

Avani Patel
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I. INTRODUCTION

CLIENT	Gujarat Natural Resources Limited
IDENTITY OF VALUER	Avani Patel, Registered Valuer, (Reg No. IBBI/RV/03/2022/15068) EL-6, Manthan Complex, Opp. BPCL, Nr. Sattadhar Cross Road, Ghatlodia, Ahmedabad - 380061
DATE OF APPOINTMENT	The management of M/s. Gujarat Natural Resources Limited vide its letter dated 10 th February, 2025 appointed/engaged us to carry out an independent assessment of the fair value of Equity Share to recommend floor price in accordance with the provisions under regulation 166A of SEBI (ICDR) (Amendment) Regulations, 2022.
VALUATION OBJECTIVE, SCOPE & PURPOSE	<ol style="list-style-type: none"> 1) The objective of engagement is to carry out an independent assessment of the fair value of Equity Share to recommend floor price in accordance with the provisions regulation 166A of SEBI (ICDR) (Amendment) Regulations, 2022. 2) An independent assessment of fair value of equity shares as on 24/02/2025, for the proposed preferential issue of warrants, it is informed to us that the company wishes to issue warrants under preferential issue within

**DISCLOSURE
OF
INTEREST
OR CONFLICT**

the relevant provisions of the Companies Act, 2013 and rules there under and SEBI (Issue of Capital and Disclosure Requirements).

- 3) The valuation performed as per internationally accepted pricing methodology.

We have acted as an independent third party and, as such, shall not be considered an advocate for any concerned party for any dispute. The fee for this assignment is not contingent upon outcome of the transaction. Our valuation should not be construed as investment advice.

We have been engaged by the Client for valuation services during last five years.

We have no responsibility to modify this report for events and circumstances occurring subsequent to the date of this report.

II. CLIENT

NAME	Gujarat Natural Resources Limited CIN: L27100GJ1991PLC016158																
REGISTERED OFFICE	Ninth Floor, 906 to 910, ANAM-1, Parimal Garden, Ellisbridge, Ahmedabad - 380006 E-Mail: info@gnrl.in , Website: www.gnrl.in																
BOARD OF DIRECTORS	<table> <tr> <td>Shalin Ashok Shah</td><td>Managing Director</td></tr> <tr> <td>Ashok Chinubhai Shah</td><td>Non-Executive Director</td></tr> <tr> <td>Alpesh Shantilal Swadas</td><td>Non-Executive Independent Director</td></tr> <tr> <td>Mansi Sudhirbhai Shah</td><td>Non-Executive Independent Director</td></tr> <tr> <td>Hiteshkumar Madhubhai Donga</td><td>Non-Executive Director</td></tr> <tr> <td>Yash Vishwanath Bodade</td><td>Non-Executive Independent Director</td></tr> <tr> <td>Hiteshkumar Madhubhai Donga</td><td>Chief Financial Officer</td></tr> <tr> <td>Barkha Chanderkumar Lakhani</td><td>Company Secretary</td></tr> </table>	Shalin Ashok Shah	Managing Director	Ashok Chinubhai Shah	Non-Executive Director	Alpesh Shantilal Swadas	Non-Executive Independent Director	Mansi Sudhirbhai Shah	Non-Executive Independent Director	Hiteshkumar Madhubhai Donga	Non-Executive Director	Yash Vishwanath Bodade	Non-Executive Independent Director	Hiteshkumar Madhubhai Donga	Chief Financial Officer	Barkha Chanderkumar Lakhani	Company Secretary
Shalin Ashok Shah	Managing Director																
Ashok Chinubhai Shah	Non-Executive Director																
Alpesh Shantilal Swadas	Non-Executive Independent Director																
Mansi Sudhirbhai Shah	Non-Executive Independent Director																
Hiteshkumar Madhubhai Donga	Non-Executive Director																
Yash Vishwanath Bodade	Non-Executive Independent Director																
Hiteshkumar Madhubhai Donga	Chief Financial Officer																
Barkha Chanderkumar Lakhani	Company Secretary																
CAPITAL STRUCTURE	<p>Authorised Share Capital : 13,10,00,000 equity shares of Rs. 10/- each Rs 13,100 lakh</p> <p>Paid – up Share capital: 12,84,02,632 equity shares of Rs. 10/- each Rs 12,840.26 lakh</p>																
APPRAISAL / VALUATION TEAM	While preparing this valuation report we have been in touch with Barkha Chanderkumar Lakhani, Company Secretary.																

