



**21ST ANNUAL REPORT
2011-2012**

**GUJARAT NATURAL
RESOURCES
LIMITED**

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



GUJARAT NATURAL RESOURCES LIMITED

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BOARD OF DIRECTORS

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

AUDITORS

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

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 21st Annual General Meeting of the Shareholders of **GUJARAT NATURAL RESOURCES LIMITED** will be held on September 29, 2012 at 12.00 Noon 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 31st March, 2012, Statement of Profit & Loss for the year ended on that date and Directors Report and the Auditors Report thereon.
2. To appoint a Director in place of Mr. Pravinbhai Trivedi, who retires by rotation and being eligible offers himself for reappointment.
3. To appoint a Director in place of Mr. Hariyant Shelat, who retires by rotation and being eligible offers himself for reappointment.
4. 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.

By Order of the Board
For Gujarat Natural Resources Limited

Place : Ahmedabad
Date : 04.09.2012

Ilesh Shah
Chairman

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	Pravinbhai Trivedi	Hariyant Shelat
Age (Yrs.)	66	61
Qualifications	Retd. IAS, BSC, LLB	B.Com, LLB
Designation	Director	Director
Committee Membership	Member – Audit Committee Chairman - Shareholders'/Investors' Grievance Committee	Chairman – Audit Committee Member - Shareholders'/Investors' Grievance Committee
No. of Shares held in the Company	NIL	4000

Notes:

1. A Shareholder 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 Shareholder. 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.
2. The Shareholder 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.
3. Shareholders 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.
4. 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.
5. Shareholders/Proxies should bring the Attendance Slip attached herewith duly filled in for attending the meeting.
6. Register of Shareholders shall remain closed from September 23, 2012 to September 29, 2012 (both days inclusive).
7. Shareholders 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.

DIRECTORS REPORT

Dear Shareholders,

Your Directors are pleased to present the 21st Annual Report of the Company and Audited Accounts for the financial year ended 31st March, 2012.

Financial Results:

The financial highlights of the Company on Standalone basis are as below:

(Rs. In Lacs)		
Particulars	2010-2011	2011--2012
Sales & Other Income	598.21	4563.40
Profit before Depreciation & Taxation	4.25	(32.01)
Depreciation	3.55	3.08
Taxation	1.55	---
Net Profit after tax for the year	(0.85)	(35.09)

Status of the Project:

The Company is engaged in the business of Oil & Gas exploration and production, and currently the company is carrying on these activities through its 100% owned subsidiaries. The Company currently holds 30% participating interest (through its 100% owned subsidiary) in six producing Oil & Gas fields in the Cambay Basin. It is an operator in majority of these fields (with remaining held by ONGC, Government of India undertaking and GSPCL – Gujarat State Petroleum Corporation Limited).

Future outlook:

The Company plans to acquire new units producing small & medium sized Oil and Gas fields in India & abroad to increase production levels. The Company is planning strategic entry into proven basins across the globe and own marquee assets – presently evaluating on shore producing assets in South East Asian Region.

Subsidiary Company:

With a view to market the Company across the globe, your company has 4 International subsidiaries. Apart from International subsidiaries, there are 2 Indian subsidiaries.

Statement under Section 212 of the Companies Act, 1956 relating to subsidiaries is enclosed herewith. Further as required under Accounting Standard 21, consolidated account of parent and subsidiary companies are also enclosed with the accounts.

Particulars of Employees:

There are no employees drawing remuneration exceeding the limit stipulated under Section 217(2A) of the Companies Act, 1956, read with the Companies (Particulars of Employees) Rules, 1975.

Statutory Information:

Particulars of conservation of energy etc. u/s 217(1)(e) are not applicable as the Commercial Production has not yet commenced. There are no plans to import any kind of technology for the project and hence information regarding its absorption is not applicable. There is no foreign exchange income or outgo.

Directors:

Mr. Pravinbhai Trivedi and Mr. Hariyant Shelat, retires from the Board by rotation at the ensuing Annual General Meeting and being eligible offer himself for reappointment.

Brief resume of the Directors seeking appointment / reappointment together with membership of Committees of the Board and Shareholding of non-executive directors as stipulated under Annexure to AGM Notice.

Public Deposits:

Your company has not accepted any fixed deposit under Section 58A of the Companies Act, 1956 and hence no amount of principal or interest was outstanding as at the Balance Sheet date.

