remuneration Paid	15,70,000	15,90,000
		<b>Closing Balance</b>	<b>1,32,500</b>	<b>1,32,500</b>
2	Hiteshkumar M Donga	Salary Payable	4,70,000	4,07,500
		Salary Paid	4,70,000	3,95,000
		<b>Closing Balance</b>	<b>40,000</b>	<b>40,000</b>
3	Sheetal G Pandya	Salary Payable	3,87,750	4,29,000
		Salary Paid	3,87,750	4,29,000
		<b>Closing Balance</b>	<b>33,000</b>	<b>33,000</b>
4	Sigma Oil & Gas Pvt. Ltd.	Loan Granted	16,11,73,000	NIL
		Loan Recovered	1,62,67,912	76,94,000
		<b>Closing Balance</b>	<b>65,71,49,643</b>	<b>51,22,44,555</b>
5	O3 Developers Pvt Ltd	Loan Taken	31,75,40,000	75,00,000
		Loan Paid	27,32,40,000	10,46,00,000
		<b>Closing Balance</b>	<b>4,45,00,000</b>	<b>2,00,000</b>
6	Rhetan Rolling Mills Pvt Ltd	Loan Granted	1,26,65,000	NIL
		Loan Recovered	6,20,000	NIL
		<b>Closing Balance</b>	<b>1,20,45,000</b>	<b>NIL</b>



➤ **Payment to the Auditors**

Particulars	2020-21	2019-20
Audit Fees	75,000	75,000
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	
	2020-21	2019-20	2020-21	2019-20	2020-21	2019-20	2020-21	2019-20
Segment Revenue	-	-	186.88	349.88	-	-	186.88	349.88
External Turnover	-	-	186.88	349.88	-	-	186.88	349.88
Inter Segment Turnover	-	-	-	-	-	-	-	-
Gross Turnover	-	-	-	-	-	-	186.88	349.88
<b>Less: GST Recovered</b>	-	-	-	-	-	-	-	-
Gross Turnover	-	-	186.88	349.88	-	-	186.88	349.88
<b>Segment Results before Interest &amp; Taxes</b>	-	-	21.00	53.43	52.86	9.92	73.86	63.35
<b>Less: Finance Cost &amp; Other un-allocable Expenditure</b>	-	-	-	-	-	-	(157.09)	(55.04)
Net Profit / (Loss) before Tax	-	-	-	-	-	-	(83.23)	8.31
<b>Less: Taxes</b>	-	-	-	-	-	-	(83.23)	8.31
Net Profit / (Loss) After Tax	-	-	-	-	-	-	(83.23)	8.31

➤ **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	31-03-2021	31-03-2020
Net Profit Attributable to share holders	(83,22,345)	(251,400,050)
Weighted average number of equity shares (Nos.)	5,62,51,645	4,48,76,303
Basic earnings per share (Rs.)	<b>(0.15)</b>	(4.47)
Diluted earnings per share (Rs.)	<b>(0.19)</b>	(5.60)
Nominal value of equity share (Rs.)	10	10

➤ **Details of loan made during the year 2020-21 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	12,84,58,000	Business	Short Term Advances – On Demand
Amit K Lakhotia	Loan Given	2,77,39,422	Business	Short Term Advances – On Demand
Brixtone Infrabase	Loan Given	7,18,84,208	Business	Short Term Advances – On Demand
Shivaansh Estates Pvt Ltd	Loan Given	7,06,20,000	Business	Short Term Advances – On Demand
Rajyash Procon LLP	Loan Given	4,10,11,545	Business	Short Term Advances – On Demand
Rhetan Rolling Mills Pvt Ltd	Loan Given	1,20,45,000	Business	Short Term Advances – On Demand
R S Procon	Loan Given	6,70,00,000	Business	Short Term Advances – On Demand
Saral Tradex LLP	Loan Given	50,00,000	Business	Short Term Advances – On Demand
Sigma Oil & Gas Pvt Ltd	Loan Given	65,71,49,643	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, 2021	As at 31st March, 2020
<b>Total equity attributable to the</b>		
equity share holders of the company	562,516,450	562,516,450
As percentage of total capital	79.40%	76.74%
Current loans and borrowings	14,95,42,130	21,253,506
Non-current loans and borrowings	-	-
<b>Total loans and borrowings</b>	<b>14,95,42,130</b>	<b>21,253,506</b>
Cash and cash equivalents	36,22,959	1,450,407
Net loans & borrowings	14,59,19,171	1,98,03,099
As a percentage of total capital	20.60%	23.26%
<b>Total capital (loans and borrowings and equity)</b>	<b>70,84,35,621</b>	<b>76,054,744</b>

## ➤ Fair Value measurements

## A. Financial instruments by category

Particulars	As at 31st March, 2021			As at 31st March, 2020		
	Amortized Cost	FVTPL	FVTOCI	Amortized Cost	FVTPL	FVTOCI
<b>Financial Asset</b>						
Investment	- 15,43,50,000	-	-	- 154,350,000	-	-
Non Current Loans	- 49,47,364	-	-	- 53,50,097	-	-
Trade receivables	- -	-	-	- 11,359,152	-	-
Cash & Cash Equivalents	- 36,22,959	-	-	- 1,450,407	-	-
Current Loans	- 1,13,54,07,818	-	-	- 879,577,203	-	-
<b>Total Financial Asset</b>	<b>- 1,29,83,28,141</b>	<b>-</b>	<b>-</b>	<b>- 1,05,20,86,859</b>	<b>-</b>	<b>-</b>
<b>Financial Liabilities</b>						
Borrowings	- 14,95,42,130	-	-	- 21,253,506	-	-
Trade Payables	- 8,29,69,277	-	-	- 8,12,59,457	-	-
Other Financial Liabilities	- -	-	-	- -	-	-
<b>Total Financial Liabilities</b>	<b>- 23,25,11,407</b>	<b>-</b>	<b>-</b>	<b>- 102,512,963</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, 2021**

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

**Financial assets measured at fair value at March 31, 2020**

	Level 1	Level 2	Level 3	Total
<b>Financial Assets</b>	154,350,000	-	-	154,350,000
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 analyse the risks faced by the Company, to set appropriate risk limits and controls and to monitor risks and adherence to limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the Company's activities. The Company, through its training and management standards and procedures, aims to maintain a disciplined and constructive control environment in which all employees understand their roles and obligations.

