
ANNUAL REPORT & ACCOUNTS



GRAND FOUNDRY LTD.

2011 - 2012

Grand Foundry Ltd.

GRAND FOUNDRY LIMITED

BOARD OF DIRECTORS : Shri Dhirajlal B. Jangla
(Chairman)
: Shri Kiran D. Jangla
(Managing Director)
: Shri Hiten D. Jangla
(Joint Managing Director)
: Shri Bidhan Gujarati

AUDITORS : Thaker Butala Desai
Chartered Accountants
Ismail Building, 2nd Floor,
381, Dr. Dadabhai Naoroji Road,
Mumbai – 400 001.

REGISTERED OFFICE : 327, Arun Chambers
3rd Floor, Tardeo
Mumbai-400 034.

BANKERS : Indian Overseas Bank
2003/C93
Breach Candy,
Mumbai – 400 026.

DATE OF ANNUAL GENERAL MEETING : 28th September, 2012

TIME : 11.00A.M.

VENUE : 327, Arun Chambers
3rd Floor, Tardeo
Mumbai –400 034.

Annual Report 2011-2012

NOTICE OF ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN that the Twentieth Annual General Meeting of the members of GRAND FOUNDRY LIMITED will be held at 327 Arun Chambers, 3rd Floor, Tardeo, Mumbai-400034 on Friday the 28th day of September, 2012 at 11.00 A.M to transact the following business:

Ordinary Business:

1. To receive, consider and adopt the Audited Balance Sheet as at March 31, 2012, Profit and Loss Account for the year ended on that date and the Reports of the Auditors' and the Directors' thereon.
2. To appoint a Director in place of Mr. Bidhan Gujarati, who retires by rotation and being eligible, offers himself for re-appointment.
3. To appoint the Auditors to hold office from the conclusion of this meeting until conclusion of the next Annual General Meeting and to authorize Board to fix their remuneration.
4. Any other matter with the permission of the Chairman.

Place : Mumbai
Date : September 05, 2012

By order of the Board

DHIRAJLAL B. JANGLA
Chairman

Registered Office:
327, Arun Chambers,
3rd Floor, Tardeo,
Mumbai – 400 034

Notes:

1. A member entitled to attend and vote at the meeting is entitled to appoint a proxy to attend the meeting and the proxy need not be a member of the Company. Under the Companies Act, 1956, voting is by a show of hands unless a poll is demanded by a member or members present in person, or by proxy, holding at least one-tenth of the total shares entitled to vote on the resolution or by those holding paid-up capital of at least Rs. 50,000. A proxy shall not vote except on a poll. The instrument appointing the proxy must be deposited at the registered office of the Company not less than 48 hours before the commencement of the meeting.
2. An Explanatory statement pursuant to Section 173(2) of the Companies Act, 1956 relating to the special business to be transacted at the meeting in annexed hereto.
3. Members /Proxies should bring duly-filled Attendance Slips sent herewith to attend the meeting.
4. The Register of Members and Share Transfer Books of the Company will remain closed from September 20, 2012 to September 28, 2012 (both days inclusive) for the purpose of Annual General Meeting.
5. Members holding shares in physical form and desirous of making/changing nomination in respect of their shareholding in the Company, may send their request in the prescribed form 2B to the Registrar & Transfer Agents of the Company.
6. Corporate Members are requested to send to the Company, a duly certified copy of the Board Resolution authorizing their representative to attend and vote at the Annual General meeting.
7. Members desirous of obtaining any information on the Accounts and Operations of the

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Company are requested to write at least one week before the meeting so that the same could be compiled in advance.

8. Members are requested to notify changes, if any, in their registered addresses along with the pin code to the Company's Registrar and Share Transfer Agent.
9. Members are requested to bring their copy of Annual Report to the Meeting.
10. All documents referred to in the notice and explanatory statement are open for inspection at the registered office of the Company between 10.30 a.m. and 1.00 p.m. on all working days upto the date of the meeting.
11. Members whose shareholding is in electronic mode are requested to direct change of address notifications and updations of savings bank account to their respective Depository Participants.
12. Member are requested to address all correspondences, including dividend matters, to the Registrar and Share transfer Agents, M/s. Computech Sharecap Limited, 47, M.G. Road, 3rd Floor, Opp. Jehangir Art Gallery, Fort, Mumbai - 400023.
13. As per the provisions of the Companies Act, 1956, facility for making nominations is available for shareholders, in respect of the shares held by them. Nomination forms can be obtained from the Registrar and Transfer agents of the Company.
14. Members seeking any information or clarifications on the Annual Report are requested to send in written queries to the Company at least one week before the meeting to enable the Company to compile the information and provide replies at the meeting.

Place : Mumbai
Date : September 05, 2012

By order of the Board

DHIRAJLAL B. JANGLA
Chairman

Registered Office
327, Arun Chambers,
3rd Floor, Tardeo,
Mumbai - 400 034

INFORMATION UNDER CLAUSE 49 OF THE LISTING AGREEMENT REGARDING RE-APPOINTMENT OF A DIRECTOR.

Mr. Bidhan Gujarati joined the Board from 2005. Mr. Bidhan Gujarati aged 39 years is commerce graduate an Independent and Non- Executive Director of our Company and has an experience in Administrative and Finance Department.

DIRECTORS' REPORT

The Members of
GRAND FOUNDRY LIMITED

Your Directors present herewith the Twentieth Annual Report together with the Audited Statement of Accounts for the year ended March 31, 2012.

1. FINANCIAL RESULTS

(Amount in Rs. in Lacs.)

	2011-2012	2010-2011
Profit/(Loss) before Interest, Depreciation and Taxation	0.15039	112.60964
Less : Interest & Finance Charges	120.67635	285.95527
Depreciation	20.27809	20.32271
Profit/(Loss) for the year	(140.80395)	(193.66359)
Less : Prior Period Expenses	0.50348	2.75475
Less : Deferred Tax Asset (Net)	(8595949)	(702.39919)
Balance Brought Forward	(2466.5161)	(1567.83408)
Add: Provision for Subsidiary Company's losses	Nil	Nil
Add: Diminution of Value of Investments	0.00	0.00
Debit Balance carried to Balance Sheet	(2521.99955)	(2466.65159)

2. MANAGEMENT DISCUSSION AND ANALYSIS**a) INDUSTRY STRUCTURE AND DEVELOPMENTS:**

Our Company is engaged in the business of manufacturing Bright Steel Bars and wires and is in the market to sell domestically and in exports since 1974. The Quality control and manufacturing process consist of in-house treatment and has standard quality name for more than 2 decades. Due to financial constraints, the company is been depending on business of processing steel on job work basis to maintain better economics and has successfully been able to achieve job work production. The Company also has indulged in the special heat treatment job in order to establish future market of Hardened & Tempered steel for exports as well as domestic, which will pave the path of revival and re-instating the strength of the company.

DOMESTIC MARKET: -

There has been a substantial change of steel requirement in the domestic as well as international market for the consumption of Bright Steel Bars and wires. Majority of Bright Steel Bars and wires are used for making the various kinds of components for Automotive industry, Machinery manufacturing industry, Dairy & food processing industry, chemical and fertilizer industry, electronics and electrical appliances industry along with computer industry. Due to global interaction and industrial change in domestic market, various companies have invested especially in automobile industry and electrical appliances industry along with computer industry.

As your company has been well versed with international business, quality specifications, end market trends, which will be convenient and easy for the company to capture such trends. Various trial orders and sample approvals and certain bulk supplies have been established during the year to continue the pace with domestic market.

INTERNATIONAL MARKET: -

The Company is well established for selling and marketing Stainless Steel Bright Bars internationally in most of the developing countries and has maintained their market share. In the international scenario for Stainless Steel Bright Bars business has been on the greater recessionary trend for more than 5 years due to which

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the company has to go through the constant survival problems. But, at the same time, due to long term standing in the market, the company has been able to maintain its market outside India for Stainless Bright Bars and capturing orders and executing the same with the various financial arrangements. Short term spurts of improved demand has been affecting the company to regain its position from time to time in the international market, but the consistent improvement has been lacking in the international market since long time. The company has still been able to remain in the market even with these trends as well recessionary trends. As known worldwide, Indian steel has faced a lot of anti-dumping suits for Bright Steel Bars from European Community, U.S.A., Canada, the company has successfully being able to fight such anti-dumping petition and retain reasonable supplies to these countries and struggle to retain its position even at low profitability.

b) OPPORTUNITIES AND THREATS OPPORTUNITIES

- The Company is engaged in the business since more than thirty years and has expertise for marketing and quality maintenance of international quality standards for more than 2 decades and enjoys the market share in developed countries like United States and European market.
- The Company is continuously sourcing economical raw materials from China & to compete the international market for exports. These efforts & expertise is been used for earning income by means of conducting Business for M/s D.H. Exports Private Limited for last 3 year till the year 2011-12 .

