

**20TH ANNUAL REPORT**

**2010-2011**

# **GUJARAT NATURAL RESOURCES LIMITED**

**Regd. Office**

**8, Sigma Corporate, Nr. Mann Party Plot, S. G. Highway,  
Ahmedabad – 380 059**

## GUJARAT NATURAL RESOURCES LIMITED

20<sup>th</sup> ANNUAL REPORT  
2010 - 2011

### BOARD OF DIRECTORS

ASHOK C. SHAH	CHAIRMAN
SHALIN A. SHAH	MANAGING DIRECTOR
HARIYANT C. SHELAT	DIRECTOR
MALAV A. MAHTA	DIRECTOR
ILESH SHAH	DIRECTOR
PRAVINBHAI V. TRIVEDI	DIRECTOR

### AUDITORS

M/s. PANKAJ K. SHAH ASSOCIATES  
Chartered Accountants.

### BANKERS

ICICI Bank Ltd., Ashram Road Branch, Ahmedabad  
Union Bank of India, Ashram Road Branch, Ahmedabad  
IDBI Bank, Lal Bungalow Branch, Ahmedabad.

### REGD. OFFICE

8, Sigma Corporate, Nr. Mann Party Plot,  
S. G. Highway, Ahmedabad – 59.

### REGISTRAR & SHARE TRANSFER AGENTS

PURVA SHAREGISTRY (INDIA) PVT. LTD.  
Shiv Shakti Industrial Estates, Unit No. 9  
7-B, J. R. Boricha Marg,  
Sitaram Mill Compound,  
Mumbai 400 011.

## NOTICE

Notice is hereby given that the 20th Annual General Meeting of the Members of GUJARAT NATURAL RESOURCES LIMITED will be held on September 30, 2011 at 10.00 A.M. at 8, Sigma Corporate, Nr. Mann Party Plot, S. G. Highway, Ahmedabad - 380 059 to transact the following business:

### ORDINARY BUSINESS:

1. To receive, consider and adopt the Balance Sheet of the Company as at 31<sup>st</sup> March, 2011, Profit & Loss Account for the year ended on that date and Directors Report and the Auditors Report thereon.
2. To appoint a Director in place of Mr. Ashok C. Shah, who retires by rotation and being eligible offers himself for reappointment.
3. To appoint auditors of the Company to hold office from the conclusion of this Annual General Meeting up to the conclusion of next Annual General Meeting and to fix their remuneration.

### SPECIAL RESOLUTION

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

"RESOLVED THAT in accordance with the provisions of Section 81(1A) and other applicable provisions, if any, of the Companies Act, 1956 ("Act") (including any amendment thereto or re-enactment thereof), and in accordance with the provisions of the Memorandum and Articles of Association of the Company and the Listing Agreement entered into with the Stock Exchanges where the Equity Shares of the Company are listed ("Stock Exchanges"), Chapter VIII of the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulation, 2009 ("ICDR Regulations"), the Foreign Exchange management Act, 1999 (FEMA), Foreign Exchange Management (Transfer or issue of Security by a person resident outside India) Regulations, 2000 and Issue of Foreign Currency Convertible Bonds and Ordinary Shares (through Depository Receipt Mechanism) Scheme, 1993 and the regulations / guidelines, if any, prescribed by the Securities and Exchange Board of India, Reserve Bank of India, the Stock Exchange, the Government of India or any other relevant authorities from time to time ("Government authorities"), to the extent applicable, and subject to such approvals, consents, permissions and sanctions as may be required from such Government Authorities, and subject to such conditions as may be prescribed by such Government Authorities while granting such approvals, consents, permissions and sanctions, which the Board of directors of the Company (hereinafter referred as to the "Board" which term shall be deemed to include any committee(s) constituted / to be constituted by the Board to exercise its powers including the power conferred by this Resolution) is hereby authorized to accept on behalf of the Company; consent, authority and approval of the Company be and is hereby accorded to the Board to create, issue, offer and allot, (including the provisions for reservation on firm and / or competitive basis, of such part of issue and for such categories of persons as may be permitted), in the course of one or more public or private offerings in domestic and / or one or more international market(s) with or without green shoe option, Equity Shares including (including Qualified institutional Placements under ICDR Regulations)

