

## GUJARAT NATURAL RESOURCES LIMITED

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### ANNUAL REPORT 2013- 2014

#### BOARD OF DIRECTORS

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

#### 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 Bunglow Branch, Ahmedabad.

#### REGISTERED OFFICE

8, Sigma Corporate, Nr. Mann Party Plot,  
S. G. Highway, Ahmedabad – 54.

#### REGISTRAR & SHARE TRANSFER AGENTS

PURVA SHAREGISTRY (INDIA) PVT. LTD.  
Shiv Shakti Industrial Estates, Unit No. 9  
J. R. Boricha Marg,  
Opp. Kasturba Hospital Lane  
Lower Parel (E),  
Mumbai 400 011.

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## Annual Report 2013-2014

### NOTICE

Notice is hereby given that the 23<sup>rd</sup> Annual General Meeting of the Members of **GUJARAT NATURAL RESOURCES LIMITED** will be held on Tuesday, September 30, 2014 at 11:00 a.m. at 8, Sigma Corporate, Nr. Mann Party Plot, S. G. Highway, Ahmedabad – 380 054 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, 2014, Statement of Profit & Loss for the year ended on that date and Directors Report and the Auditors Report thereon.
2. To declare dividend of Rs. 0.25/- per Equity Share of Rs. 10/- each.
3. To appoint a Director in place of Mr. Ashok C. Shah (DIN: 02467830), who retires by rotation and being eligible offers himself for reappointment.
4. To appoint Auditors of the Company and to fix their remuneration.

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 139 of the Companies Act, 2013 and the Rules made thereunder, M/s Pankaj K Shah Associates, Chartered Accountants (Firm Registration No. 107352W), be and are hereby appointed as the Auditors of the Company, to hold office from the conclusion of this Annual General Meeting (AGM) till the conclusion of the Annual General Meeting to be held in 2019 (subject to ratification of reappointment by the members at every AGM held after this AGM) of the Company, on a remuneration as may be agreed upon by the Board of Directors and the Auditors.”

By Order of the Board  
**For Gujarat Natural Resources Limited**

Place : Ahmedabad  
Date : 02/09/2014

**Ilesh Shah**  
Chairman

**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 Shah (DIN: 02467830)
Age (Yrs.)	69 years
Brief Resume and expertise	Engineering and Administrative Degree. He has vast experience of more than 40 years in technical and administrative fields.
Designation	Director
Chairman/Member of the Committee of the Board of Directors of the Company	Member of Audit Committee
No. of Shares held in the Company	125100
Other Directorship	1. Lesha Industries Limited 2. Ashnisha Alloys Private Limited 3. Lesha Agro Foods Private Limited 4. Shree Ghantakarna Rolling Mills Private Limited

Mr. Ashok C. Shah and Mr. Shalin Shah are related as Father-Son. No other directors are related inter se.

## GUJARAT NATURAL RESOURCES LIMITED

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### 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 notify 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 at least 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 24, 2014 to September 30, 2014 (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.
8. In compliance with the provisions of Section 108 of the Companies Act, 2013 and Rule 20 of the Companies (Management and Administration) Rules, 2014, and in terms of Clause 35B of the Listing Agreement, the Company is pleased to provide members facility to exercise their right to vote at the 23<sup>rd</sup> AGM by electronic means and the business may be transacted through e-Voting services provided by Central Depository Services Limited (CDSL). Instructions for e voting are enclosed.

## Annual Report 2013-2014

### DIRECTORS' REPORT

#### Dear Shareholders,

Your Directors are pleased to present the 23<sup>rd</sup> Annual Report of the Company and Audited Accounts for the financial year ended 31st March, 2014.

#### Financial Results:

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

(Rs. In Lacs)

Particulars	2013-2014	2012-2013
Sales & Other Income	389.51	78.63
Expenditure	231.62	26.57
Profit before Depreciation & Taxation	157.89	52.06
Depreciation	3.04	3.08
Taxation	9.70	0.00
Net Profit after tax for the year	145.15	48.98

#### Dividend

Taking into consideration the profits for the financial year 2013-14 and a positive outlook for the future, the Board of Directors ("the Board") is pleased to recommend a dividend of Rs. 0.25/- per share, being 2.5% on the par value of Rs.10/- per share on 3,87,51,645 Equity Shares of the Company to be appropriated from the profits of the Company for the financial year 2013-14.

