



Gorani Industries Ltd.

CIN : L28121MP1995PLC009170
GSTIN : 23AAACG6274B1Z2

Regd. Office :

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

Admin. Office :

1st Floor, B 15, Pologround, Indore - 452 015 (M.P.)
Phone : 0731-2723201-3 | Fax No. : 0731-2723200
E-mail : gorani.industries@yahoo.com
Website : www.goraniindustries.com

01st October, 2018
Indore

To,
General Manager
The BSE Limited
The Corporate Relationship Department,
The Stock Exchange Mumbai
Pheeroj Jeejeebhoy Tower,
Dalal Street, Mumbai.

Ref: Regulation 34 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015

Sub.:- Submission of Annual Report of the Company Gorani Industries Limited

Dear Sir,

Pursuant to the provisions of Regulation 34 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 please find enclosed herewith Annual Report of the Company Gorani Industries Limited for FY- 2017-18.

You are requested to kindly take the same on record.

Thanking you.
Yours faithfully

For Gorani Industries Limited

Anil Gorani
(Holding DIN-00055540)
Chairman Cum Whole-time Director

Gorani Industries Ltd.



XXIIIrd Annual Report
2017-18



Gorani Industries Ltd.

Board of Directors

Anil Gorani	Chairman & Whole Time Director
Sanjay Gorani	Managing Director
Nakul Gorani	Whole Time Director
Shyam Sunder Jhavar	Independent Director
Sandeep Kumar Jain	Independent Director (Up to 15.3.18)
Manpreet Kaur Hora	Independent Director (since 11.4.18)
Komal Motwani	Independent Woman Director

Auditor

M/s. Sneha Sharda & Co.
Chartered Accountants.

Chief Financial Officer

Chandra Shekhar Sharma

Bankers

Central Bank of India
Siyaganj, Indore

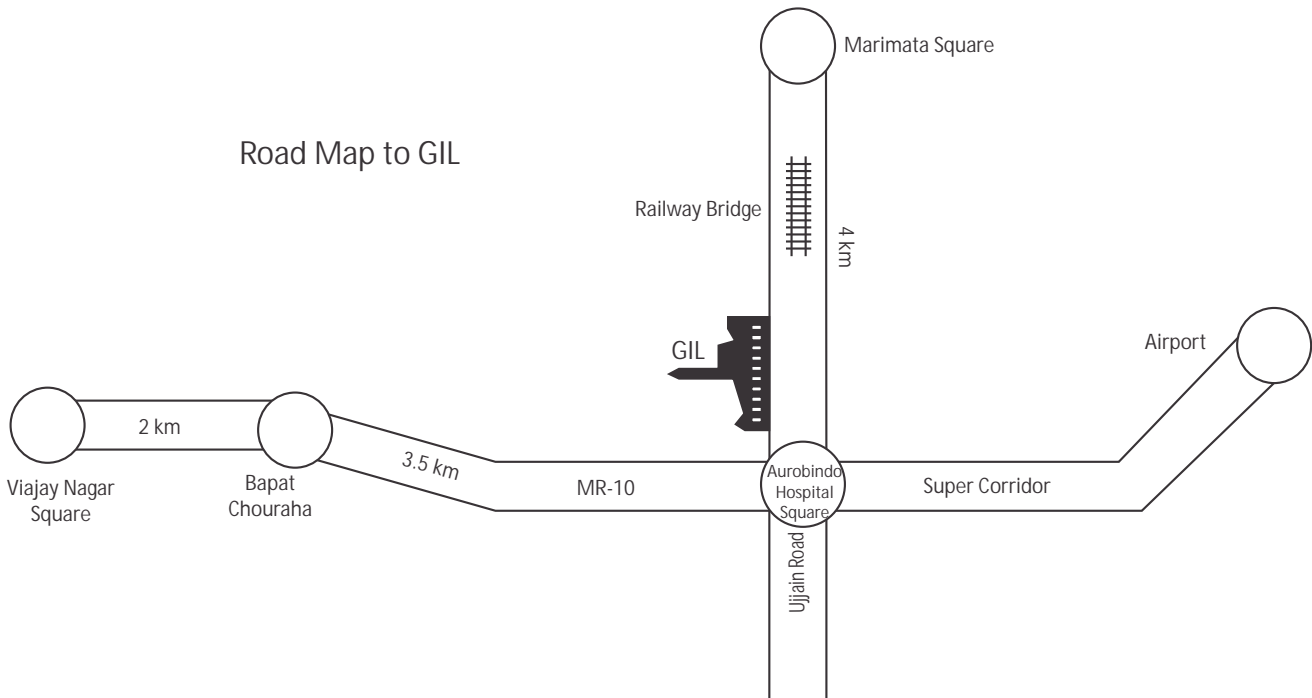
Company Secretary

Neerja Mandiya
(since 18.12.17)

Registered Office

Plot No. 32-33, Sector F,
Sanwer Road, Industrial Area,
INDORE - 452 015 (M.P.)
CIN - L28121MP1995PLC009170
GSTIN - 23AAACG6274B1Z2

Road Map to GIL





NOTICE

NOTICE IS HEREBY GIVEN THAT the Twenty Third 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 28th day of September, 2018 at 04:00 P.M. to transact the following business:

ORDINARY BUSINESS:

1. To consider and adopt the audited financial statements of the Company for the financial year ended March 31st, 2018, the reports of the Board of Directors and Auditors thereon.
2. To appoint a director in place of Mr. Sanjay Gorani (Holding DIN: 00055531), Managing Director, who retires by rotation and being eligible, offers himself for reappointment.

SPECIAL BUSINESS:

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 149, 152 and other applicable provisions, if any, of the Companies Act, 2013 read with Schedule IV to the Companies Act, 2013 and the Companies (Appointment and Qualification of Directors) Rules, 2014, Ms. Manpreet Kaur Hora (Holding DIN-08094579), who was appointed as an Additional Director designated as Independent Director of the Company and holds office upto the date of this Annual General Meeting and who is eligible for appointment as an Independent Director, be and is hereby appointed as an Independent Director of the Company to hold office w.e.f. 11th April, 2018 for a period of five years, and that she will not liable to retire by rotation."

4. 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 196 and 197 of 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), and pursuant to recommendation of the Nomination and Remuneration Committee and

on subsequent approval of the Board, consent of the members of the Company be and is hereby accorded to increase the remuneration payable to Mr. Nakul Gorani, (Holding DIN-06543317) Whole Time Director of the Company to Rs. 1,00,000.00 (Rupees One Lac Only) per month with effect from 1st October, 2017 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 September, 2016."

"RESOLVED FURTHER THAT Board of Directors of the Company be and are hereby severally 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 of the Companies Act, 2013 and/or other applicable provisions of the Companies Act, 2013, and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, as may be amended from time to time and agreeable to Mr. Nakul Gorani."

5. To consider and if thought fit, to pass with or without modification the following resolution as an Ordinary Resolution:

"RESOLVED THAT provisions of 196, 197 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), and pursuant to recommendation of the Nomination and Remuneration Committee and on subsequent approval of the Board, consent of the members of the Company be and is hereby accorded to increase the remuneration payable to Mr. Sanjay Gorani, (Holding DIN-00055531) Managing Director of the Company to Rs. 1,50,000.00 (Rupees One Lac Fifty Thousand Only) per month with effect from 1st October, 2017 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 September, 2016."

"RESOLVED FURTHER THAT Board of Directors of the Company be and are hereby severally 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 of the Companies Act, 2013 and/or other applicable provisions of the Companies Act, 2013, and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, as may be amended from time to time and agreeable to Mr. Sanjay Gorani."

6. To consider and if thought fit, to pass with or without modification the following resolution as an Ordinary Resolution:

"RESOLVED THAT pursuant to provisions of 196, 197 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), and pursuant to recommendation of the Nomination and Remuneration Committee and on subsequent approval of the Board, consent of the members of the Company be and is hereby accorded to increase the remuneration payable to Mr. Anil Gorani, (Holding DIN-00055540) Whole Time Director of the Company to Rs. 1,00,000.00 (Rupees One Lac Only) per month with effect from 1st October, 2017 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 29th September, 2017."

"RESOLVED FURTHER THAT any of the 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. Anil Gorani."

7. 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. Sneha Sarada & Company, Chartered Accountants,

bearing Firm Registration No. 014579C will continue as Statutory Auditors for a term of five consecutive years as per the resolution passed in the Annual General Meeting held on 29th September, 2017 without ratification by members at every Annual General Meeting."

8. To consider and if thought fit, to pass with or without modification the following resolution as Special Resolution:

"RESOLVED THAT pursuant to provisions of Section 5, 14 and all other applicable provisions, if any, of the Companies Act, 2013 and the rules made thereunder and any other applicable law for the time being in force, consent of members of the Company be and is hereby accorded to alter the Article of Association of the Company in the manner set out herein below:

1. The existing proviso of point (i) of Article No. 34 be altered by substituting it with following new proviso:

34. Provided that call be payable at less than one month from the date fixed for the payment of the last preceding call.

2. The following Article be inserted as Article No. 57 after existing Article No. 56 and consequently other existing Articles will be renumbered accordingly:

57. The Board may, any time before any share so forfeited have been sold, re-allotted or otherwise disposed of, annul the forfeiture thereof upon such conditions as it thinks fit.

RESOLVED FURTHER THAT Mr. Anil Gorani (Holding DIN: 00055540), Whole-Time Director of the Company be and is hereby authorized to do all such acts, deeds, matters and things as he may in his sole and absolute discretion, deem necessary, expedient, usual or proper and to settle any question, doubt or difficulty that may arise with regard to the above resolution or any other matter incidental or consequential thereto."

By Order of the Board
for Gorani Industries Limited

Date: 14th August, 2018
Place: Indore

Anil Gorani
Sd/-

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



NOTES :

1. The Statement setting out the material facts relating to Special Business at the meeting pursuant to section 102 of the Companies Act, 2013 is annexed hereto.

2. As required by Regulation 36 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 a brief profile of Director seeking appointment/re-appointment at ensuing Annual General Meeting is given:

Particulars	Manpreet Kaur Hora	Sanjay Gorani
Date of Appointment	11/04/2018	14/03/1995
Qualifications	Ms. Manpreet Kaur Hora (Holding DIN: 08094579) is a graduate in Commerce.	Mr. Sanjay Gorani (Holding DIN: 00055531) is a Post Graduate in M.A. (Economics)
Expertise in specific functional areas	She is having an experience in legal field.	He also has rich experience in the marketing, operation and working of the Company.
Relationship with Directors	None	None
Directorships held in other listed companies (excluding foreign companies and Section 8 companies)	NIL	NIL
Memberships / Chairmanships of committees of other listed companies (includes only Audit Committee and Stakeholders' Relationship Committee.)	NIL	NIL
Number of shares held in the Company (in case of non executive director)	NA	NA



3. 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 instrument appointing the proxy, in order to be effective, must be deposited at the Company's Registered Office, duly completed and signed, not less than FORTY EIGHT hours before the commencement of the Annual General Meeting (AGM).

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 authorized representatives to attend the Meeting are requested to send to the Company a certified copy of the Board Resolution pursuant to Section 113 of Companies Act, 2013 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.

4. Members, Proxies and Authorised Representatives are requested to bring to the meeting, the Attendance Slip enclosed herewith, duly completed and signed, mentioning therein details of their DP ID and Client ID / Folio No.
5. During the period beginning 24 hours before the time fixed for the commencement of the AGM and until the conclusion of the meeting, a member would be entitled to inspect the proxies lodged during the business hours of the Company Provided that not less than three days notice in writing is given to the Company.
6. Relevant documents referred to in the notice are available 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.

7. The Register of Directors and Key Managerial Personnel and their shareholding, maintained under section 170 of the Companies Act, 2013, will be available for inspection by the members at the AGM.
8. The Registers of Contracts or Arrangements in which the Directors are interested, maintained under section 189 of the Companies Act, 2013, will be available for inspection by the members at the AGM.
9. The Register of Members and the Share Transfer Books of the Company will remain closed from 24th day, the September, 2018 (Monday) to 28th day, the September, 2018 (Friday) (Both days inclusive).
- Members may also note that the Notice of the 23rd AGM and the Gorani Industries Annual Report 2017-18 will be available on the Company's website www.goraniindustries.com.
10. Members holding shares in dematerialized form are requested to intimate all changes pertaining to their bank details such as bank account number, name of the bank and branch details, MICR code and IFSC code, mandates, nominations, power of attorney, change of address, change of name, e-mail address, contact numbers, etc., to their depository participant (DP). Changes intimated to the DP will then be automatically reflected in the Company's records which will help the Company and the Company's Registrars and Transfer Agents, M/s Link Intime India Private Limited to provide efficient and better services. Members holding shares in physical form are requested to intimate such changes to Registrar and Share Transfer Agents of the Company i.e. M/s Link Intime India Private Limited.
11. 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 the PAN to their Depository Participant with whom they are having demat accounts. Members holding shares in physical form are requested to submit PAN details to the Company / Registrar.



12. Members holding shares in physical form are requested to consider converting their holdings to dematerialized form to eliminate all risks associated with physical shares and for ease of portfolio management. Members can contact the Company or M/s Link Intime India Private Limited (Registrar and Transfer Agent) for assistance in this regard.
13. Members seeking any information with regard to the accounts are requested to write to the Company at an early date, so as to enable the Management to keep the information ready at the AGM.
14. 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.
15. Members are requested to quote their Folio Number / Demat Account Number and contact details such as email address, contact number and complete address in all correspondence with the Company/Company's Registrar.
16. As per the provisions of Section 72 of the Act, the facility for making nomination is available for the Members in respect of the shares held by them. Members who have not yet registered their nomination are requested to register the same by submitting Form No. SH-13. The said form can be downloaded from the Company's website www.goraniindustries.com (under 'Investors' section). Members holding shares in physical form may submit the same to Link Intime India Private Limited.
17. Members holding shares in electronic form may submit the same to their respective depository participant.
18. The Notice of the AGM along with the Annual Report 2017-18 is being sent by electronic mode to those Members whose e-mail addresses are registered with the Company / Depositories, unless any Member has requested for a physical copy of the same. For Members who have not registered their e-mail addresses, physical copies are being sent by the permitted mode. Members may note that this Notice and the Annual Report 2017-18 will also be available on the Company's website viz. www.goraniindustries.com.
19. Government of India in Ministry of Corporate Affairs has announced "Green initiative in the Corporate Governance" by permitting the Companies to send the Balance Sheet, Profit & Loss Account, Boards' Report, and Auditors' Report etc. to their members through email instead of sending physical copies. Members are requested to support the Green Initiative by the Government and get their email addresses registered with their Depository Participants in case of shares held in demat form and with the Company/Link Intime India Private Limited (Registrars) in case of shares held in physical form.
20. A route map showing directions to reach the venue of the 23rd Annual General Meeting is given along with this Annual Report as per the requirement of the Secretarial Standards- 2 on General Meetings.
21. Pursuant to Section 108 of the Companies Act, 2013 read with Rule 20 of the Companies (Management and Administration) Rules, 2014 and Regulation 44 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 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 23rd 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. Resolution(s) passed by Members through e-voting is/are deemed to have been passed as if they have been passed at the AGM.

The facility for voting, either through electronic voting system or through ballot/polling paper shall also be made available at the venue of the 23rd 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 Board of Directors of the Company has appointed Manish Jain & Co., Practicing Company Secretaries as the Scrutinizer for conducting the remote e-voting and the voting process at the AGM in a fair and transparent manner. In terms of requirements of the Companies Act, 2013 and the relevant Rules, the Company has fixed September 21, 2018 (Friday) as the 'Cut-off Date'. The remote e-voting rights of the shareholders/ beneficial owners shall be reckoned on the equity shares held by them as on the Cut-off Date i.e. September 21, 2018 only.

The instructions for shareholders voting electronically are as under:

- i. The voting period begins on Tuesday on 25th September, 2018 at 9.00 A.M. and ends on Thursday on 27th September, 2018 at 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. 21st September, 2018 (Friday) 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 Postal Ballot / 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:

Other Instructions:

- I. The e-voting module shall be disabled by CDSL for voting after 5.00 P.M. on 27th September, 2018. Members holding shares in physical or in demat form as on 21st September, 2018 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 21st September, 2018.
- 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 scrutinizing 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 to 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 at least 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-101, 1st Floor, 247 Park, Lal Bahadur Shastri Marg, Vikhroli (West) Mumbai 400083 Tel: 022- 49186000, Fax: 022- 49186060 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

As required by Section 102 of the Companies Act, 2013, (hereinafter referred to as "the Act") the following Statements set out all material facts relating to the business mentioned under Item Nos. 3 to 8 of the accompanying Notice dated 14th August, 2018.

ITEM NO. 3

Ms. Manpreet Kaur Hora (Holding DIN- 08094579), who was appointed as an Additional Director designated as an Independent Director of the Company on 11th April, 2018 and holds office upto the date of this Annual General Meeting and in respect of whom the company has received a notice in writing from a member proposing her as a candidate for the office of director in terms of provisions of Section 160 of the Companies Act, 2013 appointed as an Independent Director of the Company to hold office for a term upto five consecutive years w.e.f. 11th April, 2018, and is not liable to retire by rotation.

In the opinion of the Board, Ms. Manpreet Kaur Hora (Holding DIN- 08094579) fulfils the conditions specified in the Companies Act, 2013 and rules made thereunder for her appointment as an Independent Director of the Company and is independent of the management. Copy of the draft letter for appointment of Ms. Manpreet Kaur Hora (Holding DIN- 08094579) as an Independent Director setting out the terms and conditions would be available for inspection without any fee by the members at the Registered Office of the Company during normal business hours on any working day, excluding Saturday.

The Board considers that her association would be of immense benefit to the Company and it is desirable to avail services of Ms. Manpreet Kaur Hora (Holding DIN-08094579) as an Independent Director. Accordingly, the Board recommends the resolution in relation to appointment of Ms. Manpreet Kaur Hora (Holding DIN-08094579) as an Independent Director, for the approval by the shareholders of the Company.

Except Ms. Manpreet Kaur Hora (Holding DIN- 08094579), being an appointee, none of the Directors and Key Managerial Personnel of the Company and their relatives is concerned or interested, financial or otherwise, in the resolution set out at Item No. 3.



ITEM NO. 4

Mr. Nakul Gorani, (Holding DIN-06543317) is director of the Company since last 5 years. Mr. Nakul Gorani is a Masters in Management having Practical experience of five years in Management and Marketing. Keeping in view his untiring effort and rich experience in Marketing, the Board has decided to increase his remuneration on the recommendation of Nomination and Remuneration Committee to Rs. 1,00,000.00 (Rupees One Lac Only) per month with effect from 1st October, 2017.