and / or Equity Shares through Depository Receipts and / or convertible bonds and / or other securities convertible into Equity shares at the option of the company and / or the holder(s) of such securities linked to Equity Shares and / or securities including non – convertible debentures with warrants or other securities with or without warrants, which may either be detachable or linked, and which warrant has a right exercisable by the warrant holder to subscribe for the Equity Shares and / or warrants with an option exercisable by warrant holder to subscribe for the equity shares and / or any instrument or securities representing either Equity Shares and / or convertible securities linked to Equity Shares (including the issue and allotment of Equity Shares pursuant to Green Shoe Option, if any), (of all which are hereinafter collectively referred to as "Securities") to eligible investors under applicable laws, regulations and guidelines (whether residents and / or non – residents and / or institutions/banks and/or incorporated bodies, mutual funds, venture capital funds, and / or multi – lateral financial institutions and/or individuals and/or trustees and/or stabilizing agents or otherwise, and whether or not such investors are members of the Company), through prospectus and/or letter of offer or circular and/or public and/or private / preferential placement basis, to be made at such time/times, in one or more tranches, for cash, at such price or prices, in such manner and where necessary, in consultation with the Merchant Banker and/or other Advisors or otherwise, on such terms and conditions as the Board, may, in its absolute discretion, decide at the time of issue of Securities provided that the total amount raised through the issuance of securities shall not exceed Rs. 250 Crores or its equivalent in one or more currencies, including premium if any as may be decided by the Board; to all or any of the investors as mentioned above."

**"RESOLVED FURTHER THAT** without prejudice to the generality of the above, the aforesaid issue of the Securities may have all or any terms or conditions or combinations of terms in accordance with applicable regulations, prevalent market practices, etc."

**"RESOLVED FURTHER THAT** the Company and/or any agency or body of person authorized by the Board, may issue depository receipts representing, the underlying Equity Shares in the capital of the Company or such other Securities in negotiable, registered or bearer form (as may be permissible) with such features and attributes as may be required and to provide for the tradability and free transferability thereof as per market practices and regulations (including listing on one or more stock exchanges(s) in or outside India)."

**"RESOLVED FURTHER THAT** the relevant date for the determination of applicable price for the issue of the Depository Receipts and /or Securities issued pursuant to a QIP shall be the date on which the Board of the Company (including a Committee of the Board) decides to open the proposed issue, or the date on which the holder of the Securities which are convertible into or exchangeable with Equity Shares at a later date becomes entitled to apply for the said Equity Shares, as the case may be."

**"RESOLVED FURTHER THAT** the Board be and is hereby authorized to issue and allot such number of Securities as may be required to be issued and allotted, including issued and allotment of Equity Shares upon conversion of any Securities referred to above or as may be necessary in accordance with the terms of the offer, subject to the provisions of the Memorandum and Articles of Association of the Company and that all such Equity Shares shall rank pari passu inter-se and with the then existing Equity Shares of the company in all respects, including dividend, which shall be subject to relevant provisions in that behalf contained in the Articles of Association of the company."

**"RESOLVED FURTHER THAT** for the purpose of giving effect to any offer, issue or allotment of Equity Shares or Securities or instruments representing the same, as described above, the Board, where required in consultation with the Merchant Bankers and/ or other Advisors, be and is hereby authorized on behalf of the Company, to do all such acts, deeds, matters and things as it may, in its absolute discretion, deem necessary or desirable for such purpose, including but not limited to the selection of QIBs to whom the securities are to be offered; issued and allotted, and matters related thereto, and with power on behalf of the Company to settle all questions, difficulties or doubts that may arise in regard to such issue(s) or allotment(s) as it may, in its absolute discretion, deem fit."