THREATS

- As the major product of the company is made of Stainless Steel carrying high nickel (metal) which is a sensitive item quoted in LME (London Metal Exchange), the fluctuation may affect the business opportunities and its profitability.
- As company's major business is depending on exports the fluctuation in foreign currency may also affect the profitability.

c) SEGMENT-WISE PERFORMANCE

The Company has in the last 5 years developed various heat treatment processes and successfully supplied commercial lots of heat-treated bars to specific standards in the international market in American, German standards. The scope of business is huge and normal, as this product is utilized and acceptable for various applications in the Engineering industries including Petro Chemical, Oil & Natural gas and Automotive industries worldwide. The company is looking for better profitability business and this kind of supplies keeping the edge over the other competitors. Stringent quality standards and method of processing has been introduced to achieve better reliability and traceability for these kind of products which is mandatory for extending marketing. The international players and competitors for such products are from Italy, Spain and Korea, but with such renowned and established competitors, the company has been able to stand in the international market, establishing its product range internationally.

d) OUTLOOK

The manufacturing facility of the company has been now fully in operation and the new location for the business activity is defined at Nagpur/Bhandara. The Company is currently earning income from outsourcing, manufacturing & marketing exports and earning commission income from the same & doing dedicated job processing for M/s Sunflag Iron & Steel Ltd well known Manufacturer of Alloy & Special Steel.

e) INTERNAL CONTROL SYSTEMS

The Company has adequate Internal Control systems, which provide, inter-alia, reasonable assurance of recording the transactions of its operations in all material respects and providing protection against misuse or loss of Company assets.

f) FINANCIAL PERFORMANCE WITH RESPECT TO OPERATIONAL PERFORMANCE

Total Income achieved during the year under review 268.87 lacs as against Rs. 321.16 lakhs in the previous year. During the previous year the major source of income consisted of exports / sales whereas in the

current year commission has been derived from the exports / sales passed onto fellow industries to maintain the marketing strength of the Company

Further with the latest update available, against the order of BIFR dated 21.12.2009 the company appealed before AAIFR. AAIFR set aside the impugned order and remand the case to the BIFR with the direction to consider the DRS submitted by the appellant company and proceed further in accordance with Law with AAIFR Order dated 22.03.2012.

3. ACCEPTANCE OF DEPOSIT (SEC – 58A)

The Company has not invited/accepted any deposits from public coming under the purview of section 58 A – of the Companies Act, 1956.

4. CORPORATE GOVERNANCE

Pursuant to clause 49 of the Listing Agreement with the Stock Exchanges, a compliance report on Corporate Governance together with a Certificate from Practicing Company Secretaries is annexed as part of the Annual Report.

5. COST AUDIT

The company is not required to undertake the cost audit as required under Section 233 B of the Companies Act, 1956.

6. DIRECTORS' RESPONSIBILITY STATEMENT

To the best of their knowledge and belief and according to the information and explanation obtained by them, your Directors make the following statement in terms of Section 217(2AA) of the Companies Act, 1956 that

- a) In the preparation of the Annual Accounts for the year ended March 31, 2012, the applicable accounting standards have been followed alongwith proper explanation relating to material departures, if any.
- b) The Directors have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year ended March 31, 2012 and of the profit of the Company for that year.
- c) The Directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956, for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities.
- d) The Directors have prepared the Annual Accounts for the year ended March 31, 2012, on a going concern basis.

7. DIRECTORS

In accordance with the Articles of Association of the Company and provisions of the Companies Act, 1956 Mr. Bidhan Gujarati retires by rotation at the ensuing Annual General Meeting and being eligible, offers himself for re-appointment. Your Directors recommend his re-appointment.

8. STATUTORY AUDITORS

You are requested to appoint Auditors for the current year and fix their remuneration. The Auditors of the Company, THAKER BUTALA DESAI, Chartered Accountants retire at ensuing Annual General Meeting of the Company and are eligible for re-appointment.

9. PARTICULARS OF CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS AND OUTGO

Information pursuant to Section 217 (1) (e) of the Companies Act, 1956 read with the Companies (Disclosure of particulars in the Report of the Board of Directors) Rules, 1988 is as follows:

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POWER & FUEL OIL CONSUMPTION

<u>1. Electricity Consumption</u>	<u>2011-2012</u>	<u>2010-2011</u>
Purchased units	NIL*	NIL
Total amount Rs. Lacs		
Rate/unit Rs. KHz		
<u>2. LDO</u>		
Quantity (KL)	NIL	NIL
Total amount Rs. Lacs		
Rate Rs/KL		

* (As recovered from party)

There were no foreign exchange earnings and outgo during the period under the consideration.

10. PARTICULARS OF EMPLOYEES

Since none of the employees of the Company was drawing remuneration in excess of limits laid down pursuant to Section 217(2A) of the Companies Act, 1956 read with the Companies (Particulars of Employees) Rules, 1975, details herewith are not furnished.

11. PERSONNEL

Your Directors place on record their appreciation to the sincere and dedicated services put in by the employees of the Company at all the levels and in the departments of the Company.

12. BANKERS

The Directors place on the record their appreciation for the support and co-operation received from all the Bankers.

For and on behalf of the Board of Directors

Dhirajlal B. Jangla
Chairman

Place: Mumbai
Date: September 05, 2012

Registered Office:
327, Arun Chambers,
3rd Floor, Tardeo,
Mumbai - 400034.

REPORT OF CORPORATE GOVERNANCE 2011-2012

(Pursuant to clause 49 of the Listing Agreement)

1. Company's philosophy on Corporate Governance

Your Company GRAND-FOUNDRY LIMITED has always been committed to the highest level of corporate governance and believes in strengthening Investors trust and thereby ensuring a long-term partnership with them. Your Company believes in adopting the best corporate governance practices and protecting rights and interests of stakeholders. We further believe that the shareholders have the right to know the complete information on the Board of Directors and the management, their interest in the organization as well as governance practice to be followed by them.

Our governance philosophy is based on the following:-

1. Provide an enabling environment to harmonise the goals of maximizing stakeholder value and maintaining a customer centric focus.
2. Have a simple and transparent corporate structure driven solely by business needs.
3. Communicate externally, in a truthful manner, about how the company is run internally.
4. Make clear distinction between personal conveniences and corporate resources.
5. Be transparent and maintain a high degree of disclosure levels in all facets of its operations.
6. Satisfy the spirit of the law and not just the letter of the law.

The Company's philosophy on Corporate Governance is thus concerned with the ethics, values and morals of the Company and its Directors, who are expected to act in the best interests of the Company and remain accountable to shareholders and other beneficiaries for their action.

2. Board of Directors

The Business of the Company is managed by a Board of Directors. The Board formulates the strategy, regularly reviews the performance of the Company and ensures that the previously agreed objectives are met on consistent basis. The Managing Director manages the day-to-day operations of the company.

a. Size and Composition of Board

The Board of Directors has the ideal composition with more than half of the directors being Non-Executive Directors. The Non Executive Directors brings external and wider perspective confirming therewith in depth business deliberations and decisions advantage.

The composition and category of Directors as on March 31, 2012 are as under:-

Name of Directors	Category	No. of Directorships in other Companies		No. of Membership/ Chairmanship of other Board Committees	
		Public	Private	Member	Chairman
Mr. Dhirajlal B. Jangla	Chairman & Executive	4	-	3	-
Mr. Kiran D. Jangla	Managing Director & Executive	4	2	4	-
Mr. Hiten D. Jangla	Joint Managing Director & Executive	2	1	2	-
Mr. Bidhan Gujarati	Independent Director & Non- Executive	-	1	-	-

b. Attendance at Board Meeting and Annual General Meeting:-

During the accounting year 2011-12, Four Board Meetings were held on April 25, 2011, August 30, 2011, November 10, 2011, and March 05, 2012.

The Annual General Meeting of the Company for the financial year 2010-2011 was held on September 29th, 2011.