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 and Home appliances and Kitchenware manufacturing and retailing is one such sector within the overall household segment. Its main products are LPG stoves, rangehood chimney, gas geyser etc. carrying the brand name of Blowhot.
- Date of commencement of commercial production: The commercial production of the company has already been started.
- The Company is not a new company hence this clause is not applicable.
- Financial Performance:

Particulars	Year ended on 31/03/2018	Previous Year ended on 31/03/2017
Sales	20,31,91,088	8,21,02,482.00
Other Income	9,02,947	5,94,304.00
Gross profit	1,10,63,545.00	49,56,772.00
Finance Cost	11,20,324.00	2,38,550.00
Depreciation	21,35,830.00	20,77,722.00
Exceptional Items (charged to P & L account)	0.00	0.00
Net profit before Tax	78,07,391.00	26,40,500.00
Provision for Tax- current Tax	0.00	0.00
Deferred Tax		0.00
Net Profit after Tax	78,07,391.00	30,50,658.00

- 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. Nakul Gorani is a Masters in Management having Practical experience of five years in Marketing, Management and is being associated with the Company from past five years. 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	Proposed remuneration w.e.f. 01/10/2017(Rs.)
Basic Salary	50,000/- Per Month	1,00,000/- Per Month
Allowances and perquisites	As decided by Board from time to time	As decided by Board from time to time

- Recognition and Awards: NIL
- Job profile and his suitability – The terms and conditions as set out in this resolution. Subject to the superintendence, direction and control of the Board.
- Remuneration proposed - As set out in the ordinary resolution in item no. 4. The remuneration to Whole Time 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. Nakul Gorani, the responsibilities shouldered by him, the aforesaid remuneration package is



commensurate with the remuneration package paid to managerial position in other Companies.

7. Pecuniary relationship directly or indirectly with the company, or relationship with managerial personnel, if any – Mr. Nakul Gorani is Whole Time Director of the company. He does not have any other pecuniary relationship with the Company.
8. During the year, Mr. Nakul Gorani has attended 5 Board Meetings of the Company.
9. Directorship in other Companies

S. No.	Name of the Company
1.	NIL

III. Other Information:

1. Reason of loss or inadequate profits: To increase the turnover of the company the management kept the profit margin on a lower side.
2. Steps taken for improvement: The Company is making all possible efforts to increase its profitability in future by increasing profit margin and cost cutting.
3. Expected increase in productivity and profits in measurable terms: The Company is hopeful that within coming year's 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: Not Applicable.

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

None of the Directors, Key Managerial Personnel of the Company and their relatives except Mr. Nakul Gorani and his relatives is concerned or interested, financial or otherwise, in the resolution set out at Item No. 4.

Item No. 5

Mr. Sanjay Gorani (Holding DIN: 00055531) has been the Managing Director since 11 years. He 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. Keeping in view his overall industrial experience and management capabilities, the Board has decided to Increase his Remuneration on the recommendation of Nomination and Remuneration Committee to Rs. 1,50,000.00 (Rupees One Lac Fifty Thousand Only) per month with effect from 1st October, 2017.

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. 5 are as under:

I. General Information

1. 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.
2. Date of commencement of commercial production: The commercial production of the company has already been started.
3. The Company is not a new company hence this clause is not applicable.
4. Financial Performance:

(In Rupees)

Particulars	Year ended on 31/03/2018	Previous Year ended on 31/03/2017
Sales (Net of Excise Duty)	20,31,91,088	7,30,11,482.00
Other Income	9,02,947	5,91,099.00
Gross profit	1,10,63,545.00	53,66,930.00
Finance Cost	11,20,324.00	2,38,550.00
Depreciation	21,35,830.00	20,77,722.00
Exceptional Items (charged to P & L account)	0.00	0.00
Net profit before Tax	78,07,391.00	30,50,658.00
Provision for Tax- current Tax	0.00	0.00
Deferred Tax		0.00
Net Profit after Tax	78,07,391.00	30,50,658.00



5. 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.

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

Particulars	Existing remuneration	Proposed remuneration w.e.f. 01/10/2017 (Rs.)
Basic Salary	1,00,000/- Per Month	1,50,000/- Per Month
Allowances and perquisites	As decided by Board from time to time	As decided by Board from time to time

3. Recognition and Awards: NIL
4. Job profile and his suitability – The terms and conditions as set out in this resolution. Subject to the superintendence, direction and control of the Board.
5. Remuneration proposed - As set out in the ordinary resolution in item no. 5. The remuneration to Managing Director has the approval of the Nomination and Remuneration Committee.
6. 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.

7. Pecuniary relationship directly or indirectly with the company, or relationship with managerial personnel, if any – Mr. Sanjay Gorani is Managing Director of the company. He does not have any other pecuniary relationship with the Company.

8. During the year, Mr. Sanjay Gorani has attended 5 Board Meetings of the Company.

9. Directorship in other Companies

S. No.	Name of the Company
1.	Blow Hot Kitchen Appliances Private Limited

III. Other Information:

1. Reason of loss or inadequate profits: To increase the turnover of the company the management kept the profit margin on a lower side.
2. Steps taken for improvement: The Company is making all possible efforts to increase its profitability in future by increasing profit margin and cost cutting.
3. Expected increase in productivity and profits in measurable terms: The Company is hopeful that within coming year's 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: Not Applicable.

The Board of Directors recommends the resolutions for your approval as set out under item no. 5 as an Ordinary Resolution.

None of the Directors, Key Managerial Personnel of the Company and their relatives except Mr. Sanjay Gorani and their relatives is concerned or interested, financial or otherwise, in the resolution set out at Item No. 5.



Item No. 6

Mr. Anil Gorani, (Holding DIN-00055540) is director of the Company since last 23 years. Mr. Anil Gorani is a graduate in B.E. Electronics and has more than 30 years of experience in the field of steel engineering industry. The Board considers that his association would be of immense benefit to the Company and looking into the responsibilities shouldered upon him, the Board has decided to increase his remuneration on the recommendation of Nomination and Remuneration Committee to Rs. 1,00,000.00 (Rupees One Lac Only) per month with effect from 1st October, 2017.

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. 6 are as under:

I. General Information

- The company is in the business of production and sales of Kitchen and Home appliances and Kitchenware manufacturing and retailing is one such sector within the overall household segment. Its main products are LPG stoves, rangehood chimney, gas geyser etc. carrying the brand name of Blowhot.
- Date of commencement of commercial production: The commercial production of the company has already been started.
- The Company is not a new company hence this clause is not applicable.
- Financial Performance:

Particulars	Year ended on 31/03/2018	Previous Year ended on 31/03/2017
Sales	20,31,91,088	8,21,02,482.00
Other Income	9,02,947	5,94,304.00
Gross profit	1,10,63,545.00	49,56,772.00
Finance Cost	11,20,324.00	2,38,550.00
Depreciation	21,35,830.00	20,77,722.00
Exceptional Items (charged to P & L account)	0.00	0.00
Net profit before Tax	78,07,391.00	26,40,500.00
Provision for Tax- current Tax	0.00	0.00
Deferred Tax		0.00
Net Profit after Tax	78,07,391.00	30,50,658.00

- 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. Anil Gorani aged about 65 years, is a graduate in B.E. electronics and has immense experience in the field of steel engineering industry. He has significantly contributed in the all round growth of the Company.

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

Particulars	Existing remuneration	Proposed remuneration w.e.f. 01/10/2017(Rs.)
Basic Salary	50,000/- Per Month	1,00,000/- Per Month
Allowances and perquisites	As decided by Board from time to time	As decided by Board from time to time

- Recognition and Awards: NIL
- Job profile and his suitability – The terms and conditions as set out in this resolution. Subject to the superintendence, direction and control of the Board.
- Remuneration proposed - As set out in the ordinary resolution in item no. 6. The remuneration to Whole Time 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. Anil Gorani, the responsibilities shouldered by him, the aforesaid remuneration package is commensurate with the remuneration package paid to managerial position in other Companies.



7. Pecuniary relationship directly or indirectly with the company, or relationship with managerial personnel, if any – Mr. Anil Gorani is Whole Time Director of the company. He does not have any other pecuniary relationship with the Company.
8. During the year, Mr. Anil Gorani has attended 5 Board Meetings of the Company.
9. Directorship in other Companies
S. No. Name of the Company
 1. Blow Hot Kitchen Appliances Private Limited
 2. Indore Paper Krafters Private Limited

III. Other Information:

1. Reason of loss or inadequate profits: To increase the turnover of the company the management kept the profit margin on a lower side.
2. Steps taken for improvement: The Company is making all possible efforts to increase its profitability in future by increasing profit margin and cost cutting.
3. Expected increase in productivity and profits in measurable terms: The Company is hopeful that within coming year's 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: Not Applicable.

The Board of Directors recommends the resolutions for your approval as set out under item no. 6 as an Ordinary Resolution.

None of the Directors, Key Managerial Personnel of the Company and their relatives except Mr. Anil Gorani and his relatives is concerned or interested, financial or otherwise, in the resolution set out at Item No. 6.

Item No. 7

M/s. Sneha Sarda & Company, Chartered Accountants, bearing Firm Registration No. 014579C was appointed as Statutory Auditor of the Company in the Annual General

Meeting held on 29th September, 2017 for a term of three consecutive years i.e. to hold office till the conclusion of Twenty Seventh Annual General Meeting subject to ratification by members at every Annual General Meeting.

As per the MCA Commencement notification dated 07th May, 2018, provisions of Section 40 of Companies (Amendment) Act, 2017 was came into force which omits the requirement to place the matter relating to appointment of auditor for ratification by members at every annual general meeting.

Therefore, the Company is not required to ratify the appointment of Auditor at Annual General Meeting.

The Board of Directors recommends the resolutions for your approval as set out under item no. 7 as an Ordinary Resolution.

None of the directors of the Company, Key Managerial Personnel and their relatives is in any way concerned or interested financially or otherwise in the resolution.

Item No. 8

The alteration/substitution in the Article of Association of the Company is proposed for smooth administrative and management decision making.

The Board of Directors of the Company on Meeting held on 14th August, 2018 approves the Alteration in Article of Association

Pursuant to Section 14 of the Companies Act, 2013, alteration/substitution in the Article of Association of the Company requires consent of the members by way of special resolution.

None of the directors of the Company, Key Managerial Personnel and their relatives is in any way concerned or interested financially or otherwise in the resolution.

Copy of the Articles of Association together with proposed Alterations is available for inspection at the registered office of the Company between 11:00 A.M. and 1:00 P.M. on all working days except Sunday and holidays up to the date of the Meeting.

By Order of the Board
for Gorani Industries Limited

Date: 14th August, 2018
Place: Indore

Anil Gorani
Sd/-

(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 Twenty Third Annual Report of your Company together with the audited financial statement for the financial year ended on 31st March, 2018.

1. FINANCIAL RESULTS: (Amount in Lacs)

Particulars	2017-18		2016-17	
Total Revenue		2040.94		826.97
Profit before Finance Cost, Depreciation & Amortization Expense	-	110.63	-	49.58
Less:				
Finance Costs	11.20		2.39	
Depreciation & Amortization expense	21.36	32.56	20.78	23.17
Net Profit/(Loss) before extra ordinary & exceptional items & tax	-	78.07	-	26.41
Tax Expense				
Current Tax	-	-	-	-
Deferred Tax	-	-	-	-
Net Profit/ (Loss) after tax		78.07		26.41
Add :				
Comprehensive Income	-	4.78	-	5.67
Net Profit	-	82.85	-	32.08
Transfer to Reserve		0.00		0.00

INDIAN ACCOUNTING STANDARD (Ind AS):

As mandated by the Ministry of Corporate Affairs, the Company has adopted Indian Accounting Standards ("Ind AS") from April 1, 2017 with a transition date of April 1, 2016. The financial statements of the Company for the financial year 2017-18 have been prepared in accordance with Ind AS, prescribed under Section 133 of the Companies Act, 2013 read with the Companies (Indian Accounting Standards) Rules, 2015 and other recognized accounting practices and policies to the extent applicable.

The profit for the year is adjusted against the previous years' losses. During the year, there was no change in the nature of business of the Company.

2. PERFORMANCE AND THE STATE OF COMPANY AFFAIRS:

Your Company has achieved total revenue of Rs. 2040.94 Lakh during the year ended 31st March, 2018 as against that of Rs. 826.97 Lakh during the previous year ended 31st March, 2017, with a rise of 146.80 % as compared to previous year. The company has earned net profit of Rs. 82.85 Lakh during the financial year against net profit of Rs. 32.08 Lakh in the previous year.

The company is in the business of production and sales of kitchen and home appliances since 1996. Its main products are LPG stoves, steel frames, gas geyser, rangehood chimney etc. carrying the brand name of Blowhot. It does its business through a strong network of dealer and distributors all over central, south and north India. The company is in the process of implementing strategies to capitalize available opportunities.

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. TRANSFER TO RESERVE, IF ANY

During the year, the Company does not propose to transfer any amount to the any Reserve.

4. DIVIDEND:

To conserve the resources of the company and for better utilization of funds, your directors are not recommending any dividend for the year.

5. DIRECTORS AND KEY MANAGERIAL PERSONAL

During the year, Mr. Anil Gorani (Holding DIN-00055540) was re-appointed as Whole Time Director in the Annual General Meeting held on 29th September, 2017 for a period of three years w.e.f 1st April, 2017 at remuneration of Rs. 50,000/- (Rupees Fifty Thousand Only) per month.

During the year, Mr. Sandeep Kumar Jain (Holding DIN 03534578), Independent Non Executive Director of the Company resigned from the directorship w.e.f. 15th March, 2018 and Ms. Manpreet Kaur Hora



(Holding DIN 08094579), appointed as an Additional Director designated as Independent Non Executive Director of the Company in the Board Meeting held on 11th April, 2018, who holds office upto the date of forthcoming Annual General Meeting.

Ms. Suruchi Maheshwari has resigned from the post of Company Secretary and Compliance officer (KMP) w.e.f 18th December, 2017, who was appointed on 14th December, 2016 and Ms. Neerja Mandiya was appointed as Company Secretary and Compliance officer (KMP) of the Company w.e.f 18th December, 2017.

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. During the year there was no re-appointment of Independent Directors took place in the Company.

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.

6. LISTING ON STOCK EXCHANGES

The Company shares are listed on BSE Limited.

7. RE-APPOINTMENT

As per the provision of Companies Act, 2013, Mr. Sanjay Gorani (Holding DIN- 00055531) Managing Director retires by rotation at the ensuing Annual General Meeting and being eligible, seeks re-appointment. The Board recommends his re-appointment.

8. NOMINATION AND REMUNERATION POLICY AND OTHER DETAILS:

The Company has adopted a Nomination and Remuneration Policy for the Directors, Key Managerial Personnel and other employees, pursuant to the provisions of the Act. The policy of the Company on Directors appointment and remuneration including criteria for determining qualification, positive attribute, independence of director and other matters, as required under sub-

section (3) of section 178 of the Companies Act 2013 is available on Company's website at the link: <http://www.goraniindustries.com/investors/>.

There has been no change in the policy since last fiscal year. We affirm that the remuneration paid to the directors is as per the terms laid out in the nomination and remuneration policy of the company.

The nomination and remuneration policy is annexed herewith as Annexure I to this Board's Report.

There is no pecuniary relationship or transactions between the Company and the non-executive directors other than sitting fees, commission, and reimbursement of expenses incurred by them for the purpose of attending meetings of the Company.

9. AUDITORS AND THEIR REPORT

M/s. Sneha Sarda & Company, Chartered Accountants, was appointed as Statutory Auditors of the Company in 22nd Annual General Meeting held on 29th September, 2017, to hold office for a period of five consecutive financial years from the conclusion of Twenty Second Annual General Meeting till the conclusion of Twenty Seventh Annual General Meeting.

In accordance with the Companies Amendment Act, 2017, enforced on May 7, 2018 by the Ministry of Corporate Affairs, the appointment of Statutory Auditors is not required to be ratified at every Annual General Meeting. In view of such omission of proviso, ratification of Statutory Auditors is not required and M/s. Sneha Sarda & Company, Chartered Accountants continues to hold the office of Statutory Auditors till the conclusion of Twenty Seventh Annual General Meeting of the Company.

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.

10. INTERNAL AUDITOR

M/s Navin Sapna & Co., Chartered Accountants (bearing firm registration no. 010507C) have been appointed as an Internal Auditor of the Company w.e.f. 1st April, 2017 in the Board Meeting held on



30th May, 2017.

11. SECRETARIAL AUDIT:

M/s. Manish Jain & Co., Practicing Company Secretaries has been appointed to conduct the secretarial audit of the Company for the financial year 2018-19 in the Board Meeting held on 30th May, 2018.

The Secretarial Audit Report for the financial year ended March 31, 2018 is annexed herewith as Annexure II to this Report.

The report is self-explanatory and does not call for any further comments except:

OBSERVATION:

During the period under review, the Company has not published the notice of Board Meeting in the newspaper for the second quarter ended 30th September, 2017.

EXPLANATION: In this connection, the Board has explained that it was inadvertently omitted and it was first instance in the life of the company .

12. ANNUAL EVALUATION

The Board of Directors has carried out an annual evaluation of its performance, its Committees, and individual directors pursuant to the provisions of the Act.

The performance of the Board was evaluated by the Board after seeking inputs from all the directors on the basis of criteria such as the board composition and structure, effectiveness of board processes, information and functioning, etc.

The performance of the Committees was evaluated by the Board after seeking inputs from the Committee members on the basis of criteria such as the composition of committees, effectiveness of committee meetings, etc.

The Board and the Nomination and Remuneration Committee reviewed the performance of individual directors on the basis of criteria such as the contribution of the individual director to the board and committee meetings like preparedness on the

issues to be discussed, meaningful and constructive contribution and inputs in meetings, etc.

In a separate meeting of independent directors, performance of non-independent directors and the Board as a whole was evaluated, taking into account the views of executive directors and non-executive directors. Performance evaluation of independent directors was done by the entire board, excluding the independent director being evaluated.

13. RELATED PARTY TRANSACTIONS

The Contracts or arrangements entered into by the Company are in accordance with provisions of Section 188 of the Companies Act, 2013 during the year under review and were in ordinary course of business and on arm's length basis.

The details of the related party transactions as per Indian Accounting Standards (IND AS) - are set out in Note 24 to the Standalone Financial Statements of the Company.

There are no materially significant related parties transactions entered into by the Company, which may have a potential conflict with the interest of the Company at large.

Further details have been given in the prescribed Form AOC-2 annexed herewith as Annexure III.

