

# *VII<sup>th</sup> Annual Report*

## *2001-2002*

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# **Gorani**

**Industries**  
**Limited**



## Gorani Industries Ltd.

### **BOARD OF DIRECTORS**

Narendra Gorani                      Chairman & Managing Director  
Balkishan Gorani  
Anil Gorani  
Sanjay Gorani

### **Auditors**

M/s. A.P. Garg & Co.  
Chartered Accountants

### **BANKERS**

Central Bank of India, CFB, Siyaganj, Indore

### **LEGAL ADVISORS**

C.L. Tiwari (Advocate)

### **REGISTERED OFFICE**

Plot No. 32-33, Sector F,  
Sanwer Road, Industrial Area,  
INDORE-452 015 (M.P.)

**NOTICE**

Notice is hereby given that the **SEVENTH ANNUAL GENERAL MEETING** of **GORANI INDUSTRIES LIMITED** will be held at 32-33, Sector F, Industrial Area, Sanwer Road, Indore (M.P.) on Saturday, the 31st August, 2002 at 4.00 P.M. to transact the following business :-

**ORDINARY BUSINESS :**

1. To receive, consider and adopt the Audited Balance Sheet, and Profit & Loss Accounts for the financial Year ended 31st March 2002, together with the Director's Report and the Auditor's Report thereon.
2. To appoint a Director in place of Shri Sanjay Gorani, who retires by rotation and being eligible, offers himself for re-appointment.
3. To appoint Auditor of the Company to hold office from the conclusion of this Annual General Meeting until the conclusion of next Annual General Meeting of the company and to fix their remuneration. The retiring Auditors M/s. A.P. Garg & Co. Chartered Accountants, Indore are eligible for re-appointment.

By order of the Board of Directors

Place : Indore

**NARENDRA GORANI**

Date : 19th June, 2002 (Chairman & Managing Director)

**NOTES**

1. A member entitled to attend and vote at the meeting entitled to appoint a proxy to attend and vote instead of himself. The proxy need not to be the member of the company. The proxy representation must be registered at the registered office of the company not less than 48 hours before the meeting.
2. Member seeking any information with regard to Annual Accounts of the Company are required to write at least 10 days in advance so as to enable the company to keep the information ready. Replies will be provided only at the meeting.
3. Members who have multiple accounts in identical names or joint names in same order are required to intimate the company the Ledger Folio of such account to enable the company to consolidate all such shareholdings in one account.
4. Members are requested to bring their copy of Annual Report to the Annual General Meeting as additional copies will not be circulated at the meeting.
5. Member/proxies should bring the attendance slip duly filled in for attending the meeting.
6. The Shareholders are requested to inform the change of their address if any to the Company.
7. The Register of Members and the Share Transfer Book of the Company will remain closed from 28th August, 2002 to 31st August, 2002 (Both days inclusive).
8. W.e.f. 1st day of May 2002 Company has started its own inhouse Share transfer department where in issues related to investors shall also be dealt with.
9. Sri Sanjay Gorani, Director (Technical) is one of the promoters of the Company and is being proposed for reappointment.

**DIRECTORS REPORT**

To,  
The Members,  
**Gorani Industries Limited**

Your Directors have pleasure in presenting the Seventh Annual Report together with the Audited Accounts of the Company for the financial year ended March 31st, 2002.

**FINANCIAL RESULT**

		(Rs. in Lacs)
	Current Year	Previous Year
Sales	<b>560.03</b>	464.22
Profit before Depreciation, Interest and Miscellaneous		
expenses written off	<b>72.90</b>	42.23
Interest	<b>33.04</b>	34.85
Depreciation	<b>26.64</b>	26.22
Miscellaneous exps. written off	<b>4.52</b>	4.52
Profit/(Loss) for the year	<b>8.70</b>	(23.36)
Balance brought forward	<b>(48.30)</b>	(24.94)
Net Profit/(Loss) carried to		
Balance Sheet	<b>(39.60)</b>	(48.30)

**PERFORMANCE**

The performance of the Company during the year under review is better than previous year despite the overall economic slow down with continuing sluggishness in agricultural sector and your company's product Kerosene Wick Stove being used mainly by rural and back ward class population was, therefore affected significantly. But due to continuous efforts of the Directors, the Company has shown profit of Rs. 8.70 Lacs as compared to loss of Rs. 23.36 Lacs last year. The Sales are Rs. 560.03 Lacs as against Rs. 464.22 Lacs for the previous financial year registering an increase of 20.64%.

It is pleasure to inform that your company has recorded export turnover of Rs. 87.69 Lacs as compared to Rs. 61.38 lacs last year. Your Directors are hopeful of good

demand in African and other Neighboring countries during the current year.

The performance during the year is more satisfying since it has been achieved due to sincere & committed efforts of the management team which was successful in continuously stream lining & controlling the operational and other fixed costs.

With the perception of providing value added services to its customers your company has started manufacturing Pressure Cooker which will enable to achieve better capacity utilisation and improve the profit margin of the company.