Attendance at Board Meeting and last Annual General Meeting:-

Name of Directors	No. of Board Meetings attended	Attendance at last AGM
Mr. Dhirajlal B. Jangla	5	Present
Mr. Kiran D. Jangla	5	Present
Mr. Hiten D. Jangla	5	Present
Mr. Bidhan Gujarati	5	Present

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c. Board's Functioning & Procedures:-

Board Members are given appropriate documents and information in advance of each Board and Committee Meetings. To enable the Board to discharge its responsibilities effectively, the Managing Director reviews the overall company performance.

The functions performed by the Board include the review of:

- > Unaudited Quarterly/half yearly financial results and audited annual accounts of the company including segment wise revenue, results and capital employed, for consideration and approval.
- > Minutes of meetings of audit, share holders grievance committee and remuneration committee, Abstracts of circular resolutions passed,
- > General notices of interest,
- > Strategy and Business Plans
- > Sale and/or purchase of investments, fixed assets.
- > Compliance with statutory/ regulatory requirements and review of major legal issues
- > Review compliance of all laws applicable to the Company including the requirements of the Listing Agreement with the Stock Exchanges and steps taken by the Company to rectify instances of non compliances, if any.
- > Related party transactions,
- > Reviewing the company's financial and risk management policies.
- > Reviewing the business plan and strategy of the Company.

All the items in the Agenda are accompanied by notes giving comprehensive information on the related subject and in certain matters such as financial /business plans, financial results, detailed presentations are made. The Agenda and the relevant notes are sent in advance separately to each Director to enable the Board to take informed decisions.

The Minutes of the Meetings of the Board are circulated through email to all Directors and confirmed at the subsequent Meeting. The Minutes of the Audit committee and shareholders' grievance committee are also individually given to the Board Directors and thereafter tabled for discussion at the subsequent Board Meeting.

3. Audit Committee

Audit committee acts as a link between the statutory and internal auditors and the Board of Directors. The Audit Committee has the members with sound knowledge of finance, accounting and law. The primary objective of the audit committee is to provide effective supervision of the management's financial reporting process with a view to ensure accurate, timely and proper disclosures. The Committee deals with accounting matters, financial reporting and internal controls. The power and role of the Audit Committee is as per guidelines set out in the amended listing agreements. The Board of Directors of the Company has constituted an Audit Committee.

a. Size and Composition:-

The Board constituted an Audit Committee of Directors having Mr. Dhirajlal B. Jangla – Non- Executive as Chairman of the Committee, Mr. Kiran B. Jangla – Managing Director, Mr. Hiten D. Jangla - Joint Managing Director & Executive and Mr. Bidhan Gujarati as Non - Executive Independent Directors. The members of the Committee are well versed in finance / accounts, legal matters and general business practices.

b. Attendance at the Audit Committee Meetings:-

During the accounting year 2011-12, four Audit Committee Meetings were held on May 02, 2011, September 05, 2011, October 25, 2011 and March 1, 2012

Name of Directors	No. of Audit Committee Meetings attended
Mr. Dhirajlal B. Jangla	4
Mr. Kiran B. Jangla	4
Mr. Hiten D. Jangla	4
Mr. Bidhan Gujarati	4

c. The functions of the Audit Committee include the following:-

- > Reviewing the Company's financial reporting process and the disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible.
- > Recommending the appointment and removal of external auditor, fixation of audit fee and also approval for payment for any other expenses.
- > Reviewing with management the annual / half-yearly / quarterly financial statements before submission to the Board.

- Reviewing with management, external and internal auditors, the adequacy of the internal control systems.
- Reviewing the adequacy of internal audit function, including the structure of the internal audit department, staffing and seniority of the official heading of the department, reporting structure coverage and frequency of internal audit.
- Discussion with external auditors before the audit, any significant findings and follow up thereon.
- Reviewing the findings of any internal investigations by internal auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the board.
- Discussion with external auditors before the audit commences, nature and scope of audit as well as have post-audit discussion to ascertain any area of concern.
- Reviewing the company's financial and risk management policies.
- To look into the reasons for substantial defaults in the payment to the depositors, shareholders (in case of non payment of declared dividends) and creditors.
- Related party transactions,
- To review the matters required to be included in the Director's Responsibility Statement to be included in the Board's report in terms of clause (2AA) of Section 217 of the Companies Act, 1956.
- To review the Management discussion and analysis of financial condition and results of operations.
- To recommend re-appointment of Statutory Auditors and to fix their remuneration.

All the items in the Agenda are accompanied by notes giving comprehensive information on the related subject and in certain matters such as financial /business plans, financial results, detailed presentations are made. The Agenda and the relevant notes are sent in advance separately to each Member to enable the Committee to take informed decisions.

The Minutes of the Meetings of the Committee are circulated through email to all Directors and confirmed at the subsequent Meeting.

The Statutory Auditors and Managing Director are invitees to the Audit Committee Meetings.

4. Remuneration Committee

The Board of Directors has constituted a Remuneration Committee to determine the remuneration payable to the Managing Director taking into account their qualification, experience, contribution and the prevailing level of remuneration in companies of corresponding size and nature.

During the accounting year 2011-12, four Remuneration Committee Meetings were held on May 02, 2011, September 05, 2011, October 25, 2011 and March 1, 2012.

Name of Directors	No. of Remuneration Committee Meetings attended
Mr. Dhirajlal B. Jangla	4
Mr. Kiran B. Jangla	4
Mr. Hiten D. Jangla	4
Mr. Bidhan Gujarati	4

5. Shareholders Grievance Committee

The committee has the mandate to review, redress shareholders' grievances, to approve all share transfers.

- a. The functions of the Shareholders' grievance committee include the following:-

- Transfer /transmission of shares,
- Issue of duplicate share certificates,
- Review of shares dematerialized and all other related matters,
- Monitors expeditious redressal of investors' grievances,
- Non receipt of Annual report,
- All other matters related to shares.

The Chairman of the Committee is an Independent Non- Executive Director.

- b. Size and Composition:-

The Company reconstituted Shareholders Grievance Committee in to specifically look into the redressal of the shareholders grievances and also the share transfers and other investor related matters. The Committee consists of:-

Mr. Dhirajlal B. Jangla - Chairman and Mr. Kiran D. Jangla and Mr. Hiten D. Jangla – Members. Mr. Anant Gawde - Junior Officer has been designated as the Compliance Officer.

- c. Meeting of the Shareholders' grievance committee Meetings:-

During the accounting year 2011-12, four Shareholders' grievance committee Meetings were held on May 02, 2011, September 05, 2011, October 25, 2011 and March 1, 2012.

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6. General Body Meetings

Location and time of Annual General Meetings held in last Four years are as under:-

Financial Year	Day and Date	Location	Time
2007-2008	Tuesday September 30, 2008	327, Arun Chambers, 3 rd Floor, Tardeo, Mumbai - 400 034	10.00A.M.
2008-2009	Tuesday September 29, 2009	327, Arun Chambers, 3 rd Floor, Tardeo, Mumbai - 400 034	10.00A.M.
2009-2010	Wednesday September 29, 2010	327, Arun Chambers, 3 rd Floor, Tardeo, Mumbai - 400 034	11.00A.M.
2010-2011	Thursday September 29, 2011	327, Arun Chambers, 3 rd Floor, Tardeo, Mumbai - 400 034	11.00 A.M.

7. Disclosures

- > The related party transactions as per Accounting Standard 18 is set out at notes forming part of accounts in the Annual Report. These transactions are not likely to have any conflict with the Company's interest.
- > The Company has complied with the requirements of the Stock Exchanges, SEBI and Statutory Authorities on all matters related to capital markets and no penalties / strictures were imposed on the Company during the last three years.
- > No penalty has been imposed on the Company by the Stock Exchange (BSE) or the Securities and Exchange Board of India (SEBI) or any statutory authority on any matters related to capital markets during last three years.
- > Further with the latest update available, against the order of BIFR dated 21.12.2009 the company appealed before AAIFR. AAIFR set aside the impugned order and remand the case to the BIFR with the direction to consider the DRS submitted by the appellant company and proceed further in accordance with Law vide AAIFR Order dated 22.03.2012.
- > There were no transfers to Investor Education and protection fund during the year.
- > Adoption of non mandatory requirements under Clause 49 of the Listing Agreement are being reviewed by the Board from time to time.

8. Code of Conduct:-

The Board of Directors has adopted the Code of Business Conduct and Ethics for Directors and Senior Management. The Code is reviewed from time to time by the Board. The said Code has been communicated to the Directors and the Members of the Senior Management.

9. Trading in the Company's shares by Directors and Designated Employees:-

There was no trading in the Company's shares in the year under review as the trading was suspended by the Bombay Stock Exchange.

