GRAND FOUNDRY LIMITED

24th

Annual Report & Account
2015 - 16

• **BOARD OF DIRECTORS**	**Mr. Dhirajlal Jangla** **(Chairman)** **Mr. Kiran D. Jangla** **(Managing Director)** **Mr. Hiten Jangla** **(Joint Managing Director)** **(resigned wef 8.08.2016)** **Ms. Nirmala Maurya** **(appointed wef 8.08.2016)** **(Independent Director)** **Mr. Naresh Garodia** **(appointed wef 27.05.2016)** **Mr. Anant Gawde** **(aapointed wef 15.04.2016** **Resigned wef 08.08.2016)** **Mr. Bhidhan Gujarati** **(Independent Director)**
• **REGISTERED OFFICE**	327, 3RD FLOOR, ARUN CHAMBERS, TARDEO MUMBAI Mumbai City MH 400034,
• **BANKERS**	INDIAN OVERSEAS BANK 2003/c93, Breach Candy, Mumbai - 400026
• **STATUTORY AUDITORS**	Thaker Butala Desai Chartered Accountants Office No. 418, 4th Floor, B Wing, Dalamal Towers, Nariman Point, Mumbai-400021

GRAND FOUNDRY LIMITED
CIN L99999MH1974PLC017655
Regd. Office: 327, 3rd Floor, Arun Chambers, Tardeo Mumbai- 400034.
Ph. No. 022-23526316; E-mail Id:- compliance@gfsteel.co.in ; Website: gfsteel.co.in

NOTICE

NOTICE IS HEREBY GIVEN THAT THE TWENTY-FOURTH ANNUAL GENERAL MEETING OF THE MEMBERS OF GRAND FOUNDRY LIMITED WILL BE HELD ON FRIDAY, 30TH DAY OF SEPTEMBER, 2016 AT 11:00 A.M. AT 327, 3RD FLOOR, ARUN CHAMBERS, TARDEO MUMBAI -400034 TO TRANSACT THE FOLLOWING BUSINESS:

AS ORDINARY BUSINESS:

1. To receive, consider and adopt Balance Sheet as at 31st March, 2016 and the Statement of the Profit & Loss along with Cash Flow Statement and Notes to the Accounts for the year ended on that date together with the Reports of the Board of Directors and Auditors thereon.

2. To appoint a Director in place of Mr. Dhirajlal Jangla (DIN 02096717), who retires by rotation and being eligible, offers himself for re-appointment.

3. To re-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.

AS SPECIAL BUSINESS:

4. **Appointment of Mr. Naresh Garodia (DIN - 07517900) as a Director of the Company.**

   To consider and if thought fit, to pass with or without modification(s), the following resolution as an

   ORDINARY RESOLUTION:

   "RESOLVED THAT pursuant to the provisions of sections 149, 150,152 and any other applicable provisions of the Companies Act, 2013, and rules made thereunder (including any statutory modification(s) or re-enactment thereof for time being inforce) read with Schedule IV to the Companies Act, 2013, Mr. Naresh Goradia (holding DIN-07517900) who was appointed as an additional director of the company and holds office upto the date of Twenty-fourth Annual General Meeting is eligible for re-appointment and in respect of whom a notice under section 160 of the Companies Act, 2013, has been received from a member proposing his candidature for the office of Director, and who has given declaration that he fulfils the criteria for the Independent Directors be and is hereby appointed as an Independent Director of the company to hold the office for five consecutive years from the date of this meeting, not liable to retire by rotation."

5. **Appointment of Ms. Nirmala Maurya (DIN - 07568801) as a Director of the Company.**

To consider and if thought fit, to pass with or without modification(s), the following resolution as an **ORDINARY RESOLUTION:**

"RESOLVED THAT pursuant to the provisions of sections 149, 150,152 and any other applicable provisions of the Companies Act, 2013, and rules made thereunder (including any statutory modification(s) or re-enactment thereof for time being inforce) read with Schedule IV to the Companies Act, 2013, Ms. Nirmala Maurya (holding DIN-07568801) who was appointed as an additional director of the company and holds office upto the date of Twenty-fourth Annual General Meeting is eligible for re-appointment and in respect of whom a notice under section 160 of the Companies Act, 2013, has been received from a member proposing her candidature for the office of Director, and who has given declaration that she fulfils the criteria for the Independent Directors be and is hereby appointed as an Independent Director of the company to hold the office for five consecutive years from the date of this meeting, not liable to retire by rotation."

By Order of the Board of Directors
For **Grand Foundry Limited**
Sd/-
Kiran Jangla