BUSINESS PROFILE

The company was originally incorporated on 23/08/1991 as Lesha Steels Limited. In 2010, the Company name was subsequently changed to Gujarat Natural Resources Limited.

M/s. Gujarat Natural Resources Limited is primarily engaged in the business of oil and natural gas exploration, trading of goods and others. The company is listed on Bombay Stock Exchange.

(Source: Company's website i. e. www.gnrl.in)

INFORMATION COLLATED

Documents received and used (including third-party reports):

- 1) Audited financial statements for the FY 2020-2021 to FY2023-2024.
- 2) Limited reviewed financial statements for the period 1/4/2024 to 31/12/2024;
- 3) Capital Structure and Shareholding pattern as of December 31, 2024.
- 4) Brief history & brief note on the business profile of the Company.
- 5) Trading price and Volume of shares traded on Bombay Stock Exchange (**BSE**) website for preceding 90 trading days from the relevant date.
- 6) Information as Available on the Public Domain of the Company at www.gnrl.in

The threshold date for all the financial information used in the present valuation exercise has been considered as at March 31, 2024 and 31st December, 2024.

III. VALUATION DATE, PREMISE, STANDARDS

VALUATION DATE	<p>1) Relevant Date for the purpose of calculating the floor Price of the equity shares is considered as 24/02/2025, preceding the date that is 30 (thirty) days prior to the date of the EGM dated 26/03/2025 (based on the trading days as per Regulation 164 of Chapter V of the SEBI (Issue of Capital and Disclosure Requirements), 2018).</p> <p>2) Reference Date for Valuation is 24/02/2025.</p> <p><u>NOTE:</u></p> <p>The client should read the basis upon which the valuation has been done and be aware of the potential for later variations in value due to factors that are unforeseen at the valuation date. Due to possible changes in market forces and circumstances, this valuation report can only be regarded as relevant as at the valuation date.</p>
VALUATION PREMISE	<p>The appraisal was performed under the premise of value in continued use as a going concern business enterprise.</p> <p>Going concern value;</p> <p>Going concern value is the value of a business that is expected to continue to operate in the future. The intangible elements of Going Concern Value result from factors such as having a trained work force, an operational plant, the necessary licenses, marketing systems, and procedures in place etc.</p>
VALUATION STANDARDS & PROCEDURE ADOPTED IN CARRYING	<p>“Valuation standards” means the standards on valuation referred to in rule 18 of the Companies (Registered Valuers and Valuation) Rules, 2017 and that the Internationally Accepted Valuation Standards as recommended by IVS are followed in carrying out the valuation.</p>

OUT VALUATION

PROCEDURE ADOPTED

Stage 1:

In the initial stage, detailed information checklist for valuation was shared.

Stage 2:

The preliminary information received was reviewed for initial understanding of the transaction in order to collect the relevant information for further planning in the engagement.

Stage 3:

The information received was analyzed.

Stage 4:

Based on the information received, fair value arrived

DEPARTURE

The Report is based on International Valuation Standards (IVS), however as noted in IVS framework, the Valuer needs to follow regulatory or other legal requirements even though they defer from requirements of IVS, such valuation is considered as performed in overall compliances with IVS.

This appraisal report relies upon the use of fair value as the standard of value.

IVS – 2025 states Fair Value as under:

IFRS defines fair value as 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.

IV. RESTRICTION ON USE OF REPORT

INTENDED USER & RESTRICTION ON USE OF REPORT

- 1)** This report is performed on a restricted report. Specifically, the restricted report is not an appraisal report intended for parties other than the client and statutory authorities. Our report is intended for the use of the client and is restricted for the purpose indicated in the engagement letter. The information contained herein is absolutely confidential.
- 2)** This restriction does not preclude the client from providing a copy of the report to third-party advisors whose review would be consistent with the intended use. We do not take any responsibility for unauthorized use of this report.
- 3)** We are not responsible to any other person/party for any decision of such person or party based on this report.

