

Gorani Industries Ltd.



**XXth Annual Report
2014-15**



Gorani Industries Ltd.

Board of Directors

Anil Gorani

Sanjay Gorani

Nakul Gorani

Shyam Sunder Jhavar

Sandeep Kumar Jain

Rashi Joshi

Whole Time Director

Managing Director

Director

Independent Director

Independent Director

Independent Woman Director

Auditor

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

Chief Financial Officer

Chandra Shekhar Sharma

Bankers

Central Bank of India
Siyaganj, Indore

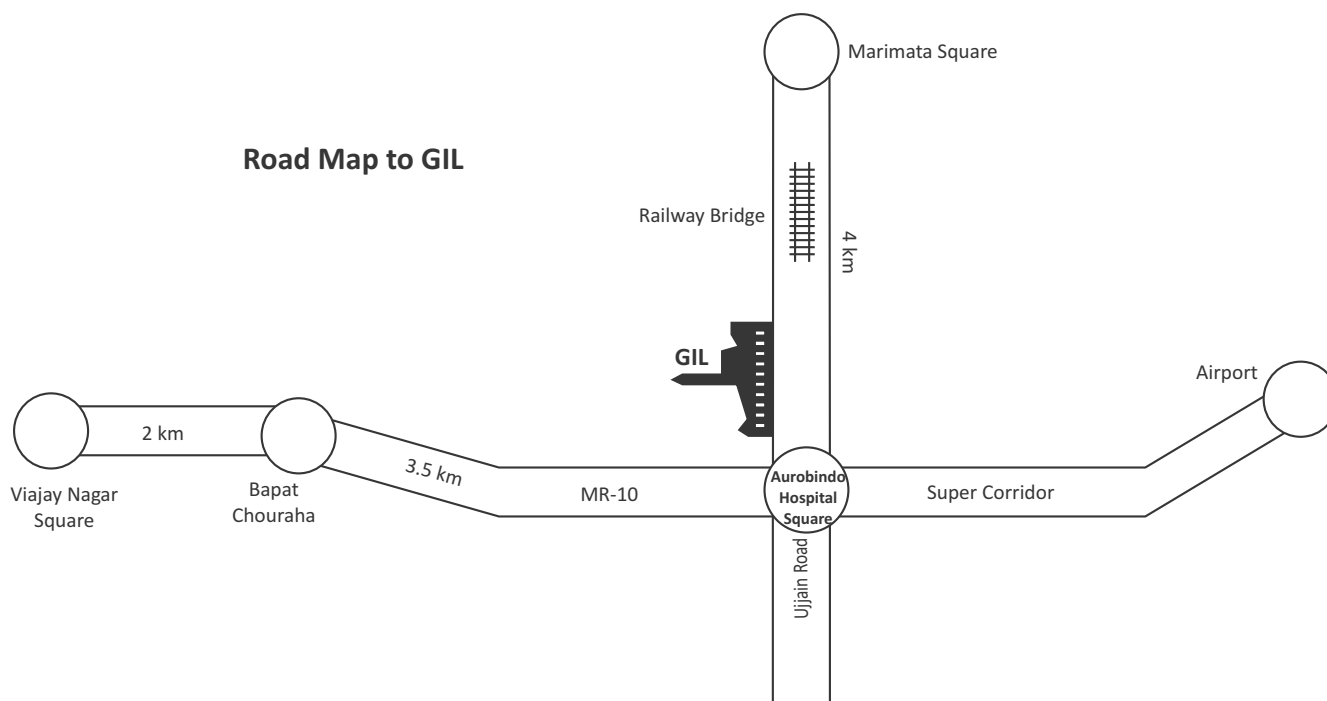
Company Secretary

Ms. Arpita Jain

Registered Office

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

Road Map to GIL





NOTICE

NOTICE IS HEREBY GIVEN THAT the Twentieth 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 Friday, the 25th day of September, 2015 at 4.00 P.M. to transact the following business:

ORDINARY BUSINESS :

1. To consider and adopt the audited financial statement of the Company for the financial year ended March 31, 2015, the reports of the Board of Directors and Auditors thereon.
2. To appoint a Director in place of Mr. Sanjay Gorani (Holding DIN 00055531) who retires by rotation and being eligible, offers himself for reappointment.
3. To consider and if thought fit, to pass with or without modification the following resolution as an **Ordinary Resolution:**

"**RESOLVED THAT** pursuant to the provisions of sections 139 and 142 and other applicable provisions, if any, of the Companies Act, 2013, read with Companies (Audit and Auditors) Rules, 2014, M/s. B. D. Sharda & Co., Chartered Accountants, bearing Firm Registration No. 00161C, appointment be and is hereby ratified by the members of the company as the statutory auditors for the financial year 2015-2016 at such remuneration as may be decided by the Managing Director in consultation with the Auditors plus applicable service tax and reimbursement of travelling and out of pocket expenses incurred by them for the purpose of audit."