10. Means of Communication:

- > The quarterly and half-yearly results of the Company are published in English and Marathi National dailies.
- > The Management Discussion and Analysis Report forms a part of this Annual Report, which is sent to each member by post.
- > The Company informs the Stock Exchange all price sensitive matters or such other matters which are material and of relevance to the shareholders and subsequently issues a Press Release on the said matters.

11. General Shareholder Information:

a. Annual General Meeting

- > Date : September 28, 2012
- > Time : 11.00 A.M.
- > Venue : 327, Arun Chambers, 3rd Floor, Tardeo, Mumbai - 400 034.

b. Financial Calendar:

- > Financial Reporting for

Quarter ending June 30, 2011	By end July 2011
Quarter/Half year ending Sept. 30, 2011	By end October 2011
Quarter ending December 31, 2011	By end January 2012
Quarter/Year ending March 31, 2012	By end April 2012
- > Date of Book Closure : September 20, 2012 to September 28, 2012 (both days inclusive)

c. Market information

- > Listing on Stock Exchange : The Stock Exchange, Mumbai.
- > Listing fee for the year 2011-12 has been paid to the Stock Exchange.
- > Stock Code : 513343 on The Stock Exchange, Mumbai
- > ISIN No. CDSL & NSDL : INE534A01010
- > Market Price Data : High / Low price during each month of 2011-12 on The Stock Exchange, Mumbai and BSE Sensex are as under:

Period	The Stock Exchange, Mumbai	
	Highest (Rs.)	Lowest (Rs.)
April, 2011	No Trading In The Year Under Review	No Trading In The Year Under Review
May, 2011		
June, 2011		
July, 2011		
August, 2011		
September, 2011		
October, 2011		
November, 2011		
December, 2011		
January, 2012		
February, 2012		
March, 2012		

d. Share Transfer System and other related matters

- Registrar and Share Transfer Agent : For both physical & demat segments:
M/s Computech Sharecap Limited
47, M.G. Road, 3rd Floor, Opp. Jehangir
Art Gallery, Fort, Mumbai - 400023.
Tel No. 022-22671824/25. Fax No.22635000.
- Share Transfer System : The shares lodged for transfer are processed by the Registrar and Transfer Agent and are approved by Shareholders Grievance Committee. Shares sent for transfer in physical form are registered and returned within a maximum period of 30 days from the date of receipt, subject to documents being valid and complete in all respects. Similarly all requests for demat are received and processed by the Registrar and Transfer Agents and confirmations given to the depositories within the prescribed time limit.
- Nomination Facility for Shareholding : As per the provisions of the Companies Act, 1956, facility for making nominations is available for shareholders, in respect of the shares held by them. Nomination forms can be obtained from the Registrar and Transfer agents of the Company
- Correspondence regarding Change in Address : Member are requested to address all correspondences, including dividend Matters, to the Registrar and Share transfer Agents,
M/s Computech Sharecap Limited
47, M.G. Road, 3rd Floor, Opp. Jehangir
Art Gallery, Fort, Mumbai - 400023.
Tel No. 022-22671824/25. Fax No.22635000

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• Distribution of Share holding as on 31.3.2012

NO. OF EQUITY SHARES HELD (1)	NO. OF SHAREHOLDERS (2)	% OF SHAREHOLDERS (3)	NO. OF SHARES HELD (4)	% OF SHARE HOLDING (5)
UPTO 5000	24122	99.10%	6059196	58.09%
5001 - 10000	119	0.49%	942671	9.04%
10001 - 20000	51	0.21%	778925	7.47%
20001 - 30000	22	0.09%	518665	4.97%
30001 - 40000	3	0.01%	103175	0.99%
40001 - 50000	5	0.02%	250000	2.40%
50001 - 100000	14	0.06%	1007395	9.66%
100001 - 9999999	5	0.02%	769973	7.38%
TOTAL	24341	100.00%	10430000	100.00%

• Shareholding Pattern as on 31.3.2011

Category	No. of Shares held	Percentage to total (%)
a. Promoters, Directors & Relatives	1336590	12.81
b. Persons acting in concert	0	0
c. Mutual Funds / UTI	2500	0.02
d. Banks & Financial Institutions & Insurance Companies (Central/ State)	4580	0.04
e. Govt. Institutions/ Non - Govt. Institutions	0	0.00
f. Private Corporate Bodies	737165	7.07
g. Indian Public	8332402	79.89
h. NRIs/OCBs	16663	0.16
Total	10430000	100

- Dematerialisation of Shares : No dematerialisation took place during the quarter
- Outstanding GDRs/ ADRs / Warrants or any convertible Instrument, conversion date and likely impact on equity. : Nil
- Address for Correspondence : 327, Arun Chambers, 3rd Floor, Tardeo, Mumbai - 400 034.

DECLARATION

As provided under Clause 49 of the Listing Agreement with the Stock Exchanges, the Board Members and the Senior Management Personnel have confirmed compliance with the Code of Conduct and Ethics for the year ended 31st March 2012.

For GRAND FOUNDRY LIMITED

Dhirajlal B. Jangla
Chairman

Place: Mumbai

Date: September 05, 2012

CHIEF EXECUTIVE OFFICER (CEO) and CHIEF FINANCIAL OFFICER (CFO) CERTIFICATION

We, Dhirajlal B. Jangla, Chairman and Mr. Anant Gawde Junior Officer & Compliance Officer, of GRAND FOUNDRY LIMITED, to the best of our knowledge and belief, certify that:

1. We have reviewed the balance sheet and profit and loss account and notes on accounts, as well as the cash flow statements and the directors' report;
2. Based on our knowledge and information, these statements do not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the statements made;
3. Based on our knowledge and information, the financial statements and other financial information included in this report, fairly present in all material respects, the financial condition, results of the operations and cash flows of the Company as of, and for, the periods presented in this report, and are in compliance with the existing accounting standards and/or applicable laws and regulations.
4. To the best of our knowledge and belief, no transactions entered into by the Company during the year are fraudulent, illegal or violative of the Company's Code of Conduct.
5. The Company's other certifying officers and we, are responsible for establishing and maintaining disclosure controls and procedures for the Company, and we have:
 - a. designed such disclosure controls and procedures to ensure that material information relating to the Company, is made known to us by others within those entities particularly during the period during which this report is being prepared; and
 - b. Evaluated the effectiveness of the company's disclosure, controls and procedures.
6. The Company's other certifying officers and we, have disclosed based on our most recent evaluation, wherever applicable, to the Company's auditors and the Audit Committee of the Company's Board of Directors (and persons performing equivalent functions):
 - a. all significant deficiencies in the design or operation of internal controls, which could adversely affect the Company's ability to record, process, summarize and report financial data, and have identified for the Company's auditors, any material weakness in internal controls;
 - b. any fraud, whether or not material, that involves management or other employees who have a significant role in the company's internal controls;
 - c. the company's other certifying officers and we, have indicated in this report whether or not there were significant changes in internal controls or other factors that could significantly affect internal controls subsequent to the date of our most recent evaluation, including any corrective actions with regard to significant deficiencies and material weakness; and
 - d. All significant changes in the accounting policies during the year, if any, and that the same have been disclosed in the notes to the financial statements.
7. In the event of any materially significant misstatements or omissions, the signing officers will return to the Company that part of any bonus or incentive or equity-based compensation, which was inflated on account of such errors, as decided by the Audit Committee;
8. We affirm that we have not denied any personnel access to the Audit Committee of the Company;
9. We further declare that all Board members and senior managerial personnel have affirmed compliance with the code of conduct for the current year.

Dhirajlal B. Jangla
Chairman

Anant Gawde
Accounts Officer & Compliance Officer

Place: Mumbai

Date: September 05, 2012

Grand Foundry Ltd.

COMPANY SECRETARY'S CERTIFICATE ON CORPORATE GOVERNANCE

Company Secretary's Certificate on compliance with the conditions of Corporate Governance under Clause 49 of the Listing Agreement (s)

The Members of
Grand Foundry Limited

We have examined the compliance of conditions of Corporate Governance by Grand Foundry Limited for the year ended 31st March, 2012 as stipulated in Clause 49 of the Listing Agreement of the said Company with Stock Exchanges in India.

The compliance of conditions of Corporate Governance is the responsibility of the Management. Our examination was limited to a review of the procedures and implementation thereof, adopted by the Company for ensuring the compliance of the conditions of the Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.

In our opinion and to the best of our information and according to the explanations given to us, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in Clause 49 of the above-mentioned Listing Agreement.

