

Gorani Industries Ltd.



**XVIIIth Annual Report
2012-13**



Gorani Industries Ltd.

Board of Directors

Sanjay Gorani	Chairman & Managing Director
Nakul Gorani	Director
Anil Gorani	Whole Time (Technical) Director
Shyamsunder Jhavar	Independent Director
Sandeep Kumar Jain	Independent Director
Dinesh Kumar Maheshwari	Independent Director

Auditor

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

Bankers

Central Bank of India
Siyagang, Indore

Registered Office

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



Gorani Industries Ltd.

NOTICE

NOTICE IS HEREBY GIVEN THAT the Eighteenth 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 30th day of August, 2013 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, 2013 and the Report of the Directors and Auditors thereon.
2. To appoint a Director in place of Mr. Dinesh Kumar Maheshwari who retires by rotation and being eligible, offers himself for reappointment.
3. To appoint a Director in place of Mr. Sandeep Kumar Jain, who retires by rotation and being eligible, offers himself for reappointment.
4. 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.

SPECIAL BUSINESS:

5. 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 Section 260 and other applicable provisions of the Companies Act, 1956, Mr. Nakul Gorani who was appointed as an Additional Director of the company and holds office upto the date of this Annual General Meeting and in respect of whom the company has received a notice in terms of provisions of Section 257 of the Companies Act, 1956 proposing his candidature for the office of Director, be and is hereby appointed as Director of the company, liable to retire by rotation."

By Order of the Board
for Gorani Industries Limited

Date: 30/05/2013

Sanjay Gorani

Place: Indore

(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 HOURS BEFORE THE SCHEDULED TIME OF THE MEETING.
2. The Register of Members & Share Transfer Book of the Company will remain closed from Saturday, the 24th August, 2013 to Friday, the 30th August, 2013 (Both days inclusive).
3. Explanatory Statement pursuant to Section 173(2) of the Companies Act, 1956, setting out the material facts in respect to the business under item No.4 is annexed hereto.
4. Members/Proxies should bring the attendance slip duly filled in for attending the meeting.
5. Mr. Dinesh Kumar Maheshwari is liable to retire by rotation and being eligible offers himself for reappointment. He is a Commerce Postgraduate and is well-known and reputed personality in the field of Accounts and Finance. He has a rich experience in the field of Industrial Administration.
6. Mr. Sandeep Kumar Jain is liable to retire by rotation and being eligible offers himself for reappointment. He is a Practicing Chartered Accountant in the field of Finance, Audit, Taxation, also having knowledge and professional experience of engineering and steel industries. Also Co-opted member on the zonal advisory board of the LIC of India, Bhopal.



EXPLANATORY STATEMENT

Explanatory Statement under Section 173 of the
Companies Act, 1956

Item No. 5:

Mr. Nakul Gorani was appointed as an Additional Director of the Company on 20th March, 2013 in terms of provisions of section 260 of the Companies Act, 1956 and holds office up to the date of this Annual General Meeting and Company has received a notice in terms of provisions of Section 257 of the Companies Act, 1956 proposing his candidature for the office of the Director. Mr. Nakul Gorani is a Masters in Real Estate Management having Practical experience of three years in Real estate and Construction Industries.

The Board of Directors recommends the appointment of Mr. Nakul Gorani for the approval of the members of the Company by way of passing the resolution as an ordinary resolution as set out in Item No. 5 of the Notice of the Annual General Meeting.

None of the directors of the Company except Mr. Anil Gorani, Mr. Sanjay Gorani and Mr. Nakul Gorani in any way is concerned or interested in the above resolution.

By Order of the Board
for Gorani Industries Limited

Date: 30/05/2013

Place: Indore

Sanjay Gorani
(Managing Director)

DIRECTORS REPORT

To,
The Members,
Gorani Industries Limited

Your Directors have great pleasure in presenting herewith the Eighteenth Annual Report of your Company together with the Audited Accounts for the financial year ended 31st March, 2013.

1. FINANCIAL RESULTS:

Particulars	(Rs. in Lacs)	(Rs. in Lacs)
	2012-2013	2011-2012
Gross Turnover	290.95	332.16
Profit Before Depreciation	22.35	0.45
Depreciation	23.92	25.35
Provisions For Taxation	0.00	0.00
Profit After Taxation	(1.57)	(24.90)
Add Profit/(Loss) Brought Forward	(241.13)	(216.23)
Surplus/(Deficiency) Carried To Balance Sheet	(242.71)	(241.13)

2. PERFORMANCE:

During the financial year under review, your Company has achieved a Gross manufacturing Turnover of Rs. 290.45 Lacs as against that of Rs. 145.52 Lacs during the previous year. Hence the company has incurred a substantially reduced loss of Rs. 1.57 Lacs during the financial year against loss of 24.90 lacs in the previous year.

3. DIVIDEND:

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

4. DIRECTORS:

Shri Dinesh Kumar Maheshwari and Shri Sandeep Kumar Jain are liable to retire by rotation at the ensuing Annual General Meeting and being eligible offers himself for re-appointment. During the year the Company has appointed Shri Nakul Gorani as Director and Smt. Manju Gorani resigned from Directorship as on 20.03.2013.



Gorani Industries Ltd.

5. AUDITORS:

M/s. B.D. Sharda & Co., Chartered Accountants, holds office until the conclusion of the ensuing Annual General Meeting and is 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:

- 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, 2013 and of profit and loss account of the profit for the year ended 31st March, 2013.

- 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 sanctioned letter of the bankers.
- f. In cases of very few delays in payments of statutory dues like PF, ESIC, TDS etc. applicable interest has also been recognized as payable.

10. CORPORATE GOVERNANCE:

A Separate report on Corporate Governance along with Auditors' 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

Sanjay Gorani
Chairman & Managing Director

Place: Indore
Date: 30th May, 2013

Regd. Office:
Plot No. 32-33, Sector F,
Sanwer Road, Industrial Area,
Indore-452015 (M.P.)

**ANNEXURE 1 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 Directors Report for the Year ended 31st March, 2013.

1. CONSERVATION OF ENERGY**Energy conservation measures taken:**

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

- a. Additional power capacitors and power factor control equipments are installed to limit down demand.
- b. Changeover switch system has been employed to avoid electricity wastage.

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.

Impact of above measures:

Efficient utilization of power and consumption of electricity per unit of production has decreased.

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	2012-13	2011-12
a. Electricity			
Purchased unit	KWH	185550	211540
Total amount	Rs.	1605765	1563032
Rate per unit	Rs./KWH	8.65	7.39
b. Own generation			
Units	KWH	1130	1160
Units/ Ltr. of Diesel	KWH	1.00	0.90
Cost per Unit	Rs./KWH	49.39	52.77
Electricity consumed	KWH	0.99	0.99

2. TECHNOLOGY ABSORPTION, REASERCH & DEVELOPMENT (R&D)

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 in-house laboratory.

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.