Managing Director

Date : 08.08.2016

Place: Mumbai

NOTES

1. A MEMBER ENTITLED TO ATTEND AND VOTE AT THE ANNUAL GENERAL MEETING IS ENTITLED TO APPOINT PROXY TO ATTEND AND VOTE ON A POLL INSTEAD OF HIMSELF AND THE PROXY NEED NOT BE A MEMBER OF THE COMPANY. PROXIES, IN ORDER TO BE EFFECTIVE MUST BE RECEIVED AT THE REGISTERED OFFICE OF THE COMPANY NOT LESS THAN 48 HOURS BEFORE THE TIME OF THE MEETING.
2. A person can act as proxy on behalf of members not exceeding fifty (50) and holding in the aggregate not more than ten percent of the total share capital of the Company. A proxy appointed by a member holding more than 10 percent of the total share capital of the Company carrying voting rights shall not act as proxy for any other member.
3. Members/ Proxies should bring the attendance slips duly filled-in for attending the meeting and deliver the same at the entrance of the meeting place. Members who hold shares in dematerialized form are requested to bring their Client ID and DP ID numbers for easy identification of attendance at the meeting.
4. The Register of Members and Share Transfer Books of the Company will remain closed from 25th September, 2016 to 30th September, 2016 (both days inclusive).
5. The Explanatory Statement pursuant to Section 102 of the Companies Act, 2013, which sets out details relating to Special Business at the meeting, is annexed hereto.
6. The Securities Exchange Board of India (SEBI) has mandated the submission of Permanent Account Number (PAN) by every participant in the Securities Market. Members holding shares in electronic form are, therefore, requested to submit the PAN to their Depository Participants with whom they are maintaining their demat accounts. Members holding the shares in physical form can submit their PAN details to the Company.
7. Members seeking further information about the accounts are requested to write atleast 7 days before the date of the meeting so that it may be convenient to get the information ready at the meeting.
8. Members are requested to inform the Company's Registrar and Share Transfer Agent i.e. Computech Sharecap Limited, 147 Mahatma Gandhi Road, 3rd Floor, Fort, Mumbai, Maharashtra 400001 about the changes, if any, in their registered address along with the Pin Code, quoting their Folio Number and DP ID. All correspondence relating to transfer of shares may be sent directly to the aforesaid Registrar and Share Transfer Agent of the Company.
9. Members are requested to bring their copies of Annual Report to the meeting, as the same will not be supplied again at the meeting as a measure of economy.
10. Members are requested to furnish or update their e-mail IDs with the Registrar for sending the soft copies of the Annual Report of the Company as required vide circular no. 17/2011 dated April 21, 2011 and circular no. 18/2011 dated April 29, 2011 issued by the Ministry of Corporate Affairs.
11. Pursuant to the prohibition imposed vide Secretarial Standard on General Meetings (SS-2) issued by the ICSI and the MCA circular, no gifts/coupons shall be distributed at the Meeting.

12. Members may also note that the Notice of 24th Annual General Meeting and Annual Report for the year 2015-2016 is also available on the website of the Company www.gfsteel.co.in for their download.
13. Pursuant to Regulation 36 of the SEBI (Listing Obligation and Disclosure Requirement) Regulations, 2015, the brief profile of Directors eligible for re-appointment vide item no. 4, 5 is as follows:

Particulars	**Mr. Naresh Garodia**	**Ms Nirmala Maurya**
Din	07517900	07568801
Date of Birth	09-11-1953	08-05-1982
Date of Appointment	27-05-2016	08.08.2016
Qualifications	HSC	HSC
Experience in specific functional areas	Having experience in steel Industry since 35 years . His specializes in Alloy and Tool Steel Grades, and has worked with a number of global companies, helping him strengthen his procurement and quality control skills.	Having overall experience of around 8 years in Accounts and Finance
Directorship held in other listed entities	Nil	Nil
Membership/Chairmanship of Committees of listed entities (includes only Audit	Audit Committee (Chairman) -Grand Foundry Limited Stakeholder Relationship Committee (Chairman) - Grand Foundry Limited	Audit Committee (Member) -Grand Foundry Limited Stakeholder Relationship Committee (Member) - Grand Foundry Limited

Committee and Stakeholders' Relationship Committee)		
Number of shares held in the company	140 equity shares	Nil
Relationship with any Director(s) of the Company	Nil	Nil

Explanatory Statement

(Pursuant to section 102 of the Companies Act, 2013)

Item No. 4: Appointment of Mr. Naresh Goradia (DIN 07517900) as a Director.

Mr. Naresh Goradia holding DIN 07517900 was appointed as additional director of the company with effect from May 27, 2016 by the Board of directors of the Company. According to the provisions of section 161 of the Companies Act, 2013 he may hold office as director only upto the date of ensuing Annual General Meeting. In terms of section 149 and any other applicable provisions of the Companies Act, 2013, Mr Naresh Goradia being eligible and offering himself for appointment, is proposed to be appointed as an Independent Director for five consecutive years from the date of this meeting. A notice has been received from a member proposing Mr. Naresh Goradia as a candidate for the office of Director of the Company

The Company has obtained a declaration for his independency from Mr. Naresh Goradia and in the opinion of the Board, Mr. Naresh Goradia fulfils the conditions specified in the companies act, 2013 and rules made thereunder for his appointment as an Independent Director of the Company and is independent of the management. Copy of the draft letter for appointment of Mr Naresh Goradia as an Independent Director setting out the terms and conditions would be available for inspection without any fee by the members at the Registered Office of the company during normal business hours on ay working day, excluding Saturday.

The Board considers that this continued association would be of immense benefit to the Company and it is desirable to continue to avail services of Mr. Naresh Goradia as an Independent Director. Accordingly Board recommends the resolution in relation to appointment of Mr Naresh Gordia as an Independent director, for the approval by the shareholders of the Company.

Except Mr. Naresh Goradia, being an appointee, none of the Directors and Key Managerial Personnel of the Company and their relatives are concerned or interested, financial or otherwise, in the resolution set our at Item no.4.

Item No. 5: Appointment of Ms. Nirmala Maurya (DIN 07568801) as a Director.

Ms. Nirmala Maurya holding DIN 07568801 was appointed as additional director of the company with effect from 8th August, 2016 by the Board of directors of the Company. According to the provisions of section 161 of the Companies Act, 2013 she may hold office as director only upto the date of ensuing Annual General Meeting. In terms of section 149 and any other applicable provisions of the Companies Act, 2013, Ms Nirmala Maurya being eligible and offering herself for appointment, is proposed to be appointed as an Independent Director for five consecutive years from the date of this meeting. A notice has been received from a member proposing Ms. Nirmala Maurya as a candidate for the office of Director of the Company

The Company has obtained a declaration for his independency from Ms. Nirmala Maurya and in the opinion of the Board, Ms. Nirmala Maurya fulfils the conditions specified in the companies act, 2013 and rules made thereunder for her appointment as an Independent Director of the Company and is independent of the management. Copy of the draft letter for appointment of Ms. Nirmala Maurya as an Independent Director setting out the terms and conditions would be available for inspection without

any fee by the members at the Registered Office of the company during normal business hours on ay working day, excluding Saturday.

The Board considers that this continued association would be of immense benefit to the Company and it is desirable to continue to avail services of Ms. Nirmala Maurya as an Independent Director. Accordingly Board recommends the resolution in relation to appointment of Ms. Nirmala Maurya as an Independent director, for the approval by the shareholders of the Company.

