



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
Email : goraniindustriesltd@gmail.com
Website : www.goraniindustries.com

Date: 01/09/2021
Indore

To,
The BSE Limited
The Corporate Relationship Department,
Pheeroj Jeejeebhoy Tower,
Dalal Street. Mumbai (Maharashtra)

Sub: Submission of Annual Report for the Financial Year 2020-21 pursuant to Regulation 34 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015

Dear Sir,

In pursuance to Regulation 34 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, please find enclosed herewith the Annual Report along with the Notice convening the Annual General meeting of the company to be held on Thursday, the 30th September, 2021, through Video Conferencing or Other audio visual means at 12:30 P.M. The Annual Report of the Company for the financial year 2020-21 is also available on the website of the company www.goraniindustries.com.

You are requested to take the same on record and oblige.

Thanking You,

Yours faithfully,
For **Gorani Industries Limited**

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

Gorani Industries Ltd.



**XXVIth Annual Report
2020-21**



Gorani Industries Ltd.

Board of Directors

Anil Gorani
Sanjay Gorani
Nakul Gorani
Komal Motwani
Ayush Shukla
Raina Goyal
Vikram Rajkumar Khandelwal

Chairman & Whole Time Director
Managing Director
Whole Time Director
Independent Woman Director
Independent Director (w.e.f. 12/2/2021)
Non-Executive Director
Independent Director (ceased w.e.f. 12/2/2021)

Auditor

M/s. Sandeep Surendra Jain & Co.
Chartered Accountants.

Chief Financial Officer

Chandrasekhar Sharma

Bankers

1.Axis Bank Ltd.

2.YES Bank Ltd.

Company Secretary

Neerja Mandiya

Registered Office

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



NOTICE

NOTICE IS HEREBY GIVEN THAT the Twenty Sixth Annual General Meeting of the members of the Company Gorani Industries Limited will be held on Thursday, the 30th day of September, 2021 at 12:30 P.M. through video conferencing/other audio visual means 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, 2021, the reports of the Board of Directors and Auditors thereon.
2. To appoint a director in place of Mr. Sanjay Kumar 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 Section 196, 197 and 198 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 upto Rs. 3,00,000.00 (Rupees Three Lac Only) per month with effect from 01st April, 2021 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 27th September, 2019;

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.

RESOLVED FURTHER THAT all the Directors of the Company be and are hereby authorized to sign and submit all required documents, deeds and all other necessary things and to do all such acts, deeds, matters and things as they may in their 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.”

4. 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, 198 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 upto Rs.1,50,000.00 (Rupees One Lakh Fifty Thousand only) per month with effect from 01st January, 2021 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, 2020;

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. Anil Gorani;

RESOLVED FURTHER THAT all the Directors of the Company be and are hereby authorized to sign and submit all required documents, deeds and all other necessary things and to do all such acts, deeds, matters and things as he may in their 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: 27/8/2021
Place: Indore

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



NOTES:

1. In view of COVID-19 pandemic, social distancing norms and restrictions on movement of persons at several places in the country and pursuant to General Circular Nos. 14/2020, 17/2020, 20/2020 and 02/2021 dated April 8, 2020, April 13, 2020, May 5, 2020 and January 13, 2021 respectively issued by the Ministry of Corporate Affairs ("MCA") (collectively referred to as "MCA Circulars") and Circular Nos. SEBI/HO/CFD/CMD1/CIR/P/2020/79 and SEBI/HO/CFD/CMD2/CIR/P/2021/11 dated May 12, 2020 and January 15, 2021, respectively issued by the Securities and Exchange Board of India ("SEBI") (collectively referred to as "SEBI Circulars") permitted the holding of the Annual General Meeting ("AGM") through Video Conferencing ("VC")/Other Audio Visual Means ("OAVM"), without the physical presence of the Members.
2. In compliance with the provisions of the Companies Act, 2013 (the "Act"), Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended ("SEBI Listing Regulation"), MCA Circulars and SEBI Circulars, the AGM of the Company is being held through VC/OAVM which does not require physical presence of members at a common venue. The proceedings of the 26th AGM of the Company will be deemed to be conducted at the Registered Office of the Company which shall be the deemed Venue of the AGM.
3. The Explanatory Statement pursuant to the provisions of Section 102 of the Companies Act, 2013 (the Act), in respect of the Special Business to be transacted at the Meeting is annexed hereto and forms part of this Notice.
4. Electronic copy of the Notice for the AGM and the Annual Report for the financial year 2020-21 is being sent to all the Members whose e-mail ids are or to be registered upto the date of dispatch of this notice with the Company/Depository Participant(s). Dispatching of physical copies of the Financial Statements (including Board's Report, Auditors' Report and other documents required to be attached therewith) has been dispensed with in line with the aforementioned circulars issued by the Ministry of Corporate Affairs and Securities and Exchange Board of India.
5. The Notice and the Annual Report is also available on the Company's website www.goraniindustries.com for download and at the websites of the BSE Ltd., where the Company's shares are listed. The AGM Notice is also disseminated on the website of Central Depository Services (India) Limited ("CDSL") (the agency appointed by the Company for providing the Remote e-voting facility, e-voting system during the AGM & the VC facility) i.e. www.evotingindia.com.
6. Members holding shares in electronic/demat mode and who have not got their e-mail addresses updated with the Depository Participants are requested to update their e-mail address and any changes therein through their Depository Participants. Members holding shares in physical mode are requested to update their e-mail address and mobile number, by sending e-mail quoting their Folio Number along with scanned copy of PAN (self attested scanned copy) or AADHAR (self attested scanned copy) to our Registrar and Share Transfer Agent, viz., Link In time India Private Limited at rnt.helpdesk@linkintime.co.in, and mark cc to Company: gorani.industires@yahoo.com. Also for any queries you may contact on 022-49186270.
7. To support the 'Green initiative' Members who have not yet registered their email addresses are requested to register the same in the manner specified above.
8. Pursuant to the provisions of the Act, a Member entitled to attend and vote at the AGM is entitled to appoint a proxy to attend and vote on his/her behalf and the proxy need not be a Member of the Company. Since this AGM is being held pursuant to the MCA Circulars through VC/OAVM, physical attendance of Members has been dispensed with. Accordingly, the facility for appointment of proxies by the Members will not be available for the AGM and hence the Proxy Form and Attendance Slip are not annexed to this Notice. However, in pursuance of Section 112 and Section 113 of the Companies Act, 2013, representatives of the members such as the President of India or the Governor of State or Body Corporate can attend the AGM through VC/OAVM.
9. Institutional/ Corporate shareholders (i.e. other than individuals, HUF, NRI etc.) are required to send scanned copy (PDF/JPG Format) of the relevant Board Resolution/ Authority letter etc. with attested specimen signature of the duly authorized signatory(ies) who are authorized to attend the AGM through VC / OAVM on its behalf and to vote through remote e-voting. The said resolution shall be send to the Scrutinizer by e-mail at csmanishjainoffice@gmail.com with a copy marked to gorani.industires@yahoo.com.



10. Members holding shares under multiple folios are requested to submit their applications to registrar and transfer Agent for consolidation of folios into a single folio.
11. As per Regulation 40 of SEBI Listing Regulations, as amended, securities of listed companies can be transferred only in dematerialized form with effect from April 1, 2019, except in case of request received for transmission or transposition of securities. In view of this and to eliminate all risks associated with physical shares and for ease of portfolio management, members holding shares in physical form are requested to consider converting their holdings to dematerialized form. Members can contact the Company or M/s Link Intime India Private Limited (Registrar and Transfer Agent) for assistance in this regard.
12. 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.
13. 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.
14. Members are requested to submit their queries/requests for clarification, if any, on the Annual Report, Financial results or any other matters via email at gorani.industries@yahoo.com, mentioning their name, folio number/ demat account number, email id and mobile number, so as to reach the Company on or before 25th September, 2021, which will enable the Company to furnish replies at the AGM.
15. The Register of Directors and Key Managerial Personnel and their shareholding and the Register of Contracts or Arrangements in which the Directors are interested as maintained under Section 170 and Section 189 of the Act, respectively will be available for inspection by the Members at the AGM in pdf mode.
16. 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 at any time during Business hours up to the date of the Annual General Meeting.
17. The Register of Members and the Share Transfer Books of the Company will remain closed from 24th September, 2021(Friday) to 30th September, 2021 (Thursday) (both days inclusive).
18. 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.
19. 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. Members holding shares in electronic form may submit the same to their respective depository participant.
20. Since the AGM will be held through VC/OAVM, the Route map is not annexed in this notice.
21. The attendance of the members attending the AGM through VC/OAVM, will be counted for the purpose of reckoning the quorum under section 103 of the Companies Act, 2013.
22. 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 at the AGM.
23. 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 26th 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 through electronic voting system shall be made available at the 26th 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 Members can join the AGM in the VC/OAVM mode 15 minutes before and after the scheduled time of the commencement of the Meeting by following the procedure mentioned in the Notice. The facility of participation at the AGM through VC/OAVM will be made available to at least 1000 members on first come first served basis. This will not include large Shareholders (Shareholders holding 2% or more shareholding), Promoters, Institutional Investors, Directors, Key Managerial Personnel, the Chairpersons of the Audit Committee, Nomination and Remuneration Committee and Stakeholders Relationship Committee, Auditors etc. who are allowed to attend the AGM without restriction on account of first come first served basis.

The Board of Directors of the Company has appointed M/s. 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 23rd September, 2021 (Thursday) 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 23rd, 2021 only.

INTRUCTIONS TO SHAREHOLDERS FOR REMOTE E-VOTING AND THE VOTING PROCESS AT THE AGM ARE AS UNDER:

- i. The voting period begins on 27th September, 2021 (Monday) at 09:00 AM and ends on 29th September, 2021 (Wednesday) at 05:00 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 23rd September, 2021 (Thursday) 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. Pursuant to SEBI Circular No. SEBI/HO/CFD/CMD/CIR/P/2020/242 dated 09th December, 2020, under Regulation 44 of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, listed entities are required to provide remote e-voting facility to its shareholders, in respect of all shareholders' resolutions. However, it has been observed that the participation by the public non-institutional shareholders/retail shareholders is at a negligible level.

Currently, there are multiple e-voting service providers (ESPs) providing e-voting facility to listed entities in India. This necessitates registration on various ESPs and maintenance of multiple user IDs and passwords by the shareholders.

In order to increase the efficiency of the voting process, pursuant to a public consultation, it has been decided to enable e-voting to all the demat account holders, by way of a single login credential, through their demat accounts/ websites of Depositories/ Depository Participants. Demat account holders would be able to cast their vote without having to register again with the ESPs, thereby, not only facilitating seamless authentication but also enhancing ease and convenience of participating in e-voting process.

- iv. In terms of SEBI circular no. SEBI/HO/CFD/CMD/CIR/P/2020/242 dated December 9, 2020 on e-Voting facility provided by Listed Companies, Individual shareholders holding securities in demat mode are allowed to vote through their demat account maintained with Depositories and Depository Participants. Shareholders are advised to



update their mobile number and email Id in their demat accounts in order to access e-Voting facility.

Pursuant to abovesaid SEBI Circular, Login method for remote e-voting and the voting process at the AGM and joining virtual meetings for Individual shareholders holding securities in Demat mode CDSL/NSDL is given below:

Type of shareholders	Login Method
Individual Shareholders holding securities in Demat mode with CDSL	<ol style="list-style-type: none"> 1) Users who have opted for CDSL Easi / Easiest facility, can login through their existing user id and password. Option will be made available to reach e-Voting page without any further authentication. The URL for users to login to Easi / Easiest are https://web.cdslindia.com/myeasi/home/login or visit www.cdslindia.com and click on Login icon and select New System Myeasi. 2) After successful login the Easi / Easiest user will be able to see the e-Voting option for eligible companies where the evoting is in progress as per the information provided by company. On clicking the evoting option, the user will be able to see e-Voting page of the e-Voting service provider for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting. Additionally, there is also links provided to access the system of all e-Voting Service Providers i.e. CDSL/NSDL/KARVY/LINKINTIME, so that the user can visit the e-Voting service providers' website directly. 3) If the user is not registered for Easi/Easiest, option to register is available at https://web.cdslindia.com/myeasi/Registration/EasiRegistration 4) Alternatively, the user can directly

	<p>access e-Voting page by providing Demat Account Number and PAN No. from a e-Voting link available on www.cdslindia.com home page or click on https://evoting.cdslindia.com/Evoting/EvotingLogin The system will authenticate the user by sending OTP on registered Mobile & Email as recorded in the Demat Account. After successful authentication, user will be able to see the e-Voting option where the evoting is in progress and also able to directly access the system of all e-Voting Service Providers.</p>
Individual Shareholders holding securities in demat mode with NSDL	<ol style="list-style-type: none"> 1) If you are already registered for NSDL IDeAS facility, please visit the e-Services website of NSDL. Open web browser by typing the following URL : https://eservices.nsdl.com either on a Personal Computer or on a mobile. Once the home page of e-Services is launched, click on the "Beneficial Owner" icon under "Login" which is available under 'IDeAS' section. A new screen will open. You will have to enter your User ID and Password. After successful authentication, you will be able to see e-Voting services. Click on "Access to e-Voting" under e-Voting services and you will be able to see e-Voting page. Click on company name or e-Voting service provider name and you will be re-directed to e-Voting service provider website for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting. 2) If the user is not registered for IDeAS e-Services, option to register is available at https://eservices.nsdl.com. Select "Register Online for IDeAS "Portal



	<p>o r c l i c k a t https://eservices.nSDL.com/SecureWeb/IdeasDirectReg.jsp</p> <p>3) Visit the e-Voting website of NSDL. Open web browser by typing the following URL : https://www.evoting.nSDL.com/ either on a Personal Computer or on a mobile. Once the home page of e-Voting system is launched, click on the icon "Login" which is available under 'Shareholder/Member' section. A new screen will open. You will have to enter your User ID (i.e. your sixteen digit demat account number hold with NSDL), Password/OTP and a Verification Code as shown on the screen. After successful authentication, you will be redirected to NSDL Depository site wherein you can see e-Voting page. Click on company name or e-Voting service provider name and you will be redirected to e-Voting service provider website for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting.</p>
Individual Shareholders (holding securities in demat mode) login through their Depository Participants	<p>You can also login using the login credentials of your demat account through your Depository Participant registered with NSDL/CDSL for e-Voting facility. After Successful login, you will be able to see e-Voting option. Once you click on e-Voting option, you will be redirected to NSDL/CDSL Depository site after successful authentication, wherein you can see e-Voting feature. Click on company name or e-Voting service provider name and you will be redirected to e-Voting service provider website for casting your vote during the remote e-Voting period or joining</p>

	virtual meeting & voting during the meeting.
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Important note : Members who are unable to retrieve User ID/ Password are advised to use Forget User ID and Forget Password option available at abovementioned website.