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

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

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

**(a) Credit risk**

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

**Trade Receivables**

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

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

Particulars	Gross Carrying Amount	Expected credit losses rate (%)	Expected Credit Losses	Carrying amount of Trade Receivable
<b>Considered for Goods</b>				
0-12 Months	0	0	0	0
More than 1 Year	0	0	0	0
<b>Total</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</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, 2021**

<b>Financial Liabilities</b>	<b>Payable within 0 to 12 months</b>	<b>More than 12 months</b>	<b>Total</b>
<b>Non-current financial liabilities</b>			
Borrowings	-	-	-
<b>Current financial liabilities</b>			
Borrowings	14,95,42,130	-	14,95,42,130
Trade Payables	8,29,69,277	-	8,29,69,277
Other Financial Liability	-	-	-
<b>Total financial liabilities</b>	<b>23,25,11,407</b>	<b>-</b>	<b>23,25,11,407</b>

**As at March 31, 2020**

<b>Financial Liabilities</b>	<b>Payable within 0 to 12 months</b>	<b>More than 12 months</b>	<b>Total</b>
<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>

**(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 :** 30/06/2021**Shalin A. Shah**

Managing Director

DIN : 00297447

**Hitesh Donga**

CFO

**Sheetal G Pandya**

Company Secretary

**CA. Mitt S. Patel**

Partner

Membership No. 163940

UDIN:21163940AAAAOU1850

## Independent Auditor's Report

### To the Members of Gujarat Natural Resources Limited

#### Opinion

We have audited the consolidated financial statements of Gujarat Natural Resources Limited (hereinafter 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 2021, 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 2021, 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 in past granted/renewed loans and advances to other companies, which has been identified as non- performing asset. Accordingly, company has not recognized any income from the same. In the opinion of directors, the process of recovery is going on and the same is not fully doubtful of recovery. However in our opinion company needs to make provision for such long outstanding nonperforming assets amounting to Rs. 206.17lacs. Due to non-provision in this regard the debit balance of profit & loss account is under stated and balance of loans and advances is overstated by the said sum. This matter has been already emphasized by previous auditor.

#### **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 31st March, 2021, taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2021, 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  
UDIN :21163940AAAAOW2535

Place : Ahmedabad

Date : 30/06/2021

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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, 2021 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, 2021, 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  
UDIN :21163940AAAAOW2535

Place : Ahmedabad  
Date : 30/06/2021

## CONSOLIDATED BALANCE SHEET AS AT 31/03/2021

Particulars	Note No.	As at 31 <sup>st</sup> March, 2021	As at 31 <sup>st</sup> March, 2020
<b>ASSETS</b>			
<b>1 Non-current Assets</b>			
(a) Property, Plant and Equipment	1	27,56,91,835	28,72,71,761
(b) Capital work in progress	2	38,16,14,173	38,04,80,230
(c) Intangible assets	1	881	881
(d) Goodwill	1	13,70,66,872	13,58,69,380
(e) Financial Assets :			
i) Investments	3	-	-
ii) Loans	4	3,75,79,377	3,75,94,356
(f) Deferred tax assets (Net)		19,191	33,106
(g) Other non-current assets	5	4,96,03,164	4,97,25,750
<b>Total Non-current Assets</b>		<b>88,15,75,493</b>	<b>89,09,75,464</b>
<b>2 Current Assets</b>			
(a) Inventories		3,17,96,622	3,11,79,530
(b) Financial Assets :			
i) Investments		-	-
ii) Trade Receivables	6	2,88,22,712	3,57,61,629
iii) Cash & Cash Equivalents	7	6,27,71,211	5,51,20,616
iv) Loans	8	48,33,64,407	37,31,42,540
v) Other Financial Assets		-	-
(c) Other Current Assets	9	55,34,213	51,55,912
<b>Total - Current Assets</b>		<b>61,22,89,165</b>	<b>50,03,60,227</b>
<b>Total Assets</b>		<b>1,49,38,64,658</b>	<b>1,39,13,35,691</b>
<b>I. Equity &amp; Liabilities</b>			
<b>1. Equity</b>			
(a) Share Capital	10	56,25,16,450	56,25,16,450
(b) Other Equity	11	49,61,12,072	41,23,67,220
<b>Total Equity</b>		<b>1,05,86,28,522</b>	<b>97,48,83,670</b>
<b>2. Liabilities</b>			
<b>A) Non Current Liabilities</b>			
(a) Financial Liabilities			
i) Borrowings	12	7,56,81,093	13,31,92,747
(b) Deferred Tax Liabilities (Net)	13	2,87,47,173	2,83,92,078
(c) Other Non Current Liabilities	14	2,20,38,081	7,04,55,679
<b>Total Non- Current Liabilities</b>		<b>12,64,66,347</b>	<b>23,20,40,505</b>
<b>B) Current Liabilities</b>			
(a) Financial Liabilities			
i) Borrowings	15	16,72,99,291	3,90,92,673
ii) Trade Payables	16	10,27,48,714	10,46,58,442
iii) Other Financial Liabilities		-	-
(b) Other Current Liabilities	17	3,74,92,990	3,92,74,677
(c) Short Term Provisions	18	12,28,794	13,85,724
<b>Total Current Liabilities</b>		<b>30,87,69,789</b>	<b>18,44,11,516</b>
<b>Total Equity &amp; Liabilities</b>		<b>1,49,38,64,658</b>	<b>1,39,13,35,691</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 : 30/06/2021

Shalin A. Shah

Managing Director

DIN : 00297447

Hitesh Donga

CFO

Sheetal G Pandya

Company Secretary

CA. Mitt S. Patel

Partner

Membership No. 163940

UDIN:21163940AAAAOW2535

**CONSOLIDATED STATEMENT OF PROFIT & LOSS ACCOUNT FOR THE PERIOD  
FROM 01-04-2020 TO 31-03-2021**

Particulars	Note No.	2020-2021	2019-2020
<b>I Revenue From Operations</b>	19	8,09,78,431	10,70,94,000
<b>II Other Income</b>	20	1,06,66,037	60,42,242
<b>III Total Revenue (I+II)</b>		<b>9,16,44,468</b>	<b>11,31,36,242</b>
<b>IV Expenses</b>			
Purchase of Stock in Trade		1,65,87,900	2,96,45,280
Changes in Inventories	21	(2,94,548)	(81,747)
Employee Benefit Expenses	22	1,87,65,597	1,74,71,946
Finance Costs	23	1,23,76,287	45,48,660
Depreciation & Amortisation Expenses	24	4,13,03,927	4,21,26,205
Other Expenses	25	4,44,58,271	4,34,56,833
<b>Total Expenses</b>		<b>13,31,97,434</b>	<b>13,71,67,178</b>
<b>V Profit Before Exceptional &amp; Extraordinary Items &amp; Tax (III-IV)</b>		<b>(4,15,52,965.60)</b>	<b>(2,40,30,936)</b>
<b>VII Exceptional Items</b>		-	-
<b>VIII Profit Before Extraordinary Items &amp; Tax</b>		<b>(4,15,52,966)</b>	<b>(2,40,30,936)</b>
Extraordinary Items		-	25,22,30,103
<b>IX Profit Before Tax</b>		<b>(4,15,52,966)</b>	<b>(27,62,61,039)</b>
<b>X Tax Expenses</b>		<b>3,74,324</b>	<b>-16,59,990</b>
Excess Provision of Income Tax		5,314	(4,485)
Current Tax/ Interest on Income Tax/ Deferred Tax		3,69,010	(16,55,505)
<b>XI Profit/(Loss) for the period from Continuing Operations(IX-X)</b>		<b>(4,19,27,290)</b>	<b>(27,46,01,049)</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>(4,19,27,290)</b>	<b>(27,46,01,049)</b>
<b>XVI Earning Per Equity Share</b>			
Basic		(0.75)	(4.88)
Diluted		(0.75)	(4.88)