Except Ms. Nirmala Maurya, being an appointee, none of the Directors and Key Managerial Personnel of the Company and their relatives are concerned or interested, financial or otherwise, in the resolution set our at Item no.4.

By Order of the Board of Directors
For Grand Foundry Limited
Sd/-
Kiran Jangla
Managing Director
DIN: 01246423

Date : 08/08/2016
Place: Mumbai

GRAND FOUNDRY LIMITED
CIN L99999MH1974PLC017655
Regd. Office: 327, 3RD Floor, Arun Chambers, Tardeo Mumbai- 400034. Ph. No. 022-23526315; E-mail Id:- compliance@gfsteel.co.in; Website:gfsteel.co.in

DIRECTORS' REPORT

To
THE MEMBERS,

Your Directors take pleasure in presenting the 24th Annual Report together with the Audited Accounts of your Company for the financial year ended March 31, 2016.

FINANCIAL RESULTS

Particulars	**2015-16 (Rs.)**	2014-15 (Rs)
Gross Profit/Loss	**(9094037)**	216853
Finance Cost	**1764961**	2710085
Depreciation	**1981479**	2152524
Profit/Loss before exceptional Item	**(12840477)**	(4645756)
Less: Exceptional Items	**514609**	648740
Less: Deferred Tax Asset (Net)	**-**	18038583
Profit/Loss during the year	**(13355086)**	(23179010)

PERFORMANCE REVIEW

During the year under review your Company has suffered loss of Rs. 9094037 before interest and depreciation as against profit of Rs. 216853 in the previous year. Net Loss after depreciation, Financial cost and Exceptional item is Rs. (13355086) as against Rs. (23179010) in the previous year.

DIVIDEND

In view of the losses incurred your directors does not recommend any dividend for the Financial year ended 31.03.2016.

TRANSFER TO RESERVE:

Your Company has not transferred anything to reserve during the year under review.

NUMBER OF MEETINGS OF THE BOARD

Regular meeting of the board are held to discuss and decide on various business policies, strategies and other business decisions. Board meet 6 times during the year under review.

The details of number and dates of meetings held by the Board and its Committees, attendance of Directors is given separately in the attached Corporate Governance Report.

Company has following Committees of the Board

- Audit Committee
- Nomination & Remuneration Committee
- Stakeholder Relationship Committee
- Risk Management Committee

DIRECTORS' RESPONSIBILITY STATEMENT:

Pursuant to the requirements of Section 134 (3) (c) of the Companies Act, 2013, your Directors states that:

- that in the preparation of the annual accounts, the applicable accounting standards have been followed along with proper explanation relating to material departures;
- that the Directors have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company as at 31st March, 2016 and of the profit and loss of the Company for the year ended on that date;
- that the Directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 2013, for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- that the directors had prepared the annual accounts on a going concern basis.
- that the directors have laid down internal financial controls to be followed by the company and that such internal financial controls are adequate and are operating effectively and;
- that the directors have devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems are adequate and operating effectively.

DISCLOSURE AS PER SEXUAL HARRASSMENT OF WOMEN AT WORKPLACE (PREVENTION, PROHIBITION AND REDRESSAL) ACT, 2013

The Company has zero tolerance for sexual harassment at workplace and has adopted a policy on prevention, prohibition and redressal of sexual harassment at workplace in line with the provisions of Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 and the rules framed thereunder. During the financial year 2015-16, the Company has not received any complaints on sexual harassment and no complaints are remaining pending as on 31 March, 2016.

SIGNIFICANT EVENT:

Your Company was declared as Sick industrial company in terms of section 3(1) (o) of the Sick Industrial Companies (Special Provisions) Act, 1985 and was under Board for Industrial and Financial Reconstruction (BIFR) for its revival. BIFR has prepared the scheme of revival and have passed the order on 7TH September, 2015.

REPORT
Corporate Governance Report with auditors' certificate thereon and Management Discussion and Analysis are attached and form part of this report.

SUBSIDIARIES
Your Company does not have any subsidiary.

FIXED DEPOSITS
The Company has not accepted any public deposits and as such, no amount on account of principal or interest on public deposits was outstanding as on the date of the balance sheet.

SHARE CAPITAL
During the year under review Company have reduced the face value of its equity share from Rs. 10/- each to Rs. 4/- each fully paid up pursuant to the BIFR order dated 7th September, 2015.

As on March 31, 2016, Paid-up Share Capital of the Company is Rs. 4,17,20,000 divided into 1,04,30,000 equity shares of Rs. 4 each fully paid up.

DIRECTORS

On the recommendation of Nomination and Remuneration Committee and pursuant to the provisions of Regulation 17 of the SEBI Listing Regulations entered into with Stock Exchanges, Board appointed Mr. Naresh Goradia and Ms. Niramala Maurya as an Additonal Independent Directors of the Company with effect from 27/05/2016 and 08/08/2016 respectively who shall hold office upto the Annual General Meeting, and are eligible for appointment as Director as provided under the Articles of Association of the Company. The Company has received notice under Section 160 of the Companies Act, 2013 from a member signifying his intention to propose their candidature for the office of Director.

Further Mr. Anant Gawde who was appointed as an Additional Director of the Company with effect from 15/04/2016 has resigned from the Board on 08/08/2016. The Board of Directors records appreciation for the services rendered by him during his tenure.

Further Mr. Hiten Jangla, Joint managing Director of the Company appointed with effect from 14/09/1978 has resigned from the Board on 08/08/2016. The Board of Directors records appreciation for the services rendered by him during his tenure.

As per the provisions of the Companies Act, 2016 Ms Dhirajlal Jangla will retire by rotation at the ensuing Annual General Meeting and being eligible offered himself for re-appointment. The Board recommends his re-appointment.

The information on the particulars of Director eligible for appointment in terms of Regulation 33 of SEBI (Listing Obligations and Disclosure Requirement) Regulations, 2015 has been provided in the notes to the notice convening the Annual General Meeting.

