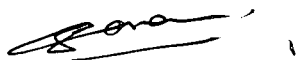


XIIIth Annual Report

2007-2008

for Gorani Industries Ltd.,


Managing Director

Report  Junction.com



Gorani

Industries
Limited



Gorani Industries Ltd.

BOARD OF DIRECTORS

Sanjay Gorani	Chairman & Managing Director
Manju Gorani	Director
Anil 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 THIRTEENTH ANNUAL GENERAL MEETING OF the company **GORANI INDUSTRIES LIMITED** will be held at Plot No. 32-33 Sector 'F' Industrial Area, Sanwer Road, Indore (M.P) on Tuesday on 30th September, 2008 at 11.00 a.m. to transact the following Business :

ORDINARY BUSINESS

1. To receive, consider and adopt the Audited Balance Sheet and Profit & Loss Account for the Year ended 31st March 2008, and the report of the Directors and Auditors thereon.
2. To appoint a Director in place of Shri Shyam Sundar Jhawar who retires by rotation and being eligible, offers himself for reappointment.

SPECIAL BUSINESS

3. To appoint Auditors of the in place of M/s A.P. Garg & Co., Chartered Accountants, Indore, the retiring Auditors of the company, to hold office from the conclusion of this Annual General Meeting until the conclusion of next Annual General Meeting & to fix their remuneration. To consider and if though fit, to pass with or without modification(s), the following resolution as an ordinary resolution :

RESOLVED THAT M/s B.D.Sharda & Co. Chartered Accountants, be and hereby appointed Auditors of the Company to fill casual vacancy caused by the resignation of M/s. A.P. Garg & Co., Chartered Accountants, vide their letter dated 30th August, 2008 and to hold office from the conclusion of this Annual General Meeting until the conclusion of next Annual General Meeting at a remuneration as may be fixed by the Board of Directors in consultation with the Auditors of the company."

By order of the Board
For Gorani Industries Limited

Place : Indore

Date : 30th August, 2008

SANJAY GORANI

(Chairman & Managing Director)

NOTES

1. A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT ANOTHER PERSON AS HIS PROXY TO ATTEND

AND ON A POLL, TO VOTE INSTEAD OF HIMSELF. THE PROXY NEED NOT TO BE THE MEMBER OF THE COMPANY. A BLANK FORM OF PROXY IS ENCLOSED AND IF INTENDED TO BE USED, IT SHOULD BE RETURNED, DULY COMPLETED, TO THE REGISTERED OFFICE OF THE COMPANY NOT LESS THAN FORTY EIGHT HOURS BEFORE THE SCHEDULED TIME OF THE MEETING.

2. The Register of Members and the Share Transfer Book of the Company will remain closed from 25th September 2008 to 30th September, 2008 (Both days inclusive).
3. Members/Proxies should bring the attendance slip duly filled in for attending the meeting.
4. Shri Shyam Sunder Jhawar is post graduate in Commerce and having rich experience in the field of steel, sheet metals etc. of over 25 years.

EXPLANATORY STATEMENT

(Pursuant to Section 173 (2) of the Companies Act, 1956)
Item No. 3 (As an Ordinary Resolution)

The Company has received the resignation from M/s A.P. Garg & Co., Chartered Accountants, and company is proposing to appoint M/s. B.D. Sharda & Co. Chartered Accountants to fill the casual vacancy caused by the resignation of M/s A.P. Garg & Co., Chartered Accountants, vide their letter dated 30th August, 2008.

According to Section 224(6)(a) of the Companies Act, 1956 the Board may fill any casual vacancy caused by the resignation of an auditor, only in the general meeting of the company.

Considering these facts, your Board of Directors has proposed appointment of M/s. B.D. Sharda & Co., Chartered Accountants to fill the casual vacancy and has therefore put before you the Ordinary resolution under Item No. 3 of the notice of the AGM for your approval.

None of the Directors has any personal interest/concern in the said resolution.