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 : 30/06/2021

**Shalin A. Shah**  
Managing Director  
DIN : 00297447

**Hitesh Donga**  
CFO

**Sheetal G Pandya**  
Company Secretary

**CA. Mitt S. Patel**  
Partner  
Membership No. 163940  
UDIN:21163940AAAAOW2535

**CONSOLIDATED CASHFLOW STATEMENT FOR THE YEAR ENDED ON 31<sup>ST</sup> MARCH, 2021**

Particulars	2020-2021	2019-2020
<b>A Cash flow from Operating Activities</b>		
Net Profit Before Tax	(4,15,52,966)	(27,62,61,039)
Adjustments for:		
Add Depreciation	4,13,03,927	4,21,26,205
Less Interest Income	52,86,130	(33,84,259)
Less Extra-Ordinary Items	-	-
Add Adjustment due to Consolidation	(3,00,14,284)	(18,85,870)
Add Interest Expenses	1,23,76,287	44,95,608
<b>Operating Profit / (Loss) before Working Capital Changes</b>	<b>(1,26,00,906)</b>	<b>(23,49,09,354)</b>
Adjustments for:		
Increase/(Decrease) in Trade Payable	(19,09,728)	83,16,070
Increase/(Decrease) in other current liabilities	(17,81,687)	24,78,414
Increase/(Decrease) in Short Term Borrowings	12,82,06,618	(10,26,36,548)
Increase/(Decrease) in Provisions	(1,56,930)	7,474
(Increase)/Decrease in Trade Receivables	69,38,917	6,06,61,935
(Increase)/Decrease in inventories	(6,17,092)	(27,43,079)
(Increase)/Decrease in Short term Loans & Advances	(11,02,21,867)	(21,84,35,999)
(Increase)/Decrease in Other Current Asset	(3,78,301)	(39,97,685)
<b>Cashflow generated from Operating Activities</b>	<b>74,79,023</b>	<b>(49,12,58,773)</b>
Income Tax Paid ( Net of Refund)	(3,74,324)	-
<b>Net Cashflow generated from Operating Activities A</b>	<b>71,04,699</b>	<b>(49,12,58,773)</b>
<b>B Cash flow from Investment Activities</b>		
Purchase of Property , Plant and Equipment		(94,35,000)
Sale of Assets		
Sale of Investments	-	18,75,23,517
Purchase of Investments	-	-
Interest Income	(52,86,130)	33,84,259
<b>Net Cashflow generated from Investments Activities B</b>	<b>(52,86,130)</b>	<b>18,14,72,776</b>
<b>C Cash flow from Financiing Activities</b>		
Interest Expenses	(1,23,76,287)	(44,95,608)
Issue of Convertible Warrant		(9,62,50,000)
Proceeds/(Repayment) towards share capital		38,50,00,000
(Increase)/Decrease in other non-current assets	1,22,586	1,87,630
(Increase)/Decrease in Long term loans & advances	14,979	2,05,86,181
Increase/(Decrease) in Other Non Current liabilities	(4,84,17,598)	(74,96,144)
Money received against share warrant	12,40,00,000	
Net Change in Unsecured Loans Taken	(5,75,11,654)	4,63,77,527
<b>Net Cashflow generated from Financing Activities C</b>	<b>58,32,026</b>	<b>34,39,09,586</b>
<b>Net Change in Cash &amp; Cash Equivalents (A+B+C)</b>	<b>76,50,595</b>	<b>3,41,23,590</b>
Opening Cash & Cash Equivalents	5,51,20,616	2,09,97,026
<b>Closing Cash &amp; Cash Equivalents</b>	<b>6,27,71,211</b>	<b>5,51,20,616</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 : 30/06/2021

Shalin A. Shah

Managing Director

DIN : 00297447

Hitesh Donga

CFO

Sheetal G Pandya

Company Secretary

CA. Mitt S. Patel

Partner

Membership No. 163940

UDIN:21163940AAAAOW2535

**CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE PERIOD ENDED MARCH 31, 2021****A. EQUITY SHARE CAPITAL**

Particulars	Amount in ₹		Amount in ₹	
	2020-2021		2019-2020	
	No. Shares	Amount	No. Shares	Amount
i) <b>Opening Balance at the beginning of Financial Year</b>	5,62,51,645	56,25,16,450	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>	5,62,51,645	56,25,16,450	5,62,51,645	56,25,16,450

**B. OTHER EQUITY**

Particulars	Reserves and Surplus					Amount in ₹
	Security Premium	Revaluation reserve	Capital Reserve	Retained Earnings	Share Warrant	Total
<b>Balance as at 1st April, 2019</b>	51,53,31,551	5,28,683	2,01,09,545	(9,01,63,527)	13,20,00,000	<b>57,78,06,252</b>
Change during the Year	21,00,00,000	-	-	(27,91,89,031)	(9,62,50,000)	(16,54,39,031)
<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>
Change during the Year		-	-	(4,19,27,290)	8,82,50,000	4,63,22,710
Other comprehensive income	-	-	-	3,74,22,141	-	3,74,22,141
<b>Total Comprehensive Income / (loss) for the year</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(45,05,148)</b>	<b>8,82,50,000</b>	<b>8,37,44,852</b>
<b>Balance as at March 31, 2021</b>	<b>72,53,31,551</b>	<b>5,28,683</b>	<b>2,01,09,545</b>	<b>(37,38,57,706)</b>	<b>12,40,00,000</b>	<b>49,61,12,073</b>

See accompanying notes to the financial statements

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

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

**Ashok C. Shah**  
 Director  
 DIN : 02467830  
**Place :** Ahmedabad  
**Date :** 30/06/2021

**Shalin A. Shah**  
 Managing Director  
 DIN : 00297447

**Hitesh Donga**  
 CFO

**Sheetal G Pandya**  
 Company Secretary

**CA. Mitt S. Patel**  
 Partner

Membership No. 163940  
 UDIN:21163940AAAAOW2535



## Notes to the Financial Statements

## 1 Property, Plant &amp; Equipment

Particulars	Gross Block			Depreciation			Net Block		
	As at 01-04-2020	Addition	Deduction	As at 31/03/2021	As at 01/04/2020	Depreciation Charge	As at 31/03/2021	As at 01/04/2020	As at 31/03/2021
Plant & Machinery	16303026	5,62,978.00	-	1,68,66,004	1,23,64,366.00	4,52,544	-	1,28,16,910.00	3938659.557
Building	3535228	56,967.00	-	35,92,195	8,35,808	445424	-	12,81,232	2699419.7
Producing Properties	605334213	2,89,91,082.00	-	63,43,25,295	-	39024885	-	275971329	-
					32,93,62,884		36,83,87,769		26,59,37,526
Cell Phone Instru.	633582	-	-	6,33,582	5,93,418.00	6,048	-	5,99,466	40164,21876
Furniture & Fixture	2339644	-	-	23,39,644	20,84,508	56,545	-	21,41,053	255136
Office Equipment	1655749	-	-	16,55,749	15,73,078	1,865	-	15,74,943	82671
Computer	1655603	1,12,917.00	-	17,68,520	14,41,346	1,02,827	-	15,44,173	214257
AC	653645	-	-	6,53,645	3,10,548	67,950	-	3,78,498	343097
Printer	23982	-	-	23,982	4,237	7,600	-	11,837	19745
Vehicles	7678239	-	-	76,78,239	39,70,956	11,38,240	58	51,09,138	3707283
<b>Total Tangible Assets</b>	<b>639812910</b>	<b>2,97,23,944</b>	<b>-</b>	<b>66,95,36,854</b>	<b>35,25,41,149</b>	<b>4,13,03,928</b>	<b>58</b>	<b>39,38,45,019</b>	<b>28,72,71,761</b>
<b>Goodwill</b>									<b>27,56,91,835</b>
Particulars	Gross Block			Depreciation			Net Block		
	As at 01-04-2020	Addition	Deduction	As at 31/03/2021	As at 01/04/2020	Depreciation Charge	As at 31/03/2021	As at 01/04/2020	As at 31/03/2021
Goodwill on Consolidation	13,58,69,380	11,97,492	-	13,70,66,872	-	-	-	13,58,69,380	13,70,66,872
<b>Total Tangible Assets</b>	<b>13,58,69,380</b>	<b>11,97,492</b>	<b>-</b>	<b>13,70,66,872</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>13,58,69,380</b>	<b>13,70,66,872</b>
<b>Intangible Assets</b>									
Particulars	Gross Block			Depreciation			Net Block		
	As at 01-04-2020	Addition	Deduction	As at 31/03/2021	As at 01/04/2020	Depreciation Charge	As at 31/03/2021	As at 01/04/2020	As at 31/03/2021
Software	17,500	-	-	17,500	16,619	-	-	16,619	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>

