

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

## *2006-2007*

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# **Gorani**

**Industries**  
**Limited**



## Gorani Industries Ltd.

### **BOARD OF DIRECTORS**

Narendra Gorani	Chairman & Managing Director
Anil Gorani	Whole Time (Technical) Director
Sanjay Gorani	Whole Time (Technical) Director
Shyamsunder Jhavar	Independent Director
Anurag Nandecha	Independent Director
Dinesh Kumar Daga	Independent Director

### **Auditors**

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

### **BANKERS**

Central Bank of India, CFB, Siyaganj, Indore

### **REGISTERED OFFICE**

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



## NOTICE

Notice is hereby given that the TWELTH ANNUAL GENERAL MEETING OF GORANI INDUSTRIES LIMITED will be held at Plot No. 32-33 Sector 'F' Industrial Area, Sanwer Road, Indore (M.P) on Saturday 29<sup>th</sup> September, 2007 at 4.00 P.M to transact the following Business as:

## ORDINARY BUSINESS

1. To receive, consider and adopt the Audited Balance Sheet and Profit & Loss Account for the Financial Year ended 31<sup>st</sup> March 2007, together with the Directors' Report and Auditors' Report thereon.
2. To appoint a Director in place of Shri Anurag Nandecha 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 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 reappointment.

## SPECIAL BUSINESS

4. To consider, and if thought fit, to pass with or without modification the following resolution as an "Ordinary Resolution"

RESOLVED THAT pursuant to the

provision of section 198, 269 & 309 read with schedule XIII and all other applicable provision, if any of the Companies Act, 1956 (including any statutory modification or reenactment thereof, for the time being in force) the consent of the company be and is here by accorded to the appointment of Shri Anil Gorani as whole time Director designated as Technical Director of the company, for a period of five years with effect from 1st April 2007 on the terms and conditions including remuneration as are set out in the Explanatory statement and the draft of the agreement to be entered into, between the Company and Shri Sanjay Gorani a copy whereof is placed before this meeting".

RESOLVED FURTHER THAT the Board of Directors ("the Board") of the company be and is here by authorised to alter and vary the terms and conditions of the said reappointment including the remuneration, so long as it does not exceed the limits specified in Schedule XIII to the Companies Act 1956 and also the Board be and is hereby authorised to do all such act, deeds matters and things as may be considered necessary, desirable or expedient to give effect to this resolution.

RESOLVED Further That in the event of absence or inadequacy of profits in any financial year, Shri Anil Gorani be paid the aforesaid remuneration as minimum



remuneration for that year.

By order of the Board of Directors

Place : Indore

**SANJAY GORANI**

Date : 13th July, 07

(Chairman & Managing Director)

### NOTES

1. A member entitled to attend and vote at the meeting is 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. Members/ 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 26.09.07 to 29.09.07 (Both days inclusive).
8. At the ensuing Annual General meeting, Shri Anurag Nandecha retires by rotation and being eligible offer himself for reappointment. Shri Anurag Nandecha aged 50 years famous personality in the field of Cold Storage and other related business. He has a rich experience in the field of real estate and Engineering Goods.

By order of the Board of Directors

Place : Indore

**SANJAY GORANI**

Date : 13th July 2007

(Chairman & Managing Director)

### EXPLANATORY STATEMENT

(Pursuant to section 173 (2) of the Companies Act, 1956 in respect of item No.4 contained in the Notice of meeting).

Item 4



Shri Anil Gorani has rich experience in the operation and working of the company. During the last 12 yrs as Director of the company, he has significantly contributed to its all round growth. The company has been able to establish its product all over the country and increase its market share. In the changed economic scenario and in the wake of globalization the vast experience and abilities of Shri Anil Gorani would help the Company to realign itself to face the emerging domestic and international challenges.

The remuneration committee at its meeting held on 31.3.07, approved his re-appointment as whole time Director for a period of 5 years w.e.f. 1<sup>st</sup> April 2007. Subject to the approval of shareholders at the Annual General meeting on the following terms.