SPECIAL BUSINESS:

4. To consider and if thought fit, to pass with or without modification the following resolution as an **Special Resolution:**
- "**RESOLVED THAT** subject to the provisions of 197 & 203 of the Companies Act, 2013 read with Schedule V as amended from time to time to the said act and The Companies (Appointments and Remuneration of

Managerial Personnel) Rules, 2014 and other applicable provisions, if any (including any statutory modification or re-enactment thereof for the time being in force), consent of the members of the Company be and is hereby accorded to increase the remuneration of Mr. Sanjay Gorani, Managing Director (Holding DIN-00055531) of the company to Rs. 75,000.00 (Rupees Seventy Five Thousand Only) per month with effect from 1st July, 2015, for his remaining tenure (i.e. from 1st July, 2015 to 31st May, 2016) on the same terms and conditions passed at the time of reappointment as approved by the members of the Company at their meeting held on 30th June, 2011.

RESOLVED FURTHER THAT Board of Directors of the Company be and is hereby authorized to alter and vary the terms and conditions of the appointment including that as to remuneration, perquisites and other benefits / amenities so that the altered terms and conditions shall be in conformity with Schedule V to the Companies Act, 2013 and /or other applicable provisions, if any, as may be amended from time to time and agreeable to Mr. Sanjay Gorani."

By Order of the Board
for Gorani Industries Limited

Date: 31st July, 2015
Place: Indore

Anil Gorani
(Holding DIN 00055540)
(Chairman cum Whole Time Director)



NOTES :

1. A MEMBER ENTITLED TO ATTEND AND VOTE IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF AND A PROXY NEED NOT BE A MEMBER OF THE COMPANY. The Proxy, in order to be effective, must be received by the Company not less than 48 hours before the commencement of the meeting.

A person can act as a proxy on behalf of members not exceeding fifty and holding in the aggregate not more than ten percent of the total share capital of the Company carrying voting rights. A member holding more than ten percent of the total share capital of the Company carrying voting rights may appoint a single person as proxy and such person shall not act as a proxy for any other person or shareholder.

Corporate members intending to send their authorised representatives to attend the Meeting are requested to send to the Company a certified copy of the Board Resolution authorizing their representative to attend and vote on their behalf at the Meeting.

In case of joint holders attending the meeting, the Member whose name appears as the first holder in the order of names as per the Register of Members of the Company will be entitled to vote.

2. A statement pursuant to Section 102(1) of the Companies Act, 2013, relating to the Special Business to be transacted at the meeting is annexed hereto.
3. Brief resume of Directors including those proposed to be appointed / re-appointed, nature of their expertise in specific functional areas, names of companies in which they hold directorships and memberships / chairmanships of Board Committees, shareholding and relationships between directors inter-se as stipulated under Clause 49 of the Listing Agreement with the Stock Exchanges, are provided in the Corporate Governance Report forming part of the Annual Report.
4. Members/Proxies should bring attendance slips sent herewith duly filled in, for attending the Meeting.

5. Relevant documents referred to in the notice are open for inspection at the Registered Office of the Company on all working days, except Saturdays, Sundays and other holidays between 2.00 P.M. to 4.00 P.M. up to the date of the Annual General Meeting.
6. The Register of Members and the Share Transfer Books of the Company will remain closed from Saturday, the 19th September, 2015 to Friday, the 25th September, 2015 (Both days inclusive).
7. The Members are requested to dematerialize their shareholdings with their Depository Participants as the Company's Shares are traded compulsorily under demat mode in the Stock Exchanges.
8. The Securities and Exchange Board of India (SEBI) has mandated the submission of Permanent Account Number (PAN) by every participant in securities market. Members holding shares in electronic form are, therefore, requested to submit their PAN to their Depository Participant with whom they are maintaining their demat accounts. Members holding shares in physical form can submit their PAN to the Company.
9. Entrance Pass and Proxy Form is annexed. Members are requested to affix their signature at the space provided in the entrance pass and hand over the same at the entrance to the place of meeting.
10. **Members who have not registered their email address so far are requested to register their email address for receiving all communication including Annual Report, Notices, Circulars etc. from the Company electronically.**
11. Pursuant to Section 108 of the Companies Act, 2013 read with Rule 20 of the Companies (Management and Administration) Rules, 2014, as amended from time to time, the Company is pleased to provide its members the facility of 'remote e-voting' (e-voting from a place other than venue of the AGM) to exercise their right to vote at the 20th Annual General Meeting (AGM). The business may be transacted through e-voting services rendered by Central Depository