Helpdesk for Individual Shareholders holding securities in demat mode for any technical issues related to login through Depository i.e. CDSL and NSDL

Login type	Helpdesk details
Individual Shareholders holding securities in Demat mode with CDSL	Members facing any technical issue in login can contact CDSL helpdesk by sending a request at helpdesk.evoting@cdslindia.com or contact at 022- 23058738 and 22-23058542-43.
Individual Shareholders holding securities in Demat mode with NSDL	Members facing any technical issue in login can contact NSDL helpdesk by sending a request at evoting@nsdl.co.in or call at toll free no.: 1800 1020 990 and 1800 22 44 30

- v. Login method for remote e-voting and the voting process at the AGM and joining virtual meetings for Physical shareholders and shareholders other than individual holding in Demat form.
 - 1) The shareholders should log on to the e-voting website www.evotingindia.com.
 - 2) Click on "Shareholders" module.
 - 3) 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. Shareholders holding shares in Physical Form should enter Folio Number registered with the Company.
 - 4) Next enter the Image Verification as displayed and Click on Login.
 - 5) If you are holding shares in demat form and had logged on to www.evotingindia.com and voted on an earlier e-voting of any company, then your existing password is to be used.
 - 6) If you are a first-time user follow the steps given below:



	For Physical shareholders and other than individual shareholders holding shares in Demat.
PAN	Enter your 10 digit alpha-numeric *PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders) <ul style="list-style-type: none"> Shareholders who have not updated their PAN with the Company/ Depository Participant are requested to use the sequence number sent by Company/RTA or contact Company/ RTA.
Dividend Bank Details OR Date of Birth (DOB)	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. <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.

- vi. After entering these details appropriately, click on "SUBMIT" tab.
- vii. Shareholders holding shares in physical form will then directly reach the Company selection screen. However, shareholders 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.
- viii. For shareholders holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.
- ix. Click on the EVSN for the relevant <GORANI INDUSTRIES LIMITED> on which you choose to vote.

- x. 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.
- xi. Click on the "RESOLUTIONS FILE LINK" if you wish to view the entire Resolution details.
- xii. 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.
- xiii. Once you "CONFIRM" your vote on the resolution, you will not be allowed to modify your vote.
- xiv. You can also take a print of the votes cast by clicking on "Click here to print" option on the Voting page.
- xv. 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.
- xvi. **Additional Facility for Non – Individual Shareholders and Custodians –For Remote Voting only.**
 - Non-Individual shareholders (i.e. other than Individuals, HUF, NRI etc.) and Custodians are required to log on to www.evotingindia.com and register themselves in the "Corporates" module.
 - 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.
 - Alternatively Non Individual shareholders are required to send the relevant Board Resolution/ Authority letter etc. together with attested specimen signature of the duly authorized signatory who are authorized to vote, to the Scrutinizer and to the Company at the email



address viz; gorani.industries@yahoo.com (designated email address by company), if they have voted from individual tab & not uploaded same in the CDSL e-voting system for the scrutinizer to verify the same.

Other Instructions:

- I. The e-voting module shall be disabled by CDSL for voting after 5.00 P.M. on 29th September, 2021 (Wednesday). Members holding shares in physical or in demat form as on 23rd September, 2021 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 23rd September, 2021.
- III. Any person, who acquires shares of the Company and becomes a Member of the Company after dispatch of the Notice and holding shares as of the cut-off date, may obtain the login ID and password by sending a request at **helpdesk.evoting@cdslindia.com**. However, if he/she is already registered with CDSL for remote e-voting then he/she can use his/ her existing User ID and password for casting the vote.
- IV. CS Manish Jain, Practicing Company Secretary (Membership No: FCS 4651 CP No: 3049) (Address: 1st Floor, 236, Anoop Nagar, Indore (M.P.) 452008) has been appointed as the scrutinizer to conduct the e-voting process.
- V. The Scrutinizer shall, within a period not exceeding two working days from the conclusion of the e-voting period, unblock the votes in the presence of atleast two witnesses not in the employment of the Company.
- VI. The Scrutinizer, after scrutinizing the votes cast at the meeting and through remote e-voting, will, not later than 48 hours 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 **www.goraniindustries.com** and on the website of CDSL.
- VII. The resolutions shall be deemed to be passed on the date of Annual General Meeting of the Company, subject to receipt of sufficient votes.
- VIII. The result declared along with the Scrutiniser's Report shall be placed on the Company's website **www.goraniindustries.com** and the Company shall simultaneously forward the results to BSE Limited, where the shares of the Company are listed.

INSTRUCTIONS FOR SHAREHOLDERS ATTENDING THE AGM THROUGH VC/OAVM & E-VOTING DURING MEETING ARE AS UNDER:

1. The procedure for attending meeting & e-Voting on the day of the AGM is same as the instructions mentioned above for e-voting.
2. The link for VC/OAVM to attend meeting will be available where the EVSN of Company will be displayed after successful login as per the instructions mentioned above for e-voting.
3. Shareholders who have voted through Remote e-Voting will be eligible to attend the meeting. However, they will not be eligible to vote at the AGM.
4. Shareholders are encouraged to join the Meeting through Laptops / IPads for better experience.
5. Further shareholders will be required to allow Camera and use Internet with a good speed to avoid any disturbance during the meeting.
6. Please note that Participants Connecting from Mobile Devices or Tablets or through Laptop connecting via Mobile Hotspot may experience Audio/Video loss due to Fluctuation in their respective network. It is therefore recommended to use Stable Wi-Fi or LAN Connection to mitigate any kind of aforesaid glitches.
7. Shareholders who would like to express their views/ask questions during the meeting may register themselves as a speaker by sending their request in advance atleast seven (7) days prior to meeting mentioning their name, demat account number/folio number, email id, mobile number at (company email id). The shareholders who do not wish to speak during the AGM but have queries may send their queries in advance seven (7) days prior to meeting mentioning their name, demat account number/folio number, email id, mobile number at **gorni.industries@yahoo.com**. These queries will be replied to by the company suitably by email.
8. Those shareholders who have registered themselves as a speaker will only be allowed to express their views/ask questions during the meeting.
9. Only those shareholders, who are present in the AGM through VC/OAVM facility and have not casted their vote on the Resolutions through remote e-Voting and are otherwise not barred from doing so, shall be eligible to vote through e-Voting system available during the AGM.



10. If any Votes are cast by the shareholders through the e-voting available during the AGM and if the same shareholders have not participated in the meeting through VC/OAVM facility, then the votes cast by such shareholders shall be considered invalid as the facility of e-voting during the meeting is available only to the shareholders attending the meeting.

If you have any queries or issues regarding attending AGM & e-Voting from the CDSL e-Voting System, you can write an email to helpdesk.evoting@cdslindia.com or contact at 022- 23058738 and 022-23058542/43.

All grievances connected with the facility for voting by electronic means may be addressed to Mr. Rakesh Dalvi, Sr.

Manager, (CDSL,) Central Depository Services (India) Limited, A Wing, 25th Floor, Marathon Futurex, Mafatlal Mill Compounds, N M Joshi Marg, Lower Parel (East), Mumbai - 400013 or send an email to helpdesk.evoting@cdslindia.com or call on 022-23058542/43.

OTHER:

Information pursuant to Regulation 36 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 read with the provisions of the Secretarial Standard on General Meetings issued by The Institute of Company Secretaries of India regarding the Directors proposed to be appointed/re-appointed:

Particulars	Sanjay Gorani
DIN	00055531
Date of Appointment	14/03/1995
Date of Birth	11/10/1965
Qualifications	Post Graduate in M.A.(Economics)
Expertise in specific functional areas	He has rich experience of 26 years in the marketing, operation and working of the Company.
Relationship with Directors	None
Appointment/Re-appointment	Re-appointment on retirement by rotation
Terms and Conditions of Appointment/ Reappointment	In terms of Section 152(6) of the Companies Act, 2013, Mr. Sanjay Gorani, Managing Director of the Company is liable to retire by rotation.
Details of remuneration sought to be paid and the remuneration last drawn.	Rs. 2,00,000.00 (Rupees Two Lakh only) per month, as approved by the members of the Company in the Annual General Meeting held on 27th September, 2019
Shareholding in the Company as on 31st March, 2021.	879300 Equity shares of Rs. 10.00 each
Number of meetings of the Board attended during the year 2020-21	8/8
Directorships held in other companies Managing Director	1. Blow Hot Kitchen Appliances Private Limited-
Memberships/Chairmanships of committees of other companies (includes only Audit Committee and Stakeholders' Relationship Committee)	NIL

**EXPLANATORY STATEMENT U/S 102(1) OF THE COMPANIES ACT, 2013 FORMING PART OF THE NOTICE****Item No. 3**

Mr. Nakul Gorani, (Holding DIN-06543317) is director of the Company since last 8 years. Mr. Nakul Gorani is a Masters in Management having Practical experience of Eight 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 upto Rs. 3,00,000.00 (Rupees Three Lac Only) per month with effect from 01st April, 2021, 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 27th September, 2019;

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. 3 are as under:

I. General Information

1. 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.
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:

Particulars	Year ended on 31/03/2021	Previous Year ended on 31/03/2020
Sales (Net of Excise Duty)	18,39,79,722.00	21,43,11,719.00
Other Income	11,68,588.00	5,19,699.00
Gross profit	1,37,14,735.00	1,45,33,738.00
Finance Cost	13,44,547.00	26,58,558.00
Depreciation	32,41,316.00	28,67,421.00
Exceptional Items (charged to P&L account)	0.00	0.00

Particulars	Year ended on 31/03/2021	Previous Year ended on 31/03/2020
Net profit before Tax	91,28,872.00	90,07,759.00
Provision for Tax- Current Tax	25,09,953.00	23,78,956.00
MAT Credit	0.00	0.00
Deferred Tax	19,847.00	1,38,129.00
Net Profit after Tax	65,99,072.00	64,90,674.00

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. Nakul Gorani, age-31 years, is a Masters in Management having Practical experience of eight years in Marketing, Management and is being associated with the Company from past eight years. 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
Basic Salary	Rs. 1,50,000/- Per Month	Rs. 3,00,000/- Per MonthPer 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. 3. The remuneration to Whole Time 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. 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 does not have any other pecuniary relationship with the company, other than the receipt of remuneration as Whole Time Director of the company. However, he holds 60,362 (Sixty Thousand Three Hundred Sixty two) Equity shares of the company as on 31/03/2021.
8. During the year, Mr. Nakul Gorani has attended all 8 Board Meetings of the Company held in the financial year 2020-21.
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. 3 as an 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. 3.

Item No. 4

Mr. Anil Gorani, (Holding DIN-00055540) is director of the Company since incorporation. Mr. Anil Gorani is a graduate in B.E. Electronics and has more than 33 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 upto Rs. 1,50,000.00 (Rupees One Lakh Fifty Thousand only) per month with effect from 01st January, 2021 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, 2020;

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

1. 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.
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:

Particulars	Year ended on 31/03/2021	Previous Year ended on 31/03/2020
Sales (Net of Excise Duty)	18,39,79,722.00	21,43,11,719.00
Other Income	11,68,588.00	5,19,699.00
Gross profit	1,37,14,735.00	1,45,33,738.00
Finance Cost	13,44,547.00	26,58,558.00
Depreciation	32,41,316.00	28,67,421.00
Exceptional Items (charged to P & L account)	0.00	0.00
Net profit before Tax	91,28,872.00	90,07,759.00
Provision for Tax-		
Current Tax	25,09,953.00	23,78,956.00
MAT Credit	0.00	0.00
Deferred Tax	19,847.00	1,38,129.00
Net Profit after Tax	65,99,072.00	64,90,674.00



- 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. Anil Gorani, age-68 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.
- 2. A comparison of past remuneration and the proposed remuneration is given below:

Particulars	Existing remuneration	Proposed remuneration
Basic Salary	Rs. 1,25,000/- Per Month	Rs. 1,50,000/- Per Month 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. 4. The remuneration to Whole Time 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. 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 does not have any other pecuniary relationship with the company, other than the receipt of remuneration as Whole Time Director of the company. However, he holds 6,06,700 (Six Lakh

Six Thousand Seven Hundred) Equity shares of the company as on 31/03/2021.