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

For Payal Gala & Associates
Practicing Company Secretaries
Payal Gala
CP No. 9513

Place: Mumbai

Date: September 05, 2012

To:

The Members,
Grand Foundry Limited.

We have examined the compliance of Corporate Governance by GRAND FOUNDRY LIMITED for the year ended 31st March, 2012, as stipulated in Clause 49 of the Listing Agreement of the said company with Stock Exchanges.

The compliance of conditions of Corporate Governance is the responsibility of the Management. Our examination has been limited to review of the procedures and implementations thereof, adopted by the company for ensuring the compliance of the conditions of the Certificate of Corporate Governance as stipulated in the said Clause. It is neither an audit nor expression of opinion on the financial statements of the company.

In our opinion, and to the best of our information and according to the explanations given to us, we certify that, subject to comments given in the Report on Corporate Governance, the company has complied with the conditions of Corporate governance as stipulated in the above mentioned List Agreement.

As required by the Guidance Note issued by the Institute of Chartered Accountants of India and on basis of information and explanation given to us we have to state that no investor grievances are remaining unattended/pending against the company as at 31st March, 2012 for more than 30 days as per the records maintained by the Registrars of the Company and presented to the shareholders/investors Grievance Committee of the Company.

We further state that such compliance is neither an assurance as to the future viability of the company nor of the efficiency or effectiveness with which the Management has conducted the affairs of the company.

For THACKER BUTALA DESAI
CHARTERED ACCOUNTANTS
FRN: 110864 W

MIHIR N. MAJMUDAR, PARTNER
Membership No. 032724

Mumbai

Dated : September 05, 2012

AUDITORS' REPORT

We have audited the attached Balance Sheet of **GRAND FOUNDRY LIMITED** as at 31st March, 2012 and also the Profit and Loss Account for the year ended on that date annexed hereto. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in India. Those Standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

As required by the Companies (Auditor's Report) Order, 2004 issued by the Central Government of India in terms of sub-section (4A) of section 227 of the Companies Act, 1956, we enclose in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the said order.

Further to our comments in the Annexure referred to above, we report that:

- (i) We have obtained all the information and explanations, which to the best of our knowledge and belief were necessary for the purposes of our audit;
- (ii) In our opinion, proper books of account as required by law have been kept by the company so far as appears from our examination of those books.
- (iii) The Balance Sheet and Profit and Loss Account dealt with by this report are in agreement with the books of account;
- (iv) In our opinion, the Balance Sheet and Profit and Loss account dealt with by this report comply with the accounting standards referred to in sub-section (3C) of section 211 of the Companies Act, 1956;
- (v) On the basis of written representations received from the directors, as on 31st March, 2012, and taken on record by the Board of Directors, we report that none of the directors are disqualified as on 31st March, 2012 from being appointed as a director in terms of clause (g) of sub-section (1) of section 274 of the Companies Act, 1956;
- (vi) In our opinion and to the best of our information and according to the explanations given to us, the said accounts give the information required by the Companies Act, 1956, in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India;
- (vii) Read with clauses (i), (iv), (x) and (xi) to the attached annexure CARO and subject to the following clauses in Schedule L being Notes to Accounts to the Balance Sheet:
 - (a) Non provision of penal interest for default in payment of installments to Financial Institutions and under hire purchase agreements to the extent of Rs.397,82,603 & interest to others (ICD) Rs.1,45,06,038/-.
 - (b) Non provision of import duty liability of Rs. 628,71,249/- for non-fulfillment of export obligation.
 - (c) For non information on liability to Small Scale Industrial Units.
 - (d) In absence of confirmations from sundry debtors and various advances given, it's not possible to comment whether they are good.

In our opinion and to the best our information and according to the explanations given to us, the said accounts give the information required by the Companies Act, 1956, in the manner so required and give true and fair view in conformity with the accounting principles generally accepted in India

- (i) in the case of the Balance Sheet, of the state of affairs of the Company as at 31st March, 2012, and
- (ii) in the case of the Profit and Loss Account, of the Loss for the year ended on that date.

For THACKER BUTALA DESAI
CHARTERED ACCOUNTANTS
FRN: 110864 W

MIHIR N. MAJUMDAR, PARTNER
Membership No. 032724

Date: September 05, 2012

ANNEXURE TO THE AUDITOR'S REPORT

- (i) (a) On the basis of checks carried out by us on records produced before us, we have to state that the quantitative details and situation of fixed assets are not readily available and thus not produced before us.
- (b) We are informed by the Management that they have physically verified these fixed assets at reasonable intervals and no material discrepancies were noticed on such verification.
- (c) No substantial part of the fixed assets have been disposed off during the year.
- (ii) (a) We are informed by the Management that physical verification of inventory has been conducted by them at reasonable intervals.
- (b) We are of the opinion that the procedures for physical verification of inventory followed by the Management are reasonable and adequate in relation to the size of the Company and nature of its business.
- (c) We are of the opinion that the company is maintaining proper records of inventory and material discrepancies, if any, noticed on physical verification have been properly dealt with in the books of Accounts.
- (iii) On the basis of information and explanation made available to us, we find that the company has not granted any loans, secured or unsecured to/from companies, firms or other parties covered in the register maintained under Section 301 of the Act.
- (iv) From the checks carried out by us, we are of the opinion that there exists no adequate internal control/audit procedure commensurate with the size of the company and nature of its business, for purchase of inventory and fixed assets and for sale of goods.
- (v) (a) From the checks carried out by us, we find that the transactions that need to be entered into a register in pursuance of section 301 of the Act have been so entered.
- (b) From the information and explanation made available to us, we find that each of these transactions have been made at prices which are reasonable having regard to the prevailing market prices at the relevant time.
- (vi) From the checks carried out by us, we are of the opinion that the company has not accepted deposits from the public.
- (vii) From the checks carried out by us, we are of the opinion that the company has an internal audit system commensurate with its size and nature of its business.
- (viii) From the information and explanation made available to us, we are of the opinion that prima facie the prescribed accounts and records as required under clause (d) of sub-section (1) of section 209 of the Act, have been made and maintained.
- (ix) According to the records of the company, no Provident Fund deductions have been made. We have been informed by the management, that the company is not covered under the Employee's State Insurance Scheme.
- (x) The company has an accumulated loss of more than hundred percent of its net worth and it is a sick company within the meaning of clause (o) of subsection (1) of section 3 of the Sick Industrial Companies (Special Provisions) Act, 1985.
- (xi) From the checks carried out by us and from explanation and information made available to us, we are of the opinion that the company has defaulted in repayment of dues to a financial institution or bank or debenture holders.
- (xii) We are informed by the management that the company has not granted any loans and advances on the basis of security by way of pledge of shares, debentures and other securities.
- (xiii) We are informed by the management that the company is neither a chit fund or a niddhi/Mutual benefit fund or a society.
- (xiv) From the checks carried out by us, we are of the opinion that the Company has not done any dealing or trading in shares, securities, debentures and other investments.
- (xv) We are informed by the management that the company has not given any guarantee for loans taken by others from banks or financial institutions.
- (xvi) From the checks carried out by us and from the information and explanation made available to us, we are of the opinion that the term loans, if any, were applied for the purpose for which the loans were obtained.
- (xvii) From the checks carried out by us and from the information and explanation made available to us, we are of the opinion that the funds raised on short term basis have not been used for long term investments and vice versa.
- (xviii) We are informed that the company has not made any preferential allotment of shares to parties and companies covered in the Register maintained under Section 301 of the Act and if so, the price at which such shares have been issued are not prejudicial to the interest of the company.
- (xix) We are informed that the securities created in respect of debentures, if any, issued in the past is as stated in Schedule to the Balance sheet.
- (xx) The Company has not raised any money from public issue during the year.
- (xxi) From the checks carried out by us, we find that no fraud on or by the company has been noticed or reported during the year.

