

FORM A

Format of covering letter of the annual audit report to be filed with the stock exchanges

1.	Name of the Company:	Gujarat Natural Resources Limited
2.	Annual financial statements for the year ended	31st March 2015
3.	Type of Audit observation	Un-qualified / Matter of Emphasis
4.	Frequency of observation	Whether appeared first time/ repetitive/ since how long period
5.	<p>To be signed by-</p> <ul style="list-style-type: none"> • CEO/Managing Director • CFO • Auditor of the company • Audit Committee Chairman 	<p><i>Shalin A. Shah</i> Shalin Shah Managing Director DIN: 00297447</p> <p>The Company has not appointed any CFO.</p> <p>For, Pankaj K. Shah Associates <i>Pankaj K. Shah</i> (Pankaj K. Shah) Proprietor</p> <p><i>Shelant Hariyant</i> Hariyant Shelat DIN: 01500966</p>



ANNUAL REPORT 2014 - 2015**BOARD OF DIRECTORS**

Ilesh Shah	<i>Chairman</i>
Shalin A. Shah	<i>Managing Director</i>
Ashok C. Shah	<i>Director</i>
Malav A. Mehta	<i>Director</i>
Hariyant C. Shelat	<i>Independent Director</i>
Pravinbhai V. Trivedi	<i>Independent Director</i>
Sarika Kulkarni	<i>Independent 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 Shareregistry (India) Pvt. Ltd.
Shiv Shakti Industrial Estates, Unit No. 9
J. R. Boricha Marg,
Opp. Kasturba Hospital Lane
Lower Parel (E),
Mumbai - 400 011.

NOTICE

Notice is hereby given that the **24th Annual General Meeting of Gujarat Natural Resources Limited** will be held at the registered office of the Company on Wednesday, 30th Day of September, 2015 at 11:00 A.M. to transact following business:

ORDINARY BUSINESS:

1. To receive, consider and adopt the Financial Statements of the Company for the year ended 31st March, 2015 including audited Balance Sheet as at 31st March, 2015 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 declare dividend of Rs. 0.10/- per equity share of Rs. 10/- each.
3. To re-appoint Mr. Malav Mehta (DIN: 01234736), who is liable to retire by rotation and being eligible, offers himself for re-appointment.
4. To ratify appointment of M/s. Pankaj K. Shah Associates, Chartered Accountants (Firm Registration No.107352W) as statutory auditors of the Company in accordance with the resolution passed by the members at the 23rd Annual General held on 30th September, 2014 and to authorize the Board of Directors to fix their remuneration for the financial year 2015-16.

SPECIAL BUSINESS:

5. **Appointment of Mrs. Sarika Abhijit Kulkarni (DIN 07141926) as an Independent 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) read with Schedule IV and Clause 49 of the Listing Agreement, Mrs. Sarika Abhijit Kulkarni (DIN 07141926) 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 along with requisite deposit of Rs. 1 Lac, from a member proposing her candidature for the office of Director, be and is hereby appointed as an Independent Director of the Company to hold office for 3 consecutive years for a term from March 30, 2015 to March 29, 2018, not liable to retire by rotation."

"RESOLVED FURTHER THAT Board of Directors of the Company be and are hereby authorized as to do all such acts, deeds and things incidental thereto to give effect to aforesaid resolution."

6. **To approve Borrowing limits of the Company.**

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

"RESOLVED THAT pursuant to Section 180(1)(c) and other applicable provisions, if any, of the Companies Act, 2013, as amended from time to time, Companies Rules (including any statutory modification(s) or re-enactment thereof for the time being in force) the consent of the Company be and is hereby accorded to the Board of Directors of the Company (hereinafter referred to as the "Board" which term shall include any committee thereof for the time being exercising the powers conferred on the Board by this Resolution) for borrowing from time to time, any sum or sums of monies, which together with the monies already borrowed by the Company (apart from temporary loans obtained or to be obtained from the Company's bankers in the ordinary course of business), may exceed the aggregate of the paid-up capital of the Company and its free reserves, that is to say, reserves not set apart for any specific purpose, provided that the total outstanding amount so borrowed shall not at any time exceed the limit of Rs. 100 crore."