- 8. During the year, Mr. Anil Gorani has attended all 8 Board Meetings of the Company held in the financial year 2020-21.
- 9. Directorship in other Companies

S. No.	Name of the Company
1	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. 4 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. 4.

By Order of the Board
for Gorani Industries Limited

Date: 27/8/2021
Place: Indore

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



Gorani Industries Ltd.

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

By Order of the Board
for Gorani Industries Limited

Date: 27/8/2021
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 Sixth Annual Report of your Company together with the audited financial statement for the financial year ended on 31st March, 2021.

1. FINANCIAL RESULTS: (Amount in Lacs)

Particulars	2020-21		2019-20	
Total Revenue		1851.48		2148.31
Profit before Finance Cost, Depreciation & Amortization Expense		137.14		145.34
Less:				
Finance Costs	13.44		26.59	
Depreciation & Amortization expense	32.41	45.85	28.67	55.26
Net Profit/(Loss) before extra ordinary & exceptional items & tax		91.29		90.08
Tax Expense				
Current Tax	25.10		23.79	
Deferred Tax	0.20	25.30	1.38	25.17
Net Profit/ (Loss) after tax before Other Comprehensive Income		65.99		64.91
Add :				
Comprehensive Income	1.07	1.07	(7.15)	(7.15)
Net Profit		67.06		57.76
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 2020-21 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.

2. PERFORMANCE AND THE STATE OF COMPANY'S AFFAIRS:

Your Company has achieved total revenue of Rs. 1851.48lakh during the year ended 31st March, 2021

as against that of Rs. 2148.31 lakh during the previous year ended 31st March, 2020. The company has earned net profit of Rs. 67.06Lakh during the financial year against net profit of Rs. 57.76 Lakh in the previous year. The profit for the year is adjusted against the previous years' losses.

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.

During the year, there was no change in the nature of business of the Company.

3. MATERIAL CHANGES AND COMMITMENTS THAT AFFECTED THE FINANCIAL POSITION OF THE COMPANY WHICH OCCURRED BETWEEN THE END OF THE FINANCIAL YEAR TO WHICH THIS FINANCIAL STATEMENT RELATE TILL THE DATE OF THIS REPORT

The Financial year 2020-21 started amidst a strict nationwide lock down in India with tough restrictions on economic activity and mobility. The next following Year was also a highly volatile and challenging year. As the Covid-19 cases continued to rise exponentially, the Government imposed lock down due to second wave of covid-19 which has resulted in temporary pressure on cash flows and liquidity. The economic toll from the pandemic was unprecedented. Operational challenges continued due to restricted movement. However, the management of the Company is confident that the business operations will pick up more progressively.

4. CAPITAL STRUCTURE

There is no change in the Capital structure of the company. The paid up Equity share capital of the Company as on 31st March, 2021 is Rs. 4,87,51,000.00 divided into 4875100 equity shares of Rs. 10.00 each.

5. LISTING ON STOCK EXCHANGES

The shares of the Company are listed on BSE Limited and necessary listing fees have been paid up to date.

6. TRANSFER TO RESERVE, IF ANY

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

7. DIVIDEND:



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

8. RE-APPOINTMENT

As per the provision of Companies Act, 2013, Mr. Sanjay Kumar 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.

During the year, Mr. Anil Gorani (Holding DIN-00055540) was re-appointed as Whole-time Director of the Company for a period of 3 years w.e.f 1st April, 2020 to 31st March, 2023. Further, Ms. Komal Motwani-(Holding DIN:07302550) was re-appointed as Independent Director of the Company for the second term of five consecutive years with effect from 01st October, 2020 to 30th September, 2025.

9. DIRECTORS AND KEY MANAGERIAL PERSONNEL

During the year, Mr. Vikram Rajkumar Khandelwal (Holding DIN- 00040202), Independent Director of the Company resigned from the directorship of the company w.e.f 12th February, 2021 and Mr. Ayush Shukla (Holding DIN: 09057436) was appointed as an Additional Independent Director w.e.f. 12th February, 2021 in the Board Meeting held on 12th February, 2021 and such appointment was confirmed by the members through postal ballot on 17th March, 2021 w.e.f. 12th February, 2021.

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. The Independent Directors have also confirmed that they have complied with the Company's Code of Conduct for Board of Directors. Further, all the Directors have also confirmed that they are not debarred to act as a Director by virtue of any SEBI order.

All Independent Directors of the Company have valid registration in the Independent Director's data bank of Indian Institute of Corporate Affairs as required under Rule 6(1) of the Companies (Appointment and Qualification of Director) Fifth Amendment Rules, 2019 and has passed the online proficiency self-assessment test as required to be undertaken by an Independent Director under the provisions of Section 150 of the Companies Act, 2013 and the rules framed

thereunder.

The Board is of the opinion that Independent Director, Mr. Ayush Shukla (Holding DIN: 09057436), upheld ethical standards of integrity and probity and is a qualified Company Secretary (Member of the Institute of Company Secretaries of India) and is an expert in legal and Secretarial matters.

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.

10. 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 Boards' 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.

11. ANNUAL RETURN

Pursuant to the provisions of Section 134(3)(a) and Section 92(3) of the Companies Act, 2013 read with Rule 12 of the Companies (Management and Administration) Rules, 2014, the Annual Return of the Company for the financial year ended March 31, 2021 can be accessed at <http://www.goraniindustries.com/investors/>.

12. AUDITORS AND THEIR REPORT

The Members at their 25th Annual General Meeting of the Company held on 30th September, 2020, had



appointed M/s. Sandeep Surendra Jain and Company, Chartered Accountants (bearing Firm Registration No. 010172C) as the Statutory Auditors of the Company to hold office for a term of five years i.e. from the conclusion of 25th Annual General Meeting till the conclusion of the 30th Annual General Meeting.

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.

13. 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.

14. 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 2020-21 in the Board Meeting held on 28th July, 2020. Further the Company has also appointed M/s. Manish Jain & Co., Practicing Company Secretaries for the financial year 2021-22 in the Board Meeting held on 29th June, 2021.

The Secretarial Audit Report for the financial year ended March 31, 2021 is annexed herewith as Annexure II to this Report. The report is self-explanatory and does not call for any further comments except:

Remarks:

1. The Company could not produce before us the half-yearly return under the Factories Act, 1948 for period ended on 31st December, 2020.
2. The Company had delayed in filing Annual Form G-1 under Industrial Dispute Act, 1947, the Labour Welfare Return for half -year ended on 30th June, 2020 and the half yearly return under the Factories Act, 1948 for period ended on 30th June, 2020.
3. During the year under review there is delay in payment of gratuity to the employees of the Company.
4. The Company had delayed in payment of Bonus for the financial year 2019-20.

Explanation of above remarks:

The Board clarified that above delay in payment and filing was mainly due to covid impact and technical glitches faced at respective portal. The delay in payment of gratuity is mainly due to online procedural delay by the Life Insurance Corporation and Bank.

15. ANNUAL EVALUATION

The Board of Directors has carried out an annual evaluation of its own performance, its Committees, and individual directors pursuant to the provisions of the Companies Act, 2013.

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.

The Board of Directors expressed their satisfaction with the evaluation process.

16. 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 26 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/>

17. CORPORATE GOVERNANCE

Regulation 17, 17A, 18, 19, 20, 21, 22, 23, 24, 24A, 25, 26, 27 and clauses (b) to (i) of sub-regulation (2) of regulation 46 and Para C, D and E of Schedule V of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 is not applicable to the Company.

18. MEETINGS

A. BOARD MEETINGS

During the year 2020-21, 8 (Eight) Board Meetings were held on 06th June, 2020, 28th July, 2020, 25th August, 2020, 04th September, 2020, 11th September, 2020, 06th November, 2020, 12th February, 2021 and 19th March, 2021.

Name of Director	No. of Board Meeting entitled to attend	No. of Board Meeting attended	Attendance at last Annual General Meeting
Mr. Sanjay Gorani	08	08	Yes
Mr. Anil Gorani	08	08	Yes
Mr. Nakul Gorani	08	08	Yes
Ms. Komal Motwani	08	06	Yes
Mr. Vikram Rajkumar Khandelwal*	07	07	Yes
Ms. Raina Goyal	08	08	Yes
Mr. Ayush Shukla**	01	01	NA

*Mr. Vikram Rajkumar Khandelwal (Holding DIN:00040202) has resigned from the Directorship of the Company w.e.f 12th February, 2021.

**Mr. Ayush Shukla (Holding DIN: 09057436) was appointed as an Independent Director of the Company w.e.f 12th February, 2021.

B. AUDIT COMMITTEE MEETING

During the financial year 2020-21, 5 (Five) Audit Committee Meetings were held on 28th July, 2020, 24th August, 2020, 11th September, 2020, 06th November, 2020 and 12th February, 2021.

Name of Director	No. of committee Meetings entitled to attend	No. of committee Meetings attended
Ms. Komal Motwani	05	05
Mr. Vikram Rajkumar Khandelwal*	05	05
Ms. Raina Goyal	05	05
Mr. Ayush Shukla**	00	00

*Mr. Vikram Rajkumar Khandelwal (Holding DIN:00040202) has resigned from the Directorship of the Company w.e.f 12th February, 2021.

**Mr. Ayush Shukla (Holding DIN: 09057436) was appointed as an Independent Director of the Company w.e.f 12th February, 2021.

C. NOMINATION AND REMUNERATION COMMITTEE MEETINGS

During the financial year 2020-21, 4 (Four) meetings of the Nomination and Remuneration Committee were held on 11th August, 2020, 20th October, 2020, 12th February, 2021 and 15th March, 2021.

Name of Director	No. of committee Meetings entitled to attend	No. of committee Meetings attended
Ms. Komal Motwani	04	04
Mr. Vikram Rajkumar Khandelwal*	04	03
Ms. Raina Goyal	04	04
Mr. Ayush Shukla**	01	01

*Mr. Vikram Rajkumar Khandelwal (Holding DIN:00040202) has resigned from the Directorship of the Company w.e.f 12th February, 2021.

**Mr. Ayush Shukla (Holding DIN: 09057436) was appointed as an Independent Director of the Company w.e.f 12th February, 2021.

**D. STAKEHOLDER RELATIONSHIP COMMITTEE MEETINGS**

During the financial year 2020-21, 4 (Four) Stakeholder Relationship Committee Meetings were held on 03rd June, 2020, 01st September, 2020, 30th October, 2020 and 30th January, 2021.

Name of Director	No. of committee Meetings held	No. of committee Meetings attended
Ms. KomalMotwani	04	04
Mr. VikramRajkumar Khandelwal*	04	04
Ms. RainaGoyal	04	04
Mr. Ayush Shukla**	00	00

*Mr. VikramRajkumarKhandelwal (Holding DIN:00040202) has resigned from the Directorship of the Company w.e.f 12th February, 2021.

**Mr. Ayush Shukla (Holding DIN: 09057436) was appointed as an Independent Director of the Company w.e.f 12th February, 2021.

19. 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.

20. SUBSIDIARY, JOINT VENTURES AND ASSOCIATE COMPANY:

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

21. SECRETARIAL STANDARDS

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

22. 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.

23. 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.

24. DETAILS RELATING TO DEPOSITS, COVERED UNDER CHAPTER V OF THE ACT:

- (a) Accepted during the year: Nil
- (b) Remained unpaid or unclaimed as at the end of the year: Nil
- (c) Whether there has been any default in repayment of deposits or payment of interest thereon during the year and if so, number of such cases and the total amount involved: Nil
- (d) Details of deposits which are not in compliance with the requirements of Chapter V of the Act: Nil

During the year the Company has taken unsecured loans from Director of the Company Mr. NakulGorani (Holding DIN:06543317), Whole-time Director of the Company and has received Declaration to the effect that the said amount is not being given out of funds acquired by him by borrowing or accepting loans or deposits from others.

25. 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.

26. DISCLOSURES:**AUDIT COMMITTEE**

Audit Committee is entrusted with the responsibility to supervise the Company's financial reporting process and internal controls. The composition of the Audit Committee is in alignment with provisions of



Section 177 of the Companies Act, 2013.

As on date the Audit Committee comprises of three Directors i.e Mr. Ayush Shukla (Holding DIN: 09057436), Independent Director (Chairman), Ms. Komal Motwani (Holding DIN: 07302550), Independent Director (member) and Ms. Raina Goyal (Holding DIN: 08295368), Non-Executive Director (member). All the recommendations made by the Audit Committee were accepted by the Board.