#### 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% step down 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 5 International subsidiaries. Apart from International subsidiaries, there is one wholly owned Indian subsidiary.

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:

During the period under review, several energy conservation initiatives were adopted and were taken by the Company and its subsidiaries u/s 217(1)(e). 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.

#### Directors:

Mr. Ashok C. Shah, retires from the Board by rotation at the ensuing Annual General Meeting and being eligible offers himself for reappointment.

## GUJARAT NATURAL RESOURCES LIMITED

Brief resume of the Director 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. The Company has received written certificate from them, as required under The Companies (Audit & Auditors) Rules, 2014.

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 upto the conclusion of the Annual General Meeting to be held in 2019 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, 2014, 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, 2014 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, 2014 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 : 02/09/2014  
Place : Ahmedabad

Shalin A. Shah  
Managing Director

Ashok C. Shah  
Director

## Annual Report 2013-2014

### **REPORT ON CORPORATE GOVERNANCE**

(Pursuant to clause 49 of the Listing Agreement)

#### **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, 2014

#### **Composition, Category and Designation of Directors**

Name of Director	Category	Designation
Mr. Ilesh 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. Ashok C. 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	1
Mr. Ilesh Shah	5	Yes	1	---	---
Mr. Malav Mehta	5	Yes	3	---	---
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 30/05/2013, 06/07/2013, 14/08/2013, 14/11/2013, and 14/02/2014.

#### **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.

## GUJARAT NATURAL RESOURCES LIMITED

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 Four Meetings of Audit Committee were held on 30/05/2013, 14/08/2013, 14/11/2013, and 14/02/2014.

### Remuneration Committee

The Company has not set up a Remuneration Committee. The remuneration of Executive Director was 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, 2014 is as follows:

<u>Executive Director</u>	<u>Salary (Rs.)</u>
Mr. Shalin A. Shah (MD)	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, 2014.

### 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, 01 complaint was received from the Shareholders and the same was 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
2012-13	30 <sup>th</sup> September, 2013 / 10:30 A.M.	8, Sigma Corporate, Nr. Mann Party Plot, S. G. Highway, Ahmedabad – 380 059.
2011-12	29 <sup>th</sup> September, 2012 / 12.00 Noon	8, Sigma Corporate, Nr. Mann Party Plot, S. G. Highway, Ahmedabad – 380 059
2010-11	30 <sup>th</sup> September, 2011 / 10.00 A.M.	8, Sigma Corporate, Nr. Mann Party Plot, S. G. Highway, Ahmedabad – 380 059 <b>Special Resolution Passed:</b> 1. Issue of GDR upto a value of 25 Crores. 2. Delisting of Equity Shares from Delhi Stock Exchange, Ahmedabad Stock Exchange Limited and Vadodara Stock Exchange Limited.

## Annual Report 2013-2014

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### DISCLOSURES

#### **Disclosures on materially significant related party transactions that may have potential conflict with the interests of company at large**

During the year, there were no materially significant transaction with related parties except disclosed in notes on accounts as per accounting standard 18 viz. its promoters, the Directors or the Management, their subsidiaries or relatives, etc., that may have potential conflict with the interest of the Company at large.

#### **Details of non-compliance by the company, penalties, and strictures imposed on the company by Stock Exchange or SEBI or any statutory authority, on any matter related to capital markets, during the last three years. : Nil.**

#### **Details of compliance with mandatory requirements and adoption of the non- mandatory requirements of this clause.**

All the mandatory requirements have been adopted by the Company and the Company has not adopted the Non-Mandatory requirements.

#### **Disclosures of Accounting Treatment**

In the preparation of the financial statements, the Company has followed the Accounting Standards issued by the Institute of Chartered Accountants of India. The significant accounting policies which are consistently applied are set out in the Notes of the Accounts.

#### **Means of Communication**

The Unaudited quarterly / half yearly results are announced within 45 days from the end of the quarter as stipulated under the Listing Agreement with the Stock Exchanges. Further these results are published within 48 hours in two news papers-one in English and one in Gujarati.