V. VALUATION APPROACHS & METHODS

MARKET APPROACH

This approach uses the economic principle of competition which seeks to estimate the value in comparison to similar businesses whose value has been recently established by the market. The market approach is often used as the primary valuation approach for assets and liabilities when observable inputs of identical or comparable investments are available. This methodology uses the valuation ratio of a publicly traded company and applies that ratio to the company being valued. The valuation ratio typically expresses the valuation as a function of a measure of financial performance or Book Value (e.g. Revenue, EBITDA, EBIT, Earnings per Share or Book Value). A key benefit of Comparable Company Market Multiple analysis is that the methodology is based on the current market stock price. The current stock price is generally viewed as one of the best valuation metrics because it is based on observable inputs.

COST APPROACH

This approach relies upon the economic principle of substitution and seeks to estimate the costs of re-creating a business of equal economic utility. The Asset based method views the business as a set of assets and liabilities that are used as building blocks of a business value. The difference in the value of these assets and liabilities on a Book Value basis or Realizable Value basis or Replacement Cost basis is the business value.

However, this methodology recognizes historical cost of net assets only without recognizing its present earnings, comparative financial performance of its peers and their enterprise values etc. Therefore, in general Net Asset Value only reflects the minimum proxy value of the company.

INCOME APPROACH

Income approaches derive the business value from the present value of cash flows from running the business and disposing of any non-operating assets. The present value is calculated using a discount rate that reflects the required rate of return of the

REGULATORY ADVISORY

investors. The income approaches include the discounted cash flow (DCF) method and the capitalized earnings method.

The capitalized earnings method and the DCF methods (Discounting Cash Flow methods) are based on the same underlying concept to the extent that they determine the business value as the present value of future cash flows (Net present value method). They are suitable for determining both objectified as well as subjective business values.

SEBI ICDR

166A. (1) Any preferential issue, which may result in a change in control or allotment of more than five per cent of the post issue fully diluted share capital of the issuer, to an allottee or to allottees acting in concert, shall require a valuation report from an independent registered valuer and consider the same for determining the price:

Provided that the floor price, in such cases, shall be higher of the floor price determined under sub-regulation (1), (2) or (4) of regulation 164, as the case may be, or the price determined under the valuation report from the independent registered valuer or the price determined in accordance with the provisions of the Articles of Association of the issuer, if applicable:

Provided further that if any proposed preferential issue is likely to result in a change in control of the issuer, the valuation report from the registered valuer shall also cover guidance on control premium, which shall be computed over and above the price determined in terms of the first proviso:

Provided further that the valuation report from the registered valuer shall be published on the website of the issuer and a reference of the same shall be made in the notice calling the general meeting of shareholders.

164 (1)

If the equity shares of the issuer have been listed on a

recognised stock exchange for a period of 90 trading days or more as on the relevant date, the price of the equity shares to be allotted pursuant to the preferential issue shall be not less than higher of the following:

- a. 90 trading days volume weighted average price ('VWAP') of the related equity shares quoted on the recognised stock exchange preceding the relevant date; or
- b. 10 trading days volume weighted average prices of the related equity shares quoted on recognised stock exchange preceding the relevant date.

VI. VALUATION RATIONAL

RATIONAL FOR SELECTION OF APPROACH

The IVS guidelines on use of valuation approach is that Valuers are not required to use more than one method for the valuation of an asset, particularly when the valuer has a high degree of confidence in the accuracy and reliability of a single method, given the facts and circumstances of the valuation engagement. However, valuers should consider the use of multiple approaches and methods and more than one valuation approach or method should be considered and may be used to arrive at an indication of value, particularly when there are insufficient factual or observable inputs for a single method to produce a reliable conclusion.

The Cost Approach

In the instant case, the cost approach provides an indication of value using the economic principle that a buyer will pay no more for an asset than the cost to obtain an asset of equal utility, whether by purchase or by construction, unless undue time, inconvenience, risk or other factors are involved. Hence, we deemed it suitable to apply this methodology.