AUDITORS

Board has recommended the appointment of Thaker Butala Desai, Chartered Accountants as statutory auditors of the company, members are requested to appoint the them as statutory auditors of the company and to authorise Board to fix their remuneration.

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

SECRETARIAL AUDITOR

Ms Hemal Mehta has been appointed as the Secretarial Auditor of the Company for the Secretarial Audit of the Financial Year 2015-2016

MANAGEMENT'S EXPLATION OF SECRETARIAL AUDITORS' REMARK:

Management has to state that remark of non compliance is because the company was not operative and was declared as sick company. BIFR have passed the scheme of revival on 7th September, 2015. Management is in process of complying with all the applicable laws and regulations. Perhaps company has already complied with the few of them but which was in the current financial year hence the remark is being reflected in the auditor's report. Company have already appointed the women Director, Dully constituted Board of Directors and its various committees in compliance with SEBI (LODR). Management assures that it shall comply with all the remaining compliance in this financial year.

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

A] Conservation of Energy and Technology Absorption:

i) The step taken or impacts on conversation of energy – The operation of your Company are not energy intensive. However, adequate measures have been initiated for conservation of energy.

ii) The steps taken by the Company for utilizing alternative sources of energy – though the operations of the Company are not energy intensive, the Company shall explore alternative sources of energy, as and when necessity arises.

iii) The capital investment on energy conservation equipments - NIL

B] Foreign Exchange Earnings & Outgo:

(Rs. In Lacs)

PARTICULARS	2015-2016	2014-2015
Foreign Exchange Earning	Nil	Nil
Foreign Exchange Outgo	Nil	Nil

PARTICULARS OF EMPLOYEES:

The Company does not have any employee in receipt of remuneration equal to or exceeding the limits prescribed under Section 197 (12) of the Companies Act, 2013, read with rules 5(2) and 5(3) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014.

PARTICULARS OF LOANS GIVEN, INVESTMENTS MADE, GURANTEES GIVEN AND SECURITIES PROVIDED:

Details of Guarantees and Investments covered under the provisions of Section 186 of the Companies Act, 2013 are given in the Notes to the Financial Statements. The company has not given any loan during the year under review.

EXTRACT OF ANNUAL RETURN

The details forming part of extract of the Annual Return in form MGT-9 a required under section 92 of the Companies Act, 2013, is included in this report as **Annexure** and forms an integral part of this Report.

INDEPENDENT DIRECTORS' DECLARATION:

The Independent Directors have confirmed and declared that they are not disqualified to act as an Independent Director in compliance with the provisions of Section 149 of the Companies Act, 2013 and the Board is also of the opinion that the Independent Directors fulfill all the conditions specified in the Companies Act, 2013 making them eligible to act as Independent Directors

RISK MANAGEMENT

During the year, your Directors have constituted a Risk Management Committee which has been entrusted with the responsibility to assist the Board in (a) Overseeing and approving the Company's enterprise wide risk management framework and (b) Overseeing that all the risk that the organization faces have been identified and assessed and there is an adequate risk management infrastructure in place capable of addressing those risks. A Risk Management Policy was reviewed and approved by the Committee. The Company manages monitors and reports on the principal risk and uncertainties that can impact its ability to achieve its objective.

INTERNAL FINANCIAL CONTROLS:

The Company has in place adequate internal financial controls with reference to financial statements. During the year, such controls were tested and no reportable material weakness in the design or operation were observed

WHISTLE BLOWER POLICY

The Company has a whistle Blower policy to report genuine concerns or grievances. The Whistle Blower policy has been posted on the website of the Company @ gfsteel.co.in

EVALUATION OF THE BOARD'S PERFORMANCE

In compliance with the Companies Act, 2013 and Regulation 17(10) of SEBI (Listing Obligations and Disclosure Requirements), Regulations, 2015, the performance evaluation of the Board was carried out during the year under review. More details on the same are given in the Corporate Governance Report.

REMUNERATION POLICY

The company follows a policy on remuneration of Directors and Senior Management Employees. The policy is approved by the Nomination and Remuneration Committee and the Board. More details on the same are given in the Corporate Governance Report.

VIGIL MECHANISM

The company has a vigil mechanism for Directors and Employees to report their concerns about unethical behavior, actual or suspected fraud or violation of the company's Code of Conduct. The mechanism provides for adequate safeguards against victimization of Directors and employees who avail of the mechanism. In exceptional cases, Directors and employees have direct access to the Chairman of the Audit Committee.

The Vigil Mechanism (Whistle Blower Policy) is available on the company's website.

CODE OF CONDUCT

Directors, Key Managerial Personnel and senior management of the Company have confirmed compliance with the Code of Conduct applicable to the Directors and employees of the Company and the declaration in this regard made by the CEO & Whole Time Director is attached as Annexure 'I' which forms a part of this Report of the Directors. The Code of Conduct is available on the Company's website www.indagrubber.com

SUBSIDIARIES

The company has framed a Policy for determining Material Subsidiaries. However the company does not have any subsidiary within the meaning of the Companies Act, 2013.

RELATED PARTY TRANSACTIONS

All related party transactions are in the ordinary course of business and at arm's length basis, which are not material in nature. All related party transactions are with the approval of the Audit Committee and periodically placed before the Board for review.

APPRECIATIONS

Your Directors wish to place on record their appreciation for the continuous support received from the Members, customers, suppliers, bankers, various statutory bodies of the Government of India and the Company's employees at all levels.

For and on behalf of the Board of Directors

Date : May 27, 2016
Place : Mumbai

Dhirajlal Jangla **Kiran Jangla**

ANNEXURE-I

Annual Compliance with the Code of Conduct for the Financial Year 2015-2016

Pursuant to the Schedule V (Part D) of SEBI (Listing Obligation and Disclosure Requirement) Regulation, 2015, I hereby confirm that the Company has received affirmations on compliance with the Code of Conduct for the financial year ended March 31, 2016 from all the Board Members and Senior Management Personnel.