"RESOLVED FURTHER THAT the Board be and is hereby authorized and empowered to arrange or settle the terms and conditions on which all such monies are to be borrowed from time to time as to interest, repayment, security or otherwise howsoever as it may think fit and to do all such acts, deeds and things, to execute all such documents, instruments and writings as may be required."

7. To re-appoint Mr. Shalin Ashok Shah as Managing Director of the Company.

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

"RESOLVED that pursuant to Sections 196, 197, 198 and 203 and all other applicable provisions of the Companies Act, 2013, read with Schedule V to the said Act, and subject to other approvals as are necessary, Mr. Shalin Ashok Shah (DIN: 00297447) be and is hereby reappointed as Managing Director of the Company for a period of Five years from 22/01/2015 to 21/01/2020 on the remuneration and terms and conditions recommended by the Nomination & Remuneration Committee for a period of three years.

RESOLVED FURTHER that notwithstanding anything to the contrary contained herein, where in any financial year during the currency of the tenure of the Managing Director, the company has no profits or its profits are inadequate, the Company will pay Mr. Shalin A. Shah the remuneration by way of salary and perquisites not exceeding the limits as mentioned in the explanatory statement annexed.

RESOLVED FURTHER that the scope and quantum of remuneration specified hereinabove, may be enhanced, enlarged, widened, altered or varied by the Board of Directors in the light of and in conformity with any amendments to the relevant provisions of the Companies Act, 2013 and/ or the rules and regulations made there under and / or such guidelines as may be announced by the Central Government from time to time.

RESOLVED FURTHER that the Board be and is hereby authorized to do all acts and take all such steps as may be necessary, proper or expedient to give effect to this resolution."

Place: Ahmedabad

Date: 4th September, 2015

For and on behalf of the Board

**Sd/-
Shalin A Shah
Managing Director
DIN: 00297447**

NOTES:

1. ANY MEMBER ENTITLED TO ATTEND AND VOTE IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF AND SUCH PROXY NEED NOT BE A MEMBER OF THE COMPANY.
2. A person can act as a proxy on behalf of members not exceeding fifty and holding in the aggregate not more than ten percent of the total share capital of the Company carrying voting rights. A member holding more than ten percent of the total share capital of the Company carrying voting rights may appoint a single person as proxy, provided such person shall not act as a proxy for any other person or shareholder.
3. The Proxy form duly completed must reach the Registered Office of the Company not later than forty-eight hours before the time of commencement of the meeting.
4. The Register of Members of the Company will remain closed from 24th September, 2015 to 30th September, 2015 (both days inclusive), for the purpose of payment of dividend.
5. The dividend when sanctioned will be made payable on or before 5th October, 2015, to those members whose names stand on the Register of Members of the Company on 24th September, 2015 in case of Physical shares and to those members as per the beneficiary position to be given by NSDL and CDSL. Members are requested to notify promptly any change in their registered addresses.
6. All documents referred to in the Notice are open for inspection at the Registered Office of the Company between 11:00 a.m. and 1:00 p.m. on any working day except Saturdays and holidays up to the date of Annual General Meeting. 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.
7. Updation of Email Id: The Shareholders are requested to intimate their Email Id to the Company or update their email registered with Depository Participants, if the same is changed.
8. Voting through electronic means:

Pursuant to the provisions of Section 108 of the Companies Act, 2013 and Rule 20 of the Companies (Management and Administration) Rules, 2014, as amended by the Companies (Management and Administration) Amendment Rules, 2015, and Clause 35B of the Listing Agreement, the Company is pleased to provide its members the facility to exercise their right to vote by electronic means. The facility of casting votes using an electronic voting system from a place other than the AGM venue ('remote e-voting') will be provided to the members by Central Depository Services (India) Limited (CDSL).

The Company is providing facility for voting by electronic means and the business may be transacted through such electronic voting. The facility for voting through ballot paper shall also be made available at the meeting and members attending the meeting who have not already cast their vote by remote e-voting shall be able to exercise their right at the meeting. The members who have cast their vote by remote e-voting prior to the meeting may also attend the meeting but shall not be entitled to cast their vote again.