**2 Capital Work in Process**

Particulars	As at 31 <sup>st</sup> March, 2021	As at 31 <sup>st</sup> March, 2020
<b>Tangible</b>		
Capital Work In Process	38,16,14,173	38,04,80,230
<b>Total</b>	<b>38,16,14,173</b>	<b>38,04,80,230</b>

**3 Investments**

Particular	No. of Shares 2021	No. of Shares 2020	As at 31 <sup>st</sup> March, 2021	As at 31 <sup>st</sup> March, 2020
<b>(A) Other Investments - Quoted</b>			-	-
<b>(1) Investment in Equity Shares</b>				
Amrapali Capital & Finance Service Ltd	-	-	-	-
(Equity Share of 10 each)	-	-	-	-
Amrapali Fincap Ltd				
(Equity Share of 10 each)				
<b>(B) Other Investments - Un Quoted</b>			-	-
<b>Total</b>			-	-
<b>Market Value of the Quoted Shares</b>				-

**4 Loan**

Particulars	As at 31 <sup>st</sup> March, 2021	As at 31 <sup>st</sup> March, 2020
Deposit	24,88,336	20,59,393
Capital Advances	8,75,000	8,75,000
Balance with government Authorities	9,93,676	2,92,151
Other Advances	3,32,22,365	3,43,67,812
<b>Total</b>	<b>3,75,79,377</b>	<b>3,75,94,356</b>

**5 Other Non Current Assets**

Particulars	As at 31 <sup>st</sup> March, 2021	As at 31 <sup>st</sup> March, 2020
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	69,38,840	71,94,592
Advance Income Tax	63,72,362	62,39,196
<b>Total</b>	<b>4,96,03,164</b>	<b>4,97,25,750</b>

**6 Trade Receivables**

Particulars	As at 31 <sup>st</sup> March, 2021	As at 31 <sup>st</sup> March, 2020
Outstanding for less than 6 months from the due date Unsecured, considered good	2,83,72,712	1,13,59,152
Outstanding for more than 6 months from the due date Unsecured, considered good	4,50,000	2,44,02,477
<b>Total</b>	<b>2,88,22,712</b>	<b>3,57,61,629</b>

**7 Cash & Cash Equivalents**

Particulars	As at 31 <sup>st</sup> March, 2021	As at 31 <sup>st</sup> March, 2020
<b>Cash on Hand</b>	1,80,172	1,17,547
<b>Balance with Banks</b>		
In Current account	1,27,96,942	50,83,512
Term Deposits with Bank for the period of more than three months but less than twelve months	4,89,63,805	4,88,89,553
Unpaid Dividend A/C	8,30,292	10,30,004
<b>Total</b>	<b>6,27,71,211</b>	<b>5,51,20,616</b>

**8 Short Term Loans & Advances**

Particulars	As at 31 <sup>st</sup> March, 2021	As at 31 <sup>st</sup> March, 2020
Loan to Corporate Body	481018066	367332648
Other Advances	23,46,341	58,09,892
Prepaid Exp	-	-
<b>Total</b>	<b>48,33,64,407</b>	<b>37,31,42,540</b>

**9 Other Current Asset**

Particulars	As at 31 <sup>st</sup> March, 2021	As at 31 <sup>st</sup> March, 2020
Balance with Govt, Authority		4,00,000
Other receivable and deposit	4752071	47,32,829
Prepaid Exp	7,82,142	23,083
<b>Total</b>	<b>55,34,213</b>	<b>51,55,912</b>

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

Particulars	As at 31 <sup>st</sup> March, 2021		As at 31 <sup>st</sup> March, 2020	
	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	5,62,51,645	56,25,16,450
<b>Total</b>	<b>5,62,51,645</b>	<b>56,25,16,450</b>	<b>5,62,51,645</b>	<b>56,25,16,450</b>
<b>Subscribed &amp; Fully Paid</b>				
Equity Shares of Rs. 10 Each	5,62,51,645	56,25,16,450	5,62,51,645	56,25,16,450
<b>Total</b>	<b>5,62,51,645</b>	<b>56,25,16,450</b>	<b>5,62,51,645</b>	<b>56,25,16,450</b>

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

Particulars	01-04-2016 to 31-03-2021	
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, 2021		As at 31 <sup>st</sup> March, 2020	
	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	5,62,51,645	56,25,16,450	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>5,62,51,645</b>	<b>56,25,16,450</b>

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

Name of the Share Holders	As at 31 <sup>st</sup> March, 2021		As at 31 <sup>st</sup> March, 2020	
	No. of Shares	% of Holding	No. of Shares	% of Holding
Pranathi Constructions Pvt Ltd	38,35,570	6.82	38,35,570	6.82
Algorab Power Projects Private Limited	-	-	-	-
Patron Energy Private Limited	38,01,570	6.76	38,01,570	6.76
Padma Real Infra Private Limited	-	-	-	-
Blowing Traders Private Limited	-	-	-	-
O3 Developers Private Limited	68,00,000	12.09	68,00,000	12.09
Dinesh Chhaganlal Thakkar	40,00,000	7.11	40,00,000	7.11
Goyenka Real Estate LLP	36,76,396	6.54	38,57,145	6.86

**11 Other Equity**

Particulars	As at 31 <sup>st</sup> March, 2021	As at 31 <sup>st</sup> March, 2020
<b>Convertible Warrant A/C</b>	<b>12,40,00,000</b>	<b>3,57,50,000</b>
<b>Securities Premium Account</b>	<b>72,53,31,551</b>	<b>72,53,31,551</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	(36,93,52,558)	-9,01,63,527
Foreign Exchange Fluctuation	3,74,22,141	-45,87,982
(-) Transfer of Current Year Profi/(Loss)	(4,19,27,290)	-27,46,01,049
Closing balance	<b>(37,38,57,706)</b>	<b>-36,93,52,558</b>
<b>Total</b>	<b>49,61,12,072</b>	<b>41,23,67,220</b>