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

3. FOREIGN EXCHANGE EARNINGS AND OUTGO:

Particulars	2012-13	2011-12
a. Earnings		
FOB value of exports	NIL	NIL
Freight Charges		
b. Outgo		
Import Expenses	73,48,288	8,39,966

By Order of the Board

Sanjay Gorani

Chairman & Managing Director

Place: Indore

Date: 30th May, 2013

Regd. Office:

Plot No. 32-33, Sector F,
Sanwer Road, Industrial Area,
Indore-452015 (M.P.)

MANAGEMENT DISCUSSION AND ANALYSIS REPORT**Industry Structure and Developments**

The global economy in FY 2012-13 improved slowly and did not recover to the extent anticipated in the beginning of the year. The growth in GDP during 2012-13 is estimated at 5% as compared to a growth rate of 6.2% in 2011-12, according to the Advanced Estimates put out by the Central Statistical Organization (CSO). The Advance Estimates of CSO have pegged the growth of Industry (including manufacturing, mining and quarrying, electricity, gas, water supply and construction) at 3.1% in 2012-13. It is projected to grow at 4.9% in 2013-14. During the year inflationary trends continue to inhibit consumption. 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. There is a steady infusion of different cultures in daily life. All these have led to the emergence of a series of new trends in kitchenware that are exclusively based on class and functionality.

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, which has been in the limelight recently. Recent monetary easing, reduction



in ceiling limit of LPG cylinder at homes has given rise to the demand and the same is likely to provide some support to consumption of company's product in the financial year 2013-14. All products of the Company are ISI certified and are sophisticated to bring the age old domestic appliances to a new height. The legendary products of the Company like **UJALA** and **BLOWHOT** reflect the sophistication of the products and the reliability as well as exquisite look.

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. The long term growth of home appliances is secure given India's low ownership of appliances even in urban markets. Kitchen appliances are manufactured where intelligence embraces style, where brains collide with beauty, where quality and safety is controlled with utmost simplicity, where the ultimate in practicality is encapsulated by breathtaking designs. India's consumer pyramid offers opportunities to ladder products across capacities, formats and prices. 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.

The threat in the domestic market continues from the unorganized players and regional brands that compete with the unviable low pricing strategies greatly backed by undervalued and unbarred imports. The free distribution of certain products by state government is expected to create a decent replacement market in the years to come. The Company has been adopting the strategy of continuously offering innovative, newer and improved products as well as marketing strategies to stay above competition whether organized or unorganized.

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 stoves, Gas Hobs, Gas geysers, water Heaters 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 though slow but steady. The rate of growth in the domestic economy has been continuously falling over the last three years. 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 and rise in commodity prices have been major concerns for most part of last fiscal and remain a concern as we start the new financial year. 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. Efficient working capital/ asset management, cash generation and robust stewardship will continue to be our focus areas as in the past.

Risks identified through our risk management processes are prioritized and, depending on the probability and severity of the risk. We have general response strategies for managing risks, which categorize risks according to whether the company will avoid, transfer, reduce or accept the risk.

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's internal control systems are in commensurate with the nature of its business and the size and complexity of its operations. 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 fully values the Human Capital and continued to have the cordial and harmonious relations with its employees. The company continues to focus on training employees on a continuous basis. The Company considers the quality of its human resources to be most important asset and constantly endeavors to attract and recruit best possible talent. The company maintains a strong business linkage to all human resource and initiatives.

Cautionary Statement

Statements in the Management Discussion and Analysis Report describing the Company's objectives, projections, estimates, expectations, predictions & contains forward looking statements within the meaning of applicable rules and regulations. It contains forward looking statements which are made in good faith based on the information available at the time of its approval. It is believed that the expectations reflected in these statements are reasonable but they may be affected by a number of risks and uncertainties that are inherent in any forward looking statement which could cause actual results to differ materially from those currently anticipated.

**CORPORATE GOVERNANCE REPORT**

For the Year 2012-2013

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. 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	-	-	-
*Shri Nakul Gorani	Promoter and Non- Exe. Director	-	-	-
*Smt. Manju Gorani	Promoter and Exe. Director	-	-	-
Shri Shyam Sunder Jhawar	Independent and Non- Exe. Director	-	-	-
Shri Sandeep Kumar Jain	Independent and Non- Exe. Director	-	-	-
Shri Dinesh Kumar Maheshwari	Independent and Non- Exe. Director	-	-	-

* Smt Manju Gorani has resigned on 20th March, 2013 and Shri Nakul Gorani has been appointed on 20th March, 2013.

DIRECTORS SEEKING APPOINTMENT/ REAPPOINTMENT

- Shri. Dinesh Kumar Maheshwari is liable to retire by rotation and being eligible offers himself for reappointment. He is a Commerce Postgraduate and is well-known and reputed personality in the field of Accounts and Finance. He has a rich experience in the field of Industrial Administration.
- Shri. Sandeep Kumar Jain is liable to retire by rotation and being eligible offers himself for reappointment. He is a Practicing Chartered Accountant in the field of Finance, Audit, Taxation, also having knowledge and professional experience of engineering and steel industries. Also Co-opted member on the zonal advisory board of the LIC of India, Bhopal.

2. ATTENDANCE OF EACH DIRECTOR AT BOARD MEETINGS AND LAST ANNUAL GENERAL MEETING:

During the year 2012-2013, 5 (Five) Board Meetings were held on 30th May, 2012, 30th July, 2012, 31st October, 2012, 31st January, 2013 and 20th March, 2013.

Name of Director	No. of Board Meeting held	No. of Board Meeting attended	Attendance at last Annual General Meeting
Shri Sanjay Gorani	5	5	Present
Shri Anil Gorani	5	5	Present
*Smt. Manju Gorani	5	4	Present
Shri Shyam Sunder Jhawar	5	3	Present
Shri Dinesh Kumar Maheshwari	5	4	Present
Shri Sandeep Kumar Jain	5	5	Present
*Shri Nakul Gorani	1	1	N.A.

* Smt Manju Gorani has resigned on 20th March, 2013 and Shri Nakul Gorani has been appointed on 20th March, 2013.

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 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 Shayam Sunder Jhawar - Chairman
B) Shri Dinesh Kumar Maheshwari - Member
C) Shri Sandeep Kumar Jain - 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 2012-2013, 4 (Four) Audit Committee Meetings were held on 29th May, 2012, 29th July, 2012, 30th October, 2012 and 30th January, 2013.

Name of Director	No. of committee Meetings held	No. of committee Meetings attended
Shri Shayam Sunder Jhawar	4	4
Shri Dinesh Kumar Maheshwari	4	2
Shri Sandeep Kumar Jain	4	3

4. REMUNERATION COMMITTEE

The Remuneration Committee consists of three independent, Non-executive Directors viz Shri Dinesh Kumar Maheshwari (Chairman), Shri Shayam Sunder Jhawar, and Shri Sandeep Kumar Jain.

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 financial year 2012-2013 meeting of the remuneration committee was held on 30th March, 2013, which is attended by all the members of the committee. During the year Rs. 9000.00 treated as payable as sitting fee to Directors.