For THACKER BUTALA DESAI
CHARTERED ACCOUNTANTS
FRN: 110864 W

MIHIR N.MAJMUDAR, PARTNER
Membership No. 032724

Date : September 05, 2012

Balance Sheet As On 31.03.2012

Particulars	Sch. No.	AS AT 31st MARCH 2012 Rs	AS AT 31st MARCH 2011 Rs
I. EQUITY AND LIABILITIES			
(1) Shareholder's Funds			
(a) Share Capital	1	104300000	104300000
(b) Reserves and Surplus	2	(246435955)	(240901161)
		<u>(142135955)</u>	<u>(136601161)</u>
(2) Non-Current Liabilities			
(a) Long-Term Borrowings	3	139362133	126658416
(b) Deferred Tax Liabilities (Net)	4	11767187	20363136
		<u>151129320</u>	<u>147021552</u>
(3) Current Liabilities			
(a) Short-Term Borrowings	5	0	49385
(b) Trade Payables	6	1373468	1283350
(c) Other Current Liabilities	7	1537467	562672
(d) Short-Term Provisions	8	33613890	33190674
		<u>36524825</u>	<u>35086081</u>
		<u>45518190</u>	<u>45506472</u>
Total Equity & Liabilities			
II. ASSETS			
(1) Non-Current Assets			
(a) Fixed Assets (Tangible)			
Tangible Assets	9	38264237	40292046
(b) Long term loans and advances	10	500000	480000
		<u>38764237</u>	<u>40772046</u>
(2) Current Assets			
(a) Trade receivables	11	4858423	3319163
(b) Cash and cash equivalents	12	499370	75185
(c) Short-term loans and advances	13	1396160	1340079
		<u>6753953</u>	<u>4734427</u>
		<u>45518190</u>	<u>45506473</u>
Total Assets			

NOTES TO ACCOUNTS

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As per our Report of even date.
FOR THACKER BUTALA DESAI
CHARTERED ACCOUNTANTS
FRN.: 11086W

FOR GRAND FOUNDRY LTD

Dhirajlal B.Jangla, Chairman

Kiran D Jangla , Managing Director

Hitendra D.Jangla Jt.Managing Director

MIHIR N. MAJMUDAR, Partner
Membership No. : 32724

MUMBAI :
DATED: SEPTEMBER 05,2012

Grand Foundry Ltd.

PROFIT & LOSS ACCOUNT FOR THE YEAR ENDED 31ST MARCH 2012

Particulars	Sch. No.	Figures as on 31st March 2012 Rs	Figures as on 31st March 2011 Rs
I Revenue from operations	14	26647294	31920562
II Other Income	15	240032	195735
III III. Total Revenue (I +II)		26887326	32116297
IV Expenses:			
Consumption of Raw Materials	16	2173825	2602613
Employee Benefit Expense	17	9797644	9424670
Financial Costs	18	12067625	28627551
Depreciation and Amortization Expense		2027809	2032271
Other Expenses	19	14900819	8795551
Total Expenses (IV)		40967721	51482656
V Profit before exceptional and extraordinary items and tax	(III - IV)	(14080395)	(19366359)
VI Exceptional Items		(50348)	(275475)
VII Profit before extraordinary items and tax (V - VI)		(14130743)	(19641834)
VIII Extraordinary Items		0	0
IX Profit before tax (VII - VIII)		(14130743)	(19641834)
X Tax expense:			
(1) Current tax		0	0
(2) Deferred tax		(8595949)	(70239919)
XI Profit/(Loss) from the period from continuing operations	(IX-X)	(5534794)	(89881753)
XII Profit/(Loss) from discontinuing operations		0	0
XIII Tax expense of discounting operations		0	0
XIV Profit/(Loss) from Discontinuing operations (XII - XIII)		0	0
XV Profit/(Loss) for the period (XI + XIV)		(5534794)	(89881753)
XVI Earning per equity share:			
(1) Basic		(0.53)	(8.62)
(2) Diluted		(0.53)	(8.62)

Schedules referred to above and notes attached there to form an integral part of Profit & Loss Statement
This is the Profit & Loss Statement referred to in our Report of even date.

FOR THACKER BUTALA DESAI
CHARTERED ACCOUNTANTS
FRN.: 11086W

FOR GRAND FOUNDRY LTD

Dhirajlal B.Jangla, Chairman

MIHIR N. MAJMUDAR, Partner
Membership No. : 32724

Kiran D Jangla , Managing Director

Hiten D.Jangla Jt.Managing Director

MUMBAI :
DATED: SEPTEMBER 05,2012

Schedules Forming Integral Part of the Balance Sheet as at 31st March 2012

	As At 31-03-2012 (₹)	As At 31-03-2011 (₹)
Schedule : 1 Share Capital		
<u>AUTHORIZED CAPITAL</u>		
3,00,00,000 Equity Shares of Rs. 10/- each.	300000000	300000000
(P.YR.3,00,00,000 Equity Shares of Rs.10/-each)		
100,000 15% Preference Shares of Rs. 10/- each	1000000	1000000
	<u>301000000</u>	<u>301000000</u>
<u>ISSUED, SUBSCRIBED & PAID UP CAPITAL</u>		
1,04,30,000 Equity Shares of Rs.10/-each (includes 59,80,000 Equity Shares issued as Bonus shares of which 10,00,000 Equity Shares of which 10,00,000 Equity Shares allotted as Bonus Shares by capitalising general reserves in 1989-90;		
	104300000	104300000
SHARE HOLDING PATTERN OF HOLDING OF OVER 5% Shares		
Total in ₹	<u><u>104300000</u></u>	<u><u>104300000</u></u>
Schedule : 2 Reserve & Surplus		
Capital Reserve	199500	199500
Capital Redemption Reserve	11000	11000
Share Premium reserve	4671500	4671500
Debenture Redemption Reserve	882000	882000
Profit and Loss Account :		
Balance brought forward from previous year	(246665161)	(158783408)
Add: Profit for the period	(5534794)	(88881753)
	<u>(252199955)</u>	<u>(246665161)</u>
Total in ₹	<u><u>(246435955)</u></u>	<u><u>(240901161)</u></u>
Schedule : 3 Long Term Borrowings		
<u>Term Loan -Unsecured</u>		
- From Promotors	48460300	39860585
- From Financial Institution	86901833	82797831
- Ceat Financial Services Ltd	400000	400000
- Sundaram Finance Services Ltd	1200000	1200000
- Zenith Ltd	2400000	2400000
Total in ₹	<u><u>139362133</u></u>	<u><u>126658416</u></u>
Schedule : 4 Deferred Tax Liabilities (Net)		
Deferred Tax Liability	11767187	20363136
Total in ₹	<u><u>11767187</u></u>	<u><u>20363136</u></u>

Grand Foundry Ltd.

	As At 31-03-2012 (₹)	As At 31-03-2011 (₹)
Schedule : 5 Short Term Borrowings		
Others-car loan	0	49385
Total in ₹	<u>0</u>	<u>49385</u>
Schedule : 6 Trades Payable		
-Sundry Creditors for Materiel/Supplies	529275	394402
-Sundry Creditors for Services	844193	888948
Total in ₹	<u>1373468</u>	<u>1283350</u>
Schedule : 7 Other Current Liabilities		
Service Tax Payable	1532805	560236
TDS -Retainership Fees	250	2436
TDS -Professional Fees	4412	0
Total in ₹	<u>1537467</u>	<u>562672</u>
Schedule : 8 Short Term Provisions		
Others		
Sales Tax Payable	22210000	22210000
DGFT Payable	2519000	2519000
Sales Tax Appeal Liability Payable	1365455	1365455
Contribution to E.S.I.C.Payable	1125000	1125000
Provident Fund Liability	3600000	3600000
Central Excise Duty Payable	1391356	1391356
Audit Fees Payable	190350	295500
Contribution to M.L.W.F.	4455	11415
Contribution to Profession Tax	525	0
Salary Payable	0	91829
Retainership Fees Payable	24750	135969
Wages Payable	411879	302108
OverTime Wages Payable	0	60142
Provision for Expenses	771120	82900
Total in ₹	<u>33613890</u>	<u>33190674</u>

Schedules Forming Integral Part of the Balance Sheet as at 31st March, 2012

Schedule : 9 Fixed Asset

PARTICULARS	GROSS BLOCK			DEPRECIATION				NET BLOCK		
	As at 01.04/11	Addition during the year	Deduction during the year	As at 31/03/2012	As at 01/04/11	Addition during the year	Deduction during the year	As at 31/03/2012	As at 31/03/2012	As at 31/03/2011
Plant & Machinery	87,410,094	0	0	87,410,094	47485182	1987055	0	49472237	37937857	39924912
Motor Car	428,989	0	0	428,989	61855	40754	0	102609	326380	367134
TOTAL (I + II)										
(Current Year)	87,839,083	-	-	87,839,083	47,547,037	2,027,809	-	49,574,846	38,264,237	40,292,046
(Previous Year)	87,839,083	-	-	87,839,083	46,514,766	2,032,271	-	47,547,037	40,292,046	42,324,317

	As At 31-03-2012 (₹)	As At 31-03-2011 (₹)
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Schedule : 10 Long Term Loans and Advances

Security Deposit

a) <u>Secured, Considered Good :</u>	500,000	480,000
Other Deposit	-	-
b) <u>Unsecured, Considered Good :</u>	-	-
c) <u>Doubtful</u>	-	-
Total in ₹	500,000	480,000

Schedule : 11 Trade Receivables

Outstanding for more than six months

a) <u>Secured, Considered Good :</u>	40,390	40,390
b) <u>Unsecured, Considered Good :</u>	-	-
c) <u>Doubtful</u>	-	-

Others

a) <u>Secured, Considered Good :</u>	4,818,033	3,278,773
b) <u>Unsecured, Considered Good :</u>	-	-
c) <u>Doubtful</u>	-	-
Total in ₹	4,858,423	3,319,163

Grand Foundry Ltd.

