

***XV<sup>th</sup> Annual Report***  
***2009-2010***



**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 HERE BY GIVEN THAT** the **Fifteenth** Annual General Meeting of the members of the company Gorani Industries Limited will be held at Plot No.32-33, Sector 'F' Sanwer Road, Industrial Area, Indore on Thursday, the 30<sup>th</sup> day of September, 2010 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 31<sup>st</sup> March, 2010 and the Report of the Directors and Auditors 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 M/s. B.D. Sharda & Co. Chartered Accountants to hold office from the conclusion of this Meeting until the conclusion of the next Annual General Meeting and to fix their remuneration.

BY ORDER OF THE BOARD  
for Gorani Industries Limited

Date: 30/07/2010  
Place: Indore

Sanjay Gorani  
(Managing Director)

HOURS BEFORE THE SCHEDULED TIME OF THE MEETING.

2. The Register of Members & Share Transfer Book of the Company will remain closed from 25<sup>th</sup> September, 2010 to 30<sup>th</sup> September, 2010 (Both days inclusive).
3. Members/Proxies should bring the attendance slip duly filled in for attending the meeting.
4. Shri Anurag Nandecha is a Science Graduate and is well-known and reputed personality in the field of Cold storage including other related business. He has a rich experience in the field of Real Estate and Engineering goods too.

BY ORDER OF THE BOARD  
for Gorani Industries Limited

Date: 30/07/2010  
Place: Indore

Sanjay Gorani  
(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 BE A 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



## **DIRECTORS REPORT**

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

Your Directors have great pleasure in presenting here-with the Fifteenth Annual Report of your Company together with the Audited Accounts for the financial year ended 31<sup>st</sup> March, 2010.

### **1. FINANCIAL RESULTS :**

	(Rs. in Lacs)	
	<u>2009-10</u>	<u>2008-09</u>
Gross Turnover	407.59	428.72
Profit Before Depreciation	29.46	56.23
Depreciation	23.17	23.02
Provisions for Taxation	0.00	0.10
Net Profit After Taxation	6.29	33.11
Add Profit/Loss Brought forward	(233.90)	(267.01)
Surplus/(Deficiency) Carried to Balance Sheet	(227.65)	(233.90)

### **2. PERFORMANCE**

During the financial year under review, your Company has achieved a Gross Turnover of Rs. 407.59 Lakhs as against that of Rs.428.72 Lakhs during the previous year. The company has achieved net profit of Rs.6.29 Lakhs during the financial year.

### **3. DIVIDEND:**

Looking to the Financial Position of the Company your Directors are not recommending any dividend for the year.

### **4. DIRECTORS:**

Shri Anurag Nandecha is liable to retire by rotation at the ensuing Annual General Meeting and being eligible offers himself for re-appointment.

### **5. AUDITORS:**

M/s. B.D. Sharda & Co., Chartered Accountants, holds 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. 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 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.

### **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:

- In preparation of annual accounts, the applicable accounting standards have been followed along with proper explanation relating to purchase and sales.
- 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 31<sup>st</sup> March, 2010 and of profit and loss account of the profit for the year ended 31<sup>st</sup> March, 2010.

- c. The Directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the 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.
- e. Interest Free Unsecured Loan is taken from the directors and promoters in pursuance of conditions stipulated in the sanction letter of the bankers.

## 8. CORPORATE GOVERNANCE:

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

## 9. 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 July, 2010

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 31<sup>st</sup> March 2010.

### 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	2009-10	2008-09
<u>a. Electricity</u>			
Purchased unit	KWH	222780	191820
Total Amount	Rs.	1348960	1096798
Rate per Unit	Rs/KWH	6.06	5.72


**b. Own generation**

Units	KWH	835	1510
Units/Ltr. of Diesel	KWH	0.86	0.91
Cost per Unit	Rs./KWH	41.35	41.61
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	2009-10	2008-09
<b>a. Earnings</b>		
FOB value of Exports	Nil	Nil
Freight Charges	Nil	Nil

**b. Out go**

Import Expenses (Purchase) 2666428 3337071  
By order of the Board  
SD/-

**Sanjay Gorani**

Chairman & Managing Director

Place : Indore

Date : 30th July, 2010

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**

Over the last few years, organized retail or large-scale retail has been witnessing tremendous impetus in India. The growth story is expected to continue in the future, even though growth rate is likely to be moderated in the short term due to global economic meltdown. The company is in the business of production and sales of Kitchen appliances. Kitchenware manufacturing and retailing is one such sector within the overall household segment, which has been in the limelight recently. It is believed that growth in the housing sector coupled with changing life style will also drive the growth in sale 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 2010-11. The discussion on the financial performance of the Company is covered in the Director's report.

**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 has only one 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.

**Outlook**

Both global and Indian economies are on the path of recovery. However, persistent high level of inflation in the long run can impact the disposable income and hence the purchasing power. However, the overall market sentiment is positive and your Company expects to maintain its growth rates aided by the new range of products, barring unforeseen circumstances.

**Risk and Concerns**

The overall inflationary trend in general and the food inflation in particular are causes of concern. The significant and steady increase of key metal prices is a matter of concern which may have some impact on margins of your Company if it is not in a position to pass on the increase in input costs to the customers. However, with improved efficiencies and economies of scale your Company is hopeful of maintaining a healthy margin and return on capital employed.

**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 the 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 2009-10

### 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 stakeholders by maintaining the productivity with sense of corporate social responsibility. 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 non executive 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 Anurag Nandecha is liable to retire by rotation and being eligible offers himself for reappointment. He is a Science Graduate and is well-known and reputed personality in the field of Cold storage including other related business. He has a rich experience in the field of Real Estate and Engineering goods too.

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

During the year 2009-2010, 6 Board Meetings were held on 20<sup>th</sup> April, 2009, 30<sup>th</sup> June, 2009, 28<sup>th</sup> July, 2009, 31<sup>st</sup> October, 2009, 30<sup>th</sup> January, 2010 and 30<sup>th</sup> March 2010.

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	2	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 with 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 appraise 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 2009-2010, 4 Audit Committee Meetings were held on 29<sup>th</sup> June, 2009, 27<sup>th</sup> July, 2009, 30<sup>th</sup> October, 2009 and 29<sup>th</sup> January, 2010.

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

#### 4. Remuneration Committee

The Remuneration Committee consists of three independent, 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 22<sup>nd</sup> March, 2010 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. There is no sitting fee paid to any Directors of the Company during the year ended March 31<sup>st</sup>, 2010.

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-ex-

ecutive Directors, Viz. Shri Anurag Nandecha (Chairman), Shri Shyam Sunder Jhavar and Shri Dinesh Kumar Daga.

The Company has acted upon all valid share transfers received during the year 2009-2010. The Company has not received any complaints during the year.

During the financial year 2009-2010, 4 Investors' Grievance Committee Meetings were held on 2<sup>nd</sup> June 2009, 11<sup>th</sup> August 2009, 11<sup>th</sup> November 2009 and 19<sup>th</sup> March 2010.

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
2006-2007	29.09.07	Registered office of the Company	4 P.M.
2007-2008	30.09.08	do	11 A.M.
2008-2009	30.09.09	do	11 A.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 release were made through