For and on behalf of the Board of Directors
Grand Foundry Limited

Kiran Jangla
Managing Director
DIN: 00745117

Date : May 27, 2016
Place : Mumbai

ANNEXURE-II

SECRETARIAL AUDIT REPORT

FOR THE FINANCIAL YEAR ENDED ON 31ST March, 2016

[Pursuant to section 204(1) of the Companies Act, 2013 and Rule No. 9 of the Companies (Appointment and Remuneration Personnel) Rules, 2014]

To,

The Members,

Grand Foundry Limited

I have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by Grand Foundry 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/our 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, 2016 complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance- mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

I have examined the books, papers, minute books, forms and returns filed and other records maintained by Grand Foundry Limited for the financial year ended on 31st March, 2016 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 to the extent of Regulation 55A;

(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;: Not Applicable.

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

(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, 1992;

(c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009;

(d) The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999; : Not Applicable

(e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008; : Not Applicable

(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 (Delisting of Equity Shares) Regulations, 2009; and : Not Applicable

(h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998; : Not Applicable

(vi) and other applicable laws our audit was limited to:

i. The Sick Industrial Companies (SICA) Act, 1985

ii. Environment Protection Act, 1986 and the rules, notifications issued thereunder.

iii. Factories Act, 1948 and allied state laws.

iv. The Payment of Wages Act, 1936

v. The Minimum Wages Act, 1948

vi. The Employee Provident Funds and Miscellaneous Provisions Act, 1952..

vii. The Payment for Gratuity Act, 1972

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

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

(ii) The Listing Agreements entered into by the Company with National Stock Exchange Limited and BSE Limited.

I Further report that, the compliance by the company of applicable Financial Laws, like direct and indirect tax law has not been reviewed in this audit since the same have been subject to review by the Statutory Financial Audit and other designated professionals.

During the period under review the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, etc. mentioned above except to the extent as mentioned below:

1. ***The Company has not complied with the provisions of Section 149 of the Companies Act, 2013 in respect of appointment of requisite number of Independent Directors on the Board, including Woman Director***
2. ***The Company has not complied with the provision of Section 177/178 of the Companies Act, 2013, read with Clause 49 of the Listing Agreement in respect of composition of Audit Committee and Nomination & Remuneration Committee.***
3. ***The Company has not complied with the provisions of Section 203 in respect of the appointment of KMP viz CFO and Company Secretary.***
4. ***The Company has not appointed Internal Auditor under Section 198 of the Companies Act, 2013***
5. ***The Company has not filed relevant forms with Registrar of Companies viz. AOC-4, MGT-7, MGT-14, ADT-1, MGT-15***
6. ***Minutes of the meeting of Board of Directors and its various committees along with the Statutory Registers were not made available to me for the audit and hence I have nothing to comment regarding its compliance status.***
7. ***The Company has not given adequate notice to all directors scheduled to the Board Meeting, Agenda and detailed notes on agenda.***

8. ***The Directors of the Company has not given the adequate disclosures as required under the section 184 and section 164 (2) of Companies Act, 2013.***
9. ***The Company has not provided e-voting facility to the Shareholders for its General Meeting.***
10. ***Company has not disclosed the adequate information in the Board of Directors Report for the Financial year ended 31.03.2015 as required under the section 134 of the Companies Act, 2013***
11. ***The Proxy Form attached with the notice of Annual General Meeting for the Financial year ended 31.03.2015 was not in the prescribed format as per the section 105 (c) of the Companies Act, 2013 read with rule 19 (3) of the Companies (Management and Administration) Rules, 2014***
12. ***Intimation under Regulation 41 of the Listing Agreement were not given to Stock Exchange pertaining to the Intimation of the Board Meeting for adopting the unaudited/audited Financial results of the Company.***
13. ***Disclosures under Regulation 30 of SEBI (Substantial Acquisition of shares and takeovers) Regulations, 2011 were not given.***

I further report that
The Board of Directors of the Company is not duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors as mentioned in the above mentioned observations. The changes in the composition in 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 not given to all directors to schedule the Board Meetings, agenda and detailed notes on agenda were not sent in advance.

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.

I further report that during the audit period, the Company has following specific events / actions that having a major bearing on the Company's affairs in pursuance of the above referred laws, rules, regulations, guidelines, standards, etc.:
- The Company has reduced the face value of its equity shares from Rs. 10 each fully paid up to Rs. 4 fully paid up during the financial year 2015-16 pursuant to the BIFR order dated 7th September, 2015.

I Further report that Company was declared a sick industrial company in terms of section 3(1)(o) of the Sick Industrial Companies (Special Provisions) Act, 1985 (hereinafter referred to as the Act) vide order dated 11.9.1998 and Scheme for rehabilitation was sanctioned via order dated 07.09.2015

Name of Company Secretary in practice: Ms. Hemal Mehta
ACS no. 37170
C.P no. 14313
Place: Mumbai

Date : 27.05.2016

This report is to be read with our letter of even date which is annexed as Annexure A and forms an integral part of this report.

'Annexure A'

To,

The Members

Grand Foundry Limited

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 the future viability of the company nor of the efficacy or effectiveness with which the management has conducted the affairs of the company.