Services (India) Limited (CDSL), on all resolutions set forth in this Notice.

The facility for voting, either through electronic voting system or through ballot/polling paper shall also be made available at the venue of the 20th AGM. The members attending the meeting, who have not already cast their vote through remote e-voting shall be able to exercise their voting rights at the meeting. The members who have already cast their vote through remote e-voting may attend the meeting but shall not be entitled to cast their vote again at the AGM.

The instructions for shareholders voting electronically are as under :

- (i) The voting period begins on 22nd September, 2015 at 9.00 A.M. and ends on 24th September, 2015 5.00 P.M. During this period shareholders' of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date i.e. 18th September, 2015 may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter.
- (ii) Shareholders who have already voted prior to the meeting date would not be entitled to vote at the meeting venue.
- (iii) The shareholders should log on to the e-voting website www.evotingindia.com.
- (iv) Click on Shareholders.
- (v) Now Enter your User ID
 - a. For CDSL: 16 digits beneficiary ID,
 - b. For NSDL: 8 Character DP ID followed by 8 Digits Client ID,
 - c. Members holding shares in Physical Form should enter Folio Number registered with the Company.
- (vi) Next enter the Image Verification as displayed and Click on Login.
- (vii) If you are holding shares in demat form and had

logged on to www.evotingindia.com and voted on an earlier voting of any company, then your existing password is to be used.

- (viii) If you are a first time user follow the steps given below:

	For Members holding shares in Demat Form and Physical Form
PAN	<p>Enter your 10 digit alpha-numeric *PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders)</p> <ul style="list-style-type: none">Members who have not updated their PAN with the Company/ Depository Participant are requested to use the sequence number which is printed on PostalBallot / Attendance Slip indicated in the PAN field.
Dividend Bank Details OR Date of Birth (DOB)	<p>Enter the Dividend Bank Details or Date of Birth (in dd/mm/yyyy format) as recorded in your demat account or in the company records in order to login.</p> <ul style="list-style-type: none">If both the details are not recorded with the depository or company please enter the member id / folio number in the Dividend Bank details field as mentioned in instruction (v).

- (ix) After entering these details appropriately, click on "SUBMIT" tab.
- (x) Members holding shares in physical form will then directly reach the Company selection screen. However, members holding shares in demat form will now reach 'Password Creation' menu wherein they are required to mandatorily enter their login password in the new password field. Kindly note that



this password is to be also used by the demat holders for voting for resolutions of any other company on which they are eligible to vote, provided that company opts for e-voting through CDSL platform. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.

- (xi) For Members holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.
- (xii) Click on the EVSN for the relevant <GORANI INDUSTRIES LIMITED> on which you choose to vote.
- (xiii) On the voting page, you will see “RESOLUTION DESCRIPTION” and against the same the option “YES/NO” for voting. Select the option YES or NO as desired. The option YES implies that you assent to the Resolution and option NO implies that you dissent to the Resolution.
- (xiv) Click on the “RESOLUTIONS FILE LINK” if you wish to view the entire Resolution details.
- (xv) After selecting the resolution you have decided to vote on, click on “SUBMIT”. A confirmation box will be displayed. If you wish to confirm your vote, click on “OK”, else to change your vote, click on “CANCEL” and accordingly modify your vote.
- (xvi) Once you “CONFIRM” your vote on the resolution, you will not be allowed to modify your vote.
- (xvii) You can also take a print of the votes cast by clicking on “Click here to print” option on the Voting page.
- (xviii) If a demat account holder has forgotten the login password then Enter the User ID and the image verification code and click on Forgot Password & enter the details as prompted by the system.
- (xix) Note for Non – Individual Shareholders and Custodians
 - Non-Individual shareholders (i.e. other than Individuals, HUF, NRI etc.) and Custodian are required to log on to www.evotingindia.com and register themselves as Corporates.