The 'Step by Step' procedure and instructions for casting your vote electronically are as under:

- i. The e-voting period begins on 26th September, 2015 (9:00 a.m.) and end on 29th September, 2015 (5:00 p.m.). During this period shareholders of the Company, holding shares either in physical form or in dematerialized form, as at the cut-off date of 24th September, 2015, may cast their vote electronically. Any person, who acquires shares of the Company and becomes member of the Company after dispatch of the notice and holding shares as on 24th September, 2015, may obtain the login id and password by standing request at helpdesk.evoting@cdslindia.com. The e-voting module shall be disabled by CDSL for voting after 29th September, 2015 (5.00 p.m.).
- ii. Open your web browser during the voting period and log on to the e-voting website www.evotingindia.com.
- iii. Next click on "Shareholders" tab to cast your votes.
- iv. Now Enter your User ID
For CDSL: 16 digits beneficiary ID,
For NSDL: 8 Character DP ID followed by 8 Digits Client ID,
Members holding shares in Physical Form should enter Folio Number registered with the Company.

- v. Next enter the Image Verification as displayed and Click on Login.
- vi. If you are holding shares in demat form and had logged on to www.evotingindia.com and voted on an earlier voting of any company, then your existing password is to be used
- vii. If you are a first time user follow the steps given below:

PAN	Enter your 10 digits alpha-numeric PAN issued by Income Tax Department when prompted by the system while e-voting (applicable for both demat shareholders as well as physical shareholders) Members who have not updated their PAN with the Company/Depository Participant are requested to use the first two letters of their name and the 8 digits of the sequence number in the PAN Field. The Sequence Number is printed on address label/ sticker affixed on the back page of the Annual Report. In case the sequence number is less than 8 digits enter the applicable number of 0's before the number after the first two characters of the name in CAPITAL letters. E.g. If your name is Ramesh Kumar with sequence number 1 then enter RA00000001 in the PAN field.
DOB#	Enter the date of birth as recorded in your demat account or in the Company records for the said demat account or folio in dd/mm/yyyy format
Dividend Bank Details#	Enter your dividend bank details as recorded in your demat account or in the Company records for the said demat account or folio.

please enter DOB or Dividend Bank Details in order to login. If the details are not recorded with the depository or member, please enter the member id/folio no. in the Dividend Bank details field as mentioned in instruction (iv).

- viii. After entering these details appropriately, click on "SUBMIT" tab.
- ix. Members holding shares in physical form will then reach directly to the Company selection screen. However, members holding shares in demat form will now reach 'Password Creation' menu wherein they are required to mandatorily change their login password in the new password field. Kindly note that this password can be used by the Demat holders for voting for resolutions of any other Company on which they are eligible to vote, provided that such company opts for e-voting through CDSL platform. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.
- x. Click on the EVSN for the relevant Company (GUJARAT NATURAL RESOURCES LIMITED) on which you choose to vote.
- xi. On the voting page, you will see Resolution Description and against the same, the option "YES/NO" for voting. Select the option YES or NO as desired. The option YES implies that you assent to the Resolution and option NO implies that you dissent to the Resolution.
- xii. Click on the "Resolutions File Link" if you wish to view the entire Resolutions.
- xiii. After selecting the resolution you have decided to vote on, click on "SUBMIT". A confirmation box will be displayed. If you wish to confirm your vote, click on "OK" else to change your vote, click on "CANCEL" and accordingly modify your vote.
- xiv. Once you "CONFIRM" your vote on the resolution, you will not be allowed to modify your vote.
- xv. You can also take out print of the voting done by you by clicking on "Click here to print" option on the Voting page.
- xvi. If Demat account holder has forgotten the password then enter the User ID and the image verification code and click on Forgot Password & enter the details as prompted by the system.
- xvii. Note for Non-Individual Shareholders and Custodians.
 - Non-individual shareholders (i.e. other than individuals, HUF, NRI etc.) and Custodian are required to log on to www.evotingindia.com and register themselves as Corporates.