Auditors:

The Statutory Auditors of the Company M/s. Pankaj K. Shah Associates, Chartered Accountants, retire at the ensuing Annual General Meeting and have confirmed their eligibility and willingness to accept office of Statutory Auditors, if reappointed.

The Audit Committee and the Board of Directors recommended reappointment of M/s. Pankaj K. Shah Associates, Chartered Accountants, as Statutory Auditors of the Company for the financial year 2012-13 for shareholder's approval.

Auditors Report:

The observations made in the Auditors' Report, read with the relevant notes thereon are self-explanatory and therefore do not call for any further comments under Section 217 of the Companies Act, 1956.

Director's responsibility Statement:

Pursuant to the requirement under section 217(2AA) of the Companies Act, 1956, with respect to the Directors' Responsibility Statement, it is hereby confirmed:

1. That in the preparation of the Accounts for the Financial Year ended 31st March, 2012, the applicable accounting standards have been followed along with proper explanation relating to material departures, if any;
2. That the Directors have selected such accounting policies and applied them consistently and made judgments and estimates that were 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 ended on 31st March, 2012 and of the profit and loss of the Company for the year under review;

3. That the Directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
4. That the Directors have prepared the accounts for the financial year ended 31st March, 2012 on 'going concern' basis.

Corporate Governance:

Pursuant to Clause 49 of the Listing Agreement, a report on Corporate Governance is given in Annexure – II.

Management Discussion & Analysis:

Management Discussion & Analysis is given separately and forms part of this Annual Report.

Acknowledgment:

The Board greatly appreciates the commitment and dedication of employees at all levels who have contributed to the growth and success of the Company. We would also thank all our clients, vendors, investors, bankers and other business associates for their continued support and encouragement during the year.

We also thank the Government of India, Government of Gujarat, Ministry of Commerce and Industry, Ministry of Finance, Customs and Excise Departments, Income Tax Department, and all other Government Agencies for their support during the year and look forward to their continued support in the future.

On behalf of Board of Directors

Date : 04.09.2012
Place : Ahmedabad.

Shalin A. Shah
Managing Director

Ashok C. Shah
Director

CORPORATE GOVERNANCE REPORT

Company Philosophy:

Gujarat Natural Resources Limited involves transparency, full disclosure, independent monitoring of the state of affairs and being fair to all stakeholders. The Company's philosophy envisages the attainment of the highest standards of Corporate Governance by timely disclosures, transparent accounting policies, responsibility and fairness. Its endeavor is to maximize the long term value of the Shareholders of the Company.

Board of Directors

The Board of Directors comprises of 6 Directors as on 31st March, 2012

Composition, Category and Designation of Directors

Name of Director	Category	Designation
Mr. Ashok C. Shah	Promoter, Non Executive Director	Chairman
Mr. Shalin A. Shah	Promoter, Executive Director	Managing Director
Mr. Hariyant C. Shelat	Independent, Non Executive Director	Director
Mr. Ilesh Shah	Promoter, Non Executive Director	Director
Mr. Malav Mehta	Promoter, Non Executive Director	Director
Mr. Pravinbhai V. Trivedi	Independent, Non Executive Director	Director

Name of Director	Attendance Particulars		No. of other Directorships and Committee Memberships / Chairmanships		
	Board Meetings	Last AGM	Other Public Directorships	Committee Memberships	Committee Chairmanships
Mr. Ashok C. Shah	5	Yes	1	1	---
Mr. Shalin A. Shah	5	Yes	1	1	---
Mr. Hariyant C. Shelat	5	Yes	---	1	1
Mr. Ilesh Shah	5	Yes	---	---	---
Mr. Malav Mehta	5	Yes	---	---	---
Mr. Pravinbhai V. Trivedi	5	Yes	---	1	1

Number & Dates of Board Meetings

During the year under review Five Meetings of Board of Directors were held on 14.05.2011, 12.08.2011, 03.09.2011, 14.11.2011 and 15.02.2012.

Audit Committee

The Board of Directors have constituted the Audit Committee to assist the Board in discharging its responsibilities effectively. The constitution of the Audit Committee also meets with the requirements of Section 292A of the Companies Act, 1956.