**"RESOLVED FURTHER THAT** without prejudice to the generality of the above, the aforesaid Securities may have such features and attributes or any terms or combinations of terms in accordance with international practices to provide for the tradability and free transferability thereof as per the prevailing practices and regulations in the capital markets including but not limited to the terms and conditions in relation to payment of interest, additional interest, premium on redemption, prepayment and any other debt service payments whatsoever including terms for issue of additional equity shares or variation of the conversion price of the Securities during the duration of the Securities and the Board be and is hereby authorized in its absolute discretion in such manner as it may deem fit, to dispose off such of the Securities that are not subscribed."

**"RESOLVED FURTHER THAT** the Board be and is hereby authorized to appoint lead managers, underwriters, guarantors, depositories, custodians, registrars, trustees, bankers, lawyers; advisors and all such agencies as may be involved or concerned in such offerings of Securities and to remunerate them by way of commission, brokerage, fees or the like and also to enter into and execute all such arrangements, agreements, memorandum, documents, etc., with such agencies and also to seek the listing of such Securities on one or more national and international stock exchange(s) and the Equity Shares to be issued on conversion of the securities as set forth in the aforesaid resolution, if any, on any stock exchange(s), authorizing any director(s) or any officer(s) of the Company to sign for any on behalf of the Company, the offer document(s), agreement(s), arrangement(s), application(s), authority letter(s), or any other related paper(s) / document(s) and give any undertaking(s), affidavit(s), certificate(s), declaration(s) as the Board may in its absolute discretion deem fit including the authority to amend or modify the aforesaid document(s)."

**"RESOLVED FURTHER THAT** the Board be and is hereby authorized to form a committee or delegate all or any of its power to any committee of directors to give effect to the aforesaid resolutions and is authorized to take such steps and to do all such acts, deeds, matters and things and accept any alterations or modification[s] as they may deem fit and proper and give such directions as may be necessary to settle any question or difficulty that may arise in regard to issue and allotment of Equity Shares including but not limited to:

- a) approving the offer document and filing the same with any authority or persons as may be required;
- b) taking decision to open the issue, decide bid opening and closing date.
- c) approving the issue price, the number of Securities to be allotted, the basis of allocation and allotment of Securities;

- d) arranging the delivery and execution of all contracts, agreements and all other documents, deeds and instruments as may be required or desirable in connection with the issue of Securities by the company;
  - e) opening separate special account(s) with bank(s) to receive monies in respect of the issue of the Securities;
  - f) making applications for listing of the Securities of the company on one or more stock exchange(s) and to execute and to deliver or arrange the delivery of the listing agreement(s) or equivalent documentation to the concerned stock exchange(s);
  - g) finalization of the allotment of the Securities on the basis of the bids received;
  - h) finalization of and arrangement for the submission of the placement document(s) and any amendments, supplements thereto, with any government and regulatory authorities, institutions or bodies as may be required;
  - i) approval of the preliminary and final placement document (including amending, varying or modifying the same, as may be considered desirable or expedient) as finalized in consultation with the lead managers / underwriters / advisors in accordance with applicable laws, rules, regulations and guidelines;
  - j) finalization of the basis of allotment in the event of over-subscription;
  - k) acceptance and appropriation of the proceeds of the issued of the Securities;
  - l) authorization of the maintenance of a register of holders of the securities;
  - m) authorization of any director or directors of the Company or other officer or officers of the Company, including by the grant of power of attorneys, to do such acts, deeds and things as authorized person in its absolute discretion may deem necessary or desirable in connection with the issue and allotment of the Securities;
  - n) seeking, if required, the consent of the Company's lenders, parties with whom the Company has entered into various commercial and other agreements, all concerned government and regulatory authorities in India, and any other consents that may be required in connection with the issue and allotment of the Securities;
  - o) seeking the listing of the Securities on any of the Stock Exchanges, submitting the listing applications to such Stock Exchanges and taking all actions that may be necessary in connection with obtaining such listing;
  - p) giving or authorizing the giving by concerned persons of such declarations, affidavits, certificates, consents and authorities as may be required from time to time; and
  - q) deciding the pricing and terms of the Securities, and all other related matters."
5. 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 61 and other applicable provisions of the Companies Act, 1956 and other applicable provisions of the Securities Contracts (Regulations) Act, 1956, and the rules/regulations/guidelines, framed there under including SEBI (Delisting of Equity Shares) Regulations 2009 (hereinafter referred to as 'Delisting Regulations'), (including statutory modification(s) or reenactments thereof for the time being in force), and all other applicable laws, rules, regulations and guidelines and subject to such approvals permissions and sanctions, as may be necessary and subject to such conditions and modification as may be prescribed or imposed by any authority while granting such approvals permissions and sanctions, which may be agreed to be the Board of Directors of the Company ( hereinafter referred to as the "Board", which term shall be deemed to include any committee thereof for the time being exercising the powers conferred on the Board by