The policy on Related Party Transactions as approved by the Board may be accessed on Company's website at the link: <http://www.goraniindustries.com/investors/>

14. CORPORATE GOVERNANCE

Regulation 27 and Para C of Schedule V of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 is not applicable to the Company.

15. MEETINGS

A. BOARD MEETINGS

During the year 2017-2018, 5 (Five) Board Meetings were held on 30th May, 2017, 11th August 2017, 6th November, 2017, 18th December, 2017 and 05th February, 2018.

*Mr. Sandeep Kumar Jain has resigned from the post of



Name of Director	No. of Board Meeting held	No. of Board Meeting attended	Attendance at last Annual General Meeting
Shri Sanjay Gorani	5	5	Yes
Shri Anil Gorani	5	5	Yes
Shri Nakul Gorani	5	5	Yes
Shri Shayam Sunder Jhawar	5	5	yes
Shri Sandeep Kumar Jain*	5	5	No
Ms. Komal Motwani	5	4	No

Independent Director as on 15.03.2018 and Manpreet Kaur Hora appointed as an additional Director designated as Independent Director w.e.f. 11.04.2018.

B. AUDIT COMMITTEE MEETING

During the financial year 2017-2018, 4 (Four) Audit Committee Meetings were held on 30th May, 2017, 10th August, 2017, 6th November, 2017 and 05th February, 2018.

Name of Director	No. of committee Meetings held	No. of committee Meetings attended
Shri Shayam Sunder Jhawar	4	4
Shri Sandeep Kumar Jain*	4	4
Ms. Komal Motwani	4	4

* Mr. Sandeep Kumar Jain has resigned from the post of Independent Director w.e.f. 15th March, 2018 and Committee reconstituted by appointing Ms. Manpreet Kaur Hora as an Additional Director Designated as Independent Non-Executive Director of the Company w.e.f. 11th April, 2018.

C. NOMINATION AND REMUNERATION COMMITTEE MEETINGS

During the financial year 2017-2018, 4 (Four) meetings of the Nomination and Remuneration Committee was held on 09th August, 2017, 06th November, 2017, 09th December, 2017 and 15th March, 2018.

Name of Director	No. of committee Meetings held	No. of committee Meetings attended
Shri Shayam Sunder Jhawar	4	4
Shri Sandeep Kumar Jain*	4	4
Ms. Komal Motwani	4	4

*Mr. Sandeep Kumar Jain has resigned from the post of Independent Director w.e.f. 15th March, 2018 and Committee reconstituted by appointing Ms. Manpreet Kaur Hora as an Additional Director Designated as Independent Non-Executive Director of the Company w.e.f. 11th April, 2018.

D. STAKEHOLDER RELATIONSHIP COMMITTEE MEETINGS

During the financial year 2017-2018, 4 (Four) Stakeholder Relationship Committee Meetings were held on 29th April, 2017, 09th August, 2017, 01st November, 2017 and 01st February, 2018.

Name of Director	No. of committee Meetings held	No. of committee Meetings attended
Shri Sandeep Kumar Jain*	4	4
Shri Shayam Sunder Jhawar	4	4
Ms Komal Motwani	4	4

*Mr. Sandeep Kumar Jain has resigned from the post of Independent Director w.e.f. 15th March, 2018 and Committee reconstituted by appointing Ms. Manpreet Kaur Hora as an Additional Director Designated as Independent Non-Executive Director of the Company w.e.f. 11th April, 2018.

16. THE NAMES OF COMPANIES WHICH HAVE BECOME OR CEASED TO BE ITS SUBSIDIARIES, JOINT VENTURES OR ASSOCIATE COMPANIES DURING THE YEAR:

During the year no company have become or ceased to be its subsidiaries, joint ventures or associate companies.



17. EXTRACT OF ANNUAL RETURN

Annual Return referred to in sub-section (3) of section 92 has been placed for the Financial Year 2017-18 on the website of the Company at <http://www.goraniindustries.com/investors/>

18. SUBSIDIARY, JOINT VENTURES AND ASSOCIATE COMPANY:

During the period under review, the Company doesn't have any subsidiary, joint ventures and associate Companies.

19. SECRETARIAL STANDARDS

The Company complies with all applicable secretarial standards issued by the Institute of Company Secretaries of India.

20. CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION, FOREIGN EXCHANGE EARNINGS AND OUTGO CONSERVATION OF ENERGY:

The information relating to conservation of Energy, Technology absorption and Foreign Exchange earnings and outgo as required under section 134(3)(m) of the Companies Act, 2013 read with the with Rule 8 of The Companies (Accounts) Rules, 2014 is given in Annexure IV forming part of this report.

21. REMUNERATION RATIO AND OTHER DETAILS OF DIRECTORS / KEY MANAGERIAL PERSONNEL (KMP) / EMPLOYEES:

The information required pursuant to Section 197 read with Rule 5 of The Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, in respect of Directors/ KMP of the Company are furnished in Annexure V.

No employees in the Company have been paid remuneration in excess of the limits prescribed under section 197 of The Companies Act, 2013 read with Rule 5 of The Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014.

CORPORATE SOCIAL RESPONSIBILITY:

The Company is not required to constitute a Corporate Social Responsibility Committee, as it does not fall within purview of Section 135(1) of the Companies Act, 2013 and hence it is not required to formulate policy on corporate social responsibility.

22. DISCLOSURES:

AUDIT COMMITTEE

The composition of the Audit Committee is in alignment with provisions of Section 177 of the Companies Act, 2013. The Audit Committee comprises of three Independent Directors namely Shri Sandeep Kumar Jain (Holding DIN- 03534578) (Chairman), Shri Shayam Sunder Jhawar (Holding DIN- 02424283) (member) and Ms. Komal Motwani (Holding DIN- 07302550) (member). All the recommendations made by the Audit Committee were accepted by the Board.

However, Mr. Sandeep Kumar Jain has resigned from the post of Independent Director w.e.f. 15th March, 2018 and Committee reconstituted by appointing Ms. Manpreet Kaur Hora as an Additional Director Designated as Independent Non-Executive Director of the Company w.e.f. 11th April, 2018.

VIGIL MECHANISM

The Vigil Mechanism of the Company is in terms of Companies Act, 2013, to deal with instance of fraud and mismanagement, if any. The Policy on vigil mechanism may be accessed on the Company's website at the link <http://www.goraniindustries.com/investors/>.

23. DIRECTORS' RESPONSIBILITY STATEMENT

Your Directors state that:

- a) in the preparation of the annual accounts, the applicable accounting standards have been followed along with proper explanation relating to material departures;
- b) the Directors had 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 at the financial year ended on March 31, 2018 and of the profit of the Company for that period;
- c) the Directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;



- d) the Directors had prepared the annual accounts on a going concern basis;
- e) the Directors had laid down internal financial controls to be followed by the Company and that such internal financial controls are adequate and were operating effectively; and
- f) the Directors had devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

24. MANAGEMENT DISCUSSION AND ANALYSIS REPORT

Management Discussion and Analysis Report for the year under review, as stipulated under SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 is presented in a separate section forming part of the Annual Report.

25. DEVELOPMENT AND IMPLEMENTATION OF RISK MANAGEMENT POLICY:

The company has framed the Risk Management Policy which highlights the Company's practices and risk management framework for the identification and management of uncertainty. The Company manages, monitors and reports on the principal risks and uncertainties that can impact its ability to achieve its strategic objectives.

The Company has implemented a Risk Management Framework for the management and oversight of material risks and internal control. The Risk Management Framework is designed to address risks that have been identified to have a material impact on the Company's business and to ensure that the Board regularly reviews the risk management and oversight policies.

26. INTERNAL CONTROL SYSTEM AND THEIR ADEQUACY

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 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.

The report on Internal Financial Control has also been annexed with the financial statements of the Company as provided by the Statutory Auditor of the Company.

27. COST RECORDS

Maintenance of cost records as specified by Central Government under sub section (1) of Section 148 of the Companies Act, 2013, is not applicable to the Company.

28. SEXUAL HARRASEMENT

During the year under review, there were no cases filed pursuant to the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013.

The Company has complied with the Constitution of Internal Compliant Committee under Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013

29. GENERAL

Your Directors state that no disclosure or reporting is required in respect of the following items as there were no transactions on these items during the year under review:

1. Details of particulars of loans, guarantees or investments under section 186.
2. Details relating to deposits covered under Chapter V of the Act.
3. Issue of equity shares with differential rights as to dividend, voting or otherwise.
4. Issue of shares (including sweat equity shares) to employees of the Company under any Employee Stock Option Scheme.



5. Neither the Managing Director nor the Whole-time Directors of the Company receive any commission.
6. Separate Section containing a Report on performance and Financial Position of each of Subsidiaries, Associated & Joint Ventures included in the Consolidated Financial Statement of the Company.
7. The Auditors of the Company have not reported any fraud as specified under second proviso of Section 143 (12) of the Companies Act, 2013.
8. No significant or material orders were passed by the Regulators or Courts or Tribunals which impact the going concern status and Company's operations in future.
9. Voluntary revision as per Section 131 of the Companies Act, 2013.

Your Directors further state that.

ACKNOWLEDGEMENT:

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

By Order of the Board

Anil Gorani

Sd/-

(Holding DIN 00055540)

Chairman cum Whole Time Director

Place: Indore

Date: August 14, 2018

Regd. Office :

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

ANNEXURE I

NOMINATION AND REMUNERATION POLICY

1. OBJECTIVE

The Nomination and Remuneration Committee and this Policy shall be in compliance with Section 178 of the Companies Act, 2013 read along with the applicable rules thereto and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. The Key Objectives of the Committee would be:

- i. To guide the Board in relation to appointment and removal of Directors, Key Managerial Personnel and Senior Management.
- ii. To evaluate the performance of the members of the Board and provide necessary report to the Board for further evaluation of the Board.
- iii. To recommend to the Board on Remuneration payable to the Directors, Key Managerial Personnel and Senior Management.
- iv. To provide to Key Managerial Personnel and Senior Management reward linked directly to their effort, performance, dedication and achievement relating to the Company's operations.
- v. To retain, motivate and promote talent and to ensure long term sustainability of talented managerial persons and create competitive advantage.
- vi. To develop a succession plan for the Board and to regularly review the plan;

2. DEFINITIONS

- i. Act means the Companies Act, 2013 and Rules framed thereunder, as amended from time to time.
- ii. Board means Board of Directors of the Company.
- iii. Directors mean Directors of the Company.
- iv. Key Managerial Personnel as per the Act.
- v. Senior Management means Senior Management means personnel of the company who are members of its core management team excluding the Board of Directors including Functional Heads.

3. ROLE OF COMMITTEE

- i. Matters to be dealt with, perused and recommended to the Board by the Nomination and Remuneration Committee

The Committee shall:

- Formulate the criteria for determining qualifications, positive attributes and independence of a director.
- Identify persons who are qualified to become Director and persons who may be appointed in Key Managerial and Senior Management positions in accordance with the criteria laid down in this policy.
- Recommend to the Board, appointment and removal of Director, KMP and Senior Management Personnel.

- ii. Policy for appointment and removal of Director, KMP and Senior Management

1. Appointment criteria and qualifications

- a) The Committee shall identify and ascertain the integrity, qualification, expertise and experience of the person for appointment as Director, KMP or at Senior Management level and recommend to the Board his / her appointment.
- b) A person should possess adequate qualification, expertise and experience for the position he / she is considered for appointment. The Committee has discretion to decide whether qualification, expertise and experience possessed by a person are sufficient / satisfactory for the concerned position.
- c) The Company shall not appoint or continue the employment of any person as Whole-time Director who has attained the age of seventy years. Provided that the term of the person holding this position may be extended beyond the age of seventy years with the approval of shareholders by passing a special resolution based on the explanatory statement annexed to the notice for such motion indicating the justification for extension of appointment beyond seventy years.



2. Term / Tenure

a) Managing Director/Whole-time Director :

The Company shall appoint or re-appoint any person as its Executive Chairman, Managing Director or Executive Director for a term not exceeding five years at a time. No re-appointment shall be made earlier than one year before the expiry of term.

b) Independent Director :

- An Independent Director shall hold office for a term up to five consecutive years on the Board of the Company and will be eligible for re-appointment on passing of a special resolution by the Company and disclosure of such appointment in the Board's report.
- No Independent Director shall hold office for more than two consecutive terms, but such Independent Director shall be eligible for appointment after expiry of three years of ceasing to become an Independent Director. Provided that an Independent Director shall not, during the said period of three years, be appointed in or be associated with the Company in any other capacity, either directly or indirectly. However, if a person who has already served as an Independent Director for 5 years or more in the Company as on October 1, 2014 or such other date as may be determined by the Committee as per regulatory requirement; he/ she shall be eligible for appointment for one more term of 5 years only.
- At the time of appointment of Independent Director it should be ensured that number of Boards on which such Independent Director serves is restricted to seven listed companies as an Independent Director and three listed companies as an Independent Director in case such person is serving as a Whole-time Director of a listed company or such other number as may be prescribed under the Act.

3. Evaluation

The Committee shall carry out evaluation of performance of every Director, KMP and Senior Management Personnel at regular interval (yearly).

4. Removal

Due to reasons for any disqualification mentioned in the Act or under any other applicable Act, rules and regulations thereunder, the Committee may recommend, to the Board with reasons recorded in writing, removal of a Director, KMP or Senior Management Personnel subject to the provisions and compliance of the said Act, rules and regulations.

5. Retirement

The Director, KMP and Senior Management Personnel shall retire as per the applicable provisions of the Act and the prevailing policy of the Company. The Board will have the discretion to retain the Director, KMP, Senior Management Personnel in the same position/ remuneration or otherwise even after attaining the retirement age, for the benefit of the Company.

iii. Policy relating to the Remuneration for the Whole-time Director, KMP and Senior Management Personnel

1. General :

- a) The remuneration / compensation / commission etc. to the Whole-time Director, KMP and Senior Management Personnel will be determined by the Committee and recommended to the Board for approval. The remuneration / compensation / commission etc. shall be subject to the prior/post approval of the shareholders of the Company and Central Government, wherever required.
- b) The remuneration and commission to be paid to the Whole-time Director shall be in accordance with the percentage / slabs / conditions as per the provisions of the Act.
- c) Increments to the existing remuneration/ compensation structure may be recommended by the Committee to the Board which should be within the slabs approved by the Shareholders in the case of Whole-time Director.

2. Remuneration to Whole-time / Executive / Managing Director, KMP and Senior Management Personnel:
 - a) Fixed pay:

The Whole-time Director/ KMP and Senior Management Personnel shall be eligible for a monthly remuneration as may be approved by the Board on the recommendation of the Committee. The breakup of the pay scale and quantum of perquisites including, employer's contribution to P.F, pension scheme, medical expenses, club fees etc. shall be decided and approved by the Board/ the Person authorized by the Board on the recommendation of the Committee and approved by the shareholders and Central Government, wherever required.
 - b) Minimum Remuneration:

If, in any financial year, the Company has no profits or its profits are inadequate, the Company shall pay remuneration to its Whole-time Director in accordance with the provisions of Schedule V of the Act and if it is not able to comply with such provisions, with the previous approval of the Central Government.
 - c) Provisions for excess remuneration:

If any Whole-time Director draws or receives, directly or indirectly by way of remuneration any such sums in excess of the limits prescribed under the Act or without the prior sanction of the Central Government, where required, he / she shall refund such sums to the Company and until such sum is refunded, hold it in trust for the Company. The Company shall not waive recovery of such sum refundable to it unless permitted by the Central Government.
3. Remuneration to Non- Executive / Independent Director:
 - a) Remuneration / Commission:

The remuneration / commission shall be fixed as per the slabs and conditions mentioned in the Act.
 - b) Sitting Fees:

The Non- Executive / Independent Director may receive remuneration by way of fees for attending meetings of Board or Committee thereof. Provided that the amount of such fees shall not exceed Rs. One Lakh per meeting of the Board or Committee or such amount as may be prescribed by the Central Government from time to time.
4. COMMITTEE MEMBERS' INTERESTS
 - A member of the Committee is not entitled to be present when his or her own remuneration is discussed at a meeting or when his or her performance is being evaluated.
 - The Committee may invite such executives, as it considers appropriate, to be present at the meetings of the Committee.
5. VOTING
 - Matters arising for determination at Committee meetings shall be decided by a majority of votes of Members present and voting and any such decision shall for all purposes be deemed a decision of the Committee.
 - In the case of equality of votes, the Chairman of the meeting will have a casting vote.
6. NOMINATION DUTIES

The duties of the Committee in relation to nomination matters include:

 - Ensuring that there is an appropriate induction in place for new Directors and members of Senior Management and reviewing its effectiveness;
 - Ensuring that on appointment to the Board, Non-Executive Directors receive a formal letter of appointment in accordance with the Guidelines provided under the Act;
 - Identifying and recommending Directors who are to be put forward for retirement by rotation.
 - Determining the appropriate size, diversity and composition of the Board; Setting a formal and transparent procedure for selecting new Directors for appointment to the Board;



- Developing a succession plan for the Board and Senior Management and regularly reviewing the plan;
- Evaluating the performance of the Board members and Senior Management in the context of the Company's performance from business and compliance perspective;
- Making recommendations to the Board concerning any matters relating to the continuation in office of any Director at any time including the suspension or termination of service of an Executive Director as an employee of the Company subject to the provision of the law and their service contract.
- Delegating any of its powers to one or more of its members of the Committee;
- Recommend any necessary changes to the Board; and
- Considering any other matters, as may be requested by the Board.

7. REMUNERATION DUTIES

The duties of the Committee in relation to remuneration matters include:

- to consider and determine the Remuneration Policy, based on the performance and also bearing in mind that the remuneration is reasonable and sufficient to attract retain and motivate members of the Board and such other factors as the Committee shall deem appropriate all elements of the remuneration of the members of the Board.
- to approve the remuneration of the Senior Management including key managerial personnel of the Company maintaining a balance between fixed and incentive pay reflecting short and long term performance objectives appropriate to the working of the Company.
- to delegate any of its powers to one or more of its members of the Committee.
- to consider any other matters as may be requested by the Board.

Form MR-3 SECRETARIAL AUDIT REPORT

FOR THE FINANCIAL YEAR ENDED on 31st March, 2018
[Pursuant to section 204(1) of the Companies Act, 2013
and rule No. 9 of the Companies (Appointment and
Remuneration of Managerial Personnel) Rules, 2014]

To,
The Members
Gorani Industries Limited
Plot No. 32-33, Sector-F
Sanwer Road Industrial Area, Indore
M.P. - 452015

I have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by Gorani Industries Limited (hereinafter called the company). Secretarial Audit was conducted in a manner that provided me a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing my opinion thereon.