	As At 31-03-2012 (₹)	As At 31-03-2011 (₹)
Schedule : 12 Cash & Cash Equivalent		
Cash-in-Hand	174,216	70,585
Cash Balance	<u>174,216</u>	<u>70,585</u>
Sub Total (A)		
Bank Balance	14,941	2,544
With ICICI Bank	310,213	2,056
With Indian Overseas Bank	<u>325,154</u>	<u>4,600</u>
Sub Total (B)		
	<u>499,370</u>	<u>75,185</u>
Total [A + B]		

Schedule : 13 Short Terms Loans and Advances

Others		
Advance Recoverable in cash or in kind or for value to be considered good	143,164	112,810
Advance to Suppliers	46,000	6,000
Advance to Staff	1,000,163	1,065,591
Advance Income Tax/Refund Due	107,463	107,463
Balance With Revenue Authorities (Indirect Taxes)	59,859	48,215
Prepaid Expenses	39,511	-
Excess Payment Made (Car Loan)		
	<u>1,396,160</u>	<u>1,340,079</u>
Total in ₹		

Schedule : 14 Revenue from Operations

Sales (Net of Excise Duty)	-	1,479,500
Job Work Receipts	17,204,860	25,001,903
Conductorship Charges Received	9,442,434	5,439,159
	<u>26,647,294</u>	<u>31,920,562</u>
Total in ₹		

Schedule : 15 Other Income

Other Receipts	239,761	163,025
Sundry Dr/Cr.Bal.W/off	271	32,710
	<u>240,032</u>	<u>195,735</u>
Total in ₹		

Schedule : 16 Consumption of Raw Materials & Stores

Consumption of LDO	-	1,007
Consumption of Oil	120,960	706,206
Consumption of Acid	33,853	671,843
Consumption of Others(Petrol,Diesel)	4,420	4,000
Consumption of Mach Stores STC	1,238,231	734,824
Consumption of Stores & Spares	706,514	320,225
Consumption of Mach -Dies	6,409	102,082
Consumption of Gas	504	47,723
Consumption of Mach Stores -Elec	62,933	14,703
Total in ₹	2,173,825	2,602,613

Schedule : 17 Employment Benefit Expenses

Salaries, Bonus, PF & ESIC		
Salary	2,600,545	1,456,097
Wages	4,800,472	3,864,071
Overtime Wages	1,138,585	1,241,625
Earning Leave	2,377	119,744
Bonus-Workers	371,221	394,486
Bonus-Staff	242,244	64,700
Ex-Gratia	45,306	-
Medical Allowance	107,095	17,590
Attendance & Production Bonus	46,977	16,962
Contribution to M.L.W.F.	408	7,752
Contribution to Other Deductions	143,322	41,196
Contribution to Provident Fund	520,959	490,552
Contribution to Administ.Expenses	46,267	65,815
Contribution to Union	18,510	1,770
Contribution to Provident Fund-GIWL	-	1,724,702
Total in ₹	9,797,644	9,424,670

Schedule :18 Financial Cost

Interest on Financial Institution	4,104,002	4,100,002
Interest on Debentures	1,065,033	9,248,402
Interest To Promotors	4,229,620	15,246,834
Interest to Others	2,646,537	289
Bank Charges	22,433	32,024
Total in ₹	12,067,625	28,627,551

Grand Foundry Ltd.

Schedule : 19 Other Expenses

Direct Expenses		
Processing Labour Charges	6,157	540
Power & Fuel	2,387,739	1,800,425
Packing, Freight & Forwarding	122,725	57,543
Factory Expenses	55,303	217,523
Repair & Maintenance	201,063	378,139
Sub-total (a)	2,772,987	2,454,170
Administrative Expenses		
Telephone Expenses(Including Postage)	253,703	320,326
Car Expenses (Including Insurance)	767,037	247,495
Hire Chgs-Motor Car	106,550	-
Conveyance Expenses	141,517	56,134
Travelling Expenses (Including Foreign Travelling)	3,861,235	1,192,830
Repair & Maintenance Others	1,358,470	1,454,119
Repair & Maintenance Office Equipment	-	22,576
General Expenses	574,615	98,690
Shares Processing Charges	-	43,688
Insurance Expenses	107,534	48,307
Internet & Website Expenses	21,301	-
Legal Expenses	38,585	12,000
Courier Charges	184,935	-
Postage & Telegram	100,200	-
Professional Charges	48,550	892,193
Brokerage	485,789	-
Staff Welfare	19,800	6,511
Canteen Expenses	73,249	44,617
Medical Expenses	233,704	12,177
Office Expenses	21,099	20,830
Books & Periodicals	2,101	2,702
Diwali Gift	39,120	57,160
Miscellaneous Expenses	4,902	85,894
Stationery Expenses	94,221	101,072
Auditors Remuneration	60,000	60,000
Rent Rates & Taxes(Profession Tax)	2,500	2,500
Rent Paid	86,900	75,600
Sales Promotion Expenses	557,671	1,447,019
Membership & Subscription	52,487	23,127
Directors Club Expenses	166,184	-
Society Maintenance Chgs	3,610	2,626
Advertisement & Publicity	8,816	10,587
Donation	96,306	601
Security Service Chgs	727,186	-
Retainership fees	1,827,955	-
Sub-total (b)	12,127,832	6,341,381
Total in ₹	14,900,819	8,795,551

NOTES ATTACHED TO AND FORMING PART OF THE ACCOUNTS FOR THE YEAR ENDED 31ST MARCH, 2012

1 Accounting Policies

(a) Method of accounting

The financial statement are prepared on accrual basis under the historical cost conventions.

(b) Fixed Assets

Fixed Assets are stated at cost less depreciation. Depreciation is provided on Written Down Value method, and Straight Line Method basis for some assets, as per the Schedule XIV of the Companies Act, 1956.

(c) Borrowing Cost

Borrowing cost include interest, fees and other charges incurred in connection with the borrowing of funds and is considered as revenue expenditure for the year in which it is incurred except for borrowing costs attributed to the acquisition / improvement of qualifying capital assets and incurred till the commencement of commercial use of the asset and which is capitalised as cost of the asset.

2 In the opinion of the Board of Directors :-

Contingent Liabilities have not been provided for :-

(a) Sales Tax demand of RS. 3,61,78,263/- against which the company has preferred an appeal before higher authorities.

(b) Interest to others(ICD) Rs. 1,45,06,038/- and Penal Interest payable to different financial institutions as well as Hire purchases parties is to the extent of RS. 3,97,82,603/- for delay in the payment of instalments etc., as reported last year.The Company is confident for waiver / non-levy of Interest / Penal interest.

(c) Liability in respect of Import Duty of Rs 6,28,71,249/- that may arise,if the export obligation of Rs. 9,24,20,888/- is not completed within the required time limit.

(d) Against the order of BIFR dated 21.12.2009 the company appealed before AAIFR. AAIFR set aside the impugned order and remand the case to the BIFR with the direction to consider the DRS submitted by the appellant company and proceed further in accordance with Law vide AAIFR Order dated 22.03.2012.

3 Additional information pursuant to Part II of the Schedule

A. * Capacity

Class of Goods	Unit	Current Year		Previous Year	
		Licensed Capacity	Installed Capacity	Licensed Capacity	Installed Capacity
Machine Tools	Tonnes	13500	13500	13500	13500
Bright Bar Shafting					

* As certified by the Director.

B. Actual Production: Including Production of Job Work and exclusive of production out of rejected materials)

	Unit	Quantity	
Bright Bars & Shafts	Tonnes	0	0
As Jobwork	Tonnes	8198.05	12179.26

C. Purchases :-

	Units	QTY	AMT (Rs.)	QTY	AMT (Rs.)
Black Steel Bars	Tonnes	0	0	0	0

Grand Foundry Ltd.