- A scanned copy of the Registration Form bearing the stamp and sign of the entity should be emailed to helpdesk.evoting@cdslindia.com.
- After receiving the login details a Compliance User should be created using the admin login and password. The Compliance User would be able to link the account(s) for which they wish to vote on.
- The list of accounts linked in the login should be mailed to helpdesk.evoting@cdslindia.com and on approval of the accounts they would be able to cast their vote.
- A scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, should be uploaded in PDF format in the system for the scrutinizer to verify the same.

- (xx) In case you have any queries or issues regarding e-voting, you may refer the Frequently Asked Questions (“FAQs”) and e-voting manual available at www.evotingindia.com, under help section or write an email to helpdesk.evoting@cdslindia.com.

Other Instructions:

- I. The e-voting module shall be disabled by CDSL for voting after 5.00 p.m. on 24th September, 2015. Members holding shares in physical or in demat form as on 18th September, 2015 shall only be eligible for e-voting.
- II. The voting rights of Members shall be in proportion to the shares held by them in the paid up equity share capital of the Company as on 18th September, 2015.
- III. CS Manish Jain, Practicing Company Secretary (Membership No: FCS 4651 CP No: 3049) (Address: 219, President Tower, 6/2 South Tukoganj, Madhumilan Square, Indore (M.P.)-452001) has been appointed as the scrutinizer to conduct the e-voting process.
- IV. The Scrutinizer, after scrutinising the votes cast at the meeting and through remote e-voting, will, not later than three days of conclusion of the Meeting, make a



consolidated scrutinizer's report and submit the same to the Chairman. The results declared along with the consolidated scrutinizer's report shall be placed on the website of the Company goraniindustries.com and on the website of CDSL. The results shall simultaneously be communicated BSE Limited where the shares of the Company are listed.

- V. The Scrutinizer shall, within a period not exceeding three working days from the conclusion of the e-voting period, unblock the votes in the presence of atleast two witnesses not in the employment of the Company and make out a Scrutinizer's Report of the votes cast in favour of or against, if any, forthwith to the Chairman of the Company.
- VI. The resolutions shall be deemed to be passed on the date of Annual General Meeting of the Company, subject to receipt of sufficient votes.
- VII. You can also update your mobile number and Email Id in the user profile details of the folio which may be used for sending communication(s) regarding CDSL e-voting in future. The same may be used in case the Member forgets the password and the same need to be reset.

Contact Details :

Company	Gorani Industries Limited Registered Office: Plot No.32-33, Sector 'F' Sanwer Road, Industrial Area, Indore-452015 (M.P.) Tel No: 0731-2723201-3 Email id: gorani.industries@yahoo.com CIN: L28121MP1995PLC009170
Registrar and Share Transfer Agent	M/s Link Intime India P. Ltd. C-13, Pannalal Silk Mills Compound, LBS Marg, Bhandup (West), Mumbai - 400078 Tel: 022-25946970, Fax: 022-25946969 Email Id: rnt.helpdesk@linkintime.co.in
E-voting Agency	Central Depository Services (India) Ltd Email id: helpdesk.evoting@cdslindia.com
Scrutinizer	CS Manish Jain Practicing Company Secretary Email Id: manishjainandco@yahoo.com

Statement to be annexed with the notice under Section 102 of the Companies Act, 2013

Mr. Sanjay Gorani has been the managing director since 9 years. He was significantly involved in increasing the sales turnover by generating good market in Delhi and nearby area, new consignment sales agent south also has been to his credit. Company's turnover has increased to the tune of 200% in last 2 years. Keeping in view his untiring effort in increasing sales turnover and rich experience in the marketing, operation and of the company and on recommendation of the Nomination and Remuneration Committee, the Board of Directors of the Company at its meeting held on 31st July, 2015 approved the increase in the remuneration to Rs. 75,000.00 (Rupees Seventy Five Thousand Only) per month subject to the approval of the members of the Company w.e.f 1st July, 2015, for his remaining tenure (i.e. from 1st July, 2015 to 31st May, 2016) on the same terms and conditions passed at the time of reappointment in the General Meeting dated 30th June, 2011.