Based on my verification of the Company Gorani Industries Limited books, papers, minute books, forms and returns filed and other records maintained by the company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, I hereby report that in my opinion, the company has, during the audit period covering the financial year ended on 31st March, 2018 complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

I have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company Gorani Industries Limited for the financial year ended on 31st March, 2018 according to the provisions of:

- I. The Companies Act, 2013 (the Act) and the rules made thereunder;
- ii. The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder;
- iii. The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;



iv. The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):-

- (a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
- (b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;
- (c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009;
- (d) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;
- (e) The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

I have also examined compliance with the applicable clauses of the following:

- i. Secretarial Standards issued by The Institute of Company Secretaries of India.
- ii. The Listing Agreement entered into by the Company with BSE Limited.

I further report that, having regard to the adequate systems and processes are in place to monitor and ensure compliance with general laws like labour laws, environment laws on examination of the relevant documents and records in pursuance thereof, on test check basis, the company has complied with the following general laws applicable to the Company:

- i. Labour Laws
 - Payment of Bonus Act, 1965
 - Payment of Gratuity Act, 1972
 - Minimum Wages Act, 1948
 - Factories Act, 1948
 - Payment of Wages Act, 1936 and other applicable labour laws
- ii. Environmental Laws
 - Environment Protection Act, 1986 and other environmental laws

During the period under review the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, etc. mentioned above subject to following observation:

1. *During the period under review, the Company has not published the notice of Board Meeting in the newspaper for the second quarter ended 30th September, 2017.*

I further report that the Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act.

Adequate notice is given to all directors to schedule the Board Meetings, agenda were sent at least seven days in advance, and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.

Majority decision is carried through while the dissenting members' views are captured and recorded as part of the minutes.

I further report that there are adequate systems and processes in the company commensurate with the size and operations of the company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

Regarding financial, direct/indirect taxation, Statutory Audit matters which have been dealt by other professionals hence, these matters are not in the scope of our audit and no comments have been made on these matters.

I further report that during the audit period, there were no instances of:

- i. Public / Rights / Preferential issue of shares / debentures / sweat equity.
- ii. Redemption / buy-back of securities.
- iii. Merger / amalgamation / reconstruction etc.
- iv. Foreign technical collaborations, FDI etc.
- v. The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008.

Place: Indore

Date: 14/08/2018

Sd/-

CS Manish Jain

For Manish Jain & Co.

Company Secretaries

FCS No.4651

CPNo.:3049



To,
The Members
Gorani Industries Limited
32-33, Sector-F
Sanwer Road, Indore
M.P. - 452015

Our report of even date is to be read along with this letter.

1. Maintenance of secretarial record is the responsibility of the management of the company. Our responsibility is to express an opinion on these secretarial records based on our audit.
2. We have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the secretarial records. The verification was done on test basis to ensure that correct facts are reflected in secretarial records. We believe that the processes and practices, we followed provide a reasonable basis for our opinion.
3. We have not verified the correctness and appropriateness of financial records and Books of Accounts of the company.
4. Where ever required, we have obtained the Management representation about the compliance of laws, rules and regulations and happening of events etc.
5. The compliance of the provisions of Corporate and other applicable laws, rules, regulations, standards is the responsibility of management. Our examination was limited to the verification of procedures on test basis.
6. The Secretarial Audit report is neither an assurance as to future viability of the company nor of the efficacy or effectiveness with which the management has conducted the affairs of the company.

Place: Indore
Date: 14/08/2018

Sd/-
CS Manish Jain
For Manish Jain & Co.
Company Secretaries
FCS No.4651
C P No.:3049



Form No. AOC-2

Form for disclosure of particulars of contracts/arrangements entered into by the Company with related parties referred to in sub-section (1) of section 188 of the Companies Act, 2013 including certain arms length transactions under third proviso thereto

[Pursuant to clause (h) of sub-section (3) of section 134 of the Act and Rule 8(2) of the Companies (Accounts) Rules, 2014]

1. Details of contracts or arrangements or transactions not at arm's length basis
 - a) Name(s) of the related party and nature of relationship: NIL
 - b) Nature of contracts/arrangements/transactions :NIL
 - c) Duration of contracts/arrangements/transactions: NIL
 - d) Salient terms of the contracts or arrangements or transactions including the value, if any: NIL
 - e) Justification for entering into contracts or arrangements or transactions: NIL
 - f) Date(s) of approval by the board :NIL
 - g) Amount paid as advances, if any: NIL
 - h) Date on which the special resolution was passed in general meeting as required under first proviso to section 188:NIL
2. Details of material contracts or arrangements or transactions at arm's length basis

Name(s) of the related party and nature of relationship	Blow Hot Kitchen Appliances Private Limited (Directors i.e. Mr. Sanjay Gorani, Mr. Anil Gorani, Mr. Nakul Gorani and their relatives are Directors and/ or members)	M/s Gangotri Industries (A firm in which relative of director of the company is proprietor)
Nature of contracts / arrangements / transactions	sale, purchase or supply of any goods or materials, availing or rendering of any services to/from Blow Hot Kitchen Appliances Private Limited	sale, purchase or supply of any goods or materials or consultancy
Duration of contracts / arrangements/ transactions	3 Years (1st October 2017 to 30th September, 2020)	3 Years (1st October 2017 to 30th September, 2020)
Salient terms of the contracts or arrangements or transactions including the value, if any	Approval at Annual General Meeting dated 29/09/2017 and Limit is Rs. 5 Crore per annum.	Approval at Annual General Meeting dated 29/09/2017 and Limit is Rs. 5 Crore per annum.
Date(s) of approval by the board	11/08/2017	11/08/2017
Amount paid as advances, if any	NIL	NIL

By Order of the Board

Anil Gorani

Sd/-

(Holding DIN 00055540)

Chairman cum Whole Time Director

Place : Indore

Date : 14/08/2018



Information on Energy Conservation, Technology Absorption and Foreign Exchange Earnings and Outgo required to be disclosed under section 134 of the Companies Act, 2013 read with rules the Companies (Accounts) Rules, 2014 are provided hereunder:

1. CONSERVATION OF ENERGY

(i) Steps taken or impact on conservation of energy:

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 scope.

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	2017-18	2016-17
a.	Electricity			
	Purchased unit	KWH	276380	299860
	Total amount	Rs.	3058880	3054972
	Rate per unit	Rs./KWH	11.07	10.19
b.	Own generation			
	Units	KWH	4630	1850
	Units/ Ltr. of Diesel	KWH	3.86	1.67
	Cost per Unit	Rs./KWH	16.58	36.71
	Electricity consumed	KWH	0.99	0.98

(ii) Steps taken by the company for utilising alternate sources of energy;

As there has been satisfactory power supply from the Electricity Board, there appears no scenario for such situation.

(iii) Capital investment on energy conservation equipments;

Due to adequate arrangement, existing there is no further requirement of such investment considering the estimated production in near future.

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

(i) Efforts made towards technology absorption

Company is manufacturing ISI-Certified Gas Geysers which have thermal efficiency of 82% plus, thereby reducing the carbon footprint compared to electric geyser by 40% resulting into environmental energy conservation and emission of carbon-di-oxide and carbon-mom-oxide like harmful gases.



(ii) The benefits derived like product improvement, cost reduction, product development or import substitution. The team of Whole time director as supported by Managing Director have a vast experience of 30 years in the field of Kitchen wears ,has helped practically to understand the requirement of modified, improvised and more beautified user friendly product for which main customers are ladies, housewives, students. The continuous leaning and development process in last 10 years has helped to become safer, easy to handle products.

(iii) In case of imported technology (imported during the last three years reckoned from the beginning of the financial year) -

(a) the details of technology imported

(b) the year of import;

(c) whether the technology been fully absorbed

(d) if not fully absorbed, areas where absorption has not taken place, and the reasons thereof

No technology as such is imported. The practical experience gained in travelling to and fro China by the directors while their frequent trips to the country for understanding the needs of the customers has resulted into improvised technical durability of the product.

(iv) Expenditure on R&D:

So far as the current products namely LPG Stoves, Kitchen Chimney & Gas Geysers are concerned the minor technology specifications and beautifying modification have been obtained through the continuous manufacturing experience during last 10 years under the control of technical team headed by whole time technical director of the company. The ultimate object has been to make the above products more user (housewives) friendly from safety and handling point of view. Therefore relevant expenses have been absorbed by the yearly Income & Expenditure accounts.

3. FOREIGN EXCHANGE EARNINGS AND OUTGO: (Amount in Rs.)

Particulars		2017-18	2016-17
a.	Earnings FOB value of exports Freight Charges	NIL	NIL
b.	Outgo Import Expenses	7,02,56,389	2,73,24,935

By Order of the Board

Sd/-

Anil Gorani

(Holding DIN 00055540)

Chairman cum Whole Time Director

Place: Indore

Date: August 14, 2018

Regd. Office:

Plot No. 32-33, Sector F,

Sanwer Road, Industrial Area,

Indore-452015 (M.P.)



DETAILS PERTAINING TO REMUNERATION AS REQUIRED UNDER SECTION 197(12) OF THE COMPANIES ACT, 2013 READ WITH RULE 5(1) OF THE COMPANIES (APPOINTMENT AND REMUNERATION OF MANAGERIAL PERSONNEL) RULES, 2014

- 1) The percentage increase in remuneration of each Director, Chief Financial Officer and Company Secretary during the financial year 2017-18, ratio of the remuneration of each Director to the median remuneration of the employees of the Company for the financial year 2017-18 and the comparison of remuneration of each Key Managerial Personnel (KMP) against the performance of the Company are as under:

Name of Director	Designation	Remuneration for F.Y. 2017-18 (Amount in Rs.)	Remuneration for F.Y. 2016-17 (Amount in Rs.)	Increase in remuneration from previous year	Percentage increase in remuneration from previous year	Ratio
Sanjay Gorani	Managing Director	14,50,000.00	11,50,000.00	3,00,000.00	26.08%	14.20
Anil Gorani	Whole Time Director	8,50,000.00	6,00,000.00	2,50,000.00	41.67%	8.32
Nakul Gorani	Whole Time Director	8,50,000.00	5,00,000.00	3,00,000.00	60.00%	8.32
Shivangi Gupta	Company Secretary	-	36,924.00 (2 Months & 8 days)	-	-	N.A.
Nupur Lodwal	Company Secretary	-	66,461.00 (4 months 3 days)	-	-	N.A.
Suruchi Maheshwari	Company Secretary	1,37,231 (8 months 18 days)	57,846.00 (3 months 18 days)	-	-	N.A.
Neerja Mandiya	Company Secretary	57,846 (3 months 18 days)	-	-	-	NA
Chandrasekhar Sharma	CFO	1,68,000.00	1,65,000.00	3,000.00	9.09%	N.A.

- 2) The median remuneration of employees of the Company during the financial year was Rs. 102119/-
- 3) In the financial year, there is an increase of 9.10% in the median remuneration of employees;
- 4) There were 103 permanent employees on the rolls of Company as on March 31, 2018;
- 5) Average percentage increase made in the salaries of employees other than the managerial personnel in the last financial year i.e. 2017-18 is 7.51%.
- 6) The key parameters for the variable component of remuneration availed by the directors are considered by the Board of Directors based on the recommendations of the Human Resources, Nomination and Remuneration Committee as per the Remuneration Policy for Directors, Key Managerial Personnel and other Employees:
- 7) It is hereby affirmed that the remuneration paid is as per the as per the Remuneration Policy for Directors, Key Managerial Personnel and other Employees.



8) Details of top ten employees of the Company:

Sr. No.	Name of the Employee	Designation of the Employee	Remuneration Received (Rs.)	Nature of employment, whether contractual or otherwise	Qualifications and experience of the employee	Date of commencement of employment	The age of such employee	The last employment held by such employee before joining the Company	The percentage of equity shares held by the employee in the Company within the meaning of clause (iii) of sub-rule (2) above, and	Whether any such employee is a relative of any director or manager of the Company and if so, name of such director or manager
1.	Chandra Shekhar Sharma	C.F.O.	1,68,000	Contractual	M.Com 18 Yrs.	1-Aug-99	57 Yrs.	Jayant Vitamins Ltd.	NIL	NA
2.	Suruchi Maheshwari	CS and compliance officer	1,37,231	Contractual	CS 12 Months	14-Dec-16	24 Yrs.	-	NIL	NA
3.	Neerja Mandiya	CS and Compliance Officer	57,846	Contractual	CS 4 Months	18-Dec-17	24 Yrs.	-	NIL	NA
4.	Abhay Sharma	Manager Accounts	1,74,000	Contractual	M.Com 15 Yrs.	1-Oct-16	39 Yrs.	Wanderland Real Estate Pvt. Ltd.	NIL	NA
5.	Vinod Sharma	Production Incharge	1,56,000	Contractual	B.Sc 18 Yrs.	15-Sep-00	55 Yrs.	Super Steel Mfg. Co.	NIL	NA
6.	Antony Paulose Joseph	Tool Room Incharge	1,56,000	Contractual	Diploma in Mechanical Engineering 13 Yrs.	13-Jul-05	58 Yrs.	Super Steel Mfg. Co.	NIL	NA
7.	Premnarayan Nagar	Paint Section Incharge	1,50,000	Contractual	B.Com 8 Yrs.	11-Oct-09	50 Yrs.	Super Steel Mfg. Co.	NIL	NA
8.	Neelkanth Badve	Labour Officer	1,80,000	Contractual	M.Com 22 Yrs.	2-Sep-96	53 Yrs.	-	NIL	NA
9.	Mohammed Ahmed Khan	Dispatch Incharge	1,68,000	Contractual	M.Com, LLB 22 Yrs.	2-Sep-96	60 Yrs.	Modella Steel	NIL	NA
10.	A. Sushila Rao	Back Office Assistant	1,56,000	Contractual	B.A 18 Yrs.	2-Sep-96	45 Yrs.	-	NIL	NA
11.	Subodh Laad	Purchase Manager	1,14,000	Contractual	M.Com 17 Yrs.	9-Sep-97	50 Yrs.	-	NIL	NA

Details of employees under Rule 5 (2) of the Companies (Appointment and Remuneration) Rules, 2014 as amended from time to time:

Place: Indore
Date: August 14, 2018
Regd. Office:
Plot No. 32-33, Sector F, Sanwer Road,
Industrial Area, Indore-452015 (M.P.)

By Order of the Board
Sd/-
Anil Gorani
(Holding DIN 00055540)
Chairman cum Whole Time Director



MANAGEMENT DISCUSSION AND ANALYSIS REPORT

Industry Structure and Developments

Changing household and commercial lifestyles, economical availability of electricity, rising concerns regarding eco-friendly appliances are expected to be the key drivers of the kitchen appliances market size. Development of e-commerce distribution channels, emergence of Information technology and other smart technologies will support the overall kitchen appliances market share from 2016 to 2023.

Environmental concerns regarding rising pollution and global warming has led to the development of appliances that are energy efficient. Technological advancements in accordance to this trend may help manufacturers garner huge gains over the forecast timeline. Moreover, regulatory bodies are expected to entertain such portfolio in the industry and may boost the current growth rate.

The company is in the business of production, manufacturing and dealing in Kitchen appliances and Kitchenware which is one such sector within the overall household segment that has been in the limelight in recent past. Kitchen appliances are gaining popularity due to the rising disposable income and changing lifestyles of people, which in turn is narrowing the price gap between similar consumer products offered by different companies. In addition to this, technological advancements in appliances have also catalyzed the growth of kitchen appliances market. Easy and functional appliances are the need of the hour, which has led to the development of smart, standardized and efficient appliances. 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 BLOWHOT, ONLINE reflect the sophistication of the products and the reliability as well as exquisite look due to modernization of the design of the product.

Discussion on financial performance with respect to operational performance.

Sr. No.	Particulars	2017-18	2016-17
1.	Net Sales from operations	20,31,91,088	8,21,02,482
2.	Other Income	9,02,947	5,94,304

Sr. No.	Particulars	2017-18	2016-17
3.	Sub-total	20,40,94,035	8,26,96,786
4.	Total Expenditure (Before interest and Depreciation)	19,34,43,642	7,78,61,303
5.	Operating Profit (EBIDTA)	1,06,50,393	48,35,483
6.	Operating Margin %	5.24%	5.89%
7.	Profit / (Loss) After Tax	78,07,391	26,40,500
8.	Return on Capital Employed % (EBIT)	25.26%	13.66%
9.	No. of Months Receivables (Receivables / Sales X 12)	2.83	2.50
10.	Current Ratio (Current Assets / Current Liabilities)	1.21	1.11
11.	Borrowings : Equity Ratio (TL/Equity)	2.40	1.92
12.	Production (Nos.) :-		
(A)	Gas Gyser	56549	6773
(B)	LPG Glass Top	126636	61768
(C)	Chimney	32530	14387

Company's revenue from operations for the year 2017-18 was Rs. 20,31,91,088, reflecting an increase of 147.48% over the previous year. The Company's profit before exceptional items and tax during the year ended 31st march 2018 is Rs. 78,07,391, grew by 195.68%.

Earnings Before Interest, Tax, Depreciation and Amortization (EBIDTA)

During the fiscal 2017-18, the Company reported an EBIDTA of Rs.1,06,50,393 when compared to the previous year's figure of Rs. 48,35,483.

Profit Before Tax (PBT)

PBT was at Rs. 78,07,391/- in FY 2018, compared with previous year's Rs.26,40,500/-.

Profit After Tax (PAT)

PAT stood at Rs. 78,07,391/- in FY 2018 as compared to Rs. 26,40,500/- in FY2017.



Earnings Per Share (EPS)

EPS in the fiscal 2017-18 stood at Rs. 1.44 per share compared to EPS of Rs. 0.49 per share in fiscal 2016-17.

Opportunities and Threats

Demand for smart kitchen appliances has increased over the past few years. Technological advancements have influenced the demand for up gradation of kitchen appliances, thereby enabling smooth and reliable productivity while cooking. 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. As a result of this the newly developed chimney has shown the growth in demand and has secured a status amongst the other established brands of same kind and quality with the most competitive pricing factor. These facts are supporting practically our belief of catching and then holding the pace of growth in our segment of products. Significantly the pace was doubled due to introduction and implementation of GST directly affecting our product's demand, this is clearly depicted in the increased sales volume from 2nd quarter of the year 2017-18 we being from the organized sector .

The implementation of the 7th Pay Commission, the favorable monsoon and the increase in buying power of citizens all served as positive signals for the industry. However, the move to demonetize higher denomination currencies affected the ACE (Appliances and Consumer Electronics) industry to a large extent. The scheme of sacrificing the LPG connection subsidy has also resulted into the increased demand of the LPG stove, our core product. Gas Geyser is also becoming a necessity now a day and is also becoming a promising product.