Name of Director	No. of committee Meetings held	No. of committee Meetings attended
Shri Dinesh Kumar Maheshwari	1	1
Shri Sandeep Kumar Jain	1	1
Shri Shayam Sunder Jhawar	1	1

5. SHAREHOLDERS'/ INVESTORS' GRIEVANCE COMMITTEE

The Committee consists of three Independent, Non-executive Directors viz. Shri Sandeep Kumar Jain (Chairman), Shri Shayam Sunder Jhawar and Shri Dinesh Kumar Maheshwari.

The Company has acted upon all valid share transfers received during the year 2012-2013. The Company has not received any complaints during the year.

During the financial year 2012-2013, 4 (Four) Investors' Grievance Committee Meetings were held on 10th May, 2012, 11th July, 2012, 5th October, 2012 and 25th January, 2013.

Name of Director	No. of committee Meetings held	No. of committee Meetings attended
Shri Sandeep Kumar Jain	4	4
Shri Shayam Sunder Jhawar	4	2
Shri Dinesh Kumar Maheshwari	4	3



Gorani Industries Ltd.

6. GENERAL BODY MEETING

Location and time where last three Annual General Meetings were held are given below:

Financial Year	Date	Location of the Meeting	Time
2011-2012	30.08.2012	At the Registered office of the Company	11.00 A.M.
2010-2011	30.09.2011	At the Registered office of the Company	11.00 A.M.
2009-2010	30.09.2010	At the Registered office of the Company	11.00 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 at 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 exchanges and official releases were made through press every time. These are not sent individually to the shareholders. There were no presentations made to the institutional investors or analysts.

The Management Discussion and Analysis Report forms part of the \ Directors Report.

9. GENERAL SHAREHOLDER INFORMATION

Annual General Meeting:

DATE : 30th August, 2013
 TIME : 11.00 A.M.
 VENUE : At the registered office of the Company at Plot No.32-33, Sector 'F', Industrial Area, Sanwer Road, Indore 452015 (M.P.).

Financial Calendar

The Company follows April-March as its financial year. The result for every quarter beginning from April is declared in the month following the quarter.

Dates of Book Closure:

Commencement- 26th August, 2013.
 Ending- 30th August, 2013
 (Both days inclusive)

Listing on Stock Exchange:

1. The Stock Exchange, Mumbai. (Scrip Code-531608)

Registrar and Share Transfer Agents:

Link Intime India Private Limited,
 C-13, Pannalal Silk Mills Compound,
 L.B.S. Marg, Bhandup (West),
 Mumbai 400078

Share Transfer System

Gorani Industries has appointed Link Intime India Private Limited as its Registrar and Share Transfer Agent. All share transfers and related operations are conducted by Link Intime India Private Limited. The Company has constituted an Investors' Grievance Committee for redressing shareholders' and investors complaints.

Market price data

The monthly high and low Share prices of the Company traded at the Stock Exchange, Mumbai for the Financial Year 2012-13 are as under:

Period	High (Rs.)	Low (Rs.)
April, 2012	-	-
May, 2012	-	-
June, 2012	-	-
July, 2012	55.70	39.05
August, 2012	37.10	35.25
September, 2012	33.50	31.85
October, 2012	-	-
November, 2012	-	-
December, 2012	-	-
January, 2013	-	-
February, 2013	30.30	30.30
March, 2013	-	-

Dematerialization of Shares

As on 31st March 2013, 2964500 shares of the company were held in dematerialized form.



Gorani Industries Ltd.

Distribution of Shareholding and its pattern as on
31st March, 2013

Distribution of Shareholding:

S. No.	Shareholding of Nominal value of Rupees	No. of Share-holders	Share holding %	Share amount in Rupees	Share holding %
1.	Up to 5000	256	19.2048	1155630.00	2.1251
2.	5001 – 10000	757	56.7892	7213820.00	13.2656
3.	10001 – 20000	120	9.0023	2191000.00	4.0291
4.	20001 – 30000	72	5.4014	1886500.00	3.4691
5.	30001 – 40000	29	2.1754	1089050.00	2.0026
6.	40001 – 50000	57	4.2761	2723000.00	5.0073
7.	50001 – 100000	17	1.2753	1320000.00	2.4274
8.	100000 Above	25	1.8755	36801000.00	67.6738
TOTAL		1333	100.0000	54380000.00	100.0000

Shareholding Pattern:

S. No.	Category	No. of Shares held	% of Share Holding
A	Promoters & Person acting in Concert	2363400	43.46
B	Banking, Financial Institutions/ Insurance Companies (Central/ State Govt. Institutions Non- Govt. Institutions), Mutual Funds, UTI, Institutional Investors & FII's	99500	1.83
C	Private Corporate Bodies	855055	15.72
D	Indian Public	2120045	38.99
E	NRIs/ OCBs (Foreign Share Holding)	0	0.00
Total		5438000	100.00

Address for Correspondence

The Shareholders may address their communications, suggestions, grievances and queries to:

The Managing Director,
Gorani Industries Limited,
Plot No.32-33, Sector F
Sanwer Road, Industrial Area
Indore - 452015 (M.P)



Gorani Industries Ltd.

**CERTIFICATE ON COMPLIANCE WITH THE CONDITIONS OF CORPORATE GOVERNANCE
UNDER CLAUSE 49 OF THE LISTING AGREEMENT**

CERTIFICATE

To,
The Members,
GORANI INDUSTRIES LIMITED

We have examined the compliance of conditions of Corporate Governance by Gorani Industries Limited for the year ended 31st March, 2013, as stipulated in Clause 49 of the Listing Agreement of the said Company with the Stock Exchanges.

The compliance of conditions of Corporate Governance is the responsibility of the management. Our examination was limited to procedures and implementation thereof, adopted by the Company for ensuring compliance with the conditions of Corporate Governance as stipulated in the said Clause. It is neither an audit nor an expression of opinion on the financial statements of the company.

In our opinion and to the best of our knowledge and according to the information and explanation given to us, and based on representations made by the Directors and the management, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in Clause 49 of the above mentioned Listing Agreement.

As required by the guidance note issued by the Institute of Chartered Accountants of India we have to state that no investor grievances were pending for a period exceeding one month against the Company as per the records maintained by the Shareholders/Investors Grievance Committee and as produced before us.

We further state such compliance is neither an assurance as to the further viability of the Company nor of the efficiency of effectiveness with which the management has conducted the affairs of the Company.

Place : Indore
Date : 30th May 2013

For: B.D. Sharda & Co.
Chartered Accountant

B.D. Sharda
(Proprietor)



AUDITOR'S REPORT

To the Members of
Gorani Industries Limited

Report on the Financial Statements

We have audited the accompanying financial statements of Gorani Industries Limited ("the Company"), which comprise the Balance Sheet as at March 31st, 2013, the Statement of Profit and Loss and Cash Flow Statement for the year then ended and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the accounting principles generally accepted in India including Accounting Standards referred to in Section 211(3C) of the Companies Act, 1956 ("the Act"). This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatements.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Company's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by

management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India:

- (a) In the case of the Balance Sheet, of the state of affairs of the Company as at March 31st, 2013;
- (b) In the case of the Statement of Profit and Loss, of the Loss incurred for the year ended on that date;
- (c) In the case of the Cash Flow Statement, of the cash flows for the year ended on that date.

