

XIVth Annual Report

2008-2009

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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. B.D. Sharda & 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 **FOURTEENTH 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 Wednesday on 30th September, 2009 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 2009, and the report of the Directors and Auditors thereon.
2. To appoint a Director in place of Smt. Manju Gorani who retires by rotation and being eligible, offers herself for reappointment.
3. To appoint a Director in place of Smt. Dinesh Kumar Daga who retires by rotation and being eligible, offers himself for reappointment.
4. To appoint Auditors to hold office from the conclusion of this meeting until the conclusion of the next Annual General Meeting and to fix their remuneration.

September 2009 to 30th September, 2009 (Both days inclusive).

3. Members/Proxies should bring the attendance slip duly filled in for attending the meeting.
4. Smt. Manju Gorani is a well known and reputed personality in the field of Commerce. She is a Commerce graduate and possesses rich experience in Industrial Administration.
5. Shri Dinesh Kumar Daga is a well known and reputed personality in the field of Accounts and finance. He is a Commerce graduate and possesses rich experience in Industrial Consultancy.

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

BY ORDER OF THE BOARD
for **Gorani Industries Limited**

Date : 28th July 2009
Place : Indore

SANJAY GORANI
(Chairman & Managing Director)

By order of the Board
For **Gorani Industries Limited**

Place : Indore

Date : 28th July, 2009

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



DIRECTORS REPORT

To,
The Members,
Gorani Industries Limited

Your Directors have pleasure in presenting herewith the Fourteenth Annual Report of your Company together with the Audited Accounts for the Financial year ended 31st March 2009.

1. FINANCIAL RESULTS :

	(Rs. in Lacs)	
	<u>2008-09</u>	<u>2007-08</u>
Gross Turnover	428.72	357.72
Profit Before Depreciation	56.23	32.44
Depreciation	23.02	24.15
Provisions for Taxation	0.10	0.11
Net Profit After Taxation	33.11	8.18
Add Profit/Loss Brought forward	(267.01)	(275.19)
Surplus/(Deficiency) Carried to Balance Sheet	(233.90)	(267.01)

2. PERFORMANCE

During the financial year under review your Company has achieved a Gross Turnover of Rs. 428.72 Lacs as against that of Rs. 357.72 Lacs during the previous year. The company has also achieved net profit of Rs. 33.11 lacs during the financial year.

The inspiring profitability has been achieved due to focused, continuous and sincere efforts put forth for cost reduction measures, and increasing 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

Looking to the Financial Position of the company your

Directors are not recommending any dividend for the year.

4. DIRECTORS

Smt. Manju Gorani and Shri Dinesh Kumar Daga who are liable to retire by rotation at the ensuing Annual General Meeting, being eligible offers themselves for re-appointment.

5. AUDITORS :

M/s. B.D. sharda & Co., Chartered Accountants, hold office until the conclusion of the ensuing Annual General Meeting and are eligible for re-appointment. They have furnished a certificate to the effect that their appointment, if made, would be within the prescribed limit under section 224 (1B) of the Companies Act, 1956.

6. AUDITORS REPORT :

Auditors in their report have made certain observations for which suitable explanation have been provided in the notes forming part of Accounts. These notes may be considered as explanations.

7. 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.

8. 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.



9. 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.

10. 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, 2009 and profit and loss account of the profit for the year ended 31st March, 2009.
- 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.

11. CORPORATE GOVERNANCE :

A separate report on Corporate Governance along with Auditors Certificate on its compliance is attached to this report.

12. 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 : 28th July, 2009

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 2009.

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.
- 12 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	2008-09	2007-08
a. Electricity			
Purchased unit	KWH	191820	227120
Total Amount	Rs.	1096798	1260221
Rate per Unit	Rs./KWH	5.72	5.55
b. Own generation			
Units	KWH	1510	1550
Units/Ltr. of Diesel	KV	0.91	1.70
Cost per Unit	Rs./KWH	41.61	20.55
Electricity consumed	KWH	0.99	0.99

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

- 2.1 The Company has technical agreements with Indian Institute of Petroleum and Indian Oil Corporation. The Research 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 Kerosene wick stove.
- 2.3 Technology obtained from IOC & IIP has been successfully adopted and implemented.