**DIVIDEND**

Your Directors do not recommend any dividend for the year although the Company has come out with the profit of Rs. 8.70 lacs during the year because it has been utilised to set off accumulated losses.

**PUBLIC DEPOSITS**

There were no Deposits at the end of the year and the company did not accept any deposits from the Public during the year.

**DIRECTORS**

In accordance with the provisions of Companies act, 1956 and the Articles of Association of the Company Mr. Sanjay Gorani retire by rotation at this Annual General Meeting of the Company and being eligible, offer himself for reappointment.

**AUDITORS & THEIR OBSERVATIONS**

M/s. A.P. Garg & Co., Chartered Accountants, Indore Auditors of the Company will retire at the forthcoming Annual General Meeting and being eligible offer themselves for re-appointment. The Company has received a certificate from the Auditors to the effect that their re-appointment, if made, will be in accordance with Section 224 (1B) of the Companies Act, 1956. The Board recommends their re-appointment. The observations of the auditors referred to in the Auditors Report have been suitably explained in the Notes on Accounts.

**CORPORATE GOVERNANCE :**

Your Company is committed to bench marking itself with global standards in all areas including incorporation of

appropriate standards for good corporate governance, in the coming year.

### **DIRECTORS RESPONSIBILITY STATEMENT**

Pursuant to sub-section (2AA) of section 217 of the companies Act, 1956 the board of Directors of the Company hereby state and confirm that :

1. In the preparation of the Annual Accounts the applicable accounting standards have been followed along with proper explanation relating to material departure.
2. The directors have selected such accounting policies and made judgements and estimates that are reasonable and prudent so as to give a true & fair view of the state of affairs of the Company at the end of the financial year and of the profit of the Company for that period.
3. The Directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of companies Act, 1956 for safeguarding the assets of the company and for preventing and detecting fraud and other irregularities.
4. The Directors have prepared the Annual Accounts on a going concern basis.

### **PERSONNEL**

No employee has been paid remuneration in excess of the limits prescribed under Section 217 (2A) of the Companies Act, 1956.

### **CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS AND OUTGO.**

The information relating to conservation of Energy, Technology absorption and Foreign Exchange earnings and outgo as required under section 217 (1) (e) of the Companies Act, 1956, read with the Companies (Disclosure of particulars in the Report of Board of Directors) Rules, 1988, is given in Annexure-I forming part of this Report.

### **ACKNOWLEDGEMENT**

Your Directors place on record their appreciation for the assistance and support extended by the Financial Institutions, Commercial Bank, Shareholders, Customers, Staff and Workers of the Company.

Place : Indore

For and on Behalf of the Board

Date : June 19th, 2002

**Narendra Gorani**  
Chairman & Managing Director

## ANNEXURE I TO THE DIRECTORS REPORT

Information as per Section 217 (1) (e) read with the companies (Disclosure of particulars in the Report of Board of Directors) Rules, 1988, and forming part of the Directors Report for the Year ended 31st March, 2002.

### 1. Conservation of Energy

#### 1.1 Energy conservation measures taken :

1. Additional power capacitors are installed to limit down demand.
2. Changeover switch system has been employed to avoid electricity wastage.

#### 1.2 Additional investments and proposal, if any, being implemented for reduction of consumption of energy :

Due to effective steps already taken to conserve energy, there is no immediate proposal to invest further.

#### 1.3 Impact of the above measures:

efficient utilisation of power and consumption of electricity per unit of production has decreased.

2. Total energy consumption and energy consumption per unit of production as per form- A of the Annexure in respect of Industries specified in the schedule thereto.

Particulars	Unit	2001-2002	2000-2001
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#### a. Electricity

Purchased Units	KWH	3,70,717	3,46,161
Total Amount	Rs.	17,83,306	16,59,210
Rate per Unit	Rs/KWH	4.81	4.79

Particulars	Unit	2001-2002	2000-2001
<b>b. Own generation</b>			
Units	KWH	5,370	3,790
Units/Ltr. of Diesel	KWH	2.34	2.51
Cost per Unit	Rs./KWH	7.95	6.21
Electricity consumed	KWH	0.99	0.99

### 3. Particulars as per Form B :

#### 3.1. Research & Development (R&D) :

3.1.1. The Company has technical agreements with Indian Institute of Petroleum and Indian Oil Corporation. The Research and Developments done by these institutions in the field of conservation of Kerosene are incorporated by the Company in its in house laboratory.

3.1.2. **Expenditure on Research & Development :** As the Company has technical agreements with IOC & IIP, there is no need to make any additional expenditure on Research and Development of Kerosene wick stove however during the year company has incurred Rs. 48,482/- towards the development of different quality ranges of LPG stoves & Pressure cooker product to meet desired quality level from the safety & fuel efficiency point of view.

#### 3.2. Technology Absorption, Adoption & Innovation:

Technology obtained from IOC & IIP has been successfully adopted and implemented.

#### 3.3. Foreign Exchange Earnings & Outgo :

Earnings	Rs. 8712826
Outgo	Rs. 116236