- A scanned copy of Registration Form bearing the stamp and sign of the entity should be emailed to helpdesk. evoting@cdslindia.com
 - After receiving the login details a compliance user should be created using the admin login and password. The Compliance user would be able to link the account(s) for which they wish to vote on.
 - The list of accounts should be mailed to helpdesk. evoting@cdslindia.com and on approval of the accounts they would be able to cast their vote.
 - A scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of custodian, if any, should be uploaded in PDF format in the system for the scrutinizer to verify the same.
 - In case you have any queries or issues regarding e-voting, you may refer the Frequently Asked Questions (FAQs) and e-voting manual available at www.evotingindia.com under help section or write an email to helpdesk evoting@cdslindia.com
- xviii. Mr. Chintan Patel, Partner, M/s. Patel & Associates, Company Secretaries, Ahmedabad has been appointed as the Scrutinizer for conducting the e-voting process.

Place: Ahmedabad
Date: 4th September, 2015

For and on behalf of the Board

Sd/-
Shalin Shah
Managing Director
DIN: 00297447

Explanatory Statement as required under Section 102 of the Companies Act, 2013**Item No. 5:**

The Board of Directors, on the recommendation of Nomination and Remuneration Committee, had appointed Mrs. Sarika A. Kulkarni, as an Additional Director with effect from March 30, 2015.

Ms. Sarika A. Kulkarni (DIN 07141926) is a Commerce graduate and a practicing company secretary. She specialises in company law and related matters.

The other details of Mrs. Sarika A. Kulkarni in terms of Clause 49 of the Listing Agreement are provided in Corporate Governance Report. Copy of the draft letter for appointment of Ms. Sarika A. Kulkarni as an Independent Director would be available for inspection without any fee by the members at the Registered Office of the Company.

In the opinion of the Board, Ms. Sarika A. Kulkarni fulfils the conditions specified in the Companies Act, 2013 and rules made there under for her appointment as an Independent Director of the Company and is independent of the management.

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. 5 of this Notice for your approval. Ms. Sarika A. Kulkarni does not hold any shares in the company.

None of the Directors, Key Managerial Personnel and relatives thereof other than, Ms. Sarika A. Kulkarni has any concern or interest, financial or otherwise, in the resolution at Item No. 5 of the Notice.

Item No. 6:

As per Section 180 (1) (c) of the Companies Act, 2013, borrowings (apart from temporary loans obtained from the Company's bankers in ordinary course of business) by the Company beyond the aggregate of the paid up capital of the company and its free reserve requires approval from the shareholders of the Company. Keeping in view of enhanced requirement of loan and also the legal requirement that Section 180(1) of the Companies Act, 2013 provides that the Board of Directors of a company shall exercise the said power only with the consent of the Company by a special resolution. Hence, the Special Resolution at Item No. 6 for authorizing the Board of Directors to borrow monies (apart from temporary loans obtained or to be obtained from the Company's bankers in the ordinary course of business) from time to time on behalf of the Company not exceeding Rs. 100 crores is intended for this purpose.

The Directors recommends the resolution for members' approval as a Special Resolution.

None of the Directors, Key Managerial Personnel or their relatives are in any way concerned or interested, financially or otherwise in this resolution.

Item No. 7:

Mr. Shalin A. Shah, (DIN: 00297447) Managing Director of the Company is reappointed for a term of 5 years from 22.01.2015 to 21.01.2020. The details of terms of appointment and remuneration payable to Mr. Shalin A. Shah as Managing Director as per Schedule V is recommended for a period of 3 years as set out below:

1. Remuneration:

- a) Salary of Rs. 1,00,000 - (Rupees One Lacs only) per month with such increments as may be decided by the Board subject to a ceiling of Rs. 2,00,000/- (Rupees Two Lacs Only) per month.
- b) Perquisites: In addition to the salary and commission the Managing Director shall be entitled to the following perquisites :

The perquisites are classified into three categories as under:

CATEGORY 'A'

- i) **Housing I** : The expenditure incurred by the Company on hiring furnished accommodation for the Managing Director will be subject to the following ceiling :

Forty Five per cent of the Salary, over and above ten per cent payable by the Managing Director.

Housing II : In the case the accommodation is owned by the Company, ten per cent of the salary of the Managing Director shall be deducted by the Company.

Housing III : In case no accommodation is provided by the Company, the Managing Director shall be entitled to House Rent Allowance subject to the ceiling laid down in Housing I.