BY ORDER OF THE BOARD
for Gorani Industries Limited

Date : 30th August 2008
Place : Indore

SANJAY GORANI
(Chairman & Managing Director)



DIRECTORS REPORT

To,
The Members,
Gorani Industries Limited

Your Directors have pleasure in presenting herewith the Thirteenth Annual Report of your Company together with the Audited Accounts for the Financial year ended 31st March 2008.

1. FINANCIAL RESULTS :

	(Rs. in Lacs)	
	<u>2007-08</u>	<u>2006-07</u>
Gross Turnover	328.28	285.65
Profit Before Depreciation	32.44	(62.97)
Depreciation	24.15	27.85
Provisions for Taxation	0.11	0.12
Net Profit After Taxation	8.18	(90.94)
Add Profit/Loss Brought forward	(275.19)	(184.25)
Surplus/(Deficiency) Carried to Balance Sheet	(267.01)	(275.19)

2. PERFORMANCE

During the financial year under review your Company has achieved a Gross Turnover of Rs. 328.28 Lacs as against that of Rs. 285.65 Lacs during the previous year, thereby achieving a growth of 15% in turnover. The company has also achieved net profit of Rs. 8.18 lacs against loss of Rs. 90.94 lacs in previous year.

the inspiring profitability has been achieved due to focused, continuous and sincere efforts put forth for cost reduction measures, and starting iron trading activity involving much better profit margin. Further in the current year also upcoming products like kitchen hoods, hobs etc shall certainly lead to overall improved capacity utilization resulting into further increased bottom-line profitability.

3. DIVIDEND

Though the Company has achieved good net profit still due to heavy brought forward losses, your directors regret their inability to propose any Dividend for the year.

4. DIRECTORS

Shri Shyam Sunder Jhavar who is liable to retire by rotation at the ensuing Annual General Meeting, being eligible offers himself for re-appointment.

5. AUDITORS :

The Company has received the resignation from M/s. A.P. Garg & Co., Chartered Accountants and M/s. B.D. Sharda & Co. Chartered Accountants are to be appointed as Auditors of the company in place of M/s. A.P. Garg & Co., Chartered Accountants, in the Annual General Meeting, to be held on 30th September, 2008. The Company has also received Certificate from Auditors, M/s. B.D. Sharda & Co., Chartered Accountants, to the effect that their appointment, if made would be within the limites prescribed under section 224 (1B) of the Companies Act, 1956.

6. FIXED DEPOSIT :

The Company has not accepted any Deposits under the provisions of section 58A of The Companies Act, 1956 and the Rules made there under.

7. STATEMENT UNDER SECTION 217 OF THE COMPANIES ACT 1956 :

No employees in the Company have been paid remuneration in excess of the limits prescribed under section 217 (2A) of the Companies Act, 1956, read with Companies (Particulars of Employees) Rules, 1975.



8. CONSERVATION OF ENERGY AND TECHNOLOGY ABSORPTION

The information relating to conservation of Energy, Technology absorption and Foreign Exchange earnings and outgo as requires 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 of Annexure 1, forming part of this report.

9. DIRECTORS RESPONSIBILITY STATEMENT

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

- a: In preparation of Annual Accounts, the applicable accounting standards have been followed along with proper explanation relating to purchase and sales.
- b. The directors have selected such accounting policies and applied them consistently 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 as at 31st March, 2008 and profit and loss account of the profit for the year ended 31st March, 2008.
- c. 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 deleting fraud and other irregularities.
- d. The Directors have prepared the Annual Accounts on a going concern basis.

10. CORPORATE GOVERNANCE :

A separate report on Corporate Governance along with practising company secretary's Certificate on its

compliance is attached to this report.

11. ACKNOWLEDGEMENT

The Board wishes to place on record their gratitude for the co-operation being received from the Banks, Share Transfer Agent, Stock Exchanges, and Share Holders, Customers, staff and workers of the company and thank them for their continued support.