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/>.

27. 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, 2021 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.

28. 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.

29. 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.

30. 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.

31. 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.



32. 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

33. 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 of the Companies Act, 2013.
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.
10. The details regarding application made or proceeding pending under Insolvency and Bankruptcy Code, 2016.

34. 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
for Gorani Industries Limited

Date: 27/8/2021
Place: Indore

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

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 sustain ability 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 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.



ANNEXURE II

Form MR-3

SECRETARIAL AUDIT REPORT

FOR THE FINANCIAL YEAR ENDED on 31st March, 2021

[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

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's 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, 2021 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:

Due to Covid-19 pandemic I was unable to physically visit the Company office and Plant office and therefore, I have examined the books, papers, minute books, forms and returns filed and other records received via Emails and other electronic means maintained by the Company for the financial year ended on 31st March, 2021 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. Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings- **There is no Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings in the Company during the year;**
- v. 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, 2018;
 - (d) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008 - **There is no Listed Debt Securities in the Company;**
 - (e) The Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014 - **There is no Share Based Employee Benefits in the Company;**
 - (f) 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;
 - (g) The Securities and Exchange Board of India



(Listing Obligations and Disclosure Requirements) Regulations, 2015;

- (h) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009 - **No Equity Shares are delisted during the year;**
- (i) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 2018 - **There is no event of Buyback of securities during the year.**

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

- i. Secretarial Standards issued by The Institute of Company Secretaries of India.

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 general laws applicable to the Company except the remarks mentioned herein below:

1. *The Company could not produce before us the half-yearly return under the Factories Act, 1948 for period ended on 31st December, 2020.*
2. *The Company had delayed in filing Annual Form G-1 under Industrial Dispute Act, 1947, the Labour Welfare Return for half-year ended on 30th June, 2020 and the half yearly return under the Factories Act, 1948 for period ended on 30th June, 2020.*
3. *During the year under review there is delay in payment of gratuity to the employees of the Company.*
4. *The Company had delayed in payment of Bonus for the financial year 2019-20.*

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.

Place: Indore
Date : 27/08/2021

Sd/-
CS Manish Jain
For Manish Jain & Co.
Company Secretaries
FCS No.4651
C P No. : 3049
UDIN: F004651C000841003



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 : 27/08/2021

Sd/-
CS Manish Jain
For **Manish Jain & Co.**
Company Secretaries
FCS No.4651
C P No.:3049
UDIN: F004651C000841003

**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

- Name(s) of the related party and nature of relationship: NIL
- Nature of contracts/arrangements/transactions :NIL
- Duration of contracts/arrangements/transactions: NIL
- Salient terms of the contracts or arrangements or transactions including the value, if any: NIL
- Justification for entering into contracts or arrangements or transactions: NIL
- Date(s) of approval by the board :NIL
- Amount paid as advances, if any: NIL
- 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 (The proprietor of the firm is relative of directors of the company)
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
Duration of contracts / arrangements/ transactions	3 Years (1st October 2020 to 30th September, 2023)	3 Years (1st October 2020 to 30th September, 2023)
Salient terms of the contracts or arrangements or transactions including the value, if any	Approval at Annual General Meeting held on 30th September, 2020 and Limit was Rs. 5 Crore per annum. Approval of members on 18th March, 2021 and the limit was increased from Rs. 5 Crore per annum to Rs. 50 Crore per annum for the remaining tenure	Approval at Annual General Meeting held on 30th September, 2020 and Limit is Rs. 5 Crore per annum.
Date(s) of approval by the board	25th August, 2020 for limit of Rs. 5 Crore per annum 12th February, 2021 for limit of Rs. 50 Crore per annum	25th August, 2020 for limit of Rs. 5 Crore per annum
Amount paid as advances, if any	NIL	NIL

By Order of the Board

Sd/-

Anil Gorani

(Holding DIN 00055540)

Chairman cum Whole Time Director

Place: Indore

Date: 27/08/2021

**ANNEXURE IV**

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	2020-21	2019-20
a.	Electricity			
	Purchased unit	KWH	2,90,553	2,83,944
	Total amount	Rs.	37,43,273	32,92,943
	Rate per unit	Rs./KWH	12.88	11.60
b.	Own generation			
	Units	KWH	5,180	21,690
	Units/ Ltr. of Diesel	KWH	5.51	5.36
	Cost per Unit	Rs./KWH	15.01	13.14
	Electricity consumed	KWH	0.99	0.98

(ii) Steps taken by the company for utilizing 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 31 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 have 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 11 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		2020-21	2019-20
a.	Earnings FOB value of exports Freight Charges	NIL	NIL
b.	Outgo Import Expenses	7,28,83,770	5,03,67,923

By **Order of the Board**

Sd/-

Anil Gorani

(Holding DIN 00055540)

Chairman cum Whole Time Director

Place: Indore

Date: 27/08/2021

Regd. Office:

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

**ANNEXURE V****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 2020-21, ratio of the remuneration of each Director to the median remuneration of the employees of the Company for the financial year 2020-21 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. 2019-20 (Amount in Rs.)	Remuneration for F.Y. 2018-19 (Amount in Rs.)	Increase in remuneration from previous year	Percentage increase in remuneration from previous year	Ratio
Sanjay Gorani	Managing Director	24,00,000	23,00,000	1,00,000	4.34%	19.49
Anil Gorani	Whole Time Director	14,50,000	12,00,000	2,50,000	20.83%	11.77
NakulGorani	Whole Time Director	18,00,000	17,00,000	1,00,000	5.88%	14.62
Chandrasekhar Sharma	CFO	2,10,833	2,16,000	(5,167)	(2.39%)	
NeerjaMandiya	Company Secretary	1,45,000	1,74,000	(29,000)	(16.67%)	

- 2) The median remuneration of employees of the Company during the financial year was Rs. 1,23,156
- 3) In the financial year, there is an increase of 3.68% in the median remuneration of employees;
- 4) There were 165 permanent employees on the rolls of Company as on March 31, 2021;
- 5) Average percentage increase made in the salaries of employees other than the managerial personnel in the last financial year i.e. 2020-21 is 5%
- 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 under Rule 5 (2) of the Companies (Appointment and Remuneration) Rules, 2014 as amended from time to time:

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	Age	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 rule 5(2)(iii) of Companies (Appointment and Remuneration) Rule 2014	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.	2,10,833	Contractual	M.Com 21 Yrs.	1-Aug-99	60 Yrs.	Jayant Vitamins Ltd.	NIL	N.A.
2.	Ajay Jain	H.R. Manager	2,10,833	Contractual	B.Com, Dip. in Material Management	9-Sep-19	50 Yrs.	Jush Precision & Tools Pvt. Ltd.	NIL	N.A.
3.	Abhay Sharma	Manager Accounts	2,10,833	Contractual	M.Com 18 Yrs.	1-Oct-16	42 Yrs.	Wanderland Real Estate Pvt. Ltd.	NIL	N.A.
4.	Antony Paulose Joseph	Tool Room Incharge	2,10,833	Contractual	Diploma in Mechanical Engineering 16 Yrs.	13-Jul-05	61 Yrs.	Super Steel Mfg. Co.	NIL	N.A.
5.	Mohammed Ahmed Khan	Dispatch Incharge	2,10,833	Contractual	M.Com., LL.B. 25 Yrs.	2-Sep-96	63 Yrs.	Modella Steel	NIL	N.A.
6.	Vinod Sharma	Production Incharge	1,79,333	Contractual	B.Sc 21 Yrs.	15-Sep-00	58 Yrs.	Super Steel Mfg. Co.	NIL	N.A.
7.	Premnarayan Nagar	Paint Section Incharge	1,79,333	Contractual	B.Com 11 Yrs.	11-Oct-09	53 Yrs.	Super Steel Mfg. Co.	NIL	N.A.
8.	Dewa Suresh Kanathe	Technical Engineer	1,75,417	Contractual	Diploma in Tool Engineering 5 Yrs.	01-Feb-18	29 Yrs.	ITL Industries Ltd.	NIL	N.A.
9.	A. Sushila Rao	Bank Office Assistant	1,64,389	Contractual	B.A. 21 Yrs	02-Sep-96	48 Yrs.	-	NIL	N.A.
10.	Rameshwar Thapa	Electrician	1,58,500	Contractual	8th Pass 21 Yrs.	01-July-00	45 Yrs.	-	NIL	N.A.

Place: Indore
Date: 27/08/2021
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 and energy efficient 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 since 2016-17.

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 which is corroborated by the measures taken by exchequer with regard to MSME enterprises.

The company is in the business of production, manufacturing and dealing in Kitchen appliances and home appliances 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 rise in 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	2020-21	2019-20
1.	Net Sales from operations	18,39,79,722	21,43,11,719
2.	Other Income	11,68,588	5,19,699
3.	Sub-total	18,51,48,310	21,48,31,418
4.	Total Expenditure (Before interest and Depreciation)	17,16,00,022	20,10,25,533
5.	Operating Profit (EBIDTA)	1,35,48,288	1,38,05,885
6.	Operating Margin %	7.36%	6.44%
7.	Profit / (Loss) After Tax	64,90,674	64,90,674
8.	Return on Capital Employed % (EBIT)	17.86%	21.45%
9.	No. of Months Receivables (Receivables / Sales X 12)	2.92	3.39
10.	Current Ratio (Current Assets / Current Liabilities)	1.53	1.34
11.	Borrowings : Equity Ratio (TL/Equity)	0.49	0.67
12.	Production (Nos.) :-		
(A)	Gas Gyser	1,19,087	96,476
(B)	LPG Glass Top	43,347	1,31,679
(C)	Chimney	12,767	23,229

Company's revenue from operations for the year 2020-21 was 18,39,79,722/-, reflecting an decrease of 14.15% over the previous year. The Company's profit before exceptional items and tax during the year ended 31st March 2021 was Rs 91,28,572/-, grew by 1.34 %.

EARNINGS BEFORE INTEREST, TAX, DEPRECIATION AND AMORTIZATION (EBIDTA)

During the fiscal 2020-21, the Company reported an EBIDTA of Rs.1,35,48,288/- when compared to the previous year's figure of Rs.1,38,05,885/-.

PROFIT BEFORE TAX (PBT)

PBT was at Rs. 91,28,572/- in FY 2021, compared with previous year's Rs. 90,07,759/-.

PROFIT AFTER TAX (PAT)



PAT stood at Rs. 65,99,072/- in FY-2021 as compared to Rs. 64,90,674/- in FY- 2020.

EARNINGS PER SHARE (EPS)

EPS in the fiscal 2020-21 stood at Rs. 1.35 per share compared to EPS of Rs. 1.33 per share in fiscal 2019-20.

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, as also revealed by the current year performance.

Due to Covid-19 pandemic the availability of raw material from China and difficulties relating to skilled labour availability will certainly hit the productivity but held inventory level coupled with other benefits given by the state government like deferment of Power bills and other payments thereby bringing the relaxation in the cash flow. 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.

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 profitably in the market.

SEGMENT WISE PERFORMANCE/PRODUCT 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. In the last couple of years, availability of our products on the e-commerce platform has shown an attractive growth and looking in to the current scenario of people purchasing products directly through such platforms the company sees the jump in the turnover.

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.

After the Covid-19 impact and since the un-locking in Jun-2020, 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

Our 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.

Our 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, cash generation and robust stewardship will continue to be our focus areas as in the past.

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

INTERNAL CONTROL

The Company 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 focus on training of 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.

The Unit of the Company has 155 non-management employees. The overall relations with these employees continued to be cordial and harmonious during the year

2020-21. As on 31st March, 2021, the employee strength of the Company was 165 as compared to 110 as on 31st March, 2020.

SIGNIFICANT CHANGES

Details of significant changes in key financial ratios, along with detailed explanations therefor, including:

- i. Debtors Turnover –3.49
- ii. Inventory Turnover –5.82
- iii. Interest Coverage Ratio –8.75
- iv. Current Ratio –1.53
- v. Debt Equity Ratio –0.49
- vi. Operating Profit Margin (%) –7.36%
- vii. Net Profit Margin (%) –3.65%

Disclosure of Accounting Treatment:

Being the listed public limited company the Indian Accounting Standards (IND-AS) are applicable on the company and the standards as on date notified were applied while preparing the financial statements.

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.

By Order of the Board
for Gorani Industries Limited

Date: 27/8/2021
Place: Indore

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

Regd. Office:

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



INDEPENDENT AUDITORS' REPORT

To the Members of

Gorani Industries Limited

Report on the Financial Statements

Opinion

We have audited the accompanying Ind AS financial statements of **Gorani Industries Limited** ("the Company"), which comprise the Balance Sheet as at **March 31, 2021**, the Statement of Profit and Loss (including the statement of Other Comprehensive Income), the Statement of Changes in Equity and the Cash Flow Statement for the year then ended, and notes to the Ind AS financial statements, including a summary of significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid Ind-AS financial statements give the information required by the Companies Act, 2013 ("the Act"), in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under section 133 of the act read with the companies (Indian Accounting Standards) Rules, 2015 as amended ("Ind-AS") and other accounting principles generally accepted in India, of the state of affairs of the Company as at 31st March, 2021, and its profit and other comprehensive income, changes in equity and its cash flows for the year ended on that date.