Market Approach

In the instant case, there are listed peers of the Company in the similar industry. However, they are not comparable in view of size and that the operations of the client reflects operating loss. Hence, we deemed it suitable to avoid this methodology for the valuation exercise.

The equity shares of client are listed and traded on BSE. The equity shares of the client are frequently traded. Hence, pricing regulations stated in regulation 164 (1) of the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulation 2018 as amended from time to time are to be considered for floor price.



Income Approach

In the Income approach, the appraiser estimates the cash flows of any business after all operating expenses, taxes, and necessary investments in working capital and Capex are being met. We have not considered this methodology for calculation of the equity value of the Company as it is based on its consolidated cash flows. After considering its past business performance, we have ignored future business projections as provided.

VII. VALUE COMPUTATION METHODOLOGIES

MARKET APPROACH

1) The highest trading volume in respect of the equity shares of the issuer has been recorded on Bombay Stock Exchange (BSE) during the preceding 90 trading days (17/10/2024 to 21/02/2025) prior to the relevant date. BSE is considered as Stock Exchange.

2) 90 trading days (17/10/2024 to 21/02/2025) VWAP of the related equity shares quoted on the BSE preceding the relevant date

Value per share is INR 21.70/-; or

10 trading days (10/02/2025 to 21/02/2025) VWAP of the related equity shares quoted on BSE preceding the relevant date

Value per share is INR 18.84/-

Refer Annexure I

Hence, based on the above:

A. Average of 90 days VWAP. INR 21.70/-

B. Average of 10 days VWAP. INR 18.84/-

**Applicable Minimum Price per Share (Higher of the A or B)
= INR 21.70/-**

COST APPROACH

Asset based method on the basis of book values:

The net asset value is calculated as per the Balance Sheet figures of the company for the period ending as on 31st December, 2024.

For the purpose of valuation, the management of the client has provided an explanation that there is no exceptional transaction entered by company which may affect the financial statements significantly from the period 31st December, 2024 till Valuation date. Since last available balance sheet in the public domain was of 31st December, 2024, the same has been considered for calculating the NAV of the company.

As of date: 31/12/2024

Rs in Lakh

Balance Items	Sheet Recorded	Adjustments	Adjusted
Assets			
Total Current &	19891.25	0.00	19891.25
Non-Current Assets			
Net Fixed Assets	1.41	0.00	1.41
Total Assets	19892.66	0.00	19892.66
Liabilities			
Total Liabilities	3281.35	0.00	3281.35
Net Worth	16611.31	0.00	16611.31
Equity	12840.26		12840.26
Reserve	3771.05		3771.05
No of Equity	128402632	0.00	128402632
Shares			
Paid up Value	10.00		10.00
Fair Value	12.94		12.94

CONCLUSION OF VALUE

- 1) We have appraised a fully marketable, controlling ownership interest in the assets of the subject business.
- 2) Based on our valuation exercise, the minimum issue price of the equity shares as at the close of trading hours of the date preceding the relevant date i.e. 21/02/2025 is INR 21.70/- per share, computed as follows:
Higher of:
Volume Weighted Average Price of 10 Trading days INR 18.84/-
Volume Weighted Average Price of 90 Trading days INR 21.70/-
- 3) In our opinion the fair value of one equity shares of face value of Rs. 10/- per share of the company as per **fair value works out to be Rs. 21.70/- each** in compliance with minimum issue price as prescribed under Chapter V of SEBI (ICDR) Regulations, 2018.
- 4) The computation of the same is given by table below.

Method applied	Applied/not applied	Weightage %	Value per equity share	Average Value per equity share
Market Approach	Applied	100	21.70/-	21.70
Cost approach	Applied	0%	12.94/-	0
Income approach – capitalization of earning	Not applied	NA	0	0
	Value per equity share	100%		21.70/-

VIII. CAVEATS, LIMITATIONS AND DISCLAIMER

RESPONCIBILITY OF RV

The valuation conclusions arrived at are by their nature subjective and dependent on the exercise of individual judgment. There can be therefore no standard formulae to establish an indisputable value, although certain formulae are helpful in assessing reasonableness.