the resolution), the consent of the Company be and is hereby accorded to the Board to delist the equity shares of the Company from Delhi Stock Exchange, Ahmedabad Stock Exchange Limited and Vadodara Stock Exchange Limited."

"RESOLVED FURTHER THAT the Board be and is hereby authorized to settle all questions, difficulties or doubts that may arise in regard to the aforesaid voluntary Delisting of shares as it may in its absolute discretion deem fit without being required to seek any further approval of the members of otherwise to the end and intent that the members shall be deemed to have give their approval expressly by the authority of this resolution."

"RESOLVED FURTHER THAT the Board be and is hereby authorized to take all necessary steps in this regard in order to comply with all the legal and procedural formalities and further to authorise any if its Committees or any of its Directors or any of the officers of the Company to do all such acts, deed or things to give effect to the aforesaid resolution."

By Order of the Board  
For Gujarat Natural Resources Limited

Ashok C Shah  
Chairman

Place : Ahmedabad  
Date : 03.09.2011

Regd. Office:  
8, Sigma Corporate, Nr. Mann Party plot,  
S. g. Highway, Ahmedabad - 380 059

**Annexure to the Notice of Annual General Meeting**

**Details of Directors seeking Appointment/Reappointment In Annual General Meeting  
(In pursuance of Clause 49(VI) A of the Listing Agreements)**

Name of the Director	Ashok C. Shah
Age (Yrs.)	67
Qualifications	B.SC (India), B.S.Chem., Eng (USA), MIA (USA)
Designation	Director
Chairman/Member of the Committee of the Board of Directors of the Company	Member – Audit committee
No. of Shares held in the Company	125100

**Notes:**

1. An explanatory statement pursuant to Section 173(2) of the Companies Act, 1956 in respect of the special business is annexed hereto.
2. A Member is eligible to attend and vote is entitled to appoint a proxy to attend and vote instead of himself/herself and a Proxy need not be a member. The instrument appointing a proxy shall be deposited at the Registered Office of the company not later than 48 hours before the time fixed for holding the meeting.
3. The Members are requested to notifying change in their address to the company quoting their folio number at the earliest to avoid inconvenience at a later stage.
4. Members are requested to kindly bring their copy of the Annual Report with them at the Annual General Meeting, as no extra copy of Annual Report would be made available at the Annual General Meeting.
5. Shareholders seeking any information with regards to accounts are requested to write to the Company atleast 10 days before the date of Annual General Meeting so as to enable the management to keep the information ready.
6. Members/Proxies should bring the Attendance Slip attached herewith duly filled in for attending the meeting.
7. Register of Members shall remain closed from September 23, 2011 to September 30, 2011 (both days inclusive).
8. Member Companies/Organizations are requested to send a copy of the resolution of their Governing Body authorizing their representative to attend and vote at this Annual General Meeting.