Basis for Opinion

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Companies Act, 2013. Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the Ind AS Financial Statements section of our report. We are independent of the Company in accordance with the 'Code of Ethics' issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the Ind AS financial statements under the provisions of the Act, and the Rules made thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on the Ind AS.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the Ind-AS financial statements of the current period. These matters were addressed in the context of our audit of the Ind-AS financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these

matters

We have determined that there is no key audit matter to communicate in our report

Information other than the Ind AS financial statements and Auditors' Report thereon

The Company's Management and Board of Directors are responsible for the other information. The other information comprises the information included in the Management Discussion and Analysis, Board's Report including Annexure to Board's Report, Business Responsibility Report, Corporate Governance and Shareholder's Information, but does not include the Ind AS financial statements and our auditor's report thereon.

Our opinion on the Ind AS Financial Statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the Ind AS Financial Statements, our responsibility is to read the other information identified above and, in doing so, consider whether such other information is materially inconsistent with the Ind AS financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Management's Responsibility for the Financial Statements

The Company's Management and Board of Directors are responsible for the matters stated in Section 134(5) of the Act with respect to the preparation and presentation of these Ind-AS financial statements that give a true and fair view of the financial position, financial performance, total 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) specified 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 Ind-AS financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.



In preparing the Ind AS financial statements, management and Board of Directors are responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

That Management and Board of Directors are also responsible for overseeing the Company's financial reporting process.

Auditors' Responsibility for the Ind AS financial statements

Our objectives are to obtain reasonable assurance about whether the Ind-AS financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these Ind-AS financial statements.

As part of audit in accordance with SAs, we exercise professional judgement and maintain professional skepticism throughout the audit. We also:

1. Identify and assess the risks of material misstatement of the Ind-AS financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than from one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
2. Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the company has adequate internal financial controls with reference to financial statements in place and the operating effectiveness of such controls.
3. Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
4. Conclude on the appropriateness of management's use

of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the Ind AS financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

5. Evaluate the overall presentation, structure and content of the Ind AS financial statements, including the disclosures, and whether the Ind AS financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Materiality is the magnitude of misstatements in the Ind AS Financial Statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the Ind AS Financial Statements may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the Ind AS Financial Statements.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the Ind AS financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication



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, to the extent applicable.
2. Further, 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 (including other comprehensive income), the Cash Flow Statement and the Statement of changes in Equity dealt with by this Report are in agreement with the relevant books of account.
 - d. In our opinion, the aforesaid Ind AS financial statements comply with the Indian Accounting Standards specified under section 133 of the Act, read with Companies (Indian Accounting Standards) Rules, 2015, as amended.
 - e. On the basis of the written representations received from the directors as on March 31, 2021, taken on record by the Board of Directors, none of the director is disqualified as on March 31, 2021 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 with reference to these Ind-AS financial Statements and the operating effectiveness of such controls, refer to our separate report in

“**Annexure B**” of this report.

- g. With respect to other matters to be included in the Auditor's report in accordance with the requirements of section 197(16) of the act, as amended :

In our opinion and to the best of our information and according to the explanations given to us, the remuneration paid/provided by the Company to its directors during the year is in accordance with the provisions of section 197 of the Act.
- h. 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 as amended, 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: **SANDEEP SURENDRA JAIN & CO.**
Chartered Accountants
Firm Reg. No. 010172C

Place: Indore

Date : 29 June 2021

UDIN : 21409674AAAAAG5421

CA. SEEMA VIJAYVARGIYA

Partner

Membership No. 409674



ANNEXURE "A" REFERRED TO IN PARAGRAPH 1 UNDER THE HEADING OF "REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS" SECTION OF OUR REPORT OF EVEN DATE TO THE MEMBERS OF GORANI INDUSTRIES LIMITED ON THE ACCOUNTS FOR THE YEAR ENDED 31ST MARCH 2021

(i) In respect of the Company's property, plant and equipment:

- (a) The Company has maintained proper records to show full particulars, including quantitative details and situation of its property, plant and equipment.
- (b) All property, plant and equipment of the Company are physically verified by the management at regular intervals, which in our opinion, is reasonable considering the size of the Company and the nature of assets. During the year, as informed to us by management, no material discrepancies have been noticed on such verification.
- (c) According to the information and explanation given to us and the records examined by us, we report that the title deeds, comprising all the immovable properties are held in the name of the Company as at the balance sheet date.

(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 of the Act. Accordingly, paragraph 3(iv) of the Order is not applicable to the Company.
- (v) According to the information and explanation given to us, the company has not accepted deposits from public during the year. Accordingly, paragraph 3(v) of the Order is not applicable to the Company.
- (vi) According to the information and explanation given 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, Provident Fund, Employees State Insurance (ESI), Income-tax, Tax deducted at sources, Tax collected at source, Professional Tax, Goods & Services Tax and other material statutory dues applicable to it, with the appropriate authorities.
 - (b) According to the information and explanations given to us, no undisputed amounts payable in respect of Provident fund, Employees' State Insurance, Income tax, Goods and Services tax, duty of Customs, Cess and other material statutory dues were in arrears as at 31 March 2021, 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 and there are



no dues to debenture holders during the year.

- (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 as prescribed under section 406 of the Act. 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, all transactions with the related parties are in compliance with sections 177 and 188 of the Act, where applicable and the details of such related party transactions have been disclosed in the Ind AS financial

statements as required by the applicable Indian Accounting Standards.

- (xiv) According to the information and explanations give 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. Hence, reporting requirement under clause 3(xiv) of the order are not applicable to the company.
- (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 as referred to in section 192 of the Act.
- (xvi) The Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934.

For: **SANDEEP SURENDRA JAIN & CO.**

Chartered Accountants
Firm Reg. No. 010172C

Place: Indore

Date : 29 June 2021

UDIN : 21409674AAAAAG5421

CA. SEEMA VIJAYVARGIYA

Partner

Membership No. 409674



ANNEXURE “B” AS REFERRED TO IN PARAGRAPH 2(f) UNDER THE HEADING OF “REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS” SECTION OF OUR REPORT OF EVEN DATE TO THE MEMBERS OF GORANI INDUSTRIES LIMITED ON THE ACCOUNTS FOR THE YEAR ENDED 31ST MARCH 2021

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, 2021** in conjunction with our audit of the Ind AS financial statements of the Company for the year ended on that date.

Opinion

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting with reference to Ind-AS financial statements and such internal financial controls over financial reporting with reference to these Ind-AS financial statements were operating effectively as at **March 31, 2021** 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.

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 Act.

Auditor’s Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting with reference to these Ind-AS financial statements based on our audit. We have 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 Act, 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 over financial reporting with reference to these Ind-AS financial statements and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting with reference to these Ind-AS financial statements, 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 Ind AS 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 with reference to these Ind-AS financial statements.

Meaning of Internal Financial Controls Over Financial Reporting

A company's internal financial control over financial reporting with reference to these Ind-AS financial statements 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 with reference to these Ind-AS financial statements 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 Ind AS 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 with reference to these Ind-AS financial statements

Because of the inherent limitations of internal financial controls over financial reporting with reference to these Ind-AS financial statements, 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 with reference to these Ind-AS financial statements to future periods are subject to the risk that the internal financial control over financial reporting with reference to these Ind-AS financial statements may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

For: **SANDEEP SURENDRA JAIN & CO.**

Chartered Accountants

Firm Reg. No. 010172C

Place: Indore

Date : 29 June 2021

UDIN : 21409674AAAAAG5421

CA. SEEMA VIJAYVARGIYA

Partner

Membership No. 409674

**Gorani Industries Ltd.****BALANCE SHEET AS AT 31st MARCH' 2021**

CIN - L28121MP1995PLC009170

PARTICULARS	Note No.	As at 31/03/2021	As at 31/03/2020
		Rs.	Rs.
ASSETS			
Non Current Assets			
Property Plant & Equipment	2	28,326,623	28,497,039
Capital Work in Progress		553,534	64,392
Other Financial Assets	3	541,149	430,620
Current Assets			
Inventories	4	32,624,615	30,645,608
Financial Assets			
Trade Receivables	5	44,818,756	60,469,469
Cash and Cash Equivalent	6	8,622,943	5,239,061
Other Current Financial Assets	7	346,900	346,900
Current Tax Asset (Net)		-	-
Other Current Assets	8	3,449,611	2,542,932
Total		119,284,131	128,236,021
EQUITY			
Share Capital	9	48,751,000	48,751,000
Other Equity	10	8,958,565	2,252,175
LIABILITIES			
Non-current liabilities			
Financial Liabilities			
Borrowings	11	-	978,238
Provisions	12	591,750	235,797
Deferred Tax Liabilities	13	2,182,514	2,126,573
Current liabilities			
Financial Liabilities			
Borrowings	14	27,356,980	32,214,800
Trade Payables	15		
Dues of micro & small enterprises		8,712,772	2,279,984
Dues other than micro & small enterprises		10,547,517	29,632,440
Other Financial Liabilities	16	7,867,276	6,981,573
Other Current Liabilities	17	3,397,354	2,674,854
Current Tax Liability (Net)	18	918,403	108,587
Total		119,284,131	128,236,021
Significant Accounting Policies and Notes on Financial Statements	1 to 40		

For and on behalf of the Board

As per our report of even date
For **SANDEEP SURENDRA JAIN & CO.**
Chartered Accountants
Firm Reg. No. 010172C

(Sanjay Gorani) **(Anil Gorani)** **(Nakul Gorani)** **(Neerja Mandiya)** **(C.S. Sharma)** **CA. Seema Vijayvargiya**
Managing Director Whole Time Director Whole Time Director (Company Secretary) C.F.O. Partner
DIN :- 00055531 DIN : 00055540 DIN : 06543317 M.No. 409674

Place : Indore

UDIN : 21409674AAAAAG5421

Date : 29 June 2021

**STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31st MARCH 2021**

CIN - L28121MP1995PLC009170

PARTICULARS	Note No.	Year Ended 31/03/2021	Year Ended 31/03/2020
		Rs.	Rs.
Income			
I Revenue from Operations	19	183,979,722	214,311,719
II Other income	20	1,168,588	519,699
III Total Revenue (I+II)		185,148,310	214,831,418
IV Expenses			
Cost of Materials Consumed	21	130,958,466	171,505,151
Purchases of Trading Goods		4,173,606	115,226
Changes in inventories of finished goods, work in progress and Stock-in- trade	22	2,170,181	(3,463,672)
Employee benefits expenses	23	22,827,998	19,963,536
Finance costs	24	1,344,547	2,658,558
Depreciation and Amortization expenses	2	3,241,316	2,867,421
Other expenses	25	11,303,324	12,177,439
Total (IV)		176,019,438	205,823,659
V Profit Before Exceptional and Tax (III-IV)		9,128,872	9,007,759
VI Exceptional items		-	-
VII Profit Before Tax (V-VI)		9,128,872	9,007,759
VIII Tax expenses			
Current tax		2,509,953	2,378,956
Deferred tax		19,847	138,129
Total tax expenses		2,529,800	2,517,085
IX Profit/(loss) for the year (VII-VIII)		6,599,072	6,490,674
X Other Comprehensive Income			
(i) Items that will not be reclassified to profit & loss			
Remeasurements of net defined benefit plans		143,412	(966,086)
Income tax relating to above items		(36,094)	251,182
XI Total Comprehensive Income for the year (IX+X)		6,706,390	5,775,770
Earnings per Share			
Equity Shares of `10 each			
Basic		1.35	1.33
Diluted		1.35	1.33
Significant Accounting Policies and Notes on Financial Statements	1 to 40		

For and on behalf of the Board

As per our report of even date
For **SANDEEP SURENDRA JAIN & CO.**
Chartered Accountants
Firm Reg. No. 010172C

(Sanjay Gorani) (Anil Gorani) (Nakul Gorani) (Neerja Mandiya) (C.S. Sharma) CA. Seema Vijayvargiya
Managing Director Whole Time Director Whole Time Director (Company Secretary) C.F.O. Partner
DIN :- 00055531 DIN : 00055540 DIN : 06543317 M.No. 409674