**12 Non Current Borrowing**

Particulars	As at 31 <sup>st</sup> March, 2021	As at 31 <sup>st</sup> March, 2020
<b>1. Secured loan</b>		
Corporation Bank.- Mahindra Bolero Loan		-
<b>2. Unsecured loan</b>		
From Inter Corporate		-
Others	7,56,81,093	13,31,92,747
<b>Total</b>	<b>7,56,81,093</b>	<b>13,31,92,747</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, 2021	As at 31 <sup>st</sup> March, 2020
Deferred Tax Liabilities (Net)	2,87,47,173	2,83,92,078
<b>Total</b>	<b>2,87,47,173</b>	<b>2,83,92,078</b>

**14 Other long term Liabilities**

Particulars	As at 31 <sup>st</sup> March, 2021	As at 31 <sup>st</sup> March, 2020
Security Deposit	5,00,000	5,00,000
From Joint Venture	2,15,38,081	6,99,55,679
<b>Total</b>	<b>2,20,38,081</b>	<b>7,04,55,679</b>

**15 Short term Borrowings**

Particulars	As at 31 <sup>st</sup> March, 2021	As at 31 <sup>st</sup> March, 2020
Unsecured Loans repayable on Demand	12,90,88,624	8,00,000
<b>Borrowing from bank</b>		
From Bank	3,75,76,340	3,77,09,861
Corporation Bank Car Loan	6,34,327	5,82,812
<b>Total</b>	<b>16,72,99,291</b>	<b>3,90,92,673</b>

**16 Trade Payables**

Particulars	As at 31 <sup>st</sup> March, 2021	As at 31 <sup>st</sup> March, 2020
Due to Micro & Small Enterprises		
Trade Payable for Goods	10,27,48,714	10,46,58,442
<b>Total</b>	<b>10,27,48,714</b>	<b>10,46,58,442</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:

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

**17 Other Current Liabilities**

Particulars	As at 31 <sup>st</sup> March, 2021	As at 31 <sup>st</sup> March, 2020
Statutory Dues	12,79,318	14,77,605
Unpaid Dividend	8,30,292	10,30,003
Other Payable	3,53,83,380	3,67,67,070
<b>Total</b>	<b>3,74,92,990</b>	<b>3,92,74,677</b>

**18 Short Term Provisions**

Particulars	As at 31 <sup>st</sup> March, 2021	As at 31 <sup>st</sup> March, 2020
Provision for Employee Benefits	2,22,000	2,49,500
Provision for Exp	3,13,550	2,98,550
Provision for Joint Venture	6,93,244	8,37,674
<b>Total</b>	<b>12,28,794</b>	<b>13,85,724</b>

**19 Revenue from Operation**

Particulars	2020-2021	2019-2020
(1) Sales of Oil and Gas Product.	6,22,89,931	7,01,64,000
(2) Sales of Trading of Goods	1,86,88,500	3,69,30,000
<b>Total</b>	<b>8,09,78,431</b>	<b>10,70,94,000</b>

**20 Other Income**

Particulars	2020-2021	2019-2020
Commission Income		
Other Income	53,79,907	10,28,029
Interest Income	52,86,130	33,84,259
Interest on Income Tax Refund	-	1,84,325
Sundry Balance Written Back		
Excess Provision	-	14,45,629
<b>Total</b>	<b>1,06,66,037</b>	<b>60,42,242</b>

**21 Changes in Inventories**

Particulars	2020-2021	2019-2020
Opening Stock	2,09,960	1,28,213
<b>Less</b>		
Closing Stock	(5,04,508)	-2,09,960
<b>Total</b>	<b>(2,94,548)</b>	<b>-81,747</b>

**22 Employee Benefit Expenses**

Particulars	2020-2021	2019-2020
Salary & Wages	1,87,65,597	1,74,71,946
<b>Total</b>	<b>1,87,65,597</b>	<b>1,74,71,946</b>

**23 Finance Costs**

Particulars	2020-2021	2019-2020
Interest Expense	1,23,31,854	44,95,608
Bank Charges	44,433	53,052
<b>Total</b>	<b>1,23,76,287</b>	<b>45,48,660</b>

**24 Depreciation & Amortisation Expenses**

Particulars	2020-2021	2019-2020
Depreciation & Amortisation Expenses	4,13,03,928	4,21,26,205
<b>Total</b>	<b>4,13,03,928</b>	<b>4,21,26,205</b>

**26 Other Expenses**

Particulars	2020-2021	2019-2020
Payment to Auditors *	3,94,600	5,53,450
Accounting Charges	1,03,400	1,14,400
Consultancy Charges	50,000	13,500
Conveyance Exp	27,175	
Insurance Exp	16,78,667	11,74,279
Donation	12,245	3,000
E Voting Charges	35,000	5,000
Handling and Processing	36,44,775	29,14,267
Repair & Maintenance Exps	3,88,613	7,27,022
Travelling Expenses	1,03,600	3,99,727
Foreign Currency Exps	13,550	
Legal & Professional Charges	14,16,900	51,59,013
Office Exps	-	6,00,481
Preliminary Expense Written off	-	
Telephone Exps	23,240	32,221
Share Transfer Charges	85,722	97,398
Share Listing Exps	6,34,000	5,71,846
Stationary & Printing Exp	37,541	73,250
Rent, Rates & Taxes	35,24,916	27,11,748
ROC Fees	25,800	23,500
RTA Charges	-	9,000
Other Miscellaneous Expenses	3,22,58,526	2,82,73,731
<b>Total</b>	<b>4,44,58,270</b>	<b>4,34,56,833</b>
<b>* Payment to Auditors</b>		
For Audit Fees	3,94,600	5,53,450

➤ **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 2020-21.

<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 1st April, 2020 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, 2020, and subsequent contracts with customers from that date.

**Performance obligation:**

The revenue is recognized on fulfillment 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.

- **Existing contracts/agreements where non-fulfillment 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.

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

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

<b>AS AN OPERATOR(4 FIELDS)</b>	<b>AS A NON OPERATOR (4 FIELDS)</b>
<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, 2021 are set out below.

<b>Sr. No.</b>	<b>Field–Location Status</b>	<b>Joint Ventures Partners</b>	<b>Participating Interest (%)</b>
1	Dholasan Field Onshore Development	1. GNRL Oil & Gas Limited (Formerly Heramec Limited) (Operator)	100
2	Kanawara Field Onshore Development	1. Gujarat State Petroleum Corporation Ltd. 2. GNRL Oil & Gas Limited (Formerly Heramec Limited) (Operator)	70.00 30.00
3	North Kathana Field Onshore Development	1. Gujarat State Petroleum Corporation Ltd. 2. GNRL Oil & Gas Limited (Formerly Heramec Limited) (Operator)	70.00 30.00
4	Allora Field Onshore Development	1. GNRL Oil & Gas Limited (Formerly Heramec Limited) (Operator)	100
5	Unawa Field Onshore Development	1. Gujarat State Petroleum Corporation Ltd. (Operator) 2. GNRL Oil & Gas Limited (Formerly Heramec Limited)	70.00 30.00
6	North Balol Field Onshore Development	1. Gujarat State Petroleum Corporation Ltd. 2. GNRL Oil & Gas Limited (Formerly Heramec Limited) 3. Hindustan Oil Exploration Company Limited (Operator)	45.00 30.00 25.00
7	CB-ONN-2004/1 Field Onshore Development	1. Oil and Natural Gas Corporation Ltd.(Operator) 2. Gujarat State Petroleum Corporation Ltd. 3. GNRL Oil & Gas Limited (Formerly Heramec Limited)	50.00 40.00 10.00
8	CB-ONN-2004/4 Field Onshore Development	1. Oil and Natural Gas Corporation (Operator) 2. Gujarat State Petroleum Corporation Ltd. 3. GNRL Oil & Gas Limited (Formerly Heramec Limited)	50.00 40.00 10.00