**EXPLANATORY STATEMENT PURSUANT TO SECTION 173 (2) OF THE COMPANIES ACT, 1956 IN RESPECT OF SPECIAL BUSINESS**

**ITEM No. 4**

The Company has been exploring various avenues for arranging funds by way of issue of shares/convertible securities in form of issues to Qualified Institutional Buyers and/or private placement and/or GDRs/ ADRs/ FCCBs issue, etc. The Company intends to infuse long term funds for various purposes, viz. for repayment of debt, to meet long terms working capital requirements, capital expenditure, and other general corporate purposes as per its growth and business related plans from



time to time. Accordingly, the management may consider to raise direct equity capital equivalent to amount not exceeding Rs. 250 crores (Rupees Two Hundred and Fifty crores only) in one or more tranches as may be advised by issue of equity shares and/or any other financial instruments convertible into equity through Qualified Institutions Placement (QIP) under Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009 ["SEBI (ICDR) Regulations, 2009] and/or through issuance of securities in the international markets by way of GDRs in one or more tranches.

As per the provisions of regulation 85 of Chapter VIII of the SEBI (ICDR) Regulations, 2009, issue of specified securities shall be made at a price not less than the average of the weekly high and low of the closing prices of the related shares quoted on a stock exchange during the two weeks preceding the relevant date. The relevant date for the purpose of Regulation 85 means the date of meeting in which the Board or any Committee of Directors duly authorised by the Board of the Company decides to open the proposed issue.

Further pursuant to the provisions of Chapter VIII of the SEBI (ICDR) Regulations, 2009, the aggregate of the proposed Qualified Institutions Placements and all previous Qualified Institutions Placements made by the Company in the same financial year shall not exceed 5 times the net worth of the Company as per the audited balance sheet of the previous financial year.

For making any further issue of shares to any person/s other than existing Equity Shareholders of the Company as also under the provisions of SEBI (ICDR) Regulations, 2009, approval of Shareholders is required to be obtained by way of passing a Special Resolution, in pursuance to the provisions of section 81 (1A) of the Companies Act, 1956 (the Act).

Therefore, the Board of your Company has recommended the Resolution contained in Item No. 4 to be passed by the shareholders, so as to enable it to issue further equity shares and/or other securities which will include issue on QIP basis.

None of the Directors of the Company is, in any way, concerned or interested in the proposed Resolution.

#### **ITEM No. 5**

Presently, the securities i.e. equity shares of the Company are listed at four stock exchanges at Bombay Stock Exchange Limited, Delhi Stock Exchange, Ahmedabad Stock Exchange Limited and Vadodara Stock Exchange Limited. Consequent to technological developments, Shares of the company are traded all over India through on line terminals provided by the Bombay Stock Exchange Limited (BSE). Looking at the record of the past couple of years, it has been found that the Company's shares have never been traded on any of the stock exchanges.

In view of this, as per the applicable provisions of the Delisting Guidelines, the Company wishes to get the Equity Shares of the Company delisted from Delhi Stock Exchange, Ahmedabad Stock Exchange Limited and Vadodara Stock Exchange Limited. No inconvenience will be caused to any of the shareholders residing in the respective regions, since BSE at these regions provide on-line terminals for trading. Further, listing of the Company's shares in many stock exchanges, apart from not adding any value to the shareholders, results in unavoidable cost, administrative work delay and inconvenience. As the first step towards this process, the approval of the members of the Company is being sought by way of special resolution as per Delisting Regulations.

The Directors therefore recommend this Special Resolution for the approval of the members.

No Director is concerned or interested in the said resolution:

By Order of the Board  
For Gujarat Natural Resources Limited

Place : Ahmedabad  
Date : 03.09.2011

Ashok C Shah  
Chairman

Regd. Office:  
8, Sigma Corporate, Nr. Mann Party plot,  
S. G. Highway, Ahmedabad -- 380 059