Also, due to implementation of GST in July 2017 and the effect of demonetization in the market, expectations are somewhat higher than in the preceding years. The Industry may be able to provide benefit of GST to the end consumer in terms of stabled prices as the set off of input tax credit in the form of transitional and routine available to the industry. Therefore, even due to increase in the tax rate from previous to 28% will not be disturbing in the achievement of targeted sales. The policy of the government regarding stream lining

the tax structure considering the nature and utility for general public has also favored. Recently, the decrease in the rate of Major item Gas Gyser will boost the product and overall sales.

The company is also in the process of making and implementing the strategies to capitalize available opportunities and minimizing the threats to ladder products across capacities, formats and prices. The company will put its every effort to maximize the internal accruals by way of input tax credit available in the GST law and by optimizing the product common costs so as to enable it to sustain profitably in the market.

Segment wise Performance

The company has only one segment of Home Appliances and the products considered as part of the segment are, 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. The newly added organized customers to the chain of company products due to GST regime are very promising for the segmental growth.

Outlook

The Indian kitchen appliances market grew at a healthy double-digit rate over the last decade, driven by a host of factors such as increasing rural penetration, improved disposable incomes and a revolution in lifestyle standards, purchasing preferences and buying trends.

However, in the last four years, the high growth of the past tapered off thus witnessing a sobering effect in the kitchen appliances industry. The key growth challenge encountered by the industry primarily came from the consumer sentiment and stagnation of incomes.

Both global and Indian economies are on the path of recovery. 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

Your Company has developed and implemented a Risk Management Policy which includes identification of elements of risk, if any, which in the opinion of the Board, may threaten the existence of the Company.

Your Company continuously monitors and revisits the risks associated with its business. The company has review mechanism of risks at regular intervals. The management of the Company has identified some of the major areas in relation to business strategy, operations and transactions, statutory/legal compliance, financial reporting, information technology system and overall internal control framework. 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, having base of non presence of any long term debts, 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. The struggle between Dollar and Rupee exchange significantly affecting our import purchases the major cost factor shall be an area of prime concern.

Internal Control

The Company and the Management has adequate internal control systems in place to safeguard and shield the Company from losses and, unofficial use or deposition of assets. This also ensures that the Company's assets and interests are carefully protected and all the transactions are appropriately authorized, recorded and presented to the management. The Company always adheres to prescribed guidelines and follows all Accounting Standards prescribed for maintenance of books of accounts and reporting of financial statements. The appointed internal auditor monitor and report on the effectiveness of the internal control

systems of the various areas of operations Key matters that are reported in the Internal Audit are brought to the notice of the Audit Committee of the Board of Directors and corrective measures are recommended and appropriate actions are taken. The Internal Control systems ensure the business operations function efficiently and the applicable laws, rules, regulations, policies of the Company are followed, in addition to safeguarding the reliability of financial reporting.

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 by adhering to compliances related to all retirement benefit policies consistently pursued by the company.

The Unit of the Company has 90 non-management employees. The overall relations with these employees continued to be cordial and harmonious during the year 2017-18. As on 31st March, 2018, the employee strength of the Company was 103 as compared to 111 as on 31st March, 2017.

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.



INDEPENDENT AUDITORS' REPORT

To the Members of
Gorani Industries Limited

Report on the Standalone Financial Statements

We have audited the accompanying standalone financial statements of Gorani Industries Limited ("the Company"), which comprise the Balance Sheet as at March 31, 2018, the Statement of Profit and Loss (including Other Comprehensive Income), the Statement of Changes in Equity and the Cash Flow Statement for the year then ended and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Standalone Financial Statements

The Company's board of directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("The Act") with respect to the preparation and presentation of these standalone financial statements that give a true and fair view of the financial position, financial performance (including Other Comprehensive Income), cash flows and changes in equity of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) Rules, 2015 (as amended) under Section 133 of the Act.

This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate Accounting Policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, 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 standalone financial statements based on our audit. We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made there under.

We conducted our audit in accordance with the Standards on Auditing specified under Sec 143(10) of the Act. 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 misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the financial statements. The procedures selected depend on the auditors' 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 financial control relevant to the Company's preparation of the financial statements that give a true and fair view 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 the company's Directors, 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 on the standalone financial statements.

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone 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, of the state of affairs of the Company as at 31 March 2018 and its Profit (including other comprehensive income), its cash flows and the changes in equity for the year ended on that date.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditors Report) Order, 2016 ("the Order") issued by the Central Government of India in terms of Sub-section (11) of Section 143 of the Act, we enclosed in the annexure A, a statement on the matters specified in paragraphs 3 and 4 of the order.
2. As required by Section 143(3) of the Act, we report that:
 - a. We have sought and obtained all the informations 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 it appears from our examination of those books.



- c. The Balance Sheet, the Statement of Profit and Loss, the Cash Flow Statement and the Statement of changes in equity dealt with by this Report are in agreement with the books of account.
- d. In our opinion, the aforesaid standalone financial statements comply with the Indian Accounting Standards specified under section 133 of the Act.
- e. On the basis of the written representations received from the directors as on March 31, 2018, taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2018 from being appointed as a director in terms of Section 164(2) of the Act.
- f. With respect to the adequacy of the Internal Financial Controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate report in Annexure B. Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the company's internal financial controls over financial reporting; and
- g. With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanation given to us:
 - i. There is no pending litigation which impact the financial position of company and to be included in financial statements;
 - ii. The Company did not have any long term contracts including derivative contracts for which there were any material foreseeable losses; hence no provision was required to be made; and
 - iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.

For: SNEHA SARDA & CO.
Chartered Accountants
Firm Reg. No. 014579C

Place: Indore
Date : 30/05/2018

CA. SNEHA MANTRI
Proprietor
Membership no. 512148

Annexure-A to the Independent Auditors' Report

(Referred to in our report of even date)

- (i) In respect of the Company's property, plant and equipment
 - (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of the fixed assets.
 - (b) As explained to us, fixed assets have been physically verified by the management during the year in accordance with the phased programme of verification adopted by the management which, in our opinion, provides for physical verification of all the fixed assets at reasonable intervals. According to the information and explanations given to us, no material discrepancies were noticed on such verification.
 - (c) According to the information and explanations given to us, the title deeds of immovable properties, as disclosed in Note 2 to the standalone financial statements, are held in the name of the Company.
- (ii) In respect of its inventory:
 - (a) As explained to us, the inventories of finished goods, semi-finished goods, stores, spare parts and raw materials were physically verified at regular intervals by the Management. In case of inventories lying with third parties, certificates of stocks holding have been received.
 - (b) In our opinion and according to the information and explanations given to us, the Company has maintained proper records of its inventories. The discrepancies noticed on physical verification of stocks as compared to book records were not material and have been properly dealt with in the books of account.
- (iii) In our opinion and according to information and explanations given to us, the Company has not granted any loans, secured or unsecured, to companies, firms, Limited Liability Partnerships or other parties covered in the register maintained under section 189 of the Act. Accordingly, paragraph 3(iii) of the Order is not applicable to the Company.
- (iv) In our opinion and according to information and explanations given to us, the Company has not granted



- any loans or provided any guarantees or security to the parties covered under Section 185 or 186. Accordingly, paragraph 3(iv) of the Order is not applicable to the Company.
- (v) The company has not accepted any deposits from public during the year. Accordingly, paragraph 3(v) of the Order is not applicable to the Company.
- (vi) As informed to us, the Central Government has not prescribed maintenance of cost records under sub-section (1) of Section 148 of the Act, in respect of the activities carried on by the Company. Accordingly, paragraph 3(vi) of the Order is not applicable to the Company.
- (vii) In respect of statutory dues:
- (a) According to the records of the company and information and explanations given to us, the Company has generally been regular in depositing undisputed statutory dues, including, Investor Education and Protection Fund, Income-tax, Tax deducted at sources, Tax collected at source, Professional Tax, Sales Tax, value added tax (VAT), Service Tax, Custom Duty, Excise Duty, Cess and other material statutory dues applicable to it, with the appropriate authorities except Provident Fund, Employees State Insurance (ESI) in which there is a delay in depositing the dues.
- (b) According to the information and explanations given to us, there were no undisputed amounts payable in respect of Income-tax, Wealth Tax, Custom Duty, Excise Duty, sales tax, VAT, Cess and other material statutory dues in arrears /were outstanding as at 31 March, 2018 for a period of more than six months from the date they became payable.
- (viii) In our opinion and according to the information and explanations given to us, the Company has not defaulted in the repayment of loans or borrowings to financial institution, bank, Government or dues to debenture holders.
- (ix) According to the records of the company, the Company has not raised any money by way of initial public offer or further public offer (including debt instrument) during the year. In our opinion the term loans raised during the year were applied for the purpose for which those are raised.
- (x) Based upon the audit procedures performed and according to the information and explanations given to us, no material fraud on the Company by its officers or employees nor any fraud by the Company has been noticed or reported during the course of our audit.
- (xi) According to the information and explanations given to us and based on our examination of the records, the Company has paid/provided for managerial remuneration in accordance with the requisite approvals mandated by the provisions of section 197 read with Schedule V to the Act.
- (xii) In our opinion and according to the information and explanations given to us, the Company is not a Nidhi company. Accordingly, paragraph 3(xii) of the Order is not applicable.
- (xiii) According to the information and explanations given to us and based on our examinations of the records of the Company, transactions with the related parties are in compliance with sections 177 and 188 of the Act, where applicable. The details of such related party transactions have been disclosed in the financial statements as required under applicable Accounting Standard.
- (xiv) According to the information and explanations given to us and based on our examination of the records, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year.
- (xv) According to the information and explanations given to us and based on our examination of the records, the Company has not entered into non-cash transactions with directors or persons connected with him. Accordingly, paragraph 3(xv) of the Order is not applicable.
- (xvi) The Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934. Accordingly, the provisions of Clause 3(xvi) of the Order are not applicable to the Company.

For: SNEHA SARDA & CO.
Chartered Accountants
Firm Reg. No. 014579C

Place: Indore
Date : 30/05/2018

CA. SNEHA MANTRI
Proprietor
Membership no. 512148



Annexure-B to the Independent Auditors' Report

(Referred to in our report of even date)

Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")

We have audited the internal financial controls over financial reporting of Gorani Industries Limited ("the Company") as of March 31, 2018 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

The Company's management is responsible for establishing and maintaining internal financial controls based on the internal controls over financial reporting criteria established by the company considering the essential components of internal control stated in the Guidance note on Audit of internal Financial controls over Financial Reporting issued by the Institute of Chartered Accountants of India ("ICAI"). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013 ("the Act").

Auditors' Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and, both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting were established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. 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.

We believe that the audit evidence we have obtained is sufficient

and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system over financial reporting.

Meaning of Internal Financial Controls Over Financial Reporting

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that:

- (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company;
- (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and
- (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls Over Financial Reporting

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2018, based on the internal control over financial reporting criteria established by the company considering the essential components of internal controls stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the ICAI.

For: SNEHA SARDA & CO.
Chartered Accountants
Firm Reg. No. 014579C

Place: Indore
Date : 30/05/2018

CA. SNEHA MANTRI
Proprietor
Membership no. 512148

BALANCE SHEET AS AT 31st MARCH' 2018

CIN- L28121MP1995PLC009170

PARTICULARS	Note No.	As at 31/03/2018	As at 31/03/2017	As at 01/04/2016
		Rs.	Rs.	Rs.
ASSETS				
Non Current Assets				
Property plant & Equipment	2	20,340,851	21,787,908	21,065,405
Financial assets				
Other financial assets	3	597,272	978,339	620,363
Other Non-Current Assets	4	-	-	300,000
Current Assets				
Inventories	5	49,028,318	55,768,102	59,245,543
Financial assets				
Trade receivables	6	47,874,718	15,191,179	7,217,612
Cash and cash equivalent	7	1,686,175	1,148,806	10,176,782
Other Current Assets	8	1,901,429	2,562,742	1,047,361
Total		121,428,763	97,437,076	99,673,066
EQUITY				
Share Capital	9	50,613,000	50,613,000	48,933,000
Other Equity	10	(12,306,424)	(20,591,338)	(23,798,952)
LIABILITY				
Non-current liabilities				
Other Non Current Liabilities	11	-	-	10,000
Deferred Tax Liabilities	12	362,281	196,676	-
Current liabilities				
Borrowings	13	38,951,239	41,012,818	48,772,149
Trade Payables	14	36,764,908	22,745,896	22,903,301
Other Financial Liabilities	15	2,780,103	2,386,346	2,348,213
Other Current Liabilities	16	4,263,656	1,073,678	505,355
Total		121,428,763	97,437,076	99,673,066
Significant Accounting Policies and Notes on Financial Statements	1 to 38			

For and on behalf of the Board

As per our report of even date
For SNEHA SARDA & CO.
Chartered Accountants
Firm Reg. No. 014579C(Sanjay Gorani)
Managing Director
DIN :- 00055531(Anil Gorani)
Whole Time Director
DIN : 00055540(Nakul Gorani)
Whole Time Director
DIN : 06543317(Neerja Mandiya)
(Company Secretary)(C.S. Sharma)
C.F.O.CA. Sneha Mantri
Proprietor
M.No. 512148

Place : Indore

Date : 30.05.2018

STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31st MARCH 2018

CIN - L28121MP1995PLC009170

PARTICULARS	Note No.	Year Ended 31/03/2018	Year Ended 31/03/2017
		Rs.	Rs.
Income			
I Revenue from Operations	17	203,191,088	82,102,482
II Other income	18	902,947	594,304
III Total Revenue (I+II)		204,094,035	82,696,786
IV Expenses			
Cost of Materials Consumed	19	160,322,118	40,080,585
Purchases of Trading Goods		1,455,051	-
Changes in inventories of finished goods, work in progress and Stock-in- trade	20	3,493,650	6,692,634
Excise Duty		2,333,112	9,091,000
Employee benefits expenses	21	15,864,371	14,495,052
Finance costs	22	1,120,324	238,550
Other expenses	23	9,562,188	7,380,743
Net depreciation and amortization expenses	2	2,135,830	2,077,722
Total (IV)		196,286,644	80,056,286
V Profit Before Exceptional and Tax (III-IV)		7,807,391	2,640,500
VI Exceptional items		-	-
VII Profit Before Tax (V-VI)		7,807,391	2,640,500
VIII Tax expenses			
Current tax		-	-
Deferred tax		-	-
Total tax expenses		-	-
IX Profit/(loss) for the year (VII-VIII)		7,807,391	2,640,500
X Other Comprehensive Income			
(i) Items that will not be reclassified to profit & loss			
Remeasurements of net defined benefit plans		643,129	763,790
Income tax relating to above items	28	(165,606)	(196,676)
XI Total Comprehensive Income for the year (IX+X)		8,284,914	3,207,614
Earnings per Share			
Equity Shares of `10 each			
Basic		1.44	0.49
Diluted		1.44	0.49
Significant Accounting Policies and Notes on Financial Statements	1 to 38		

For and on behalf of the Board

As per our report of even date
For SNEHA SARDA & CO.
Chartered Accountants
Firm Reg. No. 014579C(Sanjay Gorani)
Managing Director
DIN :- 00055531(Anil Gorani)
Whole Time Director
DIN : 00055540(Nakul Gorani)
Whole Time Director
DIN : 06543317(Neerja Mandiya)
(Company Secretary)(C.S. Sharma)
C.F.O.CA. Sneha Mantri
Proprietor
M.No. 512148

Place : Indore

Date : 30.05.2018

CASH FLOW STATEMENT FOR THE YEAR ENDED 31st MARCH 2018

CIN - L28121MP1995PLC009170

PARTICULARS	Note No.	As at 31/03/2018	As at 31/03/2017
		Rs.	Rs.
Cash flow from operating Activities			
Net profit before taxation		8,284,914	3,207,614
Add adjustments for :			
Depreciation / amortisation		2,135,830	2,077,722
Remeasurement of Employee Benefit		(477,523)	(567,114)
Interest income		(28,106)	(33,865)
Interest Income due to fair valuation of security deposit		(36,934)	(3,506)
Interest Paid		707,172	117,261
Gain on fair valuation of security deposit		(1,636)	-
Prepaid Rent Written off (due to fair valuation of security deposit) Employee Benefit Expense		38,570	3,506
		688,886	409,857
Operating profit before working capital changes		11,311,173	5,211,475
Adjustments for changes in working capital :			
- Trade and other receivables		(32,683,539)	(7,973,567)
- Inventories		6,739,784	3,477,441
- Other current assets		615,556	(1,161,448)
- Trade and other payables		14,412,769	(119,272)
- Other current liabilities		3,189,978	568,323
Cash generated from operation		3,585,721	2,952
- Taxes paid (net)		-	-
Net cash from Operating Activities (A)		3,585,721	2,952
Cash flow from Investing Activities			
(Purchase) / Sales of fixed assets		(688,773)	(2,800,225)
Interest received		28,106	33,865
Increase/(Decrease) in other non current assets		381,067	(57,976)
Net cash used in Investing Activities(B)		(279,600)	(2,824,336)
Cash flow from Financing Activities			
Interest paid		(707,172)	(117,261)
Proceeds from Calls Unpaid		-	1,680,000
Increase/(Decrease) in Short term Borrowings		(2,061,579)	(7,759,331)
Increase/(Decrease) in other non current liabilities		-	(10,000)
Net cash used in Financing Activities(C)		(2,768,751)	(6,206,592)
Net increase in cash and cash equivalents (A+B+C)		537,369	(9,027,976)
Cash and cash equivalents at the beginning of the year		1,148,806	10,176,782
Cash and cash equivalents at the end of the year		1,686,175	1,148,806
Cash in Hand		209,560	224,176
Balance In Current Accounts with Scheduled Bank		1,476,615	924,630
		1,686,175	1,148,806
Significant Accounting Policies and Notes on Financial Statements	1 to 38		

For and on behalf of the Board

As per our report of even date
For SNEHA SARDA & CO.
Chartered Accountants
Firm Reg. No. 014579C(Sanjay Gorani)
Managing Director
DIN :- 00055531(Anil Gorani)
Whole Time Director
DIN : 00055540(Nakul Gorani)
Whole Time Director
DIN : 06543317(Neerja Mandiya)
(Company Secretary)(C.S. Sharma)
C.F.O.CA. Sneha Mantri
Proprietor
M.No. 512148

Place : Indore

Date : 30.05.2018

STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31st MARCH 2018

CIN - L28121MP1995PLC009170

A. Equity Share Capital

Particulars	Amount
As at 1st April, 2016	48,933,000
Changes in equity share capital	1,680,000
As at 31st March, 2017	50,613,000
Changes in equity share capital	-
As at 31st March, 2018	50,613,000

B. Other Equity

	Reserve & Surplus Retained Earnings	Total
As At 1, April, 2016	(23,798,952)	(23,798,952)
Profit for the period	2,640,500	2,640,500
Other comprehensive income	567,114	567,114
Total comprehensive income	3,207,614	3,207,614
Balance as at 31, March 2017	(20,591,338)	(20,591,338)
As At 1, April 2017	(20,591,338)	(20,591,338)
Profit for the period	7,807,391	7,807,391
Other comprehensive income	477,523	477,523
Total comprehensive income	8,284,914	8,284,914
Balance as on 31, March 2018	(12,306,424)	(12,306,424)

For and on behalf of the Board

As per our report of even date
For SNEHA SARDA & CO.
Chartered Accountants
Firm Reg. No. 014579C(Sanjay Gorani)
Managing Director
DIN :- 00055531(Anil Gorani)
Whole Time Director
DIN : 00055540(Nakul Gorani)
Whole Time Director
DIN : 06543317(Neerja Mandiya)
(Company Secretary)(C.S. Sharma)
C.F.O.CA. Sneha Mantri
Proprietor
M.No. 512148

Place : Indore

Date : 30.05.2018



Notes forming part of Financial Statements

CIN - L28121MP1995PLC009170

1. SIGNIFICANT ACCOUNTING POLICIES FOLLOWED BY THE COMPANY

A] Basis for preparation:

i. Compliance with Ind AS

The financial statements of Gorani Industries Limited are prepared in accordance with the Indian Accounting Standards (Ind AS) notified by the Ministry of Corporate Affairs under the Companies (Indian Accounting Standards) Rules, 2015 as amended.