Date: 27.05.2016

Place: Mumbai

Hemal Mehta

Practising Company Secretary

Membership No. 37170

Certificate of Practice No. 14313

ANNEXURE- III

Form No. MGT-9
EXTRACT OF ANNUAL RETURN
As on the financial year ended on 31 March, 2016
[Pursuant to section 92(3) of the Companies Act, 2013 and rule 12(1) of the Companies (Management and Administration) Rules, 2014]

I. REGISTRATION AND OTHER DETAILS:

i)	CIN: -	**L99999MH1974PLC017655**
ii)	Registration Date:	**August 1, 1974**
iii)	Name of the Company:	**Grand Foundry Limited**
iv)	Category/Sub-Category of the Company:	**Public Company/Limited by share**
v)	Address of the registered office and contact details:	**327, 3rd Floor, Arun Chambers, Tardeo Mumbai 400034** **Phone no. 022-23536316**
vi)	Whether listed company:	**Yes**
vii)	Name, Address and Contact details of Registrar and Transfer Agent, if any:	Computech Sharecap Ltd ,147, Mahatma Gandhi Road, Opp Jehangir Art Gallery, Fort,Mumbai,Maharashtra,400023 Tel: 022 - 22635003,22635000/5001 Email: helpdesk@computechsharecap.com

II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY

All the business activities contributing 10% or more of the total turnover of the company shall be stated:-

Sl. No.	Name and Description of main products/ services	NIC Code of the Product/ service	% to total turnover of the company
1	Bright Steel Bars	72285090	100%

III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES –

Sl. No.	NAME AND ADDRESS OF THE COMPANY	CIN/GLN	HOLDING/ SUBSIDIARY/ ASSOCIATE	% of shares held	Applicable Section
1	N.A				

IV. SHARE HOLDING PATTERN (Equity Share Capital Breakup as percentage of Total Equity)

i) Category-wise Share Holding

Category of Shareholders	No. of Equity Shares of Rs.4/- each held at the beginning of the year				No. of Equity Shares of Rs. 4/- each held at the end of the year				% Change during the year
	Demat	Phy.	Total	% of Total Shares	Demat	Phy.	Total	% of Total Shares	
A. Promoters									
1) Indian									
a) Individual/ HUF	5016	12714	17730	0.17	5016	12714	17730	0.17	-
b) Central Govt	-	-	-	-	-	-	-	-	-
c) State Govt (s)	-	-	-	-	-	-	-	-	-
d) Bodies Corp.	-	1318860	1318860	12.64	-	1318860	1318860	12.64	-

e) Banks / FI	-	-	-	-	-	-	-	-	-
f) Any Other	-	-	-	-	-	-	-	-	-
Sub-total (A)(1)	**5016**	**1331574**	**1336590**	**12.81**	**5016**	**1331574**	**1336590**	**12.81**	**-**
2) Foreign									
a) NRIs - Individuals	-	-	-	-	-	-	-	-	-
b) Other – Individuals	-	-	-	-	-	-	-	-	-
c) Bodies Corp.	-	-	-	-	-	-	-	-	-
d) Banks / FI	-	-	-	-	-	-	-	-	-
e) Any Other	-	-	-	-	-	-	-	-	-
Sub-total (A)(2)	**5016**	**1331574**	**1336590**	**12.81**	**5016**	**1331574**	**1336590**	**12.81**	**-**
Total shareholding of Promoter (A)= (A)(1)+(A)(2)	**5016**	**1331574**	**1336590**	**12.81**	**5016**	**1331574**	**1336590**	**12.81**	**-**
B. Public Shareholding									
1 Institution . s									
a) Mutual Funds	-	2600	2600	0.02	-	2600	2600	0.02	-
b) Banks / FI	1480	-	1480	0.01	1480	-	1480	0.01	-

c) Central Govt	-	-	-	-	-	-	-	-	-
d) State Govt(s)	-	-	-	-	-	-	-	-	-
e) Venture Capital Funds	-	-	-	-	-	-	-	-	-
f) Insurance Companies	-	3100	3100	0.03	-	3100	3100	0.03	-
g) FIIs	-	-	-	-	-	-	-	-	-
h) Foreign Venture Capital Funds	-	-	-	-	-	-	-	-	-
i) Others (specify)	-	-	-	-	-	-	-	-	-
Sub-total (B)(1)	**1480**	**5700**	**7180**	**0.07**	**1480**	**5700**	**7180**	**0.07**	**-**
2. Non-Institutions									
a) Bodies Corp.	641291	100294	741585	7.11	641291	100294	741585	7.11	
i) Indian									
ii) Overseas	-	-	-	-	-	-	-	-	-
b) Individuals									
i) Individual shareholders holding nominal share capital		2229554				2229554			

upto Rs. 1 lakh	4485360		6714914	64.38	4485360		6714914	64.38	-
ii) Individual shareholders holding nominal share capital in excess of Rs 1 lakh	1604971	10120	1615091	15.49	1604971	10120	1615091	15.49	
c) Others (specify)									
N.R.I.(REPT & NON-REPT)									
Clearing House/Public Trust	-	-	-	-	-	-	-	-	-
Corporate Bodies – OCB	-	-	-	-	-	-	-	-	-
Intermediary/Other Depository A/c	-	-	-	-		-	-	-	-
Hindu Undivided Family	-	-	-	-	-	-	-	-	-
Clearing Members	-	-	-	--	-	-	-	-	-
Qualified Foreign Investor – Individual	5380	9260	14640	0.14	5380	- 9260	14640	0.14	-
Qualified Foreign Investor- Corporate	-	-	-	-					

Sub-total (B)(2)	**6737002**	**2349228**	**9086230**	**87.12**	**6737002**	**2349228**	**9086230**	**87.12**	**-**
Total Public Shareholding (B)=(B)(1)+(B)(2)	**6738482**	**2354928**	**9093410**	**87.19**	**6738482**	**2354928**	**9093410**	**87.19**	**-**
C. Shares held by Custodian for GDRs & ADRs	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
Grand Total (A+B+C)	**6743498**	**3686502**	**10430000**	**100.00**	**6743498**	**3686502**	**10430000**	**100**	**-**

Note: The above figures are based on the records last received from the RTA of the company. Company has not received the current data from the RTA and hence is unable to provide the accurate figures in the above table.