Place : Indore

UDIN : 21409674AAAAAG5421

Date : 29 June 2021

**CASH FLOW STATEMENT FOR THE YEAR ENDED 31st MARCH 2021**

CIN - L28121MP1995PLC009170

PARTICULARS	Note No.	As at 31/03/2021	As at 31/03/2020
		Rs.	Rs.
Cash flow from operating Activities			
Net profit before taxation		9,128,872	9,007,759
Add adjustments for :			
Depreciation / amortisation		3,241,316	2,867,421
Interest income		(42,327)	(519,699)
Interest Expense on lease Liability		692	829
Finance Cost		1,344,547	2,658,558
Unrealised foreign exchange difference		(18,713)	(804,463)
Loss on Sale of Asset		-	3,813
Employee Benefit Expense		499,365	17,890
Operating profit before working capital changes		14,153,753	13,232,108
Adjustments for changes in working capital :			
- Trade and other receivables		15,650,713	(23,381,781)
- Inventories		(1,979,007)	6,652,165
- Other financial assets		-	(20,000)
- Other current assets		(1,034,234)	4,433,827
- Trade and other payables		(11,741,479)	19,638,731
- Other current liabilities		722,500	1,202,322
Cash generated from operation		15,772,245	21,757,372
- Taxes paid (net)		1,577,286	1,660,776
Net cash from Operating Activities (A)		14,194,959	20,096,596
Cash flow from Investing Activities			
(Purchase) / Sales of fixed assets		(3,560,042)	(5,479,759)
Interest Income		42,327	519,699
Increase/(Decrease) in other non current assets		(110,529)	634
Net cash used in Investing Activities(B)		(3,628,244)	(4,959,426)
Cash flow from Financing Activities			
Finance Cost		(1,344,547)	(2,658,558)
Payment of Lease Liability		(2,228)	(2,228)
Increase/(Decrease) in Short term Borrowings		(4,857,820)	(15,314,276)
Increase/(Decrease) in other non current liabilities		(978,238)	(976,689)
Net cash used in Financing Activities(C)		(7,182,833)	(18,951,751)
Net increase in cash and cash equivalents (A+B+C)		3,383,882	(3,814,581)
Cash and cash equivalents at the beginning of the year		5,239,061	9,053,642
Cash and cash equivalents at the end of the year		8,622,943	5,239,061
Cash in Hand		251,241	879,432
Balance In Current Accounts with Scheduled Bank		8,371,702	4,359,629
		8,622,943	5,239,061
Significant Accounting Policies and Notes on Financial Statements	1 to 40		

For and on behalf of the Board

As per our report of even date
For **SANDEEP SURENDRA JAIN & CO.**
Chartered Accountants
Firm Reg. No. 010172C

(Sanjay Gorani) **(Anil Gorani)** **(Nakul Gorani)** **(Neerja Mandiya)** **(C.S. Sharma)** **CA. Seema Vijayvargiya**
Managing Director Whole Time Director Whole Time Director (Company Secretary) C.F.O. Partner
DIN :- 00055531 DIN : 00055540 DIN : 06543317 M.No. 409674

Place : Indore

UDIN : 21409674AAAAAG5421

Date : 29 June 2021

**STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31st MARCH 2021**

CIN - L28121MP1995PLC009170

A. Equity Share Capital

Particulars	Amount
As at 31st March, 2019	48,751,000
Changes in equity share capital	0
As at 31st March, 2020	48,751,000
Changes in equity share capital	0
As at 31st March, 2021	48,751,000

B. Other Equity

	Reserve & Surplus		Total
	Capital Reserve	Retained Earnings	
Balance as on 31, March 2019	2,901,000	(6,046,562)	(3,145,562)
As At 1, April 2019	2,901,000	(6,046,562)	(3,145,562)
Impact on account of IND AS 116		(378,033)	(378,033)
	2,901,000	(6,424,595)	(3,523,595)
Profit for the period		6,490,674	6,490,674
Other comprehensive income		(714,904)	(714,904)
Total comprehensive income		5,775,770	5,775,770
Balance as on 31, March 2020	2,901,000	(648,825)	2,252,175
As At 1, April 2020	2,901,000	(648,825)	2,252,175
	2,901,000	(648,825)	2,252,175
Profit for the period		6,599,072	6,599,072
Other comprehensive income		107,318	107,318
Total comprehensive income		6,706,390	6,706,390
Balance as on 31, March 2021	2,901,000	6,057,565	8,958,565

For and on behalf of the Board

As per our report of even date
For **SANDEEP SURENDRA JAIN & CO.**
Chartered Accountants
Firm Reg. No. 010172C

(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. Seema Vijayvargiya

Partner

M.No. 409674

UDIN : 21409674AAAAAG5421

Place : Indore

Date : 29 June 2021



Notes forming part of Financial Statements

CIN - L28121MP1995PLC009170

Note :1

1.1 CORPORATE INFORMATION

Gorani Industries Limited (the 'Company') is a public limited Company domiciled and incorporated in India having its registered office at Plot no. 32-33, Sector-F, Sanwer Road, Industrial Area, Indore – 452015. The Company's shares are listed since 1996 and traded on the BSE. The Company is engaged in the manufacture, trading and sale of kitchenware. The financial statements of the Company for the year ended March 31, 2021, were approved by the Board of Directors and authorized for issue on June 29, 2021.

1.2 SIGNIFICANT ACCOUNTING POLICIES FOLLOWED BY THE COMPANY

The principal accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

A] Basis for preparation:

i. Compliance with Ind AS

These financial statements have been prepared in accordance with the Indian Accounting Standards (hereinafter referred to as the 'Ind AS') as notified by Ministry of Corporate Affairs pursuant to Section 133 of the Companies Act, 2013 read with Rule 3 of the Companies (Indian Accounting Standards) Rules, 2015 and other relevant provisions of the Act.

The financial statements have been prepared on accrual and going concern basis. The accounting policies are applied consistently to all the periods presented in the financial statements. All assets and liabilities have been classified as current or non current as per the Company's normal operating cycle and other criteria as set out in the Division II of Schedule III to the Companies Act, 2013. Based on the nature of products and the time between acquisition of assets for processing and their realisation in cash and cash equivalents, the Company has ascertained its operating cycle as 12 months for the purpose of current or non-current classification of assets and liabilities.

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.

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 (INR).

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

Property, plant and equipment is stated at acquisition cost net of accumulated depreciation and accumulated impairment



losses, if any. Cost includes expenditure that is directly attributable to the acquisition and installation of the assets. Subsequent costs are included in the asset’s carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably. All other repairs and maintenance cost are charged to the Statement of Profit and Loss during the period in which they are incurred.

F] Depreciation methods, estimated useful lives and residual value

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. 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

Initial recognition and measurement:

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, Credit balance in bank accounts, other short term highly liquid investments with original maturities of three months that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

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:

Current tax is measured at the amount of tax expected to be payable on the taxable income for the year as determined in accordance with the provisions of the Income Tax Act, 1961. 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

The Company derives revenue primarily from sale of manufactured and traded goods. The Company recognises revenue on the basis of Ind AS 115 – 'Revenue from contracts with customers' which establishes a comprehensive framework for determining whether, how much and when revenue is to be recognized.

Revenue from sale of goods is recognized when control of the products being sold is transferred to our customer and when there are no longer any unfulfilled obligations.

The Performance Obligations in our contracts are fulfilled at the time of dispatch or delivery.

Revenue is measured at fair value of consideration received or receivable, after deduction of any trade discounts, volume



rebates and any taxes or duties collected on behalf of the government such as goods and service tax etc. Revenue is only recognized to the extent that it is highly probable a significant reversal will not occur.

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 2021.

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] Leases (IND AS 116)

The Company assesses whether a contract contains a lease, at the inception of the contract. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. To assess whether a contract conveys the right to control the use of an identified asset, the Company



considers whether (i) the contract involves the use of identified asset; (ii) the Company has substantially all of the economic benefits from the use of the asset through the period of lease and (iii) the Company has right to direct the use of the asset.

As a lessee

The Company recognises a right-of-use asset and a lease liability at the lease commencement date. The right-of-use asset is initially measured at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred and an estimate of costs to dismantle and remove the underlying asset or to restore the site on which it is located, less any lease incentives received.

The right-to-use asset is subsequently depreciated using the straight-line method from the commencement date to the earlier of the end of the useful life of the right-to-use asset or the end of the lease term. The estimated useful lives of right-to-use assets are determined on the same basis as those of property, plant and equipment. In addition, the right-to-use asset is periodically reduced by impairment losses, if any, and adjusted for certain re-measurements of the lease liability.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the Company's incremental borrowing rate. Generally, the Company uses its incremental borrowing rate as the discount rate.

Lease payments included in the measurement of the lease liability comprises of fixed payments, including in-substance fixed payments, amounts expected to be payable under a residual value guarantee and the exercise price under a purchase option that the Company is reasonably certain to exercise, lease payments in an optional renewal period if the Company is reasonably certain to exercise an extension option.

The Company has elected not to recognise right-to-use assets and lease liabilities for short term leases that have a lease term of less than or equal to 12 months with no purchase option and assets with low value leases. The Company recognises the lease payments associated with these leases as an expense in statement of profit and loss over the lease term. The related cash flows are classified as operating activities.

T] Offsetting financial instruments

Financial assets and liabilities are offset and the net amount is reported in the balance sheet where there is a legally enforceable right to offset the recognised amounts and there is an intention to settle on a net basis or realise the asset and settle the liability simultaneously. The legally enforceable right must not be contingent on future events and must be enforceable in the normal course of business and in the event of default, insolvency or bankruptcy of the Company or the counterparty.

U] Rounding of amounts

All amounts disclosed in the financial statements and notes have been rounded off to the nearest rupees.

V] Events after reporting date

Where events occurring after the balance sheet date provide evidence of conditions that existed at the end of the reporting period, the impact of such events is adjusted within the financial statements. Otherwise, events after the balance sheet date of material size or nature are only disclosed.



Notes Forming Part of Financial Statement

CIN - L28121MP1995PLC009170

2. Property Plant & Equipment

	Leasehold Land	Building	Plant & Machinery	Dies & Tools	Office Equip-ments	Laboratory Equip-ments	Electrical Install-ations	Furniture & Fixtures	Computer	Air Condit-ioner	ETP	Vehicles	Fire Fighting Equip-ments	Total
Balance as at 01.04.2019	488,556	7,458,021	13,181,814	1,766,056	103,156	44,178	89,960	493,500	158,871	89,374	1	6,728,566	1	30,602,054
Additions		2,912,380	339,800	3,478,129	521,738	41,500		520,511	57,254					7,871,312
Disposals			74,519									343,241		417,760
Reclassification as held for sale														
Balance as at 31.03.2020	488,556	10,370,401	13,447,095	5,244,185	624,894	85,678	89,960	1,014,011	216,125	89,374	1	6,385,325	1	38,055,606
Balance as at 01.04.2020	488,556	10,370,401	13,447,095	5,244,185	624,894	85,678	89,960	1,014,011	216,125	89,374	1	6,385,325	1	38,055,606
Additions			761,000	1,392,535	54,105			213,260	650,000					3,070,900
Disposals														-
Reclassification as held for sale														
Balance as at 31.03.2021	488,556	10,370,401	14,208,095	6,636,720	678,999	85,678	89,960	1,227,271	866,125	89,374	1	6,385,325	1	41,126,507
Accumulated Depreciation														
Balance as at 01.04.2019	390,845	1,929,860	2,932,600	315,033	68,753	20,718	79,307	72,409	79,058	24,323	-	1,112,687	-	7,025,593
Additions	16,285	651,499	989,378	233,615	62,980	7,525	10,536	53,296	42,080	10,804		789,423		2,867,421
Disposals			8,368									326,079		334,447
Reclassification as held for sale														
Balance as at 31.03.2020	407,130	2,581,359	3,913,610	548,648	131,733	28,243	89,843	125,705	121,138	35,127	-	1,576,031	-	9,558,567
Balance as at 01.04.2020	407,130	2,581,359	3,913,610	548,648	131,733	28,243	89,843	125,705	121,138	35,127	-	1,576,031	-	9,558,567
Additions	16,285	739,972	938,353	402,532	119,192	9,178	106	101,308	159,631	10,816		743,943		3,241,316
Disposals														-
Reclassification as held for sale														
Balance as at 31.03.2021	423,416	3,321,331	4,851,963	951,180	250,925	37,421	89,949	227,013	280,769	45,943	-	2,319,974	-	12,799,884
Net Carrying Amount														
Balance as at 31.03.2020	81,426	7,789,042	9,533,485	4,695,537	493,161	57,435	117	888,306	94,987	54,247	1	4,809,294	1	28,497,039
Balance as at 31.03.2021	65,141	7,049,070	9,356,132	5,685,540	428,074	48,257	11	1,000,258	585,356	43,431	1	4,065,351	1	28,326,623

**Notes Forming Part of Financial Statement**

CIN - L28121MP1995PLC009170

PARTICULARS	As at 31/03/2021	As at 31/03/2020
	Rs.	Rs.
3. Other Financial Assets		
Security Deposits with Government authorities	472,761	430,620
Prepaid Expenses	68,388	-
Total	541,149	430,620
4. Inventories (at lower of cost or net realisable value)		
Raw Material	16,270,734	12,400,799
Finished Goods	7,438,084	8,819,989
Work In Process	4,945,027	7,858,811
Stock-in-Trade	2,943,717	340,912
Stores and Spares	837,283	558,030
Scrap	189,770	667,067
Total	32,624,615	30,645,608
5. Trade Receivables		
Considered good- Secured	-	-
Considered good - Unsecured	44,818,756	60,469,469
Trade Receivables which have significant increase in credit risk	-	-
Trade Receivables - Credit impaired	-	-
	44,818,756	60,469,469
Less: Impairment loss allowance	-	-
Total	44,818,756	60,469,469
6. Cash and Cash Equivalents		
Cash in Hand	251,241	879,432
Balance In Current Accounts with Scheduled Bank	8,371,702	4,359,629
Total	8,622,943	5,239,061
7. Other Current Financial Assets		
Security Deposits with Others	346,900	346,900
Total	346,900	346,900
8. Other Current Assets		
Amount Lying with Government Authorities	851,421	1,205,584
Prepaid Insurance & Expenses	218,301	366,499
Advance to Supplier	1,744,489	945,849
Advance to Staff	635,400	25,000
Defined Benefit Asset	-	-
Total	3,449,611	2,542,932