The broad information pursuant to Section – II of Part – II of Schedule V of the Companies Act, 2013, in respect of the resolution specifies in item no. 4. are as under :

I. General Information

- The company is in the business of production and sales of Kitchen appliances and Kitchenware manufacturing and retailing is one such sector within the overall household segment. Its main products are LPG stoves, induction cooker, gas geyser etc. carrying the brand name of Blowhot and Online.
- The company commenced commercial production from: The commercial production of the company has already started.
- The Company is not a new company hence this clause is not applicable.



4. Financial Performance :

Particulars	Year ended on 31/03/2015	Previous Year ended on 31/03/2014
Sales (Net of Excise Duty)	62,206,766.00	42,148,410.00
Other Income	30,145.00	3,87,407.00
Gross profit	43,61,654.00	27,56,793.00
Finance Cost	2,68,976.00	65,201.00
Depreciation	15,33,167.00	23,16,111.00
Exceptional Items (charged to P&L account)	0.00	0.00
Net profit before Tax	25,59,511.00	3,75,481.00
Provision for Tax- current Tax	0.00	0.00
Deferred Tax	0.00	0.00
Net Profit after Tax	25,59,511.00	3,75,481.00

- The company does not have any foreign direct investment or collaboration. However, meager shares are held by NRI.

II. Information about the appointee:

1. Background

Mr. Sanjay Gorani (Holding DIN: 00055531) is a Post Graduate in M.A. (Economics) and also has rich experience in the marketing, operation and working of the company and is being associated with the Company since its inception. He has significantly contributed to its all round growth. The business of the company has grown many folds in his tenure.

- A comparison of past remuneration and the proposed remuneration is given below :

Particulars	Existing remuneration w.e.f. 01/06/2011 (Rs.)	Proposed remuneration w.e.f. 01/06/2015 (Rs.)
Basic Salary	50,000/- Per Month	75,000/- Per Month
Allowances and perquisites	As decided by Board from time to time	As decided by Board from time to time

- Job profile and his suitability – The terms and conditions passed at the time of reappointment

as approved by the members of the Company at their meeting held on 30th June, 2011 remain unchanged. Subject to the superintendence, direction and control of the Board, the day to day management and administration of the Company is vested in the Managing Director.

- Remuneration proposed - As set out in the special resolution in item no. 4. The remuneration to Managing Director has the approval of the Nomination and Remuneration Committee.
- Comparative remuneration profile with respect to industry, size of the company, profile of the position and person (in case of expatriates the relevant details would be w.r.t. the country of his origin) - Taking into consideration the size of the Company, the profile of Mr. Sanjay Gorani, the responsibilities shouldered by him, the aforesaid remuneration package is commensurate with the remuneration package paid to managerial position in other Companies.
- Pecuniary relationship directly or indirectly with the company, or relationship with managerial personnel, if any – Mr. Sanjay Gorani is Managing Director and Promoter of the company. He does not have any other pecuniary relationship with the Company.

III Other Information :

- Reason of loss or inadequate profits: To increase the turnover of the company the management kept the profit margin on a lower side.
- Steps taken for improvement: The Company is making all possible efforts to increase its profitability in future by increasing profit margin and cost cutting.
- Expected increase in productivity and profits in measurable terms: The Company is hopeful that within two to three years profit margin will increase.



IV Disclosures :

1. The Shareholders of the Company shall be informed of the remuneration package of the managerial person: Yes
2. The following disclosures shall be mentioned in the Board of Director's report under the heading "Corporate Governance", if any attached to the annual report: -

Yes, the Company has made following disclosures in the Board of Director's report under the heading "Corporate Governance".

- i. All elements of remuneration package such as salary, benefits, bonuses, stock options, pension, etc., of all the directors;
- ii. Details of fixed component and performance linked incentives along with the performance criteria;
- iii. Service contracts, notice period, severance fees;
- iv. Stock option details, if any, and whether the same has been issued at a discount as well as the period over which accrued and over which exercisable.

The Board of Directors recommends the resolutions for your approval as set out under item no. 4 as Special Resolution.

None of the Directors, Key Managerial Personnel of the Company and their relatives except Mr. Sanjay Gorani and their relatives to the extent of their respective share holdings in the capital of the Company is concerned or interested, financial or otherwise, in the resolution set out at Item No. 4.