In taking up its share of balances of assets, liabilities, income and expenditure from the unincorporated joint ventures as at March 31, 2021 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:

Particulars	Proved Developed Reserves (Oil) (Million MT)	Proved Developed Reserves (Gas) (Million Cubic Meter)
Beginning of the Period	1.52	46.15
Recoverable Reserves	1.518	68.852
Additions	-	-
Deletions	-	-
Production	0.017	10.26
Closing Balance for the year ended on 31.03.2021	1.48	35.890

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

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

PARTICULARS	AS AT 31 <sup>st</sup> March 2021	AS AT 31 <sup>st</sup> March 2020
Fixed Assets	1,90,90,26,017	85,39,45,740
Current Assets	89,55,47,560	1,00,53,96,422
Current Liabilities	26,71,33,661	7,60,01,499

The Profit and Loss Account of the subsidiaries includes its share in Profit or Loss pertaining to the respective Joint Ventures. The summary of Profit and Loss Account for the year ended 31st March 2021 and 31st March 2020 is given as under:

PARTICULARS	2020-2021		2019-2020	
	Aggregate of all JVs	Heramec's Share	Aggregate of all JVs	Heramec's Share
<b>INCOME</b>				
Sale of Crude Oil	5,17,65,134	2,43,17,534	73,590,031	26,947,310
Sale of Gas	12,43,66,347	3,73,09,904	1,40,918,939	42,275,682
Sludge Sales	-	-	-	-
Increase/(Decrease) in Stock	(3,22,544)	(3,22,544)	2,93,054	293,054
Other Income	4,17,869	1,48,751	4,44,779	155,674
<b>Total</b>	<b>17,62,26,805</b>	<b>6,14,53,645</b>	<b>2,15,246,803</b>	<b>69,671,719</b>
<b>EXPENDITURE</b>				
Production and Administrative Expenses	11,10,05,819	4,82,15,932	1,25,239,302	44,463,496
<b>Total Expenditure before Depreciation</b>	<b>11,10,05,819</b>	<b>4,82,15,932</b>	<b>1,25,239,302</b>	<b>44,463,496</b>
<b>PROFIT BEFORE DEPRECIATION</b>	<b>6,52,20,986</b>	<b>1,32,37,713</b>	<b>90,007,501</b>	<b>25,208,224</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, 2021 amounting to USD 64,767 equivalent to ₹47,94,493/-. (Previous year: USD 1,61,299 equivalent to ₹61,02,615/-). 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. 2020-21 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 15th February 2012. Based on the said order, the company has recognized asset (NK#5) and corresponding income on the basis of its participating interest in North Kathana PSC. In view of the same, the Company has not considered any liability towards the operator of CB-ON/2 under the said regularization order while consolidating the Joint Venture accounts on a line by line basis.



## 4. JV accounts of CB ONN 2004/01 and CB ONN 2004/04:-

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

➤ **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(Upto 23.09.2020)
3	Ashok C Shah	Director
4	Pravinbhai V Trivedi	Director
5	PayalPandya	Director
6	Hiteshkumar M Donga	CFO (KMP)
7	Chitra J Thaker	Director(Upto 02.07.2021)
8	Sheetal G Pandya	Company Secretary and director (Director w.e.f. 20.10.2020)
9	O3 Developers Pvt Ltd	Entities where Key Managerial Personnel / Director exercise significant influence and there are related party transactions during the year
10	Rhetan Rolling Mills Private Limited	Entities where Key Managerial Personnel / Director exercise significant influence and there are related party transactions during the year
11	Sigma Oil & Gas Pvt. Ltd.	Indian Subsidiary Company
12	GNRL Oil & Gas Limited (Formerly known as Heramec Ltd)	Foreign Step-down Subsidiary Companies
13	Gorlas Corporate Holding Ltd	
14	Heramec Oil & Gas (Singapore) Pvt Ltd	
15	Alkor Petro Overseas Ltd	
16	Gorlas Global Energy PLC	
17	PranavTejpalKapoadia	Key Managerial Personnel of Indian Subsidiary Company
18	Monica Mahaveer Jain	
19	Malav A. Mehta	

## ➤ Transactions with Related Parties

Transactions that have taken place during the period April 1, 2020 to March 31, 2021 with Related parties by the company stated below:

Sr. No.	Name	Nature of the Transaction	Amount Outstanding
1	Monica Mahaveer Jain	Salary Paid	2,40,000
2	Loan given to Sigma Oil & Gas Pvt. Ltd by GNRL Oil and Gas Ltd.	Loan Granted	16,11,73,000
		Loan Recovered	1,62,67,912
		<b>Closing Balance</b>	<b>65,71,49,643</b>
3	Loan from Pranavkapadia to Sigma Oil & Gas Pvt. Ltd	Loan Granted	15,00,000
		Loan Recovered	10,00,000
		<b>Closing Balance</b>	<b>5,00,000</b>
4	Loan given by Sigma Oil & Gas Pvt. Ltd to GNRL Oil and Gas Ltd.	Loan Given	9,46,00,000
		Loan taken	86,78,713
		<b>Closing Balance</b>	<b>39,96,91,915</b>
5	Loan given from Sigma Oil & Gas Pvt. Ltd to Heramac oil & gas (Singapore) Pvt Ltd.	Loan Granted	45,55,574
		Loan taken	-
		<b>Closing Balance</b>	<b>767,74,764</b>
6	Pranav Kapadia	Remuneration Paid	85,37,168
7	Shalin A Shah	Directors Remuneration	15,70,000
		Remuneration Paid	15,70,000
		<b>Closing Balance</b>	<b>1,32,500</b>
8	Shalin A Shah	Loan taken	96,00,000
		Loan repaid	1,02,00,000
		<b>Closing Balance</b>	<b>NIL</b>
9	SheetalPandya	Salary Payable	3,87,750
		Salary Paid	3,87,750
		<b>Closing Balance</b>	<b>33,000</b>
10	Hitesh M. Donga	Salary Payable	4,70,000
		Salary Paid	4,70,000
		<b>Closing Balance</b>	<b>40,000</b>
11	Loan given by O3 Developers Pvt.Ltd.to Gujarat Natural Resources Ltd.	Loan Taken	31,75,40,000
		Loan Repaid	27,32,40,000
		<b>Closing Balance</b>	<b>4,45,00,000</b>
12	Rhetan Rolling Mills Private Limited	Loan Granted	1,26,65,000
		Loan Recovered	6,20,000
		<b>Closing Balance</b>	<b>1,20,45,000</b>

**EXPENDITURE IN FOREIGN CURRENCY:**

Particulars	For the year ended 31 <sup>st</sup> March, 2021	For the year ended 31 <sup>st</sup> March, 2020
i) Consultancy Expenses	1,13,220	1,85,227
ii) Others		
<b>Totals</b>	<b>1,13,220</b>	<b>1,85,227</b>