2) Shareholding of Promoters

SN	Shareholder's Name	Shareholding at the beginning of the year
		No. of Shares
1	ANA Computers Ltd	1,29,300
2	Grand Iron & Wire Ltd	1,31,860
3	Harshad N Mehta	7014
4	Heena Ashok Mehta	3,800
5	Jaiman A Mehta	1,400
6	Jangla Multiple Steels Ltd	7,40,100
7	Jayshree Kirti Mehta	500
8	King Steels Ltd	3,17,600
9	Kirti Anantrai Mehta	300

10	Mehta Kokila Harshad	3,500
11	Minal Kiran Jangla	736
12	Namita Hiten Jangla	480
	Total	**13,36,590**

Change in Promoters' Shareholding (please specify, if there is no change)

SN		Shareholding at the beginning of the year		Cumulative Shareholding during the Year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
	At the beginning of the year	**13,36,590**	12.81%	**13,36,590**	12.81%
	Date wise Increase / Decrease in Promoters Shareholding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus/ sweat equity etc):	- -	- -	- -	- -
	At the end of the year	**13,36,590**	12.81%	**13,36,590**	12.81%

(iv) Shareholding Pattern of top ten Shareholders (other than Directors, Promoters and Holders of GDRs and ADRs):

Sl. No. and name of the shareholder		**Shareholding at the beginning of the year**		**Cumulative Shareholding during the year**	
	For Each of the Top 10 Shareholders	**No. of equity shares of Rs.4/- each**	**% of total shares of the company**	**No. of equity shares of Rs.4/- each**	**% of total shares of the company**
	At the beginning of the year				

	Date wise Increase / Decrease in Share holding during the year specifying the reasons for increase/ decrease (e.g. allotment / transfer / bonus / sweat equity etc):				
	At the End of the year (or on the date of separation, if separated during the year)				

Note: Company is unable to provide this data as company has not received the same from RTA

v) Shareholding of Directors and Key Managerial Personnel:- Not Applicable

SN	*Shareholding of each Directors and each Key Managerial Personnel*	Shareholding at the beginning of the year		Cumulative Shareholding during the Year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
	At the beginning of the year N.A	Nil	Nil	Nil	Nil
	Date wise Increase / Decrease in Promoters Shareholding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus/ sweat equity etc):	-	-	-	-
	At the end of the year	Nil	Nil	Nil	Nil

V. INDEBTEDNESS

Indebtedness of the Company including interest outstanding/accrued but not due for payment

	Outstanding Interest Due on Debentures	**Secured Loans excluding deposits**	**Unsecured Loans**	**Deposits**	**Total Indebtedness**
Indebtedness at the beginning of the financial year					
Principal Amount	9,80,000	Nil	Nil	Nil	
ii) Interest due but not paid	1,53,35,211	Nil	Nil	Nil	15335211
iii)Interest accrued but not due	Nil	Nil	Nil	Nil	Nil
Total (i+ii+iii)	Nil	Nil	Nil	Nil	Nil
Change in Indebtedness during the					
financial year Addition Reduction	 Nil Nil	 Nil Nil	 Nil Nil	 Nil Nil	 Nil Nil
Net Change	16,24,554	Nil	Nil	Nil	16,24,554
Indebtedness at the end of the financial year					
i) Principal Amount	9,80,000	Nil	Nil	Nil	9,80,000
ii) Interest due but not paid	1,69,59,765	Nil	Nil	Nil	1,69,59,765
iii)Interest accrued but not due	Nil	Nil	Nil	Nil	Nil
Total (i+ii+iii)		Nil	Nil	Nil	

VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

A. Remuneration to Managing Director, Whole-time Directors and/or Manager:

Sl. No.	Particulars of Remuneration	Name of MD/WTD/ Manager	Total Amount
1	Gross salary	-	-
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	-	-
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	-	-
	(c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961	- -	- -
2	Stock Option	-	-
3	Sweat Equity	-	-
4	Commission - as % of profit - others, specify…		
5	Others, please specify -PF	-	
	Total (A)		
	Ceiling as per the Act		

B. Remuneration to other directors: N.A

Sl. No.	Particulars of Remuneration	Name of Directors			Total Amount (in Rs.)

C. Remuneration to Key Managerial Personnel other than MD/Manager/WTD
Not Applicable

Sl. No.	Particulars of Remuneration	Key Managerial Personnel			
		Company Secretary		CFO	Total
1	Gross salary (a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961 (b) Value of perquisites u/s 17(2) Income-tax Act, 1961 (c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961	-	-	- -	-
2	Stock Option	Nil	Nil	Nil	Nil
3	Sweat Equity	Nil	Nil	Nil	Nil
4	Commission - as % of profit - others, specify…	 NIL NIL	 Nil Nil	 Nil Nil	 Nil Nil
5	Others, please specify				
	Total				

VII. PENALTIES / PUNISHMENT/ COMPOUNDING OF OFFENCES:

Type A. COMPANY	Section of the Companies Act	Brief Description	Details of Penalty/ Punishment/ Compounding fees imposed	Authority [RD / NCLT/ COURT]	Appeal made, if any (give Details)
Penalty	Nil	Nil	Nil	Nil	Nil

Punishment	Nil	Nil	Nil	Nil	Nil
Compounding	Nil	Nil	Nil	Nil	Nil
B. DIRECTORS					
Penalty	Nil	Nil	Nil	Nil	Nil
Punishment	Nil	Nil	Nil	Nil	Nil
Compounding	Nil	Nil	Nil	Nil	Nil
C. OTHER OFFICERS IN DEFAULT					
Penalty	Nil	Nil	Nil	Nil	Nil
Punishment	Nil	Nil	Nil	Nil	Nil
Compounding	Nil	Nil	Nil	Nil	Nil

REPORT ON CORPORATE GOVERNANCE

(Pursuant to Schedule V of the SEBI (Listing Obligation and Disclosure Requirement) Regulation, 2015)

CORPORATE GOVERNANCE REPORT

(A) Company's Philosophy on Code of Corporate Governance

Corporate Governance is the combination of practices and compliance with laws and regulations leading to effective control and management of the Organization. We consider stakeholders as our partners in our success and remain committed to maximizing stakeholder value. Good Corporate Governance leads to long term stakeholder value.