These financial statements for the year ended 31st March, 2018 are the first financial statements with comparatives prepared under Ind AS. The Company has adopted all applicable standards and the adoption was carried out in accordance with Ind AS- 101 'First time Adoption of Indian Accounting Standards'. For all the previous periods including the year ended 31st March, 2017, the company had prepared its financial statements in accordance with the accounting standards notified under Companies (Accounting Standard) Rule, 2006 and other relevant provisions of the Act used for its statutory reporting requirement in India.

ii. Basis of measurement

The financial statements have been prepared on an accrual basis and in accordance with the historical cost convention except:

- a) Certain financial assets that are measured at fair value.
- b) Defined benefit plans measured at fair value.

All assets and liabilities have been classified as current or non-current as per the normal operating cycle (12 months) and other criteria set out in Schedule III to the Act.

B] Use of Judgements and Estimates

The estimates and judgements used in the preparation of financial statements are continuously evaluated by the company and are based on historical experience and various other assumptions and factors that were reasonable under the circumstances. Difference between the actual results and estimates are recognized in the period in which the results are known / materialized.

C] Functional and Presentation Currency

The functional and presentation currency of the company is the Indian Rupees (₹).

D] 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.

E] Property, Plant and Equipment

The company has elected the one time exemption of considering the carrying amount on the transition date April 1, 2016 as the deemed cost under Ind AS. Hence regarded thereafter as historical cost.

Subsequent to transition Property, Plant and Equipment are carried at cost less accumulated depreciation. Subsequent expenditure related to an item is capitalized only when it is probable that future economic benefits will flow to the entity and cost can be reliably measured. The carrying amount of the replaced part is derecognized. All repairs & maintenances will be charged to profit & loss in which they are incurred.

F] Depreciation

Depreciation on property, plant and equipment has been provided on useful life of the assets as prescribed in the Schedule II to the Companies Act, 2013 on straight line method (SLM). Assets which are purchased, sold or scrapped during the year,



depreciation has been provided on pro-rata basis. The estimated useful life of items of Property, Plant & Equipments are as follows:

Type of Asset	Estimated Useful life	Type of Asset	Estimated Useful life
Building	30	Computer	3
Plant & Machinery	15	Air Conditioner	10
Dies & Tools	15	ETP	15
Office Equipments	5	Vehicles	10
Laboratory Equipments	10	Vehicles	8
Electrical Installations	10	Fire Fighting Equipments	5
Furniture & Fixture	10		

The residual values and useful lives of Property, Plant & Equipments are reviewed at each financial year and adjusted prospectively.

Gains and losses on disposals are determined by comparing proceeds with carrying amount. These are included in the Statement of Profit & Loss.

G] Financial Instruments

Financial assets and financial liabilities are recognised when the Company becomes a party to the contractual provisions of the instruments. Financial assets and financial liabilities are initially measured at fair value.

(1) Financial Assets:

The company classifies its financial assets as follows:

- a) Financial Assets at amortised cost : Assets that are held for collection of contractual cash flows where these cash flows represent solely payments of principal and interest are measured at amortised cost.
Financial assets are measured initially at fair value and subsequently carried at amortised cost using the effective interest method. Financial assets at amortised cost are represented by security deposits with others.
- b) Fair value of current assets such as trade receivables, cash and cash equivalents approximate their carrying amounts largely due to short term maturities.

(2) Financial Liabilities:

- a) Fair value of current liabilities such as trade payables, borrowings and other financial liabilities approximate their carrying amounts due to short term maturities.

H] Inventories

Inventories of raw materials, work in progress, stores and spares, finished goods and stock in trade are stated at the lower of cost or net realizable value. Cost is determined on the basis of FIFO method. The cost comprises all cost of purchase, cost of conversion and other costs incurred in bringing the inventories to their present location and condition.

I] Cash & Cash Equivalents:

For the purpose of presentation in the statement of cash flows, cash and cash equivalents includes cash in hand, bank overdraft, other short term highly liquid investments with original maturities of three months that are readily convertible to known amounts of cash.

J] Employee Benefits

a. Short Term Benefits:

Liabilities for wages and salaries benefits that are expected to be settled wholly within 12 months after the end of the period in which the employees render the related service are recognised in respect of employees' services up to the end of the reporting period and are measured at the amounts expected to be paid when the liabilities are settled.



b. Defined Contribution Plans:

Payments to defined contribution plan viz. government administered provident funds and ESIC are recognized as an expense when employees have rendered service entitling them to contributions.

c. Post Employment / Termination Benefits:

Company has established a separate fund with Life Insurance Corporation of India. Liability on these benefits is calculated and provided based on actuarial valuation provided by independent actuary using "Projected unit credit" method.

K] 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.

L] Income tax

a) Current tax:

The current income tax expense is the tax payable on the current period's taxable income based in accordance with local laws of jurisdictions where the company operates. Tax payable is calculated using the tax rates that have been enacted by the end of the reporting period.

b) Deferred Tax:

Deferred tax is recognized using the balance sheet approach on temporary differences between the tax bases of assets and liabilities and their carrying amounts for financial reporting on the reporting date.

Deferred tax are recognized to the extent it is probable that taxable profit will be available against which the deductible differences against which the temporary differences and losses will be adjusted. Tax rate used to compute the tax is those that have been enacted by the end of the reporting period.

The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profits will be available.

Current and deferred tax are recognised in profit or loss, except when they relate to items that are recognized in other comprehensive income or directly in equity, in which case, the current and deferred tax are also recognised in other comprehensive income or directly in equity respectively.

M] Revenue Recognition

Revenue is measured at the value of consideration received or receivable. Amounts disclosed as revenue are inclusive of excise duty and net of returns, rebates, discounts.

The Company recognizes revenue when the amount of revenue can be reliably measured, it is probable that future economic benefits will flow to the company and specific criteria have been met for each of the company's activities as described below:

Sales of Goods:

Sales are recognised when the significant risks and rewards of ownership are transferred to customer. The sales of goods are recognised at the point of dispatch of the finished to the customers.

Interest Income

Interest income is recognised on accrual basis or by using the effective interest method, wherever applicable.

N] Earning per share

The company presents Basic and Diluted earnings per share data for its equity shares. Basic and diluted earnings per share are calculated by dividing the profit or loss attributable to equity shareholders of the company by the weighted average number of equity shares outstanding during the year.



O] Provisions, Contingent Liabilities and Assets:

Provisions are recognised when the Company has a present legal or constructive obligation as a result of past events, it is probable that an outflow of resources will be required to settle the obligation and the amount can be reliably estimated. Provisions are not recognised for future operating losses.

Contingent Liabilities are disclosed in respect of possible obligations that arise from past events but their existence will be confirmed by the occurrence or non occurrence of one or more uncertain future events not wholly within the control of the Company or where any present obligation cannot be measured in terms of future outflow of resources or where a reliable estimate of the obligation cannot be made. Disclosure is not made if the possibility of an outflow of future economic benefits is remote.

A contingent asset is a possible asset that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the entity. The Company does not recognise a contingent asset.

P] 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.

Q] Impairment :

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 2017.

R] Fair Value Measurement:

The Company classifies the fair value of its financial instruments in the following hierarchy, based on the inputs used in their valuation:

- i) Level:1 The fair value of financial instruments quoted in active markets is based on their quoted closing price at the balance sheet date.
- ii) Level:2 The fair value of financial instruments that are not traded in an active market is determined by using valuation techniques using observable market data. Such valuation techniques include discounted cash flows, dealer quotes for similar instruments and use of comparable arm's length transactions.
- iii) Level:3 The fair value of financial instruments that are measured on the basis of entity specific valuations using inputs that are not based on observable market data (unobservable inputs). When the fair value of unquoted instruments cannot be measured with sufficient reliability, the Company carries such instruments at cost less impairment, if applicable.

S] Transition to Ind AS

The financial statements are prepared in accordance with Indian Accounting Standards (Ind AS) notified under the Companies (Indian Accounting Standards) Rules, 2015 as amended, read with relevant rules issued there under in terms of the SEBI LODR as modified by circular no. CIR/CFD/FAC/62/2016 dated July 5, 2016.

For periods up to and including the year ended March 31, 2017, the company prepared its financial statements in accordance with the then applicable Accounting Standards in India ('previous GAAP'). The adoption of Ind AS was carried out in accordance with Ind AS 101, considering April 01, 2016 as the transition date. Pursuant to adoption of Ind AS, the differences in the carrying amount of assets and liabilities on the transition date under the previous GAAP and the balances on adoption of Ind AS have been recognized directly in equity. The financial statements for the year ended March 31, 2017 and the Balance Sheet as at the transition April 01, 2016 have been presented under Ind AS for comparative purposes. Accounting policies have been applied consistently to all periods presented in these financial results.



Notes Forming Part of Financial Statement

CIN - L28121MP1995PLC009170

2. Plant Property & Equipment

	Leasehold Land	Building	Plant & Machinery	Dies & Tools	Office Equipments	Laboratory Equipments	Electrical Installations	Furniture & Fixtures	Computer	Air Conditioner	ETP	Vehicles	Fire Fighting Equipments	Total
Gross carrying Amount														
Deemed Cost as at 01.04.2016	4,65,016	73,84,461	1,06,70,214	8,28,684	52,656	44,178	89,960	42,870	35,634	19,324	1	14,32,406	1	2,10,65,405
Additions	-	73,560	21,39,136	4,50,204	-	-	-	69,875	35,200	32,250	-	-	-	28,00,225
Disposals														
Reclassification as held for sale														
Balance as at 31.03.2017	4,65,016	74,58,021	1,28,09,350	12,78,888	52,656	44,178	89,960	1,12,745	70,834	51,574	1	14,32,406	1	2,38,65,630
Additions			1,58,061	2,79,975	50,500			1,69,609	14,703	15,925				6,88,773
Disposals														
Reclassification as held for sale														
Balance as at 31.03.2018	4,65,016	74,58,021	1,29,67,411	15,58,863	1,03,156	44,178	89,960	2,82,354	85,537	67,499	1	14,32,406	1	2,45,54,403
Accumulated Depreciation														
Balance as at 01.04.2016	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Additions		6,42,607	9,44,377	81,346	48,422	8,173	28,776	8,617	19,945	6,026	-	2,89,433	-	20,77,722
Disposals														
Reclassification as held for sale														
Balance as at 31.03.2017	-	6,42,607	9,44,377	81,346	48,422	8,173	28,776	8,617	19,945	6,026	-	2,89,433	-	20,77,722
Additions		6,43,653	9,90,712	1,11,151	10,232	7,532	28,776	20,755	25,907	7,679	-	2,89,433	-	21,35,830
Disposals														
Reclassification as held for sale														
Balance as at 31.03.2018	-	12,86,260	19,35,089	1,92,497	58,654	15,705	57,552	29,372	45,852	13,705	-	5,78,866	-	42,13,552
Net Carrying Amount														
Balance as at 01.04.2016	4,65,016	73,84,461	1,06,70,214	8,28,684	52,656	44,178	89,960	42,870	35,634	19,324	1	14,32,406	1	2,10,65,405
Balance as at 31.03.2017	4,65,016	68,15,414	1,18,64,973	11,97,542	4,234	36,005	61,184	1,04,128	50,889	45,548	1	11,42,973	1	2,17,87,908
Balance as at 31.03.2018	4,65,016	61,71,761	1,10,32,322	13,66,366	44,502	28,473	32,408	2,52,982	39,685	53,794	1	8,53,540	1	2,03,40,851



Notes Forming Part of Financial Statement

CIN - L28121MP1995PLC009170

PARTICULARS	As at 31/03/2018	As at 31/03/2017	As at 01/04/2016
	Rs.	Rs.	Rs.
3. Other Financial Assets			
Security Deposits with Government authorities	460,872	442,887	503,963
Security Deposits with Others	136,400	535,452	116,400
Total	597,272	978,339	620,363
4. Other Non Current Assets			
Capital Advance	-	-	300,000
Total	-	-	300,000
5. Inventories (at lower of cost or net realisable value)			
Raw Material	41,264,943	44,423,697	41,136,282
Finished Goods	3,055,571	5,449,844	3,338,675
Work In Process	4,289,694	5,596,908	14,297,089
Stock-in-Trade	129,662	82,824	82,824
Stores and Spares	43,150	130,531	202,752
Scrap	245,298	84,298	187,921
Total	49,028,318	55,768,102	59,245,543
6. Trade Receivables			
Unsecured			
Good	47,874,718	15,191,179	7,217,612
Doubtful	-	-	-
Less: Loss Allowance	-	-	-
Total	47,874,718	15,191,179	7,217,612
7. Cash and Cash Equivalents			
Cash in Hand	209,560	224,176	353,692
Balance In Current Accounts with Scheduled Bank	1,476,615	924,630	9,823,090
Total	1,686,175	1,148,806	10,176,782
8. Other Current Assets			
Amount Lying with Government Authorities	1,430,705	402,825	851,200
Prepaid Insurance & Expenses	139,768	225,337	196,161
Prepaid Rent (due to fair valuation of security deposit)	-	80,647	-
Advance to Supplier			
M/s Bhandari Foils & Tubes Ltd. Dewas	-	1,500,000	-
M/s Mahendra Metal Corporation	22,780	-	-
Defined Benefit Asset	308,176	353,933	
Total	1,901,429	2,562,742	1,047,361



NOTES FORMING PART OF FINANCIAL STATEMENTS

CIN - L28121MP1995PLC009170

PARTICULARS	As at 31/03/2018	As at 31/03/2017	As at 01/04/2016
	Rs.	Rs.	Rs.
9. 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	60,000,000
Issued and Subscribed			
5438000 Equity Shares of Rs. 10/- each.	54,380,000	54,380,000	54,380,000
[Previous Year : 5438000 Equity Shares of Rs. 10/- each]			
Total	54,380,000	54,380,000	54,380,000
Paid up			
5438000 Shares of Rs.10/- each fully paidup	54,380,000	54,380,000	54,380,000
Less:- Calls in Arrears on 783800 Shares (Previous year 783800 shares)	3,767,000	3,767,000	5,447,000
Total	50,613,000	50,613,000	48,933,000
A. Reconciliation of Shares :			
Number of Shares as at April, 1	5,438,000	5,438,000	5,438,000
Add: Shares issued during the year	-	-	-
Number of shares as at March, 31	5,438,000	5,438,000	5,438,000
B. List of Share holders having 5% or more Shares (In Nos)			
Name Of Shareholders			
Narendra Kumar Gorani	801,800 (14.74%)	801,800 (14.74%)	801,800 (14.74%)
Online Appliances Ltd. (Formerly known as Rahu Ketu Finance & Investments Ltd.)	840,600 (15.46%)	840,600 (15.46%)	840,600 (15.46%)
Sanjay Gorani	649,300 (11.94%)	649,300 (11.94%)	649,300 (11.94%)
Shanta Devi Gorani	285,200 (5.24%)	285,200 (5.24%)	285,200 (5.24%)
Anil Gorani	304,900 (5.61%)	304,900 (5.61%)	304,900 (5.61%)

C. Details of calls unpaid

PARTICULARS	No. of shares		No. of shares		No. of shares	
Equity shares with voting rights						
Aggregate of calls unpaid						
- by directors	-	-	-	-	-	-
- by officers	-	-	-	-	-	-
- by others	783,800	3,767,000	783,800	3,767,000	1,142,300	5,447,000
Total	783,800	3,767,000	783,800	3,767,000	1,142,300	5,447,000



NOTES FORMING PART OF FINANCIAL STATEMENTS

CIN - L28121MP1995PLC009170

PARTICULARS	As at 31/03/2018	As at 31/03/2017	As at 01/04/2016
	Rs.	Rs.	Rs.
15. Other Financial Liabilities			
Sundry Creditor for Expenses	200,372	114,294	113,405
Liability for Expenses	2,579,731	2,272,052	2,234,808
Total	2,780,103	2,386,346	2,348,213
16. Other Current Liabilities			
Advances From Customers	2,609,169	210,563	248,065
Taxes Duties and Other Payables	1,654,487	863,115	257,290
Total	4,263,656	1,073,678	505,355
17. Revenue from Operation			
Sales			
Manufactured Goods	199,293,651	72,797,918	
Excise duty	2,311,237	9,091,000	
Trading Goods	1,548,130	-	
Others - Scrap Sale	38,070	213,564	
Total	203,191,088	82,102,482	
Details of Sales (Manufactured Goods)			
Steel Frame	5,380,800	8,725,000	
L.P.G. Stoves	85,304,150	41,406,668	
Gas Geysers	56,976,400	6,254,800	
Rangehood (Chimney)	51,632,301	16,411,450	
Total	199,293,651	72,797,918	
Excise duty	2,311,237	9,091,000	
Trading Goods	1,548,130	-	
Others - Scrap Sale	38,070	213,564	
Total	203,191,088	82,102,482	
18. Other Income			
Interest	28,106	33,865	
Interest Income due to fair valuation of security deposit	36,934	3,205	
Sundry balances written off	-	9,989	
Foreign exchange gain	835,970	547,245	
Gain on fair valuation of security deposit	1,937	-	
Total	902,947	594,304	
19. Cost of Material Consumed			
Raw Materials' Consumed			
Stock at the beginning of the year	44,423,697	41,136,281	
Add: Purchases	157,163,364	43,368,001	
Less : Stock at the end of the year	(41,264,943)	(44,423,697)	
Total	160,322,118	40,080,585	