Explanation : The expenditure incurred by the Company on gas, electricity, water and furnishings shall be valued as per the Income-Tax Rules, 1962. This shall, however, be subject to a ceiling of ten per cent of the salary of the Managing Director.

- ii) Medical, Hospitalization and Health-care expenses Reimbursement: Reimbursement of actual expenses incurred for the Managing Director and his family.
- iii) Leave Travel Concession: For the Managing Director and his family, once in a year incurred in accordance with any rules specified by the Company.
- iv) Personal accident insurance: Premium as per the rules of the Company.

CATEGORY 'B'

- i) Provident Fund: Company's contribution to Provident Fund shall be as per the scheme applicable to the employees of the Company.

Contribution to provident fund will not be included in the computation of perquisites to the extent this is not taxable under the Income-tax Act.

- ii) Gratuity : As per the rules of the Company, which shall not exceed half a month's salary for each completed year of service.
- iii) Encashment of Leave: Encashment of Leave at the end of the tenure of the appointment will not be included in the computation of perquisites.

CATEGORY 'C'

- i) Car: Provision of car with driver for use on Company's business is not to be considered as perquisites. Use of car for private purpose shall be billed by the Company to the Managing Director.
- ii) Telephone: Telephone(s) at the residence of the Managing Director and a Mobile Phone for his use not to be considered as perquisites. Personal long distance calls on telephone(s) shall be billed by the Company to the Managing Director.

2. The Managing Director shall be entitled to annual privilege leave on full salary for a period of thirty days and such leave shall be allowed to be accumulated for not more than Ninety days.

Payment of remuneration is approved by resolution passed by the Nomination and Remuneration Committee in its meeting dated 19th January, 2015. As required by the Companies Act, 2013, approval of the members is being sought, for the re-appointment and remuneration of Mr. Shalin A. Shah, Managing Director. The draft Agreement between the Company and the Managing Director is available for inspection by the members at the company's Registered office between 10:00 a.m. to 1:00 p.m. on all working day's upto the date of Annual General Meeting.

Your Directors recommend the above resolution for approval of the Shareholders as a Special Resolution.

Except Mr. Shalin A. Shah and Mr. Ashok C. Shah no other Director or Key Managerial Personnel of the Company or their relatives are concerned or interested in the proposed resolution.

This may also be treated as a written memorandum setting out the terms of reappointment of Mr. Shalin A. Shah, pursuant to section 190 of the Companies Act, 2013.

Additional information pursuant to Schedule V:

I. General Information

- i. Nature of Industry: The Company is engaged in the business of oil and gas exploration.
- ii. Financial Performance: Financial Performance is given in Directors' Report.
- iii. Foreign investment or collaborations: No

II. Information about the appointee:

1. Background details: Mr. Shalin A. Shah aged 41 is an Engineering Graduate. He has more than 15 years' managerial experience.
2. Past Remuneration: Last remuneration paid to Mr. Shalin A. Shah is Rs. 6 lacs p.a.
3. Job Profile and his suitability: Mr. Shalin A. Shah is an engineering graduate. The position of Managing Director demands technical, managerial and leadership qualities. Mr. Shalin A. Shah's dynamic personality combined with his vast experience in the field makes him suitable to lead the company with his knowledge and expertise.
4. Remuneration proposed: Detailed proposed remuneration is as elaborated formerly in this section.
5. Comparative Remuneration profile: Remuneration proposed reflects the standards as respect to industry, size of the Company and profile.
6. Pecuniary relationship: Apart from the proposed salary as Managing Director of the Company, Mr. Shalin A. Shah has no other pecuniary relationship or transactions with the company or any other managerial personnel.

III. Other information:

1. Reasons of loss or inadequate profits: Due to frequent fluctuation in the prices of oil worldwide and technological advances, profitability of the company diminished.
2. Steps taken or proposed to be taken for improvement: The Company is working on technology upgradation to increase the production of oil and gas. The sharp fall in global crude prices had an adverse impact on the profitability of the Company .
3. Increase in productivity & profits: The Company believes that due to its efforts in improving technology and induction of qualified and competent workforce the productivity & profits of the Company will increase.
4. **Disclosures:** Details of remuneration of Directors' and other service terms are mentioned in detail in the "Corporate Governance".