By Order of the Board
for Gorani Industries Limited

Date: 31st July, 2015

Anil Gorani

Place: Indore

(Holding DIN 00055540)

(Chairman cum Whole Time Director)

BOARD'S REPORT

To,
The Members,
Gorani Industries Limited

Your Directors have great pleasure in presenting herewith the Twentieth Annual Report of your Company together with the audited financial statement for the financial year ended 31st March, 2015.

1. FINANCIAL RESULTS: (Amount in Lacs)

Particulars	2014-15		2013-14	
Total Revenue		622.37		425.36
Profit before Finance Cost, Depreciation & Amortization Expense	-	43.62	-	27.57
Less:				
Finance Costs	2.69		0.65	
Depreciation & Amortization expense	15.33	18.02	23.16	23.82
Net Profit/(Loss) before extra ordinary & exceptional items & tax	-	25.60	-	3.75
Tax Expense				
Current Tax	-	-	-	-
Deferred Tax	-	-	-	-
Net Profit/ (Loss) after tax		25.60		3.75

The profit for the year is adjusted against the previous year's losses.

2. PERFORMANCE AND THE STATE OF COMPANY AFFAIRS :

During the financial year under review, your Company has achieved a Gross Turnover of Rs. 622.37 Lakhs as against that of Rs. 425.36 Lakhs during the previous year registering growth of 46.31%. The company has earned net profit of Rs. 25.60 lakhs during the financial year against net profit of Rs. 3.75 Lakhs in the previous year registering many fold growth.

The company is in the business of production and sales of kitchen and home appliances since 1996. Its main products are LPG stoves, induction cooker, gas geyser etc. carrying the brand name of Blowhot and



Online. It does its business through a strong network of dealer and distributors all over central, south and north India. The legendary products of the Company like **NUTAN** reflect the sophistication of the products and the reliability as well as exquisite look. The company is in the process of implementing strategies to capitalize available opportunities. The long term growth of home appliances is secure given India's low ownership of appliances even in urban markets.

No material changes and commitments have occurred after the close of the year till the date of this Report, which affect the financial position of the Company.

3. DIVIDEND :

Looking to the financial position of the company directors is not recommending any dividend for the year.

4. DIRECTORS :

Mr. Sanjay Gorani (Holding DIN: 00055531) is liable to retire by rotation and being eligible offers himself for reappointment.

During the year Mr. Dinesh Kumar Maheshwari (Holding DIN 02424245), Independent Non executive director of the company resigned from the directorship on 31st July, 2014.

The Company has received declarations from all the Independent Directors of the Company confirming that they meet with the criteria of independence as prescribed both under sub-section (6) of Section 149 of the Companies Act, 2013 and under proposed Clause 49 of the Listing Agreement with the Stock Exchange.

The Company has devised a Policy for performance evaluation of Independent Directors, Board, Committees and other individual Directors which include criteria for performance evaluation of the non-executive directors and executive directors. The manner in which the evaluation has been carried out has been explained in the Corporate Governance Report. The Nomination and Remuneration Policy are attached herewith as Annexure I.

The details of programmes for familiarisation of Independent Directors with the Company, their roles, rights, responsibilities in the Company, nature of the industry in which the Company operates, business model of the Company and related matters are put up on the website of the Company at the link: <http://www.goraniindustries.com/investors/>

5. AUDITORS :

M/s. B.D. Sharda & Co., Chartered Accountants, bearing Firm Registration No. 00161C, statutory auditors ratified by the members of the company for the financial year 2015-2016. They have furnished a written consent and certificate confirming their eligibility pursuant to the provisions of section 141 of the Companies Act, 2013 and rules made thereunder for the financial year 2015-2016.

The Notes on financial statement referred to in the Auditors' Report are self-explanatory and do not call for any further comments. The Auditors' Report does not contain any qualification, reservation or adverse remark.

6. INTERNAL AUDITOR :

M/s Navin Sapna & Co., Chartered Accountants (bearing firm registration no. 010507C) has been reappointed as internal auditor of the company for the financial year 2015-16 in the Board Meeting held on 31st July, 2015.

7. SECRETARIAL AUDITOR :

M/s. Manish Jain & Co., Practicing Company Secretaries has been reappointed for issuance of Secretarial Audit Report for the financial year 2015-16 in the Board Meeting held on 31st July, 2015. The Secretarial Audit Report for the financial year ended March 31, 2015 is annexed herewith marked as Annexure II to this Report. The Secretarial Audit Report does not contain any qualification, reservation or adverse remark.