Report on Other Legal and Regulatory Requirements

1. The Companies (Auditors Report) Order, 2003 ("the Order") issued by the Central Government of India in terms of Section 227(4A) of the Act, we give in the annexure a statement on the matters specified in paragraphs 4 and 5 of the order.
2. As required by Section 227(3) of the Act, we report that:
 - a. We have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit.
 - b. In our opinion, proper books of account as required by law have been kept by the Company so far as appears from our examination of those books.
 - c. The Balance Sheet, the Statement of Profit and Loss and Cash Flow Statement dealt with by this Report are in agreement with the books of account.
 - d. In our opinion, the Balance Sheet, the Statement of Profit and Loss and Cash Flow Statement deal herewith comply with the Accounting Standards referred to in section 211(3C) of the Act.



- e. On the basis of the written representations received from the directors as on March 31st, 2013, taken on record by the Board of Directors, none of the directors is disqualified as on March 31st, 2013, from being appointed as a director in terms of Section 274(1)(g) of the Act.

For : **B.D. SHARDA & CO.**
Chartered Accountants
Firm Reg. No. 00161C

Place: Indore
Date : 30th May 2013

(B.D. SHARDA)
Proprietor
Membership No. 070209

Annexure to Auditor's Report of even date to the members of Gorani Industries Limited, on the financial statements for the year ended 31st March 2013 referred to in paragraph 2 of our report, we report that:

- i (a) The company has maintained proper records showing full particulars including quantitative details and situation of fixed assets.
- (b) As informed to us, the fixed assets have been physically verified by the management during the year in a phased manner, which in our opinion is reasonable, having regard to the size of the Company and the nature of its business. No material discrepancies were noticed on such physical verification.
- (c) During the year, the company has not disposed off substantial part of its fixed assets, which will affect the going concern status of the company.
- ii (a) As explained to us, inventories have been physically verified by the management at regular intervals during the year.
- (b) The procedures of physical verification of inventories followed by the management are reasonable and adequate in relation to the size of the company and the nature of its business.
- (c) The company is only maintaining records of basic raw material on monthly basis. The discrepancies noticed on verification between the physical stocks and the book records were not material as explained to us.
- iii (a) The company had taken interest free unsecured loan from parties covered in the register maintained under section 301 of the Companies Act, 1956. The maximum amount involved at any time during the year was Rs. 449.51 lacs and the year-end balance of loans taken from such parties is Rs. 372.64 lacs. The company has not granted any loan to the companies, firms or other parties covered in the register maintained under section 301 of the companies Act, 1956.
- (b) In our opinion, being no interest is to be paid and other terms and conditions on which loans have been taken from the companies, firms or other parties listed in the register maintained under section 301 of the Companies Act, 1956, are not, prima facie, prejudicial to the interest of the company.
- (c) There is no stipulation as to the repayment of the principal amount taken by the company.
- (d) There is no overdue amount of more than rupee one lakh on account of loan taken from the companies, firms or other parties listed in the register maintained under section 301 of the Companies Act, 1956.
- iv In our opinion and according to the information and explanation given to us, there are adequate internal control procedures commensurate with the size of the company and the nature of its business with regard to purchases of inventory, fixed assets and with regard to the sale of goods. During the course of our audit, we have not observed any major weakness in internal controls.
- v (a) According to the information and explanation given to us, we are of the opinion that the transaction that need to be entered into the register maintained under section 301 of the Companies Act, 1956 have been so entered.
- (b) In our opinion and according to the information and explanations given to us, there are no transactions exceeding the value of rupees five lacs in respect of each party made in pursuance of contracts or arrangement entered in the register maintained under section 301 of the Companies Act, 1956.



Gorani Industries Ltd.

- vi The Company has not accepted any deposits from the public within the meaning of Section 58 A and 58 AA of the Companies Act, 1956 and the rules framed there under.
- vii In our opinion and according to the information and explanations given to us, the company has its own internal audit system commensurate with the size and nature of its business.
- viii The Central Government has not prescribed for the maintenance of cost records under section 209 (1) (d) of the Companies Act, 1956.
- ix (a) The company is generally regular in depositing undisputed statutory dues including provident fund, investor education protection fund, employee' state insurance, income tax, sales tax, wealth tax, custom duty, excise duty, service tax and cess and other material statutory dues applicable to it with the appropriate authorities.
- (b) According to the information and explanation given to us, no undisputed amounts payable in respect provident fund, investor education and protection fund, employee' state insurance, income tax, sales tax, wealth tax, custom duty, excise duty, service tax and cess and other undisputed statutory dues were outstanding at the year end for a period of more than six month from the date they become payable.
- (c) According to the information and explanation given to us, there are no dues of sales tax, income tax, custom duty, wealth tax, excise duty, service tax and cess, which have not been deposited on account of any dispute.
- x In our opinion, the accumulated losses of the company are not more than fifty percent of its net worth. Further the company has not incurred cash losses during the financial year covered by our audit and in immediately preceding financial year.
- xi In our opinion, and according to the information and explanation given to us, the company has not defaulted in repayment of any dues to any financial institution or bank during the year.
- xii The company has not granted loans and advances on the basis of security by way of pledge of shares, debentures and other securities.
- xiii In our opinion, the company is not a chit fund or a nidhi mutual benefit fund/society. Therefore, the provision of clause 4(xiii) of the Companies (Auditor's Report) Order, 2003 are not applicable to the Company.
- xiv In our opinion, the company is not dealing in or trading in shares, securities, debentures and other investments, Accordingly, the provisions of clause 4(xiv) of the Companies (Auditor's Report) Order, 2003 are not applicable to the company.
- xv According to the information and explanation given to us, the company has not given any guarantees for loans taken by others from banks or financial institutions during the year.
- xvi The Company has not taken any term loan during the year.
- xvii According to the information and explanations given to us and on an overall examination of the balance sheet of the company, we report that no funds raised on short-term basis have been used for long-term investment.
- xviii According to the information and explanations given to us, the company has not made any preferential allotment of share to parties and Companies covered in the register maintained under section 301 of the Companies Act, 1956.
- xix The Company has not issued any secured debentures during the year or in earlier year.
- xx The Company has not raised any money by way of public issues during the year.
- xxi During the course of our examination of the books and records of the company carried out in accordance with the generally accepted auditing practices in India, we have neither come across any instance of fraud on or by the company, noticed and reported during the year, nor we have been informed of such case by the management.