3. Foreign Exchange Earnings & Outgo :

Particulars	2008-09	2007-08
a. Earnings		
FOB value of Exports	Nil	Nil
Freight Charges	Nil	Nil
b. Out go		
Import Expenses (Purchase)	3337071	Nil
	By order of the Board	SD/-

Sanjay Gorani
Chairman & Managing Director

Place : Indore

Date : 28th July, 2009

Regd. Office :

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

MANAGEMENT DISCUSSION & ANALYSIS REPORT
Industry Structure and Developments

The Indian economy faced significant slowdown in growth momentum in 2008-09, driven by severe downturn in the global economy on the back of sustained pressure on the global financial system.

The Company is in the business of production and sales of kitchen appliances and it is believed that growth in the Housing sector will also driven the growth in sales of company's products. Recent monetary easing along with rise in demand is likely to provide some support to consumption of company's product in the financial year 2009-10. The discussion on the financial performance of the Company is covered in the Director's report. During the year net profit of the company is increased.

Opportunities and Threats

The company is in the process of implementing strategies to capitalize available opportunities. Given the dependence of a large fraction of the population on the rural economy and the fact that a number of product markets are under-penetrated, it provides opportunities for sustained growth for the company. Continuously increase in prices of raw material and competition from unorganized sectors, are the main threats faced by the company.

Segment-wise performance

The company's has only segment of Home Appliances and the products considered as part of the segment are Kerosene wick stove, LPG stove and Gas geysers and Kitchen Chimneys. The company is hopeful that through a combination of powerful marketing strategies, innovative new products and market development and expansion activities, it would increase its share in the domestic market of most of its products.

Internal Control

The Company has adequate system of management - supervised internal control, which is aimed at achieving efficiency in operations, optimum utilization of resources, effective monitoring and compliance with all applicable laws. These ensure that all corporate policies are strictly adhered to an absolute transparency is followed in accounting and all its business dealings.

The company ensures adherence to all internal control policies and procedures. A qualified and independent audit committee of the Board, comprising the independent directors reviews the adequacy of internal control.

Human Resources/Industrial Relations Front

The Company continues to focus on training employees on a continuous basis. The Company continued to have the cordial and harmonious relations with its employees. The Company considers the quality of its human resources to be most important asset and constantly endeavors to attract and recruit best possible talent.

Cautionary statement

Statements in the Management Discussion Analysis Report describing the Company's objectives and predictions may be forward looking within meaning of applicable rules and regulations. Actual results may differ materially from those either expressed or implied in the statement depending on circumstances.



CORPORATE GOVERNANCE

For the Year 2008-09

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	-	-	1
Shri Anurag Nandecha	Independent and Non-Exe. Director	-	-	1
Shri Dinesh Kumar Daga	Independent and Non-Exe. Director	-	-	1

Directors Seeking Appointment/Reappointment

Smt. Manju Gorani is liable to retire by rotation and being eligible offers herself for reappointment. She is a Commerce graduate and possesses rich experience in Industrial Administration and is a well known and reputed personality in the field of Commerce.

Shri Dinesh Kumar Daga is liable to retire by rotation and being eligible offers herself for reappointment. He is a Commerce graduate and possesses rich experience in Industrial Administration and is a well known and reputed personality in the field of Commerce.

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

During the year 2008-2009, 6 Board Meetings were held on 10th April, 2008, 28th June, 2008, 28th July, 2008, 30th August, 2008, 31st October 2008, 31st January, 2009.

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	3	Persent
Shyam Sunder Jhavar	6	5	Persent
Anurag Nandecha	6	4	Persent
Dinesh Kumar Daga	6	4	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 2008-2009, 4 Audit Committee Meetings were held on 27th June 2008, 25th July 2008, 29th October 2008, and 30th January 2009.

Names of Director	No. of Committee Meeting held	No. of Committee Meetings attended
Shri Shyam Sunder Jhavar	4	4
Shri Anurag Nandecha	4	3
Shri Dinesh Kumar Daga	4	2

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 20th January, 2009 meeting of the remuneration committee was held, which is attended by all the members of the committee. There is no revision in the remuneration paid to the whole time director Shri Anil Gorani of the company and sitting fee paid to Directors of the Company during the year ended March 31st, 2009.

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 2008-2009. The Company has not received any complaints during the year.

During the financial year 2008-2009, 4 Investors' Grievance Committee Meetings were held on 15th April 2008, 30th July 2008, 10th November 2008, 13th February 2009.

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
2005-2006	05.09.06	Registered office of the Company	4 P.M.
2006-2007	29.09.07	do	4 P.M.
2007-2008	30.09.08	do	11A.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.