**NOTES FORMING PART OF FINANCIAL STATEMENTS**

CIN - L28121MP1995PLC009170

PARTICULARS	As at 31/03/2021	As at 31/03/2020
	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
Issued and Subscribed		
4875100 Equity Shares of Rs. 10/- each.	48,751,000	48,751,000
[Previous Year : 4875100 Equity Shares of Rs. 10/- each]		
Total	48,751,000	48,751,000
Paid up		
4875100 Shares of Rs.10/- each fully paidup	48,751,000	48,751,000
[Previous Year : 4875100 Equity Shares of Rs. 10/- each]		
Total	48,751,000	48,751,000
A. Reconciliation of Shares:		
Number of Shares as at April, 1	4,875,100	4,875,100
Add: Shares issued during the year	-	-
Less: Shares forfeited during the year	-	-
Number of shares as at March, 31	4,875,100	4,875,100
B. List of Share holders having 5% or more Shares (In Nos)		
Name Of Shareholders		
Narendra Kumar Gorani	801800 (16.45%)	801800 (16.45%)
Online Appliances LLP	840600 (17.24%)	840600 (17.24%)
Sanjay Gorani	879300 (18.04%)	879300 (18.04%)
Shanta Devi Gorani	285200 (5.85%)	285200 (5.85%)
Anil Gorani	606700 (12.44%)	553300 (11.35%)

**NOTES FORMING PART OF FINANCIAL STATEMENTS**

CIN - L28121MP1995PLC009170

10. Other Equity

	Reserve & Surplus		Total
	Capital Reserve	Retained Earnings	
As At 1, April 2019	2,901,000	(6,046,562)	(3,145,562)
Impact on account of Adoption of IND AS 116		(3,78,033)	(3,78,033)
	2,901,000	(6,424,595)	(3,523,595)
Profit for the year		6,490,674	6,490,674
Other comprehensive income		(714,904)	(714,904)
Total comprehensive income		5,775,770	5,775,770
Balance as on 31, March 2020	2,901,000	(648,825)	2,252,175
As At 1, April 2020	2,901,000	(648,825)	2,252,175
	2,901,000	(648,825)	2,252,175
Profit for the year		6,599,072	6,599,072
Other comprehensive income		107,318	1,07,318
Total comprehensive income		6,706,390	6,706,390
Balance as on 31, March 2021	2,901,000	6,057,565	8,958,565

PARTICULARS	As at 31/03/2021	As at 31/03/2020
	Rs.	Rs.
11. Financial Liabilities		
Borrowings (non-current)		
Secured		
Car Loan from Yes Bank Ltd.	-	978,238
(Car loan is secured by Hypothecation of Car- Installments due in next 12 Months is Rs. 978238/- and in Previous Year Rs. 976689/-)		
Total	-	978,238
12. Provisions		
Provision for Gratuity (Net of Plan Asset)	591,750	235,797
Total	591,750	235,797
13. Deferred Tax Liabilities		
Net Deferred tax liabilities (Refer Note 32)	2,182,514	2,126,573
Total	2,182,514	2,126,573
14. Borrowings		
Secured		
Banks- Cash Credit	24,442,659	24,315,163
(The working capital loan is secured by Hypothecation of current assets i.e. Stock & Book Debts etc. of the company and Equitable mortgage on leasehold property situated at Plot No. 32 and 33, Sector F, Sanwer Road, Industrial Area, Indore, loan is also guaranteed by the Directors and for previous year the working capital loan is secured by a first charge on all the current assets Hypothecation of Stock & Book Debts of the company. And by way of second charge on fixed assets loans are also guaranteed by the Directors.)		

**NOTES FORMING PART OF FINANCIAL STATEMENTS**

CIN - L28121MP1995PLC009170

PARTICULARS	As at 31/03/2021	As at 31/03/2020
	Rs.	Rs.
Unsecured		
From Directors	2,914,321	7,899,637
(As per Stipulation of the sanction of CC limit by Axis Bank and for previous year by Central bank of India)		
Total	27,356,980	32,214,800
15. Trade Payables		
Total Outstanding dues of Micro and Small Enterprises	8,712,772	2,279,984
Total Outstanding dues of Creditors other than Micro and Small Enterprises	10,547,517	29,632,440
Total	19,260,289	31,912,424

1. Trade Payables includes Rs. 87,12,772 (Previous Year Rs. 22,79,984) due to creditors registered with the Micro, Small and Medium Enterprises Development Act, 2006
2. No Interest is Paid/ Payable during the year to Micro, Small and Medium Enterprises.
3. The Above information has been determined to the extent such parties could be identified on the basis of the information available with the company regarding the status of the supplier under the MSME Act.

PARTICULARS	As at 31/03/2021	As at 31/03/2020
	Rs.	Rs.
16. Other Financial Liabilities		
Current maturities of long term debts (within 12 Months)	978,238	976,689
Lease Liability	7,793	9,329
Liability for Expenses	6,881,245	5,995,555
Total	7,867,276	6,981,573
17. Other Current Liabilities		
Advances From Customers	2,847,255	2,283,456
Taxes Duties and Other Payables	550,099	391,398
Total	33,97,354	26,74,854
18. Current Tax Liability (Net)		
Income tax payable (Net of Advance Tax, TDS for 2020 and MAT Credit)	918,403	108,587
Total	918,403	108,587
19. Revenue from Operation		
Sales		
Manufactured Goods	180,023,329	214,178,450
Trading Goods	3,452,893	133,269
Others - Scrap Sale	503,500	-
Total	183,979,722	214,311,719
Details of Sales (Manufactured Goods)		
Steel Frame and others	4,040,250	8,965,900
L.P.G. Stoves	39,996,879	83,713,200
Gas Geysers	108,020,700	85,264,200
Rangehood (Chimney)	27,965,500	36,235,150
	180,023,329	214,178,450
Trading Goods	3,452,893	133,269
	183,476,222	214,311,719

**NOTES FORMING PART OF FINANCIAL STATEMENTS**

CIN - L28121MP1995PLC009170

PARTICULARS	As at 31/03/2021	As at 31/03/2020
	Rs.	Rs.
20. Other Income		
Interest	42,327	519,699
Foreign exchange gain	1,126,261	-
Total	1,168,588	519,699
21. Cost of Material Consumed		
Raw Materials' Consumed		
Stock at the beginning of the year	12,400,799	22,939,356
Add: Purchases	134,828,402	160,966,594
Less : Stock at the end of the year	(16,270,734)	(12,400,799)
	130,958,466	171,505,151
Details of Raw Material Consumed		
Iron & Steel	43,540,371	47,226,514
Other Raw Materials	7,348,152	8,094,331
Components & Stores	69,056,867	102,251,457
Packing Materials	11,013,075	13,932,849
	130,958,466	171,505,151
22. Change in Inventories		
Inventories at the Beginning of the Year		
Work-in Process	7,858,811	8,026,433
Finished Goods	8,819,989	5,433,116
Traded Goods	340,912	340,361
Scrap	667,067	423,197
	17,686,778	14,223,107
Less: Inventories at the End of the Year		
Work-in-Process	4,945,027	7,858,811
Finished Goods	7,438,084	8,819,989
Traded Goods	2,943,717	340,912
Scrap	189,770	667,067
	15,516,598	17,686,779
Decrease /(Increase) in Stock	2,170,181	(3,463,672)
23. Employee Benefit Expenses		
Salaries, Wages, Bonus etc.	14,552,480	12,366,830
Contribution to PF, ESIC & Other Statutory Funds	1,835,743	1,761,478
Workmen and Staff Welfare Expenses	132,277	223,611
Director Remuneration	5,650,000	5,200,000
Current Service Cost	642,053	467,356
Interest Cost	15,445	(55,739)
Total	22,827,998	19,963,536

**NOTES FORMING PART OF FINANCIAL STATEMENTS**

CIN - L28121MP1995PLC009170

PARTICULARS	As at 31/03/2021	As at 31/03/2020
	Rs.	Rs.
24. Finance Costs		
Interest to bank	1,178,100	1,930,705
Bank Charges	165,755	727,024
Finance Cost on Lease Liability	692	829
Total	1,344,547	2,658,558
25. Other Expenses		
Direct Expenses		
Consumptions Of Store and Spares	701,323	809,893
Power and Fuel	3,504,860	3,604,319
Repairs To - Plant & Machinery	454,730	436,711
Repairs To - Dies	420,963	1,130,501
Repairs To - Electric	189,273	245,284
Laboratory Expenses	116,390	60,007
Other Factory Expenses	140,356	253,280
SUB TOTAL	5,527,895	6,539,995
Administrative and Other Expenses		
Insurance	258,465	148,714
Rent,Rates and Taxes	1,000,200	1,075,432
Office Expenses	166,880	99,577
ISO 9000 & Certification	7,500	24,000
Legal & Professional Charges	748,126	823,900
Books & Periodicals	1,010	4,787
Penalty & Fine	94,900	23,510
Share listing, Demat & Registrar Exp.	392,101	398,104
Postage & Courier	80,649	132,392
Telephone Expenses	72,617	69,899
Stationery & Printing	19,505	71,303
Director's Travelling & Conveyance	33,137	43,918
Payment to Auditors:		
For Statutory Audit	65,000	65,000
For Tax Audit	15,000	15,000
For Others	10,000	10,000
Registration & Fees	97,092	69,788
VAT & CST after Assesment	-	68,989
Covid-19 Expenses	1,263,171	-
Balances Written OFF	5,176	(80)
Foreign Exchange Loss	-	965,407
Vehicle Running & Maintenance	345,842	325,952
Loss on sale of Asset	-	3,813
Import Cancellation Charges	62,160	-
SUB TOTAL	4,738,531	4,439,405
Selling & Distribution Expenses		
Advertisement & Publicity	67,336	50,095
Business Promotion	-	51,483
Marking Fee	472,761	380,137
Freight Outwards	496,800	716,324
SUB TOTAL	1,036,897	1,198,039
TOTAL	11,303,324	1,21,77,439

**NOTES FORMING PART OF FINANCIAL STATEMENTS**

CIN - L28121MP1995PLC009170

26. 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, 2021 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. Neerja Mandiya	Company Secretary

(c) The transactions entered into with the related parties during the year along with related balances as at 31st March 2021 are as under:

Nature of Transaction	Related Parties Referred Above in	
	(a)	(b)
Interest Received	- (494,444)	- -
Consultancy Fees	- -	- -
Loan Taken	- -	14,684 -
Repayment of Loan	- -	5,000,000 (22,093,400)
Amount Outstanding as at Balance Sheet Date	- -	2,914,321 (7,899,637)
Managerial Remuneration	- -	5,650,000 (5,200,000)
Remuneration to other KMP (CFO, CS)	- -	355,833 (390,000)
Sale of Goods	64,867,795 (25,282,513)	6,710,825 (10,548,338)
Purchase of Goods	1,564,216 (5,068,906)	1,093 (1,107,520)
Sale of Assets	- -	- (52,510)

**NOTES FORMING PART OF FINANCIAL STATEMENTS**

CIN - L28121MP1995PLC009170

Particulars	Loan taken	Loan Repaid	Amount Outstanding	Managerial Remuneration
Mr. Sanjay Gorani	- -	- (7,293,400)	- -	2,400,000 (2,300,000)
Mr. Nakul Gorani	14,684 -	5,000,000 -	213,921 (5,199,237)	1,800,000 (1,700,000)
Mr. Anil Gorani	- -	- -	2,700,400 (2,700,400)	1,450,000 (1,200,000)
Mr. Narendra Gorani	- -	- (13,500,000)	- -	- -
Mrs. Manju Gorani	- -	- (1,300,000)	- -	- -
Total	14,684 -	5,000,000 (22,093,400)	2,914,321 (7,899,637)	5,650,000 (5,200,000)

Particulars	Gross Purchases	Gross Sales	Interest Received	Consultancy Fees Paid	Sale of Assets
M/s Blow Hot Kitchen Appliances Private Limited.	1,564,216 (5,068,906)	64,867,795 (25,282,513)	- (494,444)	- -	- -
Mr. Narendra Gorani (Proprietor of Gangotri Industries)	1,093 (1,107,520)	6,710,825 (10,548,338)	- -	- -	- (52,510)
Mr. Narendra Gorani	- -	- -	- -	- -	- -

Details of Maximum Amount O/s during the year

Particulars	Amount (In Rs.)
Shri Sanjay Gorani	-
Shri Nakul Gorani	5,199,237
Shri Anil Gorani	2,700,400
Shri Narendra Gorani	-
Smt. Manju Gorani	-
Total	7,899,637