For : **B.D.SHARDA & CO.**
Chartered Accountants
Firm Reg. No. 00161C

Place: Indore
Date : 30th May 2013

(B.D. SHARDA)
Proprietor
Membership No. 070209

**Gorani Industries Ltd.****BALANCE SHEET AS AT 31st MARCH' 2013**

PARTICULARS	Note No.	As at 31/03/2013		As at 31/03/2012	
		Rs.	Rs.	Rs.	Rs.
I. EQUITY AND LIABILITIES					
1. Shareholders' funds					
(a) Share Capital	2	48,933,000		48,933,000	
(b) Reserves and Surplus	3	(24,270,635)	24,662,365	(24,113,219)	24,819,781
2 Non- current liabilities					
(a) Long-term borrowings	4	37,264,035		31,337,235	
(a) Other Long-term Liabilities	5	10,000	37,274,035	10,000	31,347,235
3 Current Liabilities					
(a) Short term borrowings		-		-	
(b) Trade payables	6	4,245,262		5,794,642	
(c) Other current liabilities	7	679,983		808,808	
(d) Short term provisions	8	943,957	5,869,202	942,479	7,545,929
TOTAL			67,805,602		63,712,945
II ASSETS					
1. Non-current assets					
(a) Fixed assets	9				
(i) Tangible assets		18,930,693		21,209,368	
(b) Long-term loans and advances	10	271,306	19,201,999	266,955	21,476,323
2. Current assets					
(a) Inventories	11	37,966,311		29,439,560	
(b) Trade receivables	12	7,311,125		9,739,752	
(c) Cash and Bank Balances	13	2,801,980		1,563,430	
(d) Short-term loans and advances	14	524,186	48,603,603	1,493,880	42,236,622
TOTAL			67,805,602		63,712,945
Significant accounting policies and the accompanying notes are an integral part of these financial statements	1				

For and on behalf of the Board

As per our report of even date
For **B. D. Sharda & Company**
Chartered Accountants
Firm Reg. No. 00161C**(Sanjay Gorani)**
Managing Director**(Anil Gorani)**
Director**(Nakul Gorani)**
Director**B. D. Sharda**
Proprietor
Membership No. 070209Place : Indore
Date : 30.05.2013

**Gorani Industries Ltd.****STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDING ON 31st MARCH 2013**

PARTICULARS	Note No.	Year Ended 31/03/2013		Year Ended 31/03/2012	
		Rs.	Rs.	Rs.	Rs.
I Revenue from operations:	15	29,094,525		33,215,907	
II Other Income	16	66,488		21,609	
III Total Revenue (I + II)			29,161,013		33,237,516
IV Expenses					
Cost of Materials Consumed	17	20,121,464		4,572,698	
Purchases of Stock in Trade	18	44,880		17,275,800	
Changes in inventories of finished goods, work in progress and Stock-in- trade	19	(7,351,205)		45,724	
Employee benefits expense	20	9,557,280		7,567,451	
Finance Costs	21	92,658		34,463	
Depreciation and amortization expense	9	2,392,524		2,535,413	
Other expenses	22	4,460,828		3,696,445	
Total Expense			29,318,429		35,727,994
V Profit / (Loss) before tax (III-IV)			(157,416)		(2,490,478)
VI Tax expense:					
(1) Current tax		-		-	
(2) Deferred tax		-		-	
VII Profit/(Loss) for the year (V-VI)			(157,416)		(2,490,478)
XVI Earnings per equity share:					
(1) Basic			(0.03)		(0.51)
(2) Diluted			(0.03)		(0.51)
Significant accounting policies and the accompanying notes are an integral part of these financial statements	1				

For and on behalf of the Board

As per our report of even date
For **B. D. Sharda & Company**
Chartered Accountants
Firm Reg. No. 00161C**(Sanjay Gorani)**
Managing Director**(Anil Gorani)**
Director**(Nakul Gorani)**
Director**B. D. Sharda**
ProprietorPlace : Indore
Date : 30.05.2013

Membership No. 070209

**Gorani Industries Ltd.****CASH FLOW STATEMENT FOR THE YEAR ENDED 31st MARCH 2013**

(Rs. in Lacs)

PARTICULARS	AS AT 31/03/2013	AS AT 31/03/2012
(A) CASH FLOW FROM OPERATING ACTIVITIES	(1.57)	(24.90)
Net Profit before tax and extra ordinary items		
Add : Non-Operating Expenses		
Depreciation	23.93	25.35
Loss on Sale of Fixed Assets	0	0
Interest received	(0.23)	(0.21)
Interest Paid	0.36	0.05
Operating Profit before Working Capital Changes	22.48	0.29
Change in Working Capital		
Increase in Inventories	(85.27)	(25.50)
Decrease in Trade & Other Receivables	24.29	(5.42)
Decrease in Loans & Advances	9.42	(13.39)
Decrease in Other Current Assets	0.23	7.87
Decrease in Trade Payable & Other Liabilities	(16.77)	51.26
Cash Generated from Operation	(45.61)	15.11
FBT Tax Paid	--	--
Cash Flow before Extraordinary Items	(45.61)	15.11
Extraordinary Items		
Prior Year Tax	--	--
Net cash flow from operating activities	(45.61)	15.11
(B) CASH FLOW FROM INVESTING ACTIVITIES		
Purchase of Fixed Assets	(1.14)	(16.66)
Decrease / Increase in Capital WIP	--	--
Sale of Fixed Assets	--	--
Interest Income	0.23	0.21
Net Cash Flow from Investing Activities	(0.91)	(16.45)
(C) CASH FLOW FROM FINANCING ACTIVITIES		
Proceeds from Calls Unpaid	--	--
Proceeds from Long term Borrowings	59.27	3.22
Interest Paid	(0.36)	(0.05)
Net Cash Flow from Financing Activities	58.91	3.17
NET INCREASE / DECREASE IN CASH AND CASH EQUIVALENTS	12.38	1.83
Cash and Cash Equivalents as at 1 st April 2012 (Op. Bal)	15.63	13.80
Cash and Cash Equivalents as at 31 st March 2013(Cl. Bal)	28.02	15.63

For and on behalf of the Board

As per our report of even date
For **B. D. Sharda & Company**
Chartered Accountants
Firm Reg. No. 00161C**(Sanjay Gorani)**
Managing Director**(Anil Gorani)**
Director**(Nakul Gorani)**
Director**B. D. Sharda**
Proprietor
Membership No. 070209Place : Indore
Date : 30.05.2013



NOTE : 1

SIGNIFICANT ACCOUNTING POLICIES

1. SIGNIFICANT ACCOUNTING POLICIES FOLLOWED BY THE COMPANY

A] Basis of Accounting:

The financial statements of Gorani Industries Limited have been prepared to comply with the Accounting Standards referred to in the Companies (Accounting standards) Rule 2006 and the relevant provision of the Companies Act, 1956. The financial statements have been prepared under historical cost convention on accrual basis. The accounting policies have been consistently applied by the company unless otherwise stated.

B] Sales:

The sales of goods are recognized at the point of dispatch of the finished to the customers.

C] Income:

The Income is accounted for on accrual basis.

D] Fixed Assets:

Fixed Assets are stated at cost. The cost of an asset comprises its purchase price/cost of construction and any directly attributable expenses for bringing the assets to their working condition for its intended use. Expenditure for additions, modifications, improvements and renewals are capitalized and expenditure for maintenance and repairs are charged to the Profit & Loss Account.

E] Depreciation:

Depreciation on Fixed Assets has been provided on straight line method at the rates and in the manner specified in Schedule XIV to the Companies Act, 1956. Assets which are purchased during the year, depreciation has been provided on pro-rata basis. No depreciation is provided on assets sold or scrapped during the year.