By order of the Board
SD/-

Sanjay Gorani
Chairman & Managing Director

Place : Indore
Date : 30th August, 2008

Regd. Office :
Plot No. 32-33, Sector -F,
Sanwer Road, Industrial Area,
Indore - 452 015 (M.P.)



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 31st March 2008.

1. Conservation of Energy

1.1 Energy conservation measures taken:

Our focus on the impact of our operation on climate change leads to our energy conservation strategy where we can best evaluate our performance through measurement of emission to the atmosphere.

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.

1.4 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	2007-08	2006-07
a. Electricity			
Purchased unit	KWH	227120	211570
Total Amount	Rs.	1260221	1291313
Rate per Unit	Rs./KWH	5.55	6.10
b. Own generation			
Units	KWH	1550	1300
Units/Ltr. of Diesel	KWH	1.70	1.68
Cost per Unit	Rs./KWH	20.55	21.72
Electricity consumed	KWH	0.99	0.99

2. Technology Absorption, Reaserch & Development (R & D) :

2.1 The Company has technical agreements with Indian Institute of Petroleum and Indian Oil Corporation. The Reserach and Development done by these institutions in the field of conservation of Kerosene are incorporated by the company in its inhouse laboratory.

2.2 Expenditure on R&D

As the company has technical agreements with IOC & IIP, there is no need to make any additional expenditure on research and development of Kerosone wick stove.

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

3. Foreign Exchange Earnings & Outgo :

Particulars	2007-08	2006-07
a. Earnings		
FOB value of Exports	Nil	Nil
Freight Charges	Nil	Nil
b. Out go		
Import Expenses	Nil	872645

By order of the Board
SD/-

Sanjay Gorani
Chairman & Managing Director

Place : Indore
Date : 30th August, 2008

Regd. Office :
Plot No. 32-33, Sector -F,
Sanwer Road, Industrial Area,
Indore - 452 015 (M.P.)



CORPORATE GOVERNANCE

For the Year 2007-08

1. Company's Philosophy on Code of Governance

Good governance facilitates effective management and control of business, maintaining a high level of business ethics and optimizing the value for all its stake holders. The ultimate objective of the Corporate Governance at Gorani Industries Limited is to enhance shareholders' value in the long term. A good governance process aims to achieve this by providing long-term visibility of its businesses, ensuring effective relationship with stakeholders, establishing systems that help the Board in understanding risk appetite and monitoring risk at every stage of the corporate evolution process.

Board Composition and particulars of Directors

Board Composition

The Company's policy is to maintain optimum combination of Executive and Non-Executive Directors. The Board consists of 6 Directors, out of which three are independent Directors. The Board believes that its current composition is appropriate. Composition of the Board and category of Directors are as follows :

Name of Director	Category	No. of Directorships held in other public companies	No. of Memberships of Board committees held in other public companies	No. of Board committees of which Director is a chairperson
Shri Sanjay Gorani	Promoter and Exe. Director	-	-	-
Shri Anil Gorani	Promoter and Exe. Director	-	-	-
Smt. Manju Gorani	Promoter and Exe. Director	-	-	-
Shri Shyam Sunder Jhavar	Independent and Non-Exe. Director	-	-	-
Shri Anurag Nandecha	Independent and Non-Exe. Director	-	-	-
Shri Dinesh Kumar Daga	Independent and Non-Exe. Director	-	-	-

Directors Seeking Appointment/Reappointment

Shri Shyam Sunder Jhavar is liable to retire by rotation and being eligible offers himself for reappointment. He is post graduate in Commerce and having rich experience in the field of Steel, sheet metals etc. of over 25 years.

2. Attendance of Each Director at Board Meetings and Last Annual General Meeting :

During the year 2007-2008, 6 Board Meetings were held on 4th April, 2007, 13th July, 2007, 27th July, 2007, 29th October, 2007, 24th January 2008, 28th March, 2008.