1. The remuneration comprising of salary payable to Shri Anil Gorani, shall be Rs. 30,000/- p.m. or Rs. 3,60,000/- per annum.
2. The Company's contribution to Provident Fund, Superannuation fund or Annuity Fund to the Income Tax Act, 1961, gratuity payable at rate not exceeding half a month's salary for every completed year of service and encashment of leave at the end of the tenure shall not be included in the computation of the remuneration set out in paragraph (1) above for the time being in force.
3. The aforesaid remuneration shall be reviewed by the Board after close of every financial year and if the company has made

sufficient profits in that year Shri Anil Gorani may be paid such enhanced remuneration and / or commission as the Board may then decide, subject to the provisions and ceiling limits laid down in Sections 198, 309 and in Schedule XIII of the Companies Act, 1955, respectively or any modification or reenactment thereof.

4. In the absence or inadequacy of profits, the remuneration set out in paragraph (1) above shall be treated as the minimum remuneration payable to him.

5. Shri Anil Gorani shall be liable to retire by rotation as a Director of the Company.

The Board recommends re-appointments of Shri Anil Gorani as Whole time Director.

A draft of the Agreement proposed to be entered into with Shri Anil Gorani is open for inspection to the members at the Registered Office between 10.30 A.M. and 1:00 P.M. on all working days of the Company up to and including day of the Meeting.

Shri Sanjay Gorani being brother is interested in the resolution and Smt. Manju Gorani being brother's wife may be deemed to be interested in the resolution.

The above may also be treated as an abstract as required U/s 302 of the Companies Act, 1956.



## DIRECTORS REPORT

To,  
The Members,  
Gorani Industries Limited

Your Directors have pleasure in presenting the Twelfth Annual Report together with the Audited Accounts of the Company for the Financial year ended 31st March 2007.

### FINANCIAL RESULT

	(Rs. in Lacs)	
	<u>2006-07</u>	<u>2005-06</u>
Sales	285.65	239.76
Operating Profit/(Loss)		(37.40)
Interest	17.77	25.59
Depreciation	27.85	27.60
Misc. Expenses Write off	--	04.15
Profit /(Loss) for the year	(90.94)	(94.74)
Balance Brought Forward	(184.25)	(89.51)
Net Profit/(Loss) Carried to Balance Sheet	(275.19)	(184.51)

### PERFORMANCE

During the year under review your Company was able to achieve turnover of Rs. 285.65 Lacs as against that of Rs. 239.76 Lacs during the previous year depicting a growth of 19% in turnover. The company has incurred net loss of 90.94 lacs.

Your directors keep eyes on the market and look forward for other products like Gas Geysers, which was added recently and is expected to contribute in turnover as well as to the profitability of the company in the current year.

Your director hope that next year performance will be much better than this year in all respects as other kitchen appliances like hobs, chimenys

etc. are also the products to be added in the basket which are having good market potential.

### DIVIDEND

Your Directors do not recommend any dividend for the year, as the company has incurred losses during the year.

### PUBLIC DEPOSITS

There were no Deposits at the begining or 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 Shri Anurag Nandecha 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:

Pursuant to clause 49 of the listing agreement with the Stock Exchange, Management discussion and analysis and Corporate Governance report together with the auditor's certificate on





compliance of conditions of Corporate Governance form part of this Annual Report.

## 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 judgments and estimates that are 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 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 -1 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

Date : 13th July 07

For and on Behalf of the Board

Sanjay 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 Director Report for the year ended 31<sup>st</sup> March 2007.

### 1. Conservation of Energy

#### 1.1 Energy conservation measures taken:

1. Additional power capacitors and power factor control equipments 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	2006-07	2005-06
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#### a. Electricity

Purchased unit	KWH	211570	208600
Total Amount	Rs.	1291313	1371044
Rate per Unit	Rs/KWH	6.10	6.47

Particulars	Unit	2006-07	2005-06
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#### b. Own generation

Units	KWH	1300	1510
Units/Ltr. of Diesel	KWH	1.68	1.30
Cost per Unit	Rs./KWH	21.72	9.34
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.

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

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

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

Earnings	2006-07	2005-06
FOB value of Exports	Nil	Nil
Freight Charges	Nil	Nil

#### Out go

Foreign Exchange (Loss)	11609	(16577)
Import Expenses	872645	1044492