**NOTES FORMING PART OF FINANCIAL STATEMENTS**

CIN - L28121MP1995PLC009170

27. Post Retirement Benefit Plans Gratuity:

PARTICULARS	As at 31/03/2021	As at 31/03/2020
A. Amount recognized in Balance Sheet		
(Present Value of Benefit Obligation at the end of the Period)	7,223,719	7,005,694
Fair Value of Plan Assets at the end of the Period	6,631,969	6,769,897
Funded Status (Surplus)/ Deficit	591,750	235,797
Unrecognised Past Service Cost/(Credit)	-	-
Unrecognised Asset due to Limit in Para 64(b)	-	-
Net Liability/(Asset) Recognized in the Balance Sheet	591,750	235,797

PARTICULARS	As at 31/03/2021	As at 31/03/2020
B. Amount recognized in the Statement of Profit & Loss as Employee Benefit Expense		
Current Service Cost	642,053	467,356
Net Interest Cost	408,774	387,733
Expected Return on Plan Assets	(393,329)	(443,472)
Past Service Cost	-	-
(Gain)/ Loss due to Settlements/Curtailments/Acquisitons/Divestitures	-	-
Unrecognised Asset due to Limit in Para 64(b)	-	-
Expense Recognized	6,57,498	4,11,617

PARTICULARS	As at 31/03/2021	As at 31/03/2020
C. Amount recognized in Other Comprehensive Income for the Current Period		
Amount Recognized in OCI, Beginning of the Period	(1,271,002)	(2,237,088)
Remeasurements Due To:-		-
Actuarial (Gains)/Losses on Obligations - Due to Change in Demographic Assumptions	-	(440)
Actuarial (Gains)/Losses on Obligations - Due to Change in Financial Assumptions	(120,702)	406,330
Actuarial (Gains)/Losses on Obligations - Due to Experience	39,122	556,362
Return on Plan Asset (Excluding Interest)	61,832	(3,834)
Total remeasurements Recognised in OCI	(1,414,414)	(1,271,002)
Amount Recognized in OCI, End of the Period	(1,414,414)	(1,271,002)

**NOTES FORMING PART OF FINANCIAL STATEMENTS**

CIN - L28121MP1995PLC009170

PARTICULARS	As at 31/03/2021	As at 31/03/2020
D. Table showing Change in the Present Value of Projected Benefit Obligation		
Present Value of Benefit Obligation at the beginning of the period	7,005,694	5,621,904
Interest Cost	408,774	387,733
Current Service Cost	642,053	467,356
Actual Benefits Paid	(751,222)	(433,551)
Actuarial (Gains)/Losses on Obligations - Due to Change in Demographic Assumptions	-	(440)
Actuarial (Gains)/Losses on Obligations - Due to Change in Financial Assumptions	(120,702)	406,330
Actuarial (Gains)/Losses on Obligations - Due to Experience	39,122	556,362
Past Service Cost	-	-
Present Value of Benefit Obligation at the end of the period	72,23,719	70,05,694

PARTICULARS	As at 31/03/2021	As at 31/03/2020
E. Table showing Change in the Fair Value of Plan Assets		
Fair Value of Plan Assets at the beginning of the period	6,769,897	6,370,083
Interest Income	393,329	443,472
Actual Enterprises Contribution	158,133	393,727
Actual Benefits Paid	(751,222)	(433,551)
Actuarial (Gains)/Losses	61,832	(3,834)
Present Value of Benefit Obligation at the end of the period	66,31,969	67,69,897

PARTICULARS	As at 31/03/2021	As at 31/03/2020
F. Assumptions		
Financial Assumptions		
Discount Rate	6.80%	6.55%
Salary Escalation Rate	7.00%	7.00%
Expected Return on Asset	6.80%	6.55%
Demographic Assumptions		
Withdrawal rate	5.00%	5.00%
Mortality Rate During Employment	Indian Assured Lives Mortality (2012-14) Ult.	Indian Assured Lives Mortality (2012-14) Ult.
Retirement Age	60 Years	60 Years

**NOTES FORMING PART OF FINANCIAL STATEMENTS**

CIN - L28121MP1995PLC009170

PARTICULARS	As at 31/03/2021		As at 31/03/2020	
G. Sensitivity Analysis				
Projected Benefit Obligation on Current Assumptions(Base)	7,223,719		7,005,694	
	Decrease	Increase	Decrease	Increase
Discount Rate	7,469,210	6,993,886	7,252,991	6,774,138
Impact of Increase/Decrease in 50 bps on DBO	3.40%	(3.18)%	3.53%	-3.31%
Salary Growth rate	6,994,431	7,463,891	6,774,806	7,248,520
Impact of Increase/Decrease in 50 bps on DBO	(3.17)%	3.32%	(3.30)%	3.47%

"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 31/03/2021	As at 31/03/2020
Year 1	1,760,950	1,529,744
Year 2	568,277	474,449
Year 3	651,879	553,800
Year 4	417,260	610,751
Year 5	526,915	463,707
Year 6 to 10	2,812,783	2,597,055

28. Payments to Statutory Auditors

	<u>2020-21</u>	<u>2019-20</u>
Statutory Audit	65,000	65,000
Tax Audit Fees	15,000	15,000
Other Services	10,000	10,000
	90,000	90,000

29. Earnings per Share

	<u>2020-21</u>	<u>2019-20</u>
Earnings attributable to the owners of the company	6,599,072	6,490,674
Weighted average number of equity shares	4,875,100	4,875,100
Earnings per share from continuing operations - Basic & Diluted	1.35	1.33

**NOTES FORMING PART OF FINANCIAL STATEMENTS**

CIN - L28121MP1995PLC009170

30. Leases**As a Lessee****Changes in carrying value of right of use assets**

Particulars	2020-21	2019-20
Balance as at 1st April, 2020	81,426	97,711
Addition		
Deletion		
Depreciation	-16,285	-16,285
Balance as at 31st March, 2020	65,141	81,426

Interest expense on lease liability & Movement in lease liability

Particulars	2020-21	2019-20
Balance as at 1st April, 2020	9,329	10,728
Addition		
Interest Expense	692	829
Payment of lease liability	-2,228	-2,228
Balance as at 31st March, 2020	7,793	9,329

Maturity analysis of lease liability on undiscounted basis

Particulars	2020-21	2019-20
Less than one year	2,228	2,228
One to two years	4,456	4,456
Two to five years	2,228	4,456

Total Cash Outflow on account of lease liabilities for the year ended March 31, 2021 amounts to Rs 2228 (P.Y. 2228)



Notes Forming Part of Financial Statement

CIN - L28121MP1995PLC009170

31. The movement in deferred tax assets and liabilities for the year ended 31st March 2020 and 31st March 2021

PARTICULARS	Year ended 31st March, 2021			Year ended 31st March, 2020				
	As at 1st April, 2020	Credit/ (charge) in Statement of Profit and Loss	Credit/ (charge) in Other Comprehensive Income	As at 31st March, 2021	As at 1st April, 2019	Credit/ (charge) in Statement of Profit and Loss	Credit/ (charge) in Other Comprehensive Income	As at 31st March, 2020
Provision for Employee Benefits	(326,943)		(36,094)	(363,037)	(578,125)		251,182	(326,943)
Depreciation	(1,799,630)	(19,847)		(1,819,477)	(1,780,618)	(19,012)		(1,799,630)
Expenses Allowable for Tax Purpose when paid	-	-		-	119,116	(119,116)		-
Total	(2,126,573)	(19,847)	(36,094)	(2,182,514)	(2,239,627)	(138,129)	251,182	(2,126,573)

Reconciliation of Effective Tax Rate

The reconciliation between the statutory income tax rate applicable to the company and the effective tax rate of the company is as follows:

	Year ended 31st March, 2021	Year ended 31st March, 2020
Statutory income tax rate	25.17%	26.00%
Difference due to:		
Expenses not deductible for tax purposes	2.1%	1.68%
Previous Year Tax adjustment	0.4%	0.079%
Expenses deductible for tax purposes	-0.5%	-1.28%
Depreciation	-0.6%	-0.07%
Deferred tax	0.2%	1.5%
Interest on Income tax	0.9%	-
Effective Tax Rate	27.71%	27.94%

32. Financial Instruments - Accounting Classification and fair values

31st March 2021	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	-	-	472,761	472,761	-	-	-	-
(ii) Security Deposits with Others Current	-	-	346,900	346,900	-	-	-	-
(iii) Trade Receivables Current	-	-	44,818,756	44,818,756	-	-	-	-
(iv) Cash & Cash Equivalents Current	-	-	8,622,943	8,622,943	-	-	-	-
Total	-	-	54,261,360	54,261,360	-	-	-	-



Notes Forming Part of Financial Statement

CIN - L28121MP1995PLC009170

31st March 2021	Carrying Amount				Fair Value			
	FVTPL	FVTOCI	Cost/ Amortised Cost	Total	Level 1	Level 2	Level 3	Total
Financial Liabilities:								
Borrowings	-	-	-	-	-	-	-	-
Borrowings	-	-	27,356,980	27,356,980	-	-	-	-
Trade Payables	-	-	19,260,289	19,260,289	-	-	-	-
Other Financial Liabilities	-	-	7,867,276	7,867,276	-	-	-	-
Total	-	-	54,484,545.18	54,484,545.18	-	-	-	-
31st March 2020								
Financial Assets:								
Other Financial Assets:								
(i) Security Deposits with Government Authorities	-	-	430,620	430,620	-	-	-	-
(ii) Security Deposits with Others	-	-	346,900	346,900	-	-	-	-
(iii) Trade Receivables	-	-	60,469,469	60,469,469	-	-	-	-
(iv) Cash & Cash Equivalents	-	-	5,239,061	5,239,061	-	-	-	-
Total	-	-	66,486,050	66,486,050	-	-	-	-
31st March 2020								
Financial Liabilities:								
Borrowings	-	-	978,238	978,238	-	-	-	-
Borrowings	-	-	32,214,800	32,214,800	-	-	-	-
Trade Payables	-	-	31,912,424	31,912,424	-	-	-	-
Other Financial Liabilities	-	-	6,981,573	6,981,573	-	-	-	-
Total	-	-	72,087,034.17	72,087,034.17	-	-	-	-

**NOTES FORMING PART OF FINANCIAL STATEMENTS**

CIN - L28121MP1995PLC009170

33. 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.

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. In addition to broad basing the product by customizing the model structure wity added features 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.

After complying the conditions laid down in Companies Act, 2013 and other applicable rules thereunder, the Company has entered in to an agreement with the group company Blowhot Kitchen Appliances P. Ltd., the brand name owner of "BLOWHOT", to sale the products of the company and therefore expecting a major increase in the top line sales after implementation of this arrangement.

(i) 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."

(ii) 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, 2021	31st March, 2020
Total Borrowings	27,356,980	33,193,038
Borrowings out of above bearing variable rate of interest	24,442,659	24,315,163
% of Borrowings out of above bearing variable rate of interest	89.35%	73.25%

(iii) Interest Rate Sensitivity

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

	2020-21	2019-20
50 bps increase would decrease the profit before tax by	122,213	121,576
50 bps decrease would increase the profit before tax by	(122,213)	(121,576)

(iv) 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**

CIN - L28121MP1995PLC009170

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 2021	31st March 2020
Not due	-	-
0-3 months	29,525,525	29,451,884
3-6 months	12,495,052	22,155,367
6-12 months	53,989	6,954,899
beyond 12 months	2,744,190	1,907,319
Total	44,818,756	60,469,469

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 2021	31st March 2020
Borrowings		
Within 1 year	27,356,980	32,214,800
1-3 year		978,238
3-5 year	-	-
Beyond 5 years	-	-
Total	27,356,980	33,193,038
Trade payables		
Within 1 year	12,411,594	26,203,739
1-3 year	6,848,695	5,708,685
3-5 year	-	-
Beyond 5 years	-	-
Total	19,260,289	31,912,424
Other Financial Liabilities		
Within 1 year	7,867,276	6,981,573
1-3 year	-	-
3-5 year	-	-
Beyond 5 years	-	-
Total	7,867,276	6,981,573

**NOTES FORMING PART OF FINANCIAL STATEMENTS**

CIN - L28121MP1995PLC009170

d) Currency Risk

Since the company has have 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.

34. 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.

35. 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).

36. 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.

37. As per Ind AS 108 Operating Segments, there is no reportable segments and therefore no disclosures are made.

38. 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	58,303,141	44.28%	88,421,596	51.31%
Indigenous	73,356,648	55.72%	83,893,448	48.69%
	131,659,789	100.00%	172,315,044	100.00%

	Current Year	Previous Year
b) Value of Imports calculated on CIF basis		
Raw Material/Components	57,838,703	70,907,401
Others Goods	3,594,807	150,588
	61,433,510	71,057,989
c) Expenditure in foreign currency		
Foreign Travelling	-	-
d) Earning in foreign exchange	-	-

39. The Balances in the accounts of debtors, creditors, loans, advances and others are subject to confirmation and reconciliation.

40. 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 **SANDEEP SURENDRA JAIN & CO.**
Chartered Accountants
Firm Reg. No. 010172C

(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.F.O.

(C.S. Sharma) CA. Seema Vijayvargiya
Partner
M.No. 409674

Place : Indore

Date : 29 June 2021

UDIN : 21409674AAAAAG5421

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