NOTES FORMING PART OF FINANCIAL STATEMENTS

CIN - L28121MP1995PLC009170

PARTICULARS	As at 31/03/2018	As at 31/03/2017
	Rs.	Rs.
Details of Raw Material Consumed		
Iron & Steel	30,399,213	13,483,721
Other Raw Materials	2,379,249	244,610
Components & Stores	116,790,075	23,518,300
Packing Materials	10,753,581	2,833,954
	<u>160,322,118</u>	<u>40,080,585</u>
20. Change in Inventories		
Inventories at the Beginning of the Year		
Work-in Process	5,596,908	14,297,088
Finished Goods	5,449,845	3,338,675
Traded Goods	82,824	82,824
Scrap	84,298	187,921
	<u>11,213,875</u>	<u>17,906,508</u>
Less: Inventories at the End of the Year		
Work-in-Process	4,289,694	5,596,908
Finished Goods	3,055,571	5,449,844
Traded Goods	129,662	82,824
Scrap	245,298	84,298
	<u>7,720,225</u>	<u>11,213,874</u>
Decrease /(Increase) in Stock	<u>3,493,650</u>	<u>6,692,634</u>
21. Employee Benefit Expenses		
Salaries, Wages, Bonus etc.	10,172,176	10,068,178
Contribution to PF, ESIC & Other Statutory Funds	1,581,536	1,588,515
Workmen and Staff Welfare Expenses	211,431	67,817
Director Remuneration	3,150,000	2,250,000
Current Service Cost	558,020	520,542
Interest Cost	(37,535)	-
Past Service Cost	228,743	-
Total	<u>15,864,371</u>	<u>14,495,052</u>
22. Finance Costs		
Interest to bank	707,172	117,261
Bank Charges	413,152	121,289
Total	<u>1,120,324</u>	<u>238,550</u>
23. Other Expenses		
Direct Expenses		
Consumptions Of Store and Spares	694,046	580,210
Power and Fuel	3,133,668	3,127,472
Repairs To - Plant & Machinery	292,062	383,616
Repairs To - Dies	775,411	149,558
Repairs To - Electric	106,499	131,885
Entry Tax	256,667	383,831
Laboratory Expenses	33,335	12,135
Other Factory Expenses	243,491	67,769
SUB TOTAL	<u>5,535,179</u>	<u>4,836,476</u>



NOTES FORMING PART OF FINANCIAL STATEMENTS

CIN - L28121MP1995PLC009170

PARTICULARS	As at 31/03/2018	As at 31/03/2017
	Rs.	Rs.
Administrative and Other Expenses		
Insurance	132,608	72,331
Rent,Rates and Taxes	802,651	269,928
Office Expenses	66,795	42,017
ISO 9000 & Certification	7,500	36,225
Legal & Professional Charges	1,711,136	583,546
Books & Periodicals	4,730	5,004
Penalty (Health & Safety and Nap Tol)	10,570	-
Share listing, Demat & Registrar Exp.	366,164	323,756
Postage & Courier	54,612	36,574
Telephone Expenses	155,146	173,935
Stationery & Printing	108,264	98,876
Director's Travelling & Conveyance	20,370	33,821
Payment to Auditors:		
For Statutory Audit	45,000	45,000
For Tax Audit	20,000	20,000
For Others	10,000	10,000
Director Sitting Fees	-	9,000
Registration & Fees	64,582	83,814
Sales Tax after Assessement	14,927	-
Sundry balances written off	65	-
Prepaid Rent Written off (due to fair valuation of security deposit)	38,570	3,506
Vehicle Running & Maintenance	147,311	120,070
SUB TOTAL	3,781,001	1,967,403
Selling & Distribution Expenses		
Advertisement & Publicity	34,314	45,181
Marking Fee	173,694	116,588
Frieght expenses on consignment	38,000	265,200
Commission on consignment sales	-	149,895
SUB TOTAL	246,008	576,864
TOTAL	9,562,188	7,380,743



NOTES FORMING PART OF FINANCIAL STATEMENTS

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24. Related Party Transactions

Related party disclosures, as required by Indian Accounting Standard 24, "Related Party Disclosures" issued by the Institute of Chartered Accountants of India for the year ended 31st March, 2018 are given below:

Name of the related parties and relationship

(a) Associate Companies

M/s Blow Hot Kitchen Appliances Private Limited

(b) Key Management Personnel and their relatives

Mr. Sanjay Gorani	Managing Director
Mr. Anil Gorani	Whole Time Director
Mr. Nakul Gorani	Whole Time Director
Mr. Narendra Gorani (Proprietor of Gangotri Industries)	Relative of Director
Mrs. Manju Gorani	Relative of Director
Mr. C.S.Sharma	CFO
Ms. Suruchi Maheshwari	Company Secretary (Resigned on 18/12/2017)
Ms. Neerja Mandiya	Company Secretary (appointed on 18/12/2017)

(c) The transactions entered into with the related parties during the year along with related balances as at 31st March 2018 are as under:

Nature of Transaction	Related Parties Referred Above in	
	(a)	(b)
Rent	36,000 (36,000)	- -
Consultancy Fees	-	6,75,000 -
Loan Taken	- -	3,175,000 (2,740,000)
Repayment of Loan	- -	13,134,235 (5,075,762)
Amount Outstanding as at Balance Sheet Date	- -	29,618,037 (39,577,272)
Managerial Remuneration	- -	3,150,000 (2,250,000)
Remuneration to other KMP (CFO, CS)	- -	375,077 (326,231)
Sale of Goods	17,159,286 (2,003,142)	6,280,028 (6,311,939)
Purchase of Goods	- -	3,584,156 -



NOTES FORMING PART OF FINANCIAL STATEMENTS

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Particulars	Loan taken	Loan Repaid	Amount Outstanding	Managerial Remuneration
Mr. Sanjay Gorani	1,625,000 (16,00,000)	- -	72,93,400 (56,68,400)	14,50,000 (11,50,000)
Mr. Nakul Gorani	6,25,000 (6,00,000)	- (9,75,762)	51,99,237 (45,74,237)	8,50,000 (5,00,000)
Mr. Anil Gorani	925,000 (5,40,000)	- (5,00,000)	23,25,400 (14,00,400)	8,50,000 (6,00,000)
Mr. Narendra Gorani	- -	1,31,34,235 (36,00,000)	1,35,00,000 (2,66,34,235)	- -
Mrs. Manju Gorani	- -	- -	13,00,000 (13,00,000)	- -
Total	31,75,000 (27,40,000)	1,31,34,235 (50,75,762)	2,96,18,037 (3,95,77,272)	31,50,000 (22,50,000)

Particulars	Purchases	Sales	Rent Paid	Consultancy Fees Paid
M/s Blow Hot Kitchen Appliances Private Limited.	- -	- -	36,000 (36,000)	-
M/s Blow Hot Kitchen Appliances Private Limited.	- -	1,71,59,286 (20,03,142)	- -	-
Mr. Narendra Gorani (Proprietor of Gangotri Industries)	35,84,156 (-)	62,80,028 (63,11,939)	-	-
Mr. Narendra Gorani	- -	- -	- -	675,000 (-)

Details of Maximum Amount O/s during the year

Particulars	Amount (In Rs.)
Shri Sanjay Gorani	7,293,400
Shri Nakul Gorani	5,199,237
Shri Anil Gorani	2,325,400
Shri Narendra Gorani	26,634,235
Smt. Manju Gorani	1,300,000
Total	42,752,272



NOTES FORMING PART OF FINANCIAL STATEMENTS

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25. Post Retirement Benefit Plans

PARTICULARS	As at 31/03/2018	As at 31/03/2017
A. Amount recognized in Balance Sheet		
(Present Value of Benefit Obligation at the end of the Period)	5,541,412	5,026,421
Fair Value of Plan Assets at the end of the Period	5,849,588	5,380,354
Funded Status (Surplus/ (Deficit))	(308,176)	(353,933)
Unrecognised Past Service Cost/(Credit)	-	-
Unrecognised Asset due to Limit in Para 64(b)	-	-
Net (Liability)/Asset Recognized in the Balance Sheet	(308,176)	(353,933)

PARTICULARS	As at 31/03/2018	As at 31/03/2017
B. Amount recognized in the Statement of Profit & Loss as Employee Benefit Expense		
Current Service Cost	558,020	520,542
Net Interest Cost	349,850	355,792
Expected Return on Plan Assets	(387,385)	(355,792)
Past Service Cost	228,743	-
(Gain)/ Loss due to Settlements/Curtailments/Acquisitons/Divestitures	-	-
Unrecognised Asset due to Limit in Para 64(b)	-	-
Expense Recognized	7,49,228	5,20,542

PARTICULARS	As at 31/03/2018	As at 31/03/2017
C. Amount recognized in Other Comprehensive Income for the Current Period		
Amount Recognized in OCI, Beginning of the Period	(763,790)	-
Remeasurements Due To:-		
Actuarial (Gains)/Losses on Obligations - Due to Change in Demographic Assumptions	-	-
Actuarial (Gains)/Losses on Obligations - Due to Change in Financial Assumptions	(192,342)	-
Actuarial (Gains)/Losses on Obligations - Due to Experience	(429,280)	(715,371)
Return on Plan Asset (Excluding Interest)	21,507	48,419
Total remeasurements Recognised in OCI	(1,406,919)	(763,790)
Amount Recognized in OCI, End of the Period	(1,406,919)	(763,790)



NOTES FORMING PART OF FINANCIAL STATEMENTS

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PARTICULARS	As at 31/03/2018	As at 31/03/2017
D. Table showing Change in the Present Value of Projected Benefit Obligation		
Present Value of Benefit Obligation at the beginning of the period	5,026,421	4,941,554
Interest Cost	349,850	355,792
Current Service Cost	558,020	520,542
Actual Benefits Paid	-	(76,096)
Actuarial (Gains)/Losses on Obligations - Due to Change in Demographic Assumptions	-	-
Actuarial (Gains)/Losses on Obligations - Due to Change in Financial Assumptions	(192,342)	-
Actuarial (Gains)/Losses on Obligations - Due to Experience	(429,280)	(715,371)
Past Service Cost	228,743	-
Present Value of Benefit Obligation at the end of the period	55,41,412	50,26,421
PARTICULARS	As at 31/03/2018	As at 31/03/2017
E. Table showing Change in the Fair Value of Plan Assets		
Fair Value of Plan Assets at the beginning of the period	5,380,354	4,941,554
Interest Income	387,385	355,792
Actual Enterprises Contribution	60,342	110,685
Actual Benefits Paid	-	(76,096)
Actuarial (Gains)/Losses	21,507	48,419
Present Value of Benefit Obligation at the end of the period	58,49,588	53,80,354
PARTICULARS	As at 31/03/2018	As at 31/03/2017
F. Assumptions		
Financial Assumptions		
Discount Rate	7.65%	7.20%
Salary Escalation Rate	7.00%	7.00%
Expected Return on Asset	7.65%	7.20%
Demographic Assumptions		
Withdrawal rate	5.00%	5.00%
Mortality Rate During Employment	Indian Assured Lives Mortality(2006-08)	Indian Assured Lives Mortality(2006-08)
Retirement Age	60 Years	60 Years



NOTES FORMING PART OF FINANCIAL STATEMENTS

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PARTICULARS	As at 31/03/2018		As at 31/03/2017	
	Decrease	Increase	Decrease	Increase
G. Sensitivity Analysis				
Projected Benefit Obligation on Current Assumptions(Base)	5541412		5026421	
Discount Rate	5,755,881	5,341,224	5,250,522	4,817,864
Impact of Increase/Decrease in 50 bps on DBO	3.87%	(3.61)%	4.46%	(4.15)%
Salary Growth rate	5,339,136	5,756,191	4,820,409	5,242,744
Impact of Increase/Decrease in 50 bps on DBO	(3.65)%	3.88%	(4.10)%	4.30%

"Sensitivity analysis is an analysis which will give the movement in liability if the assumptions were not proved to be true on different count. This only signifies the change in the liability if the difference between assumed and the actual is not following the parameters of the sensitivity analysis. When calculating the sensitivity to the assumption, the method (Projected Unit Credit Method) used to calculate the liability recognised in the balance sheet has been applied. The methods and types of assumptions used in preparing the sensitivity analysis did not change compared with the previous period."

H. Maturity Analysis of Projected Benefit Obligation

Projected Benefits Payable in Future Years From the Date of Reporting

PARTICULARS	As at 31/03/2018	As at 31/03/2017
Year 1	741,068	334,785
Year 2	363,154	388,807
Year 3	733,344	338,143
Year 4	500,241	635,434
Year 5	448,809	465,589
Year 6 to 10	2,213,417	1,973,711

26. Payments to Statutory Auditors

	2017-18	2016-17
Statutory Audit	45,000	45,000
tax Audit Fees	20,000	20,000
Other Services	10,000	10,000
	<u>75,000</u>	<u>75,000</u>

27. Earnings per Share

	2017-18	2016-17
Earnings attributable to the owners of the company	7,807,391	2,640,500
Weighted average number of equity shares	5,438,000	5,438,000
Earnings per share from continuing operations - Basic & Diluted	<u>1.44</u>	<u>0.49</u>

Notes Forming Part of Financial Statement

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28. The movement in deferred tax assets and liabilities for the year ended 31st March 2017 and 31st March 2018

PARTICULARS	Year ended 31st March, 2018				Year ended 31st March, 2017			
	As at 1st April, 2017	Credit/(charge) in Statement of Profit and Loss	Credit/(charge) in Other Comprehensive Income	As at 31st March, 2018	As at 1st April, 2016	Credit/(charge) in Statement of Profit and Loss	Credit/(charge) in Other Comprehensive Income	As at 31st March, 2018
Provision for Employee Benefits	(196,676)	-	(165,606)	(362,281)	-	-	(196,676)	(196,676)
Total	(196,676)	-	(165,606)	(362,281)	-	-	(196,676)	(196,676)

29. Financial Instruments - Accounting Classification and fair values

31, March 2018	Carrying Amount				Fair Value			
	FVTPL	FVTOCI	Cost/Amortised Cost	Total	Level 1	Level 2	Level 3	Total
Financial Assets:								
Other Financial Assets:								
(i) Security Deposits with Government Authorities Non-Current	-	-	460,872	460,872	-	-	-	-
(ii) Security Deposits with Others Non-Current	-	-	136,400	136,400	-	-	-	-
Trade Receivables Current	-	-	47,874,718	47,874,718	-	-	-	-
Cash & Cash Equivalents Current	-	-	1,686,175	1,686,175	-	-	-	-
Total	-	-	50,158,165	50,158,165	-	-	-	-

31, March 2018	Carrying Amount				Fair Value			
	FVTPL	FVTOCI	Cost/Amortised Cost	Total	Level 1	Level 2	Level 3	Total
Financial Liabilities:								
Borrowings Current	-	-	38,951,239	38,951,239	-	-	-	-
Trade Payables Current	-	-	36,764,908	36,764,908	-	-	-	-
Other Financial Liabilities Current	-	-	2,780,103	2,780,103	-	-	-	-
Total	-	-	78,496,250	78,496,250	-	-	-	-

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31, March 2018	Carrying Amount				Fair Value			
	FVTPL	FVTOCI	Cost/ Amortised Cost	Total	Level 1	Level 2	Level 3	Total
Financial Assets:								
Other Financial Assets:								
(i) Security Deposits with Government Authorities Non-Current	-	-	442,887	442,887	-	-	-	-
(ii) Security Deposits with Others Non-Current	-	-	535,453	535,453	-	-	419,052	419,052
Trade Receivables Current	-	-	15,191,179	15,191,179	-	-	-	-
Cash & Cash Equivalents Current	-	-	1,148,806	1,148,806	-	-	-	-
Total	-	-	17,318,325	17,318,325	-	-	419,052	419,052
	Carrying Amount				Fair Value			
31, March 2018	FVTPL	FVTOCI	Cost/ Amortised Cost	Total	Level 1	Level 2	Level 3	Total
Financial Liabilities:								
Borrowings Current	-	-	41,012,818	41,012,818	-	-	-	-
Trade Payables Current	-	-	22,745,896	22,745,896	-	-	-	-
Other Financial Liabilities Current	-	-	2,386,346	2,386,346	-	-	-	-
Total	-	-	66,145,060	66,145,060	-	-	-	-
	Carrying Amount				Fair Value			
31, March 2018	FVTPL	FVTOCI	Cost/ Amortised Cost	Total	Level 1	Level 2	Level 3	Total
Financial Assets:								
Other Financial Assets:								
(i) Security Deposits with Government Authorities Non-Current	-	-	503,963	503,963	-	-	-	-
(ii) Security Deposits with Others Non-Current	-	-	116,400	116,400	-	-	-	-
Trade Receivables Current	-	-	7,217,612	7,217,612	-	-	-	-
Cash & Cash Equivalents Current	-	-	10,176,782	10,176,782	-	-	-	-
Total	-	-	18,014,757	18,014,757	-	-	-	-



Notes Forming Part of Financial Statement
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31, March 2018	Carrying Amount				Fair Value			
	FVTPL	FVTOCI	Cost/ Amortised Cost	Total	Level 1	Level 2	Level 3	Total
Financial Liabilities:								
Borrowings	-	-	48,772,149	48,772,149	-	-	-	-
Trade Payables	-	-	22,903,301	22,903,301	-	-	-	-
Other Financial Liabilities	-	-	2,348,213	2,348,213	-	-	-	-
Total	-	-	74,023,663	74,023,663	-	-	-	-



NOTES FORMING PART OF FINANCIAL STATEMENTS

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30. Financial Risk Management

a) Market risk

Market risk is the risk that changes in market prices such as commodity prices risk, foreign exchanges rates and interest rates which will affect the company's financial position. Market risk is attributable to all market risk sensitive financial instruments including foreign currency receivables and payables.

The company is in the business of production, manufacturing and dealing in kitchen appliances and kitchenware which is one such sector within the overall household segment that has been in the limelight in recent past.

Also, due to implementation in GST in July 2017 and the effect of demonetization in the market, expectations are somewhat higher than in the preceding years. However, the Industry may not be able to provide much benefit of GST to the end consumer due to increase in the tax rate of 28% and further it may be difficult for the companies to absorb this as they likely to take a price increase of 3-4 percent.