**SALES TURNOVER:**

Description	Unit	Quantity	Value
Crude Oil	MBBLs	7.71 P.Y. 6.54	2,43,17,534 P.Y. 2,69,47,310
Natural Gas	MM3	3068.39 P.Y. 3503.49	3,73,09,904 P.Y. 4,22,75,682

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

Description	Unit	Quantity	Value in ₹
<b>Opening Stock</b>			
Crude Oil	MBBLs	0.7 P.Y. 0.2	2,09,960 P.Y. 1,28,213
<b>Closing Stock</b>			
Crude Oil	MBBLs	0.86 P.Y. 0.07	5,04,508 P.Y. 2,09,960

**ACTUAL PRODUCTION**

Description	Unit	Actual Production for the Year
Crude Oil	MBBLs	8.22 P.Y. 6.83
Natural Gas	MM3	3,076.51 P.Y. 3,512.10

\* MM3 - Thousand Cubic Meter

\* MMBL - Thousand Barrels

**CIF value of Imports:**

Particulars	For the year ended 31 <sup>st</sup> March, 2021	For the year ended 31 <sup>st</sup> March, 2020
i) Raw Materials	--	--
ii) Components and Spare Parts	--	54,130
iii) Capital Goods	--	--
<b>Total</b>	<b>--</b>	<b>54,130</b>

**Earning in Foreign Currency:**

Particulars	For the year ended 31 <sup>st</sup> March, 2021	For the year ended 31 <sup>st</sup> March, 2020
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	2020-2021	2019-2020
Audit Fees	3,12,000	470,850
Company Matter	0	0
Income Tax Fees	0	0
Others	82,600	82,600
<b>Total</b>	<b>3,94,600</b>	<b>553,450</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 IndAS-33.

Particulars	31-03-2021	31-03-2020
Net Profit Attributable to share holders	(4,19,27,290)	(27,46,01,049)
Weighted average number of equity shares (Nos.)	5,62,51,645	5,62,51,645
Basic earnings per share (Rs.)	<b>(0.75)No EPS</b>	<b>(4.88)No EPS</b>
Diluted earnings per share (Rs.)	<b>(0.75)No EPS</b>	<b>(6.12)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)					
I Change in obligaton during the year ended 31 <sup>st</sup> March, 2021	2020-2021	2019-2020	2018-2019	2020-2021	2019-2020	2018-2019
1 Liability at the beginning of the Year	55,70,775	68,99,723	6,122,471	14,43,882	31,27,727	25,16,158
2 Interest cost	3,62,945	4,97,542	444,881	93,851	2,26,416	1,88,712
3 Current service cost	5,45,717	7,66,538	750,161	2,56,739	4,15,380	6,68,146
4 Past service cost	-	-	-	-	-	-
5 Benefit Paid **	(4,93,701)	(2,00,590)	(36,346)	(1,99,007)	(11,46,640)	(6,17,630)

Particular	Gratuity (Funded)					
6 Actuarial (gain) / Losses **	61,994	(23,92,438)	(381,444)	2,18,046	(11,79,001)	3,72,341
7 Liability at the end of the year	60,47,727	55,70,775	6,899,723	18,13,511	14,43,882	31,27,727
<b>II Change in assets during the year ended 31st March, 2021</b>	<b>2020-2021</b>	<b>2019-2020</b>	<b>2018-2019</b>	<b>2020-2021</b>	<b>2019-2020</b>	<b>2018-2019</b>
1 Plan assets at the beginning of the year	73,17,961	68,36,758	4,886,931	-	-	-
2 Expected return of plan assets	5,01,918	5,21,405	382,043	-	-	-
3 Contributions **	2,93,777	2,18,271	1,603,242	-	-	-
4 Benefit paid **	(4,93,701)	(2,00,590)	(36,346)	-	-	-
6 Actuarial gain / (Loss)	(28,063)	(57,883)	888	-	-	-
7 Expenses deducted from fund	-	-	-	-	-	-
8 Plan assets at the end of the year	75,91,892	73,17,961	6,836,758	-	-	-
<b>III Actual return on plan assets</b>	<b>2020-2021</b>	<b>2019-2020</b>	<b>2018-2019</b>	<b>2020-2021</b>	<b>2019-2020</b>	<b>2018-2019</b>
1 Expected return of plan assets	5,01,918	5,21,405	382,043	-	-	-
2 Actuarial gain / (loss)	(28,063)	(57,883)	888	-	-	-
3 Actual return on plan assets	4,73,855	4,63,522	382,931	-	-	-
<b>IV Net asset / (liability) recognized in the Balance Sheet as at 31<sup>st</sup> March, 2021</b>	<b>2020-2021</b>	<b>2019-2020</b>	<b>2018-2019</b>	<b>2020-2021</b>	<b>2019-2020</b>	<b>2018-2019</b>
1 Liability at the end of the year	60,47,727	5,570,775	6,899,723	18,13,511	1,443,882	3,127,727
2 Plan assets at the end of the year	(75,91,892)	(73,17,961)	(6,836,758)	-	-	-
3 Unrecognized Past Service Cost	-	-	(76,629)	-	-	-
4 Amount recognized in the Balance Sheet Accrued (Asset)/Liability	(15,44,165)	(17,47,186)	(13,664)	18,13,511	1,443,882	3,127,727
<b>V Expenses recognized in the Statement of Profit &amp; Loss account for the year ended 31<sup>st</sup> March, 2021</b>	<b>2020-2021</b>	<b>2019-2020</b>	<b>2018-2019</b>	<b>2020-2021</b>	<b>2019-2020</b>	<b>2018-2019</b>
1 Current service cost	5,45,717	7,66,538	750,161	2,56,739	4,15,380	6,68,146
2 Interest cost	3,62,942	4,97,542	4,44,881	93,851	2,26,416	1,88,712
3 Expected return on plan assets	(5,01,918)	(5,21,405)	(382,043)	-	-	-
4 Actuarial (gain) / Losses	90,057	(23,34,555)	(382,332)	2,18,046	(11,79,001)	3,72,341
5 Past service cost	-	-	76,629	-	-	-
6 Past service cost unvested	-	76,629	-	-	-	-
6 Total expenses	4,96,798	(15,15,251)	5,07,296	5,68,636	(5,37,205)	12,29,199
<b>VI Balance Sheet reconciliation</b>	<b>2020-2021</b>	<b>2019-2020</b>	<b>2018-2019</b>	<b>2020-2021</b>	<b>2019-2020</b>	<b>2018-2019</b>
1 Opening net liability /(asset)	(17,47,186)	(13,664)	12,35,540	14,43,882	31,27,727	25,16,158
2 Expenses as above	4,96,798	(15,15,251)	5,07,296	5,68,636	(5,37,205)	12,29,199
3 Employer contribution	2,93,787	2,18,271	16,03,242	-	-	-
4. Benefits paid directly by the Company	-	-	-	(1,99,007)	(11,46,640)	(6,17,630)
5 Amount recognized in the Balance Sheet	(15,44,165)	(17,47,186)	1,39,594	18,13,511	14,43,882	31,27,727