F] Borrowing Cost:

Borrowing cost that is attributable to the acquisition or construction of qualifying assets is capitalized as part of the cost of such assets. A qualifying asset is an asset that necessarily takes a substantial period of time to get ready for its intended use. All other borrowing cost is recognized as an expense in the period in which they are incurred.

G] Foreign Currency Transaction:

The transactions in foreign currencies are recorded at the rate prevailing on the date of the transaction. Monetary items denominated in foreign currency are restated at the rate prevailing on the balance sheet date. Exchange gains/ losses on settlement and on conversion of monetary items denominated in foreign currency are dealt with in the profit and loss account.

H] Inventories:

Inventories are stated at the lower of cost or net realizable value. Cost is determined on the basis of FIFO method. The cost of work in progress and finished goods comprise direct material, direct labour, and other direct cost and related production overheads.



I] Contingent Liabilities:

Contingent liabilities as defined in Accounting Standard 29 on "Provisions, contingent liabilities and contingent assets" are disclosed by way of notes to the accounts. Disclosure is not made if the possibility of an outflow of future economic benefits is remote. Provision is made if it is probable that an outflow of future economic benefits will be required to settle the obligation.

J] Retirement Benefits:

- i] The Company accounts for group gratuity for the eligible employees on the basis of payments to Life Insurance Corporation of India as actuarially determined with reference to agreement between them.
- ii] Leave encashment liability is accounted on actual payment basis as per the rules applicable to the company.
- iii] Company's contribution to Provident Fund and ESIC are charged to Profit and Loss Account.

K] Research & Development:

Capital expenditure on research and development is treated in the same way as expenditure on Fixed Assets. The revenue expenditure on Research & Development is written off in the year in which it is incurred.

L] Accounting on Taxes

Tax Expenses comprises current tax and deferred tax.

Deferred tax is recognized on timing difference being the difference between taxable income and accounting income originate in one period and are capable of reversal in one or more subsequent periods.

Deferred tax assets in respect of unabsorbed depreciation and carry forward losses are recognized if there is virtual certainty that there will be sufficient future taxable income available to realize such losses.

As explained by the management, the brought forward business loss and unabsorbed depreciation are more than timing difference between tax depreciation and book depreciation; therefore the provision as stipulated by AS- 22 is not required. Company shall recognize deferred tax assets in succeeding years only when there is certainty that sufficient taxable income will be available.

M] Impairment of Fixed Assets:

The Company on an annual basis makes an assessment of any indicator that may lead to impairment of assets. If any such indication exists, the company estimates the recoverable amount of the assets. If such recoverable amount is less than the carrying amount, then the carrying amount is reduced to its recoverable amount by treating the difference between them, as impairment loss and the same is charged to profit & loss account. Based on the aforesaid review, the Company is of opinion that there is no impairment of any of its fixed assets as at 31st March 2013.

**Gorani Industries Ltd.****NOTES FORMING PART OF FINANCIAL STATEMENTS**

Particulars	On 31.03.2013 Rupees	On 31.03.2012 Rupees
NOTE '2'		
SHARE CAPITAL		
Authorised		
6000000 Equity Shares of Rs. 10/- each [Previous Year : 6000000 Equity Shares of Rs. 10/- each]	60,000,000	60,000,000
Issued and Subscribed		
* 5438000 Equity Shares of Rs. 10/- each. [Previous Year : 5438000 Equity Shares of Rs. 10/- each]	54,380,000	54,380,000
TOTAL	54,380,000	54,380,000
Paid up		
4348600 Shares of Rs.10/- each fully paidup	43,486,000	43,486,000
1089400 Shares of Rs. 10/- each partly paidup @ Rs. 5/-each	5,447,000	5,447,000
TOTAL	48,933,000	48,933,000

Reconciliation of Shares:	Nos	Amt(Rs)	Nos	Amt(Rs)
Opening Share Capital	5,438,000	54,380,000	5,438,000	54,380,000
Less: Unpaid Calls		(5,447,000)		(5,447,000)
Closing Share Capital		48,933,000		48,933,000
List of Share holders having 5% or more Shares (In Nos)				
Name Of Shareholders	In Nos	In %	In Nos	In %
Narendra Kumar Gorani	801,800	14.74	801,800	14.74
Rahu Ketu Finance & Investment Ltd	790,600	14.53	790,600	14.53
Sanjay Gorani	451,800	8.31	451,800	8.31
Shanta Devi Gorani	285,200	5.24	285,200	5.24

Particulars	On 31.03.2013 Rupees	On 31.03.2012 Rupees
NOTE '3'		
RESERVES AND SURPLUS		
Surplus (Deficit) in Statement of Profit & Loss		
Opening Balance	(24,113,219)	(21,622,741)
Add : Profit/(Loss) During The Year	(157,416)	(2,490,478)
Closing Balance	(24,270,635)	(24,113,219)

Particulars	On 31.03.2013 Rupees	On 31.03.2012 Rupees
NOTE '4'		
LONG TERM BORROWINGS		
Unsecured		
From Directors	5,229,800	8,803,000
From Promoters	32,034,235	22,534,235
TOTAL	37,264,035	31,337,235



Gorani Industries Ltd.

Particulars	On 31.03.2013 Rupees	On 31.03.2012 Rupees
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NOTE '5'

OTHER LONG TERM LIABILITIES

Earnest Money Deposit	10,000	10,000
	10,000	10,000

NOTE '6'

TRADE PAYABLES

Total Outstanding dues of Micro and Small Enterprises	--	--
Total Outstanding dues of Creditors other than Micro and Small Enterprises	4,245,262	5,794,642
	4,245,262	5,794,642

1. Trade Payables includes Rs. NIL (Previous Year Rs. NIL) due to creditors registered with the Micor, Small and Medium Enterprises Development Act, 2006
2. No Interest is Paid/ Payable during the year to Micro, Small and Medium Enterprises.

NOTE '9'

FIXED ASSETS

SR. NO.	DESCRIPTION OF ASSETS	GROSS BLOCK			DEPRECIATION				NET BLOCK		
		COST AS ON 01.04.2012	ADDITION DURING THE YEAR	ADJ. DURING THE YEAR	TOTAL COST AS AT 31.03.2013	DEPRECIATION AS AT 01.04.2012	ADDITION DURING THE YEAR	DEP ADJ.	TOTAL DEP. AS AT 31.3.2013	AS AT 31.03.2013	AS AT 31.03.2012
	Tangible Assets:										
1	Lease Hold Land	465,016	-	-	465,016	-	-	-	-	465,016	465,016
2	Building	17,589,755	-	-	17,589,755	8,540,015	587,498	-	9,127,513	8,462,242	9,049,740
3	Plant and Machinery	24,105,385	-	-	24,105,385	16,247,721	1,145,006	-	17,392,727	6,712,658	7,857,664
4	Dies & Tools	4,282,760	-	-	4,282,760	3,815,675	122,547	-	3,938,222	344,538	467,085
5	Office Equipment	697,066	66,249	-	763,315	399,244	35,544	-	434,788	328,527	297,822
6	Laboratory Equipment	305,601	7,100	-	312,701	163,845	14,798	-	178,643	134,058	141,756
7	Electrical Installation	3,669,318	-	-	3,669,318	2,530,389	174,293	-	2,704,682	964,636	1,138,929
8	Furniture & Fixture	4,673,714	-	-	4,673,714	4,539,673	105,154	-	4,644,827	28,887	134,041
9	Computer	320,484	40,500	-	360,984	260,419	24,457	-	284,876	76,108	60,065
10	Air Conditioner	278,492	-	-	278,492	179,349	14,144	-	193,493	84,999	99,143
11	ETP	715,979	-	-	715,979	510,135	34,009	-	544,144	171,835	205,844
12	Vehicles	2,042,307	-	-	2,042,307	792,575	131,356	-	923,931	1,118,376	1,249,732
13	Fire Fighting Equipment	78,261	-	-	78,261	35,730	3,717	-	39,447	38,814	42,531
	TOTAL RS.	59,224,138	113,849	-	59,337,987	38,014,770	2,392,524	-	40,407,294	18,930,693	21,209,368
	PREVIOUS YEAR RS.	57,557,868	1,666,270	-	59,224,138	35,479,356	2,535,871	458	38,014,770	21,209,368	22,078,512