We owe responsibility to only to the authority/client that has appointed us under the terms of the engagement letters. We will not be liable for any losses, claims, damages or liabilities arising out of the actions taken, omissions or advice given by any other person. In no event shall we be liable for any loss, damages, cost or expenses arising in any way from fraudulent acts, misrepresentations or willful default on part of the client or companies, their directors, employees or agents.

ACCURACY OF INFORMATION

While our work has involved an analysis of financial information and accounting records, our engagement does not include an audit in accordance with generally accepted auditing standards of the clients existing business records. Accordingly, we express no audit opinion or any other form of assurance on this information.

MULTIPLE FACTORS AFFECTING THIS REPORT

The valuation report is tempered by the exercise of judicious discretion by the Valuer, taking into account the relevant factors. There will always be several factors, e. g. management capability, present and prospective competition, yield on comparable

	<p>securities, market sentiment, etc. which may not be apparent from the Balance Sheet but could strongly influence the value.</p> <p>In the course of the valuation, we are provided with both written and verbal information. We have however, evaluated the information provided to us through broad inquiry, analysis and review (but have not carried out a due diligence of the Company for the purpose of this engagement). Our conclusion is based on the information given by/on behalf of the Company. However, we make no representation or warranty, express or implied, in respect of the completeness, authenticity or accuracy of such statements.</p>
COMPLIANCE WITH APPLICABLE LAWS	<p>The report assumes that the company complies fully with relevant laws and regulations applicable in its area of operations and usage unless otherwise stated, and that the company will be managed in a competent and responsible manner. Further, as specifically stated to the contrary, this report has given no consideration to matters of a legal nature, including issues of legal title and compliance with local laws, and litigations and other contingent liabilities that are not recorded/reflected in the balance sheet/fixed assets register provided to us.</p>
INFORMATION FROM EXTERNAL SOURCES	<p>We have relied on data from external sources also to conclude the valuation. These sources are believed to be reliable and therefore, we assume no liability for the truth or accuracy of any data, opinions or estimates furnished by others that have been used in this</p>

	analysis.
REPRESENTATION OF MANAGEMENT	The client and its management/representatives warranted to us that the information they supplied was complete, accurate and true and correct to the best of their knowledge. We have relied upon the representations of the client, their management and other third parties concerning the financial data except as specifically stated to the contrary in the report. We shall not be liable for any loss, damages, cost or expenses arising from fraudulent acts, misrepresentations, or wilful default on part of the company, their directors, employee or agents.
TRANSACTION VALUE	Our valuation conclusion offers floor price at which actual transaction will take place.
COST OF FUTURE SERVICES	We are fully aware that based on the opinion of value expressed in this report, we may be required to give testimony or attend court / judicial proceedings with regard to the subject assets, although it is out of scope of the assignment, unless specific arrangements to do so have been made in advance, or as otherwise required by law. In such event, the party seeking our evidence in the proceedings shall bear the cost/professional fee of attending court / judicial proceedings and our tendering evidence before such authority shall be under the applicable laws.
ASSURANCE ON INFORMATION	While our work has involved an analysis of financial information and accounting records, our engagement does not include an audit in accordance with generally

accepted auditing standards of the clients existing business records. Accordingly, we express no audit opinion or any other form of assurance on this information. This report is issued on the understanding that the Company has drawn our attention to all material information, which they are aware of concerning their financial positions and any other matter, which may have impact on our opinion, on the fair value, including any significant changes that have taken place or are likely to take place in the financial position, subsequent to last audited balance sheet. We have no responsibility to update this report for events and circumstances occurring after the valuation date of this report.

REPORT IS TO BE
READ IN
TOTALITY

As much the report is to be read in totality and not in parts in conjunction with the relevant documents referred to therein.

Our report is meant for the purpose mentioned above and should not be used for any purpose other than the purpose mentioned therein. The Report should not be copied or reproduced without obtaining our prior written approval for any purpose other than the purpose for which it is prepared.

Date: 24/02/2025

Place: Ahmedabad

Avani Patel

Registered Valuer

Reg No. IBBI/RV/03/2022/15068