Name of Director	No. of Board Meeting held.	No. of Board Meeting attended	Attendance at Last Annual General Meeting
Sanjay Gorani	6	6	Persent
Anil Gorani	6	6	Persent
Manju Gorani	6	6	Persent
Shyam Sunder Jhavar	6	6	Persent
Anurag Nandecha	6	6	Persent
Dinesh Kumar Daga	6	6	Persent

Code of Conduct

The company has laid down the Code of Conduct for Directors and Senior personnel, annual affirmation from each of the Directors regard to the adherence to the said Code of Conduct drawn are being received on a yearly basis and placed before the Board.

3. Audit Committee :

The Audit Committee consists of three independent Non-executive Directors. The Members of the Committee are well versed in finance matters, accounts, company law and general business practices.

The composition of the Audit Committee is as under -

- a) Shri Shyam Sunder Jhavar Chairman
- b) Shri Anurag Nandecha Member
- c) Shri Dinesh Kumar Daga Member

The terms of reference of the Audit Committee include:

- a) To review financial statements and pre-publication announcements before submission to the Board.
- b) To ensure compliance of internal control systems and action taken on internal audit reports.
- c) To apprise the Board on the impact of accounting



policies, accounting standards and legislation.

- d) To hold periodical discussions with statutory auditors on the scope and content of the audit.
- e) To review the Company's financial and risk management policies.

During the financial year 2007-2008, 5 Audit Committee Meetings were held on 2nd April 2007, 7th July 2007, 27th July 2007, 27th October 2007, 21st January, 2008.

Names of Director	No. of Committee Meeting held	No. of Committee Meetings attended
Shri Shyam Sunder Jhavar	5	5
Shri Anurag Nandecha	5	5
Shri Dinesh Kumar Daga	5	5

4. Remuneration Committee

The Remuneration Committee consists of three independents, Non-executive Directors viz Shri Dinesh Kumar Daga (Chairman), Shri Shyam Sunder Jhavar and Shri Anurag Nandecha.

The Remuneration Committee has been constituted to recommend/ review the remuneration package of the Managing / whole time Directors, based on performance and defined criteria.

The remuneration policy is directed towards rewarding performance based on review of achievements on a periodical basis. The remuneration policy is in consonance with the existing Industry practice.

During the year on 21st March, 2008 meeting of the remuneration committee was held, which is attended by all the members of the committee. There is no remuneration and setting fee paid to any Directors of the Company during the year ended March 31st, 2008.

Names of Director	No. of Committee Meeting held	No. of Committee Meetings attended
Shri Dinesh Kumar Daga	1	1
Shri Anurag Nandecha	1	1
Shri Shyam Sunder Jhavar	1	1

5. Shareholders'/Investors' Grievance Committee

The Committee consists of three independent, Non-executive Directors, Viz. Shri Anurag Nandecha (Chairman), Shri Shyam Sunder Jhavar and Shri Dinesh Kumar Daga.

The Company had acted upon all valid share transfers received during the year 2007-2008. The Company has not received any complaints during the year.

During the financial year 2007-2008, 4 Investors' Grievance Committee Meetings were held on 16th April 2007, 20th July 2007, 10th October 2007, 15th January 2008.

Names of Director	No. of Committee Meeting held	No. of Committee Meetings attended
Shri Dinesh Kumar Daga	4	4
Shri Anurag Nandecha	4	4
Shri Shyam Sunder Jhavar	4	4

6. General Body Meeting

Location and time of last three Annual General Meetings were held are given below -

Year	Date	Location	Time
2004-2005	30.09.05	Registered office of the Company	4 P.M.
2005-2006	05.09.06	do	4 P.M.
2006-2007	29.09.07	do	4 P.M.

7. Disclosures:

There are no materially significant related party transactions made by the Company with its promoters, Directors or Management, their subsidiaries or relatives, etc. that may have potential conflict with the interest of the Company of large.

The Company has complied with the requirements of regulatory authorities on capital markets and no penalty/ stricture was imposed on the Company during the last three years.

8. Means of Communication :-

The quarterly, half yearly and full year results were sent to exchange and official releases were made through press every time. These are not sent individually to the