Particulars	On 31.03.2013 Rupees	On 31.03.2012 Rupees
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3. The Above information has been determined to the extent such parties could be identified on the basis of the information available with the company regarding the status of the supplier under the MSME Act.

NOTE '7'

OTHER CURRENT LIABILITIES

Advances From Customers	53,950	53,950
Sundry Creditors for Expenses	69,492	170,276
Taxes Duties and Other Payables	556,541	584,582
	679,983	808,808

NOTE '8'

SHORT TERM PROVISIONS

Provision for Employee Benefits		
Group gratuity Payable	376,430	379,524
Provision for Other Expenses	567,527	562,955
	943,957	942,479



Gorani Industries Ltd.

Particulars	On 31.03.2013 Rupees	On 31.03.2012 Rupees
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NOTE `10`**LONG TERM LOANS AND ADVANCES**

(unsecured Considered good)

Security Deposits with Government authorities	244,406	243,455
Security Deposits with Others	26,900	23,500
TOTAL	271,306	266,955

NOTE `11`**INVENTORIES** (at lower of cost or net realisable value)

Raw Material	12,406,448	10,967,301
Finished Goods	5,493,869	3,238,418
Work In Process	19,866,472	14,770,719
Stock-in-Trade	12,997	12,997
Stores and Spares	186,525	450,125
TOTAL	37,966,311	29,439,560

NOTE `12`**TRADE RECEIVABLES**

(unsecured Considered good)

Outstanding for a Period Exceeding Six Months	1,015,175	1,027,188
Others	6,295,950	8,712,564
TOTAL	7,311,125	9,739,752

NOTE `13`**CASH AND BANK BALANCES**

Cash and Cash Equivalents

Cash on Hand	248,801	608,285
Balance In Current Accounts with Scheduled Bank	2,553,179	955,145
TOTAL	2,801,980	1,563,430

Particulars	On 31.03.2013 Rupees	On 31.03.2012 Rupees
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NOTE `14`**SHORT TERM LOANS AND ADVANCES**

(unsecured Considered good)

Advances to Suppliers	4,550	1,279,108
Amount lying with Government Authorities	403,713	75,544
Prepaid Expenses	115,923	139,228
TOTAL	524,186	1,493,880

NOTE `15`**REVENUE FROM OPERATION**

Sales

Manufactured Goods	30,480,955	14,551,785
Less :- Excise duty	(1,435,930)	
Traded Goods	49,500	18,664,122
TOTAL	29,094,525	33,215,907

Details of Sales
(Manufactured Goods)

Nutan Stoves	4,855,000	3,300,000
L.P.G. Stoves	17,102,905	2,994,165
Gas Geysers	1,765,100	3,293,650
Rangehood (Chimney)	5,322,020	4,963,970
TOTAL	29,045,025	14,551,785

(Traded Goods)

Iron & Steel	--	18,664,122
Others (glue)	49,500	--

NOTE `16`**OTHER INCOME**

Interest (TDS Rs.1978/- PY Rs.1292/-)	22,726	21,468
Insurance Claim	--	450
Liabilities & Provisions written back	43,762	(309)
TOTAL	66,488	21,609



Gorani Industries Ltd.

Particulars	On 31.03.2013 Rupees	On 31.03.2012 Rupees
NOTE `17'		
COST OF MATERIAL CONSUMED		
Raw Materials' Consumed		
Stock at the beginning of the year	10,967,301	8,644,981
Add: Purchases	21,560,611	6,895,018
Less : Stock at the end of the year	(12,406,448)	(10,967,301)
	<u>20,121,464</u>	<u>4,572,698</u>
Details of Raw Material Consumed		
Iron & Steel	6,950,340	2,525,476
Other Raw Materials	291,585	168,000
Components & Stores	11,017,426	1,387,000
Packing Materials	1,862,113	492,222
	<u>20,121,464</u>	<u>4,572,698</u>
NOTE `18'		
PURCHASE OF STOCK IN TRADE		
Purchases of Trading Goods	44,880	17,275,800
TOTAL	<u>44,880</u>	<u>17,275,800</u>
Details of Trading Goods Purchased		
Iron & Steel	--	17,275,800
Glue	44,880	--
NOTE `19'		
CHANGE IN INVENTORIES		
Inventories at the Beginning of the Year		
Work-in Process	14,770,719	12,320,958
Finished Goods	3,238,418	5,733,903
Traded Goods	12,997	12,997
	<u>18,022,134</u>	<u>18,067,858</u>
Less: Inventories at the End of the Year		
Work-in-Process	19,866,472	14,770,719
Finished Goods	5,493,869	3,238,418
Traded Goods	12,997	12,997
	<u>25,373,339</u>	<u>18,022,134</u>
Decrease /(Increase) in Stock	<u>(7,351,205)</u>	<u>45,724</u>

Particulars	On 31.03.2013 Rupees	On 31.03.2012 Rupees
NOTE `20'		
EMPLOYEE BENEFITS EXPENSES		
Salaries, Wages, Bonus etc.	6,323,103	5,754,072
Contribution to PF, ESIC & Other Statutory Funds	1,912,253	1,296,761
Workmen and Staff Welfare Expenses	121,924	156,618
Director Remuneration	1,200,000	360,000
TOTAL	<u>9,557,280</u>	<u>7,567,451</u>
NOTE `21'		
FINANCE COSTS		
Interest Expense		
Bank Charges	56,633	29,412
Interest Expenses	36,025	5,051
TOTAL	<u>92,658</u>	<u>34,463</u>
NOTE `22'		
OTHER EXPENSES		
Direct Expenses		
Consumptions Of Store and Spares	593,970	88,500
Power and Fuel	1,664,391	1,618,256
Freight and Octroi on Purchases	131,696	43,399
Repairs To - Plant & Machinery	169,226	290,280
Repairs To - Dies	146,872	174,714
Repairs To - Electric	33,801	117,291
Entry Tax	288,793	68,354
Laboratory Expenses	27,469	31,467
Other Factory Expenses	77,368	72,312
SUB TOTAL	<u>3,133,586</u>	<u>2,504,573</u>
Administrative and Other Expenses		
Insurance	58,782	46,477
Rent,Rates and Taxes	135,841	108,236
Office Expenses	66,349	65,468
ISO 9000 & Certification	7,000	7,721
Legal & Professional Charges	192,895	212,595
Books & Periodicals	2,451	2,462



Gorani Industries Ltd.