The company is in the process of making and implementing the strategies to capitalize available opportunities and minimizing the threats to ladder products across capacities, formats and prices. The company will put its every effort to maximize the internal accruals by way of input tax credit available in the GST law and by optimizing the product common costs so as to enable it to sustain profitability in the market.

Changing household and commercial lifestyles, economical availability of electricity, rising concerns regarding eco-friendly appliances are expected to be the key drivers of the kitchen appliances market size. Development of e-commerce distribution channels, emergence of information technology and the other smart technologies will support the overall kitchen appliances market.

Interest rate risk

"Interest rate risk is the risk that the fair value of future cash flows of the financial instruments will fluctuate because of changes in market interest rates. According to the company interest rate risk exposure is only for floating rate borrowings. For floating rate liabilities, the analysis is prepared assuming the amount of the liability outstanding at the end of the reporting period was outstanding for the whole year. A 50 basis point increase or decrease is used that represents management's assessment of the reasonably possible change in interest rates."

Exposure to interest rate risk

Company's interest rate risk arises from borrowings. The interest rate is based on MCLR linked rates for its working capital loan.

	31st March, 2018	31st March, 2017	1st April, 2016
Total Borrowings	38,951,239	41,012,818	48,772,149
Borrowings out of above bearing variable rate of interest	9,333,202	1,435,546	6,859,115
% of Borrowings out of above bearing variable rate of interest	23.96%	3.50%	14.06%

Interest Rate Sensitivity

A change of 50 bps in interest rates would have following Impact on profit before tax :

	2017-18	2016-17
50 bps increase would decrease the profit before tax by	46,666	7,178
50 bps decrease would increase the profit before tax by	(46,666)	(7,178)

Other price risk

Other price risk is the risk that the fair value of a financial instrument will fluctuate due to changes in market traded price. The Company is not exposed to pricing risk as the Company does not have any investments in equity instruments and bonds.



NOTES FORMING PART OF FINANCIAL STATEMENTS

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b) Credit risk

Credit risk arises from the possibility that the counter party may not be able to settle their obligations as agreed. To manage this, the Company periodically assess financial reliability of customer, taking into account the financial condition, and ageing of accounts receivable.

Ageing of Trade Receivables

Particulars	31st March 2018	31st March 2017
Not due	-	-
0-3 months	25,363,823	12,944,387
3-6 months	20,043,205	2,090,158
6-12 months	2,219,542	156,634
beyond 12 months	248,148	-
Total	47,874,718	15,191,179

c) Liquidity Risk

As no future expansion in the near future is expected company does not accrues contingent liabilities. The company's approach to managing liquidity is to ensure as far as possible that it will have sufficient liquidity to meet its liabilities as when they are due, under both normal and stressed conditions without incurring the unacceptable losses or risking damage to the company's reputations. As regard the company does not expect poor liquidity position in this scenario. Also the company have the system of properly controlled and speedy recovery from debtors generally.

Maturity patterns of Financial Liabilities

Particulars	31st March 2018	31st March 2017
Borrowings		
Within 1 year	38,951,239	41,012,818
1-3 year	-	-
3-5 year	-	-
Beyond 5 years	-	-
Total	38,951,239	41,012,818
Trade payables		
Within 1 year	28,320,558	22,745,896
1-3 year	8,444,350	-
3-5 year	-	-
Beyond 5 years	-	-
Total	36,764,908	22,745,896
Other Financial Liabilities		
Within 1 year	2,780,103	2,386,346
1-3 year	-	-
3-5 year	-	-
Beyond 5 years	-	-
Total	2,780,103	2,386,346



NOTES FORMING PART OF FINANCIAL STATEMENTS

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d) Currency Risk

Since the company has purchases from China which have foreign currency involvement and flexibility attached to it, however the same is not a threat, due to increasing demand and reputed products of the company coupled with speedy recovery from debtors. The company is well set to bear the short term losses on foreign rate fluctuation which is cushioned by the optimum inventory level mentioned by the company.

31. Capital Management

The Company manages its capital to ensure that it will be able to continue as going concerns while maximising the return to stakeholders through the optimisation of the equity balance. The Company's management manages its capital structure and makes adjustments in light of changes in economic conditions and the requirements of the financial covenants.

32. First Time Adoption of IND AS

These are the Company's first financial statements prepared in accordance with Ind AS.

The Company has adopted Indian Accounting Standards (Ind AS) notified by the Ministry of Corporate Affairs with effect from 1st April, 2017, with a transition date of 1st April, 2016. Ind AS 101-First-time Adoption of Indian Accounting Standards requires that all Ind AS and interpretations that are issued and effective for the first Ind AS financial statements which is for the year ended 31st March, 2018 for the company, be applied retrospectively and consistently for all financial years presented. Consequently, in preparing these Ind AS financial statements, the Company has availed certain exemptions and complied with the mandatory exceptions provided in Ind AS 101, as explained below. The resulting difference in the carrying values of the assets and liabilities as at the transition date between the Ind AS and Previous GAAP have been recognised directly in equity (retained earnings or another appropriate category of equity).

Set out below are the Ind AS 101 optional exemptions availed as applicable and mandatory exceptions applied in the transition from previous GAAP to Ind AS.

A. Optional Exemptions availed

(a) Deemed Cost

The Company has opted paragraph D7 AA and accordingly considered the carrying value of property, plant and equipments as deemed cost as at the transition date.

B. Applicable Mandatory Exceptions

(a) Estimates

An entity's estimates in accordance with Ind AS at the date of transition to Ind AS shall be consistent with estimates made for the same date in accordance with previous GAAP (after adjustments to reflect any difference in accounting policies).

Ind AS estimates as at 1 April 2016 are consistent with the estimates as at the same date made in conformity with previous GAAP.

(b) Classification and measurement of financial assets

The classification of financial assets to be measured at amortised cost is made on the basis of the facts and circumstances that existed on the date of transition to Ind AS.

C. Transition to Ind AS - Reconciliations

The following reconciliations provide a quantification of the effect of significant differences arising from the transition from previous GAAP to Ind AS as required under Ind AS 101:

- I. Reconciliation of Balance sheet as at April 1, 2016 (Transition Date)
- II. A. Reconciliation of Balance sheet as at March 31, 2017
B. Reconciliation of Total Comprehensive Income for the year ended March 31, 2017
- III. Reconciliation of Equity as at April 1, 2016 and as at March 31, 2017
- IV. Adjustments to Statement of Cash Flows



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The presentation requirements under Previous GAAP differs from Ind AS, and hence, Previous GAAP information has been regrouped for ease of reconciliation with Ind AS. The Regrouped Previous GAAP information is derived from the Financial Statements of the Company prepared in accordance with Previous GAAP.

I. Reconciliation of Balance sheet

	Note to first time adoption	Regrouped Previous GAAP as at 31st March, 2017	Ind AS Adjustments for 2017	IND AS as at 31st March, 2017	Regrouped Previous GAAP as at 1st April, 2016	Ind AS Adjustments 2016	IND AS as at 1st April, 2016
		Rs.	Rs.	Rs.	Rs.	Rs.	Rs.
ASSETS							
Non Current Assets							
Property plant & Equipment	A	21,787,908	-	21,787,908	21,065,405	-	21,065,405
Financial assets							
Other financial assets	B	1,059,287	(80,948)	978,339	620,363	-	620,363
Other Non-Current Assets		-	-	-	300,000	-	300,000
Current Assets							
Inventories		55,768,102	-	55,768,102	59,245,543	-	59,245,543
Financial assets							
Trade receivables		15,191,179	-	15,191,179	7,217,612	-	7,217,612
Cash and cash equivalent		1,148,806	-	1,148,806	10,176,782	-	10,176,782
Other Current Assets	B, E	2,128,162	434,580	2,562,742	1,047,361	-	1,047,361
Total		97,083,444	353,632	97,437,076	99,673,066	-	99,673,066
EQUITY							
Share Capital		50,613,000	-	50,613,000	48,933,000	-	48,933,000
Other Equity		(20,748,294)	(156,957)	(20,591,338)	(23,798,952)	-	(23,798,952)
LIABILITY							
Non-current liabilities							
Financial liabilities							
Long Term Borrowings	C	39,577,272	(39,577,272)	-	41,913,034	(41,913,034)	-
Other Non Current Liabilities		-	-	-	10,000	-	10,000
Deferred Tax Liabilities	F	-	196,676	196,676	-	-	-
Current liabilities							
Financial Liabilities							
Borrowings	C	1,435,546	39,577,272	41,012,818	6,859,115	41,913,034	48,772,149
Trade Payables		22,745,896	-	22,745,896	22,903,301	-	22,903,301
Other Financial Liabilities		2,386,346	-	2,386,346	2,348,213	-	2,348,213
Other Current Liabilities		1,073,678	-	1,073,678	505,355	-	505,355
Total		97,083,444	39,719	97,437,076	99,673,066	-	99,673,066



II. Reconciliation of Statement of Profit & Loss for the year ended 31, March 2017

PARTICULARS	Note to first time adoption	Regrouped Previous GAAP	Ind As Adjustments	IND AS
Income				
I Revenue from Operations	D	82,102,482	-	82,102,482
II Other income	B	591,099	3,205	594,304
III Total Revenue (I+II)		82,693,581	3,205	82,696,786
IV Expenses				
Cost of Materials Consumed		40,080,585	-	40,080,585
Changes in inventories of finished goods, work in progress and Stock-in- trade		6,692,634	-	6,692,634
Excise Duty	D	9,091,000	-	9,091,000
Employee benefits expenses	E	14,085,195	409,857	14,495,052
Finance costs		238,550	-	238,550
Other expenses	B	7,377,237	3,506	7,380,743
Net depreciation and amortization expenses		2,077,722	-	2,077,722
Total (IV)		79,642,923	413,363	80,056,286
V Profit Before Exceptional and Tax (III-IV)		3,050,658	(410,158)	2,640,500
VI Exceptional items		-	-	-
VII Profit Before Tax (V-VI)		3,050,658	(410,158)	2,640,500
VIII Tax expenses				
Current tax		-	-	-
Deferred tax		-	-	-
Total tax expenses		-	-	-
IX Profit/(loss) for the year		3,050,658	(410,158)	2,640,500
X Other Comprehensive Income				
(i) Items that will not be reclassified to profit & loss	E,G			
Remeasurements of net defined benefit plans		-	763,790	763,790
Income tax relating to above items		-	(196,676)	(196,675.93)
XI Total Comprehensive Income for the year		3,050,658	156,957	3,207,614

III. Reconciliation of Equity

	Note to first time adoption	31st March 2017	1st April 2016
Equity under Previous GAAP		(20,748,294)	(23,798,952)
Ind AS adjustments:			
Employee Benefit Expense	E	(157,257)	-
Due to fair valuation of security deposit	B	301	-
Total Ind AS Adjustments		(156,957)	-
Total Equity under Ind AS		(20,591,338)	(23,798,952)

IV. There were no significant reconciliation items between cashflows prepared previous GAAP and those prepared under Ind AS.



NOTES FORMING PART OF FINANCIAL STATEMENTS

CIN - L28121MP1995PLC009170

The following explains the material adjustments made while transition from previous accounting standards to IND AS :

A. Property, Plant and Equipments

As stated above, on transition to Ind AS, the entity has elected to continue the carrying values of property, plant & equipment recognised as at 01 April, 2016 measured as per the previous GAAP and use that carrying value as the deemed cost of the property, plant & equipment.

B. Other Financial Assets

Security Deposits with Others

Under the previous GAAP, interest free security deposits are recorded at their transaction value. Under IND AS, all financial assets are required to be recognised at fair value. Accordingly, the Company has fair valued the security deposits under IND AS. Difference between fair value of security deposits and the carrying value (transaction value) as per Previous GAAP has been recognised as prepaid rent. Consequently, the amount of security deposits has been decreased by ` 80,948 . The prepaid rent increased by ` 80,948. The profit for the year and total equity as at 31st March, 2017 decreased by ` 301 (net) due to amortisation of the prepaid rent of ` 3,506 is partially off-set by the notional interest income of ` 3,205 recognised on these security deposits.

C. Borrowings

As per Stipulation of the sanction of CC limit by Central bank of India, the company is required to maintain unsecured loans. Considering the nature of the loan as repayable on demand and therefore classified from borrowings under current financial liabilities

D. Revenue from Operations

Under Ind AS, Revenue from operations is recognised on the basis of the net economic benefit flowing to the company. Excise duty component should form part of Revenue and shown separately as an expense.

E. Employee Benefit Expense

"Under Ind AS, remeasurements i.e. actuarial gains and losses on the net defined benefit liability are recognised in other comprehensive income instead of profit and loss. As a result, the other comprehensive income for the year has increased by ` 567,114 (net of tax effect thereon)."

F. Deferred Tax

Deferred Tax has been created on account of remeasurements of defined benefit plan.

G. Other Comprehensive Income

Under Ind AS, all items of income and expense recognised in a period should be included in profit or loss for the period, unless a standard requires or permits otherwise. Items of income and expense that are not recognised in profit or loss but are shown in the statement of profit and loss as 'other comprehensive income' includes remeasurements of defined benefit plans. The concept of other comprehensive income did not exist under previous GAAP.

33. Contingent Liabilities and Commitments

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

34. 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.



NOTES FORMING PART OF FINANCIAL STATEMENTS

CIN - L28121MP1995PLC009170

35. As per Ind AS 108 Operating Segments, there is no reportable segments and therefore no disclosures are made.
36. Additional Information pursuant to provisions of paragraph 5 (VIII) of part II of schedule III to the companies as certified by the Directors:
- a) Details of Imported and Indigenous Raw Material, Stores & Spares Consumed:

	Current Year		Previous Year	
		%		%
Imported	99,280,751	61.66%	28,925,998	71.14%
Indigenous	61,735,416	38.34%	11,734,797	28.86%
	161,016,167	100.00%	40,660,795	100.00%

	Current Year	Previous Year
b) Value of Imports calculated on CIF basis Raw Material/Components	73,796,939	27,210,031
c) Expenditure in foreign currency Foreign Travelling	-	-
d) Earning in foreign exchange	-	-

37. 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.
38. The previous year figures have been regrouped / reclassified, wherever necessary to confirm to the current year figures.

For and on behalf of the Board

As per our report of even date
For SNEHA SARDA & CO.
Chartered Accountants
Firm Reg. No. 014579C

(Sanjay Gorani)
Managing Director
DIN :- 00055531

(Anil Gorani)
Whole Time Director
DIN : 00055540

(Nakul Gorani)
Whole Time Director
DIN : 06543317

(Neerja Mandiya)
(Company Secretary)

(C.S. Sharma)
C.F.O.

CA. Sneha Mantri
Proprietor
M.No. 512148

Place : Indore

Date : 30.05.2018



ATTENDANCE SLIP ATTENDANCE SL

Form No. MGT-11

Proxy form

[Pursuant to section 105(6) of the Companies Act, 2013 and rule 19(3) of the Companies (Management and Administration) Rules, 2014]

CIN: L28121MP1995PLC009170

Name of the company: Gorani Industries Limited

Registered office: 32-33, Sector-F, Sanwer Road, Indore (M.P.)-452015

Name of the Member(s):
Registered Address:
E-mail Id:
Folio No/Client Id:
DP ID:

I/We, being the member (s) of shares of the above named company, hereby appoint

- | | | |
|----------------------------------|----------------------------------|----------------------------------|
| 1. Name: | 2. Name: | 3. Name: |
| Address: | Address: | Address: |
| E-mail Id: | E-mail Id: | E-mail Id: |
| Signature:, or failing him | Signature:, or failing him | Signature:, or failing him |

as my/our proxy to attend and vote (on a poll) for me/us and on my/our behalf at the Twenty Second Annual General Meeting/ Extraordinary general meeting of the Company, to be held on the 28th day of September, 2018 At 04.00. P.M. at Plot No.32-33, Sector 'F' Sanwer Road, Industrial Area, Indore (M.P.) and at any adjournment thereof in respect of such resolutions as are indicated below:

RESOLUTIONS	
1.	Consider and adopt Audited Financial Statement, reports of the Board of Directors and Auditors thereon for the Financial Year ended 31st March, 2018.
2.	Appointment of Mr. Sanjay Gorani (Holding DIN: 00055531), Managing Director, who retires by rotation and being eligible, offers himself for reappointment.
3.	Appointment of Ms. Manpreet Kaur Hora (Holding DIN: 08094579) as an Independent Director of the Company.
4.	Increase in remuneration payable to Mr. Nakul Gorani, (Holding DIN-06543317) Whole Time Director of the Company.
5.	Increase in remuneration payable to Mr. Sanjay Gorani, (Holding DIN-00055531) Managing Director of the Company.
6.	Increase in remuneration payable to Mr. Anil Gorani, (Holding DIN-00055540) Whole Time Director of the Company.
7.	Consider the appointment of Statutory Auditors for 5 Years w.e.f. 29th September, 2017 without ratification by members at every Annual General Meeting.
8.	Approve the alteration of the Article of Association of the Company.

Signed this day of 20.....

Signature of shareholder

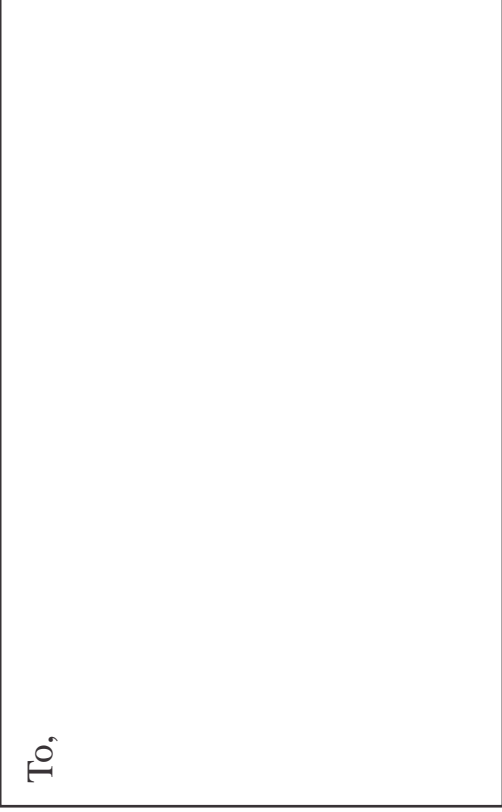
Signature of Proxy holder(s)

Affix a Re. 1 Revenue Stamp

- Note: 1. This form of proxy in order to be effective should be duly completed and deposited at the Registered Office of the Company, not less than 48 hours before the commencement of the Meeting.
2. The holder may vote either for or against each resolution.

BOOK - POST

To,



If Undelivered, please return to
Gorani Industries Ltd.
Reg. Office : Plot No. 32-33, Sectr F,
Sanwer Road, Industrial Area, INDORE - 452 015 (M.P.)