Composition and Terms of Reference

The Board has constituted Audit Committee comprising three Directors namely Mr. Ashok C. Shah Mr. Pravinbhai V. Trivedi and Mr. Hariyant C. Shelat. Mr. Hariyant C. Shelat is the Chairman of the Audit Committee. Except Mr. Ashok C. Shah all other members are Independent. The composition of the Audit Committee meets the requirements of Section 292A of the Companies Act, 1956. The Committee deals with accounting matters, financial reporting and internal controls. Terms of reference of Audit Committee specified by the Board are as contained in section 292A of the Companies Act, 1956 and clause 49 of the Listing Agreement with Stock Exchanges.

Number & Dates of Meetings of Audit Committee

During the year under review Five Meetings of Audit Committee were held on 14.05.2011, 12.08.2011, 03.09.2011, 14.11.2011 and 15.02.2012.

Remuneration Committee

The Company has not set up a Remuneration Committee. The remuneration of Executive Directors were fixed by the Board and approved by the Members at the Annual General Meeting.

Details of Remuneration paid to Directors during the year.

A. Executive Directors

The remuneration paid to Directors during the financial year ended 31st March, 2012 is as follows:

Executive Director	Salary (Rs.)
Mr. Shalin A. Shah	Rs. 600000/-

B. Non Executive Directors

No sitting fees have been paid to Non – Executive Directors for attending any meetings during the financial year ended 31st March, 2012.

Shareholders'/Investors' Grievance Committee

As a measure of good Corporate Governance and focusing on strengthening the relation with the stakeholders, the Board has formed Shareholders/ Investors' Grievance Committee.

Constitution and Composition

The Committee was constituted comprising of the following directors as members: Mr. Hariyant C. Shelat and Mr. Shalin A. Shah are the members and Mr. Pravinbhai Trivedi is the Chairman of the Committee.

The Committee was constituted to look into the Investors' complaints and to redress the same expediently. The committee, inter alia, approves, issue of duplicate certificates and overseas and reviews all matters connected with the transfer of securities. The Committee also looks into shareholders' complaints like transfer of shares, non receipts balance sheet,

etc. The Committee oversees the performance of the Registrar and Transfer Agents, and recommends measures for overall improvement in the quality of investor services.

During the year, 25 complaints were received from the Shareholders and all 25 complaints were resolved. The Company has no transfer pending at the close of the financial year.

General Body Meetings

Date, Time, Venue and any Special Resolution passed at last three Annual General Meeting :

Year	Date/Time	Venue
2010-11	30th September, 2011 / 10.00 A.M.	8, Sigma Corporate, Nr. Mann Party Plot, S.G. Highway, Ahmedabad – 380 059. Special Resolution Passed : 1. Issue of GDR upto a value of 250 crores. 2. Delisting of Equity Shares from Delhi Stock Exchange, Ahmedabad Stock Exchange Limited and Vadodra Stock Exchange limited.
2009-10	30th September, 2010 / 10.00 A.M.	8, Sigma Corporate, Nr. Mann Party Plot, S. G. Highway, Ahmedabad – 380 059
2008-09	30th September, 2009 / 10.00 A.M.	7th Floor, Ashoka Chambers, Nr. Lions Hall, Mithakhali Six Roads, Ahmedabad – 380 006

Date, Time, Venue and any Special Resolution passed in Extra Ordinary General Meeting held during last three years:

Date/Time/Venue	Particulars
27th March, 2010 / 11.00 A.M. / 8, Sigma Corporate House, Nr. Mann Party Plot, S. G. Highway, Bodakdev, Ahmedabad – 380 059	1. Preferential Allotment of 2,42,660 Equity Shares to strategic investors
4th March, 2010 / 11.00 A.M. / 8, Sigma Corporate House, Nr. Mann Party Plot, S. G. Highway, Bodakdev, Ahmedabad – 380 059	1. Name of the Company has been changed from “Lesh Energy Resources Limited” to “Gujarat Natural Resources Limited” 2. Appointment of Mr. Malav Mehta, Director as Co-Promoter 3. Appointment of Mr. Ilesh Shah, Director as Co-Promoter 4. Appointment of Mr. Shalin A. Shah as a Managing Director for a period 23.01.2010 to 22.01.2015.
16th January, 2010 / 11.00 A.M. / 702, Ashoka Chambers, Mithakhali Six Roads, Ahmedabad – 380 006	1. Preferential Allotment of 2,80,000 Equity Shares to strategic investors.
18th August, 2009 / 11.00 A.M. / 702, Ashoka Chambers, Mithakhali Six Roads, Ahmedabad – 380 006	1. Conversion of Warrants into Equity Shares 2. Increase in Authorised Share Capital