Particular	Gratuity (Funded)					
	2020-2021	2019-2020	2018-2019	2020-2021	2019-2020	2018-2019
<b>VII Actuarial assumptions</b>						
1 Discount rate	6.40%	6.80%	7.45%	6.40%	6.80%	7.45%
2 Rate of return on plan assets	6.40%	6.80%	7.45%	0.00%	0.00%	0.00%
3 Salary Escalation	0.00%	0.00%	8.33%	0.00%	0.00%	8.33%
<b>VIII Amount for the current period is as under *</b>						
Particular	2020-2021	2019-2020	2018-2019	2020-2021	2019-2020	2018-2019
Gratuity(Funded)						
Defined Benefit obligation	60,47,727	55,70,775	68,99,723	18,13,511	14,43,882	31,27,727
Plan asset	75,91,892	73,17,961	68,36,758	-	-	-
Surplus/(deficit)	15,44,165	17,47,186	(62,965)	(18,13,511)	(14,43,882)	(31,27,727)
Experience adjustment on plan liability **	1,19,908	(4,95,073)	(4,14,018)	3,08,666	(5,87,084)	3,51,777
Actuarial Loss /(Gain) due to change in Actuarial Assumption	1,81,902	(18,94,690)	32,574	53,165	(5,93,071)	20,564
Experience adjustment on plan assets	28,063	57,883	(888)	-	-	-

\* With respect to Gratuity & Leave Encashment, the Company has taken actuarial valuation report for the year ended 31st March, 2021.

\*\* 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 2020-21.

#### 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
	2020-21	2020-21	2020-21	2020-21
<b>Segment Revenue</b>	622.89	186.89	-	809.78
External Turnover	622.89	186.89	-	809.78
Inter Segment Turnover	-	-	-	-
<b>Gross Turnover</b>	<b>622.89</b>	<b>186.89</b>	-	<b>809.78</b>
<b>Less: GST Recovered</b>	-	-	-	-
<b>Gross Turnover</b>	<b>622.89</b>	<b>186.89</b>	-	<b>809.78</b>

(Amount in Lacs)

Particulars	Oil and Gas Product	Trading of Goods	Others	Total
	2020-21	2020-21	2020-21	2020-21
<b><u>Segment Results</u></b>	622.89	21.01	106.66	750.56
<b>before Interest &amp; Taxes</b>				
<b>Less: Finance Cost &amp; Other un-allocable Expenditure</b>	-	-		-1166.09
<b>Net Profit / (Loss) before Tax</b>	-	-		<b>(415.53)</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, 2021	As at 31 <sup>st</sup> March, 2020
<b>Total equity attributable to the equity share holders of the company</b>	<b>562,516,450</b>	<b>562,516,450</b>
As percentage of total capital	69.83%	82.76%
Current loans and borrowings	16,72,99,291	39,092,673
Non-current loans and borrowings	7,56,81,093	133,192,747
<b>Total loans and borrowings</b>	<b>24,29,80,384</b>	<b>172,285,420</b>
Cash and cash equivalents	6,27,71,211	55,120,616
Net loans & borrowings	18,02,09,173	117,164,804
As a percentage of total capital	30.17%	17.24%
<b>Total capital (loans and borrowings and equity)</b>	<b>80,54,96,834</b>	<b>679,681,254</b>

## ➤ Fair Value measurements

## Financial instruments by category

Particulars	As at 31 <sup>st</sup> March, 2021			As at 31 <sup>st</sup> March, 2020		
	Amortized Cost	FVTPL	FVTOCI	Amortized Cost	FVTPL	FVTOCI
<b>Financial Asset</b>						
Investment	-	-	-	-	-	-
Non-Current Loan	-	3,75,79,377	-	-	37,594,356	-
Trade receivables	-	2,88,22,712	-	-	35,761,629	-
Cash & Cash Equivalents	-	6,27,71,211	-	-	55,120,616	-
Loan	-	48,33,64,407	-	-	3,73,142,540	-
<b>Total Financial Asset</b>	-	<b>61,25,37,707</b>	-	-	<b>501,619,140</b>	-
<b>Financial Liabilities</b>						
Non-Current Borrowing	-	7,56,81,093	-	-	13,31,92,747	-
Current Borrowings	-	16,72,99,291	-	-	3,90,92,673	-
Trade Payables	-	10,27,48,714	-	-	10,46,58,442	-
<b>Total Financial Liabilities</b>	-	<b>34,57,29,098</b>	-	-	<b>2,76,943,862</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, 2021**

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

**Financial assets measured at fair value at March 31, 2020**

	Level 1	Level 2	Level 3	Total
<b>Financial Assets</b>	-	-	-	-
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
Considered for Goods	0			0
0-12 Months	0	0	0	0
More than 1 Year	2,88,22,712	0	0	2,88,22,712
<b>Total</b>	<b>2,88,22,712</b>	<b>0</b>	<b>0</b>	<b>2,88,22,712</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, 2021

Financial Liabilities	Payable within 0 to 12 months	More than 12 months	Total
<b>Non-current financial liabilities</b>			
Borrowings	-	7,56,81,093	7,56,81,093
<b>Current financial liabilities</b>			
Borrowings	16,72,99,291	-	16,72,99,291
Trade Payables	10,27,48,714	-	10,27,48,714
Other Financial Liability	-	-	-
	<b>27,00,48,005</b>		<b>34,57,29,098</b>
<b>Total financial liabilities</b>	<b>27,00,48,005</b>	<b>7,56,81,093</b>	<b>34,57,29,098</b>

## 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	39,092,673	-	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>

**(C) Market Risk**

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

**- Interest rate risk**

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

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

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

Particulars	As at March 31, 2021	As at March 31, 2020
Floating Rate Borrowings	3,82,10,667	38,292,673

**(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. 244.02lacs non-performing in nature. In the opinion of the Directors, they are good and recoverable. The Directors are hopeful of getting recoveries in the next year as present market conditions are not favorable. However in the opinion of the Auditor, it shall be prudent to identify the same as doubtful of recovery requiring adequate provision. It has been explained that the management of the company is pursuing recoveries and actual losses, if any, shall be adjusted as and when arises.
- As informed by the management that the loans are interest free, which in our opinion is violation of Section 186 (7) of the Companies Act, 2013.
- Confirmation of the concerned parties for the amount due to them and/or due from them as per accounts of the company is not received. Necessary adjustments, if any, will be made when accounts are reconciled or settled. Balance of sundry debtors and creditors, loans and advances accepted and given in the balance sheet are subject to confirmation.
- In the opinion of board of directors the value of loans and advances and other current assets have a value on realization in the ordinary course of business at least equal to the amount at which they are stated in balance sheet.
- There is carry forward of losses, the company need not to recognize deferred tax assets in the event of non-availability of convincing evidence as to future income.
- The previous year's figures have been reworked, regrouped, rearranged and reclassified wherever necessary. Amounts and other disclosures for the preceding year are included as an integral part of the current year financial statements and are to be read in relation to the amounts and other disclosures relating to the current year.

For, Gujarat Natural Resources Limited

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

**Ashok C. Shah**

Director

DIN : 02467830

Place : Ahmedabad

Date : 30/06/2021

**Shalin A. Shah**

Managing Director

DIN : 00297447

**Hitesh Donga**

CFO

**Sheetal G Pandya**

Company Secretary

**CA. Mitt S. Patel**

Partner

Membership No. 163940

UDIN:21163940AAAAOW2535