D. Opening Stock :-

	Units	QTY	AMT (Rs.)	QTY	AMT (Rs.)
Bright Bars & Shafts	Tonnes	0	0	0	0

E. Closing Stock :-

	Units	QTY	AMT (Rs.)	QTY	AMT (Rs.)
Bright Bars & Shafts	Tonnes	0	0	0	0

F. Sales:-

	Units	QTY	AMT (Rs.)	QTY	AMT (Rs.)
Bright Bars & Shafts (Sales Qty. is exclusive of rejection)	Tonnes	0	0	0	0

H. Expenditure in Foreign Currency:

3007421	0
TOTAL	0
3007421	0
=====	=====

I. Earning in Foreign Currency :-

Current Year	Previous year
Nil	Nil

4 Previous years figures are regrouped, re-classified and rearranged wherever necessary to make them comparable with the Current years figures.

5 Previous years figures are regrouped, re-classified and rearranged wherever necessary to make them comparable Details relating to balances due to S.S.I. units are not readily available and thus not shown.

6 Principal Accounting Ratios

1) Sales to Total Assets	Nil	Nil
2) Operating Profit to Capital Employed	Nil	Nil
3) Return On Net Worth	Nil	Nil
4) Profit to Sales	Nil	Nil

7 Related Party Disclosures :

The disclosures pertaining to the related parties as required by the Accounting Standard As-18 Issued by the Institute of Chartered Accountants of India, as applicable, are indicated below :

(i) Other related parties like Associates

- > B.R. Corporation*
- > Dhiraj Iron & Steel Ltd.*
- > K.M. Properties Ltd
- > Dhiraj Alloy & Stainless Steel Pvt. Ltd. * (previously known as Dhiraj Mercantile Pvt. Ltd.)

(ii) Key Management Personnel

- > Mr. Kiran D. Jangla Managing Director
- > Mr. Hiten D. Jangla, Jt. Managing Director

* Indicate no transactions during the year with these related parties.

8 Earning Per Share

	Current Year	Previous Year
a) Weighted average number of shares at the beginning and end of the year	10430000	10430000
b) Net Profit / (-) Loss after Tax available for Equity Shareholders	(5,534,794)	(89,881,753)
c) Basic and Diluted Earnings per share (Rupees)	(0.53)	(8.62)

9 Balance dues from Sundry Debtors and advances given are subject to confirmation.

Grand Foundry Ltd.

PART IV

BALANCE SHEET ABSTRACT & COMPANY'S GENERAL BUSINESS PROFILE

i) Registration Details		
Registration No:	017655	State Code : 11
Balance Sheet date :	31.03.2012	
ii) Capital Raised during the year (Amount in RS. Thousands)		
Public Issue	NIL	Right Issue
Bonus Issue	NIL	Private Placement
iii) Position of Mobilisation and Deployment of Funds (Amount in RS. Thousands)		
Sources of Funds	Total Liabilities	Total Assets
	45,518	45,518
	Paid-Up Capital	Reserve & Surplus
	104,300	5,764
Application of Funds	Secured Loans	Unsecured Loans
	0	139,362
	Net Fixed Assets	Investments
	38,264	0
	Net Current Assets	Deferred Tax
	(29,771)	(11,767)
	Accumulated Losses	
	(252,200)	
iv) Performance of Company (Amount in RS. Thousands)		
	Turnover & Jobwork	Total Expenditure
	26647	41018
	Profit/(Loss) Before Tax	Profit/(Loss) After Tax
	(14,131)	(5,535)
	Earning per share in Rs	Dividend Rate:
	-	NIL
v) Generic Names of Three Principal / Services of Company (as per monetary terms)		
Item Code No (ITC Code)	722220	

Productin Description :- STAINLESS STEEL BRIGHT BARS

As per our attached Report of even date
For THACKER BUTALA DESAI
Chartered Accounts
FRN : 110864 W

MIHIR N. MAJMUDAR, Partner
Membership No. 32724

Mumbai
Date : SEPTEMBER 05,2012

For And On Behalf of The Board

Dhirajlal B.Jangla, Chairman
Kiran D Jangla , Managing Director
Hitend Jangla Jt.Managing Director

Mumbai
Date : SEPTEMBER 05,2012

CASH FLOW STATEMENT

CASH FLOW STATEMENT FOR THE YEAR ENDED	31.03.2012	31.03.2011
Cash Flow from Operating Activities		
Net Profit Before Tax & Extraordinary Items	(14,080,395)	(19,366,834)
Adjustments		
Depreciation	2027809	2,032,271
Operating Profit Before Working Capital Charges	(12,052,586)	(17,334,563)
Adjustment for		
Interest and Finance Charges	12067625	28,595,527
Trade and other receivable	(1,615,343)	28,182,880
Trade and other payable	1488129	(595,716)
Cash Generated from Operations	(112,175)	38,848,128
Taxes Paid	0	0
Cash Flow before Extraordinary Items	(112,175)	38,848,128
Prior Period Income	0	(275,000)
Extraordinary Items	(50,348)	0
Net Cash Flow from Operating Activities (a)	(162,522)	38,573,128
Cash Flow from Investing Activities		
(Increase) / Decrease in Investment	0	0
Sale/Purchase of Fixed Assets (Net)	0	0
Net Cash Flow from Investing Activities (b)	0	0
Cash Flow from Finance Activities		
Increase / (Decrease) in Unsecured Loans	12654332	(9,998,556)
Interest and Finance Charges	(12,067,625)	(28,595,527)
Net Cash Flow from Financing Activities (c)	586,707	(38,594,083)
Net Cash & Cash Equivalents (a + b + c)	424,184	(20,955)
Opening Cash Balance	75,185	96,140
Closing Cash Balance	499,370	75,185

Notes :- a) Previous years figures are regrouped, re-classified and rearranged wherever necessary to make them comparable with the current years figures.

Mumbai
Dated : SEPTEMBER 05,2012

For And On Behalf of The Board
Dhirajlal B.Jangla Chairman
Kiran D. Jangla Managing Director
Hitendra D.Jangla Jt.Managing Director

AUDITORS REPORT

We have examined the above Cash Flow Statement of Grand Foundry Ltd. derived from Audited Financial Statements and the Books and records maintained by the Company for the year ended on 31st March 2012 and found the same in agreement therewith.

For Thacker Butala Desai
Chartered Accountants
FRN : 110864 W

Mumbai
Dated : SEPTEMBER 05,2012

MIHIR N. MAJMUDAR, Partner
Membership No. 032724

PROXY
GRAND FOUNDRY LIMITED

Registered Office : 327. Arun Chambers, 3rd Floor, Tardeo, Mumbai - 400 034.

Membership Folio No. : _____ No. of shares held : _____

I/WE _____ of _____

_____ being a member/members of Grand Foundry Limited ,

hereby appoint _____ of

_____ of failing him/her _____

of _____ as my/our proxy to vote for me/us and on my/our behalf at the Annual

General Meeting of the Company to be held on Friday, September 28, 2012 at 11.00 a.m. at 327. Arun

Chambers, 3rd Floor, Tardeo, Mumbai - 400 034 or at the adjournment thereof.

Signed this _____ day of _____ 2011.

Important

- a. Revenue Stamp of Rs. 1/- is to be affixed on this form.
- b. The Form should be signed across the stamp as per the specimen signature Registered with the Company.
- c. The Companies, 1956 lays down that an instrument appointing a Proxy shall be deposited at the Registered Office of the Company and not less than FORTY-EIGHT-HOURS before the time fixed for the Meeting.
- d. A proxy need not be a Member.

ATTENDANCE SLIP
GRAND FOUNDRY LIMITED

Registered Office : 327. Arun Chambers, 3rd Floor, Tardeo, Mumbai - 400 034.

(Please complete this Attendance Slip and hand it over at the entrance of the meeting hall)

I hereby record my presence at the Twentieth Annual General Meeting of the Company being held on Friday, September 28, 2012 at 11.00 a.m. at 327. Arun Chambers, 3rd Floor, Tardeo, Mumbai - 400 034.

Membership Folio No. : _____ No. of shares held : _____

Name of the Shareholder/Proxy* : - _____

*Strike out whichever is not applicable.

Signature of Shareholder / Proxy* : - _____

*Strike out whichever is not applicable.

BOOK - POST

If undelivered, please return to :

GRAND FOUNDRY LIMITED

327. Arun Chambers,

3rd Floor, Tardeo,

Mumbai - 400 034.