Financial Results are also available on the Company's website [www.gnrl.in](http://www.gnrl.in)

#### **Financial Year Calendar for 2014-2015 (tentative)**

Results for the quarter ended 30th June, 2014	: Second Week of August 2014
Results for the quarter ended 30th September, 2014	: Second Week of November 2014
Results for the quarter Ended 31st December, 2014	: Second Week of February 2015
Results for the quarter ended 31st March, 2015	: Second Week of May 2015
Annual General Meeting for the year ending 31st March, 2015 : September 2015	

### GENERAL INFORMATION FOR SHAREHOLDERS

<b>Date, Time and Venue of Annual General Meeting</b>	: Tuesday, 30 <sup>th</sup> September, 2014 at 11:00 a.m. at 8, Sigma Corporate, Nr. Mann Party Plot, S. G. Highway, Ahmedabad – 380 054
<b>No. of Shareholders</b>	: 6545 as 31st March, 2014
<b>Financial Year of the Company</b>	: 31st March every year.
<b>Book Closure dates</b>	: From 24 <sup>th</sup> September, 2014 to 30 <sup>th</sup> September, 2014 (both days inclusive) for the purpose of the Annual General Meeting and dividend.



## GUJARAT NATURAL RESOURCES LIMITED

### Dividend Payment

: i) Dividend, if declared will be paid to:

- (a) The members in respect of shares held in physical form, after giving effect to all valid transfers of shares in physical form lodged with the Company on or before the close of business hours on 23<sup>rd</sup> September, 2014.
- (b) the members whose names will appear on the statement of beneficial ownership furnished by NSDL and CDSL at the end of business hours on 23<sup>rd</sup> September, 2014, in respect of shares held in Demat form.

### Listing on Stock Exchanges

: The Bombay Stock Exchange Limited

### Stock Code

:

a. Scrip code Bombay Stock Exchange

: 513536

Scrip ID Bombay Stock Exchange

: GNRL

b. Demat ISIN Number in NSDL & CDSL

: INE207H01018

### Monthly High / low Closing Stock Quotation at BSE

Month	Share Prices	
	High	Low
April 2013	68.95	58.00
May 2013	64.20	50.35
June 2013	80.25	48.05
July 2013	87.40	74.60
August 2013	85.00	67.50
September 2013	98.00	78.55
October 2013	102.90	83.20
November 2013	95.00	68.00
December 2013	94.50	73.50
January 2014	103.95	79.50
February 2014	108.90	80.05
March 2014	148.00	84.00

## Annual Report 2013-2014

### Registrar and Share Transfer Agents

PURVA SHAREGISTRY (INDIA) PVT. LTD.  
Shiv Shakti Industrial Estates, Unit No. 9  
J. R. Boricha Marg, Opp. Kasturba Hospital Lane, Lower Parel (E), Mumbai – 400 011.

### Share Transfer System

The Company had appointed M/s Purva Sharegistry (India) Pvt. Ltd. as the Registrar and Transfer Agents valid Share Transfers in physical form and complete in all respects were approved and registered within the stipulated period.

### Distribution of Shareholding as on 31st March, 2014

No. of Equity Shares	No. of Shareholders	% of total Shareholders	No. of Shares	% to total Capital
Upto – 5000	5656	86.42	1161478	3.00
5001 – 10000	448	6.84	382842	0.99
10001- 20000	160	2.44	245605	0.63
20001 – 30000	54	0.83	136979	0.35
30001 – 40000	33	0.50	117377	0.30
40001 – 50000	25	0.38	116518	0.30
50001 – 100000	52	0.79	387715	1.00
100001 - above	117	1.79	36203131	93.42
<b>Total</b>	<b>6545</b>	<b>100.00</b>	<b>38751645</b>	<b>100.00</b>

### Dematerialization of shares and liquidity

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

### Issued, Subscribed and Paid up Capital : 38,75,16,450

A. Electronic Holding in NSDL	: 1,30,57,910
B. Electronic Holding in CDSL	: 2,39,99,427
C. Physical Holding	: 16,94,308

**Outstanding GDRs / ADRs / Warrants or any convertible instruments, conversion date and likely impact on equity: NIL.**

### Address for Correspondence

*For Shares held in Physical & Demat form*

PURVA SHAREGISTRY (INDIA) PVT. LTD.  
(Unit : Gujarat Natural Resources Limited)  
Shiv Shakti Industrial Estates, Unit No. 9  
J. R. Boricha Marg, Opp. Kasturba Hospital Lane, Lower Parel (E), Mumbai – 400 011.

### Any Query on Annual Report

Gujarat Natural Resources Limited  
Secretarial Department  
8, Sigma Corporate, Nr. Mann Party Plot, S. G. Highway, Ahmedabad – 380 054

**For any other queries:** email : [info@gnrl.in](mailto:info@gnrl.in)