Particulars	On 31.03.2013 Rupees	On 31.03.2012 Rupees
Building Maintenance	32,543	49,404
Share Demat & Registrar Exp.	105,276	135,542
Postage & Courier	74,520	28,515
Telephone Expenses	126,845	108,498
Stationery & Printing	54,619	54,892
Travelling & Conveyance	17,734	70,564
Payment to Auditors:		
For Statutory Audit	40,000	30,000
For Tax Audit	5,000	5,000
For Others	18,000	28,000
Director Sitting Fees	9,000	9,000
Registration & Fees	62,046	91,867
Vehicle Running & Maintenance	37,459	18,753
Advertisement & Publicity	52,200	--
Freight outward	--	3,930
Marking Fee	38,200	38,200
Foreign Exchange Loss	190,482	9,556
VAT tax after assessment	--	67,192
SUB TOTAL	1,327,242	1,191,872
TOTAL	4,460,828	3,696,445

NOTE: 23

EARNINGS PER SHARE:

The basic earning per share and diluted earning per share are calculated as under:-

	2012-2013	2011-2012
i] Net Profit as per Profit & Loss Account available for Equity Share holders.	Rs. (1,57,416)	(24,90,478)
ii] Weighted average number of Equity Share for Earning per Share Computation		
A] For Basic Earnings per Share (No.)	4893300	4893300
B] For Diluted Earning per Share (No.)	4893300	4893300
iii] Earning per Share for Basic & Diluted	Rs. (0.03)	(0.51)

NOTE: 24

SEGMENT REPORTING POLICIES

Identification of segments:

a] Primary Segments

Business segment : The Company has only one segment of Home Appliances and the products considered as part of the segment are Kerosene wick Stove, LPG Stove, Range hood (Chimney) and Gas Geysers. Since inherent nature of all activities of the company is governed by the same set of risks and returns and also all the products are falling in the same category in trade parlance therefore as per the guidelines of the AS-17 no primary segment is reporting required for the year.

b] Secondary Segment

Geographical Segment : The analysis of geographical segment is based on the geographical location of the customers. The following is the distribution of the Company's consolidated sales by geographical market:-

Sales to Domestic Market (Mfg) Rs. 2, 90, 45,025/- 1, 45, 51,785/-

Sales to Domestic Market (Trd) Rs. 49,500/- 1, 86, 64,122/-

Sales to Overseas Market -- --

Rs. 2, 90, 94,525/- 3, 32, 15,907/-

NOTE: 25

DISCLOSURE OF RELATED PARTY /RELATED PARTY TRANSACTIONS

Name of the related parties and relationship

(a) Associates Companies

M/s Blow Hot Kitchen Appliances Private Limited.

(b) Key Management Personnel and their relatives

Mr. Sanjay Gorani Managing Director

Mr. Anil Gorani Director

Mrs. Manju Gorani Director (Resigned during the year)

Mr. Narendra Gorani Relative of Director

Mr. Nakul Gorani Director (Appointed during the year)



Gorani Industries Ltd.

(c) The transactions entered into with the related parties during the year along with related balances as at 31st March 2013 are as under:

Nature of Transaction	Related Parties Referred Above In	
	(a)	(b)
RENT	36,000 (36,000)	--
LOAN TAKEN	--	1,38,74,300 (3,32,500)
AMOUNT OUTSTANDING AS AT 31.03.2013	--	3,72,64,035 (3,13,37,235)
MANAGERIAL REMUNERATION	--	12,00,000 (3,60,000)

NOTE: 26**CONTINGENT LIABILITIES**

Estimated amount of contracts remaining to be executed on capital account and not provided for Rs. Nil. (Previous Year Rs. NIL)

NOTE: 27

In the opinion of the management and to the best of their knowledge and belief the value of realization of current assets, loans and advances in the ordinary course of business will not be less than the amount at which they are stated in the balance sheet. No provision has been made for the long outstanding debtors considered as recoverable, because it is still under negotiation stage.

NOTE: 28

Additional Information pursuant to provisions of paragraph 3, 4B, 4C of part II of schedule VI to the companies as certified by the Directors:

a) Details of Imported and Indigenous Raw Material, Stores & Spares Consumed:

	Current Year		Previous Year	
Imported	1,09,00,696	52.62%	13,39,000	28.73%
Indigenous	98,14,738	47.39%	33,22,198	71.27%
	<u>2,07,15,434</u>	<u>100.00%</u>	<u>46,61,198</u>	<u>100.00%</u>
			Current Year	Previous Year

b) Value of Imports Calculated on CIF Basis:

Raw Material\Components	7348288	839966
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c) Expenditure in Foreign Currency

Foreign Travelling	0	64500
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d) Earning in Foreign Exchange:

	--	--
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NOTE: 29

The Balances in the accounts of debtors, creditors, loans, advances and others are subject to confirmation and reconciliation. But no confirmation is called in last three year by the company.

NOTE: 30

The previous year figures have been regrouped / reclassified, wherever necessary to confirm to the current year figures.

For and on behalf of Board of Directors

As per our report of even date

(Sanjay Gorani)
Managing Director

(Anil Gorani)
Director

(Nakul Gorani)
Director

For **B. D. Sharda & Company**
Chartered Accountants
Firm Reg. No. 00161C

Place : Indore
Date : 30.05.2013

Proprietor
Membership No. 070209



Gorani Industries Ltd.

ATTENDANCE SLIP

GORANI INDUSTRIES LIMITED

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

PLEASE FILL ATTENDANCE SLIP AND HAND IT OVER AT THE ENTRANCE OF THE MEETING HALL Joint Shareholders may obtain additional slip on request.

Folio No.....

NAME AND ADDRESS OF THE SHAREHOLDER

No. of Share held :

I hereby by record my presence at the Eighteenth Annual General Meeting of the Company held on 30th August 2013 at 11.00 a.m. at Plot No. 32-33, Sector F, Sanwer Road, Industrial Area, Indore - 452 015 (M.P.)

SIGNATURE OF THE SHAREHOLDER OR PROXY*

*Strike out whichever is not applicable.

GORANI INDUSTRIES LIMITED

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

Folio No.

PROXY FORM

I/We

of

being a member / members

of GORANI INDUSTRIES LIMITED hereby appoint

of

or failing him of

as my / our proxy to vote for me /us and behalf of the Eighteenth Annual General Meeting to be held on 30th August 2013 at 11.00 a.m. or at any adjournment thereof.

Signed this day of 2013.

Affix a
Re. 1
Revenue
Stamp

NOTE : The proxy in order to be effective should be duly stamped, completed and signed and must be deposited at the Registered office of the Company not less than 48 hours before the time for holding the aforesaid meeting. The proxy need not be a member of the company.