GOVERNANCE STRUCTURE

The Corporate Governance structure at GFL is as follows:

1. Board of Directors: The Board is entrusted with the ultimate responsibility of the management, directions and performance of the Company. As its primary role is fiduciary in nature, the Board provides leadership, strategic guidance, objective and independent view to the company's management while discharging its responsibilities, thus ensuring that the management adheres to ethics, transparency and disclosure.
2. Committees of the Board: The Board has constituted the following Committees viz, Audit Committee, Remuneration and Nomination Committee, Risk Management Committee and the Stakeholders Relationship Committee).

Vigil Mechanism

Your Company has established a mechanism called 'Vigil Mechanism' for directors and employees to report to the appropriate authorities of unethical behavior, actual or suspected, fraud or violation of the Company's code of conduct or ethics policy and provides safeguards against victimization of employees who avail the mechanism. The policy permits all the directors and employees to report their concerns directly to the Chairman of the Audit Committee of the Company.

(B) Board of Directors

(i) Board Composition

The composition of the Board as on date is in accordance with the requirements of the corporate Governance code of Listing Agreement with the stock exchanges. The Board of Directors consists of optimal combination of Executive, Non-Executive and Independent directors. As on the date of report the Board comprised of Two Executive Directors and Three Non – Executive Directors. The Chairman of the Board is a Executive Director.

As on 08.08.2016, the constitution of the Board is as given below:

Director	Executive/Non-Executive/ Independent	Number of other		
		Directorships*	Committee Memberships#	Committee Chairmanships#
Shri. Dhirajlal Jangla	Chairman, Executive	3	0	0
Shri. Kiran Jangla	Managing Director Executive	4	2	0
Shri. Hiten Jangla resigned wef 08.08.2016	Joint Managing Director Executive	1	0	0
Shri. Bidhan Gujarati	Non-Executive, Independent	1	2	0
Shri.Anant Gawde resigned wef 08.08.2016	Non-Executive Director	0	0	0
Shri. Naresh Goradia (appointed wef 27.05.2016)	Non-Executive Independent	0	2	0
Smt. Nirmala Maurya (appointed wef 08.08.2016)	Non – Executive Director	0	2	0

* Other Directorships exclude Directorships held in Private Limited Companies and in Grand Foundry Limited.

#Committee of Directors includes Audit Committee and Stakeholder Relationship Committee of Directors only.

(ii) Board Meetings and Attendance of Directors

The Board meets at least once in a quarter to consider amongst other business the performance of the Company and quarterly financial results. When necessary, additional meetings are held. The Board meetings are generally held at the Registered Office of the Company at Mumbai. Agenda for each meeting along with explanatory notes are drafted and distributed well in advance to the Directors. Every Board Member is free to suggest the inclusion of items on the agenda.

There were Six Board Meetings during the year ended 31st March, 2016

30th April, 2015	30th July,2015	05th September, 2015
30th October, 2015	14th February, 2016	23th March, 2016

The Table hereunder gives the attendance record of the Directors at the Board Meetings held during 2015-16 and the last AGM:

Name of the Directors	Number of Board Meetings held	Number of Board Meetings attended	Whether attended last AGM
Shri. Dhirajlal Jangla	6	6	Yes

Shri. Kiran Jangla	6	6	Yes
Shri. Hiten Jangla resigned wef 08.08.2016	6	6	Yes
Shri. Bidhan Gujarati (resigned wef (08.08.2016)	6	6	Yes
Shri.Anant Gawde resigned wef 08.08.2016	N.A	N.A	N,A
Shri. Naresh Goradia (appointed wef 27.05.2016)	N.A	N.A	N,A
Smt. Nirmala Maurya (appointed wef 08.08.2016)	N.A	N.A	N,A

(C) Board Committees

To enable better and more focused attention on the affairs of the corporation, the Board delegate particular matters to the committee set up for the purpose. The committees prepare the groundwork for decision making and report at the subsequent Board meeting. Currently, the Board has following Committees –

1. Audit Committee
2. Stakeholder Relationship Committee.
3. Nomination and Remuneration Committee
4. Risk Management Committee

The Board is responsible for the constitution, co-opting and fixing the terms of reference for Committee members of the said Committees.

(i) Audit Committee

Terms of reference

(a) Primary objectives of the Audit Committee

The Audit Committee of the Company inter-alia provides assurance to the Board on the adequacy of the internal control systems and financial disclosures. The primary objective of the Audit Committee (the "Committee") is to monitor and provide effective supervision of the management's financial reporting process with a view to ensure accurate, timely and proper disclosures and the transparency, integrity and quality of financial reporting.

The Committee oversees the work carried out in the financial reporting process – by the management, including the independent auditor – and notes the process and safeguards employed by each.

(b) Scope of the Audit Committee

1. Provide an open avenue of communication between the independent auditor and the Board of Directors ("BoD")
2. Recommending the appointment, re-appointment and if required the replacement or removal of statutory auditors, fixation of audit fees and also to approve the payment for other services.
3. Meet Four times a year or more frequently as circumstances require. The Audit Committee may ask members of management or others to attend meetings and provide pertinent information as necessary.

4. Confirm and assure the independence of the external auditor.
5. Review with independent auditor the co-ordination of audit efforts to assure completeness of coverage, reduction of redundant efforts and the effective use of all audit resources.
6. Consider and review with the independent auditor the adequacy of internal controls including the computerised information system controls and security.
7. Reviewing with the management the Quarterly financial statements before submission to the Board for approval.
8. Reviewing with the management the annual financial statements before submission to the Board, focusing primarily on:
   (a) Any changes in the accounting policies and practices
   (b) The going concern assumption
   (c) Compliance with accounting standards
   (d) Compliance with listing and other legal requirements concerning financial statements
   (e) Significant adjustment arising out of audit
   (f) Disclosure of any related party transactions.
   (g) Qualification in the draft audit report
9. Consider and review with the management and the independent auditor.
   (a) Significant findings during the year, including the status of previous audit recommendations,
   (b) Any difficulties encountered in the course of audit work including any restrictions on the scope of activities or access to required information.
10. Review of the following information:
   (a) Management discussion and analysis of the financial conditions and results of operations;
   (b) Statement of significant related party transactions submitted by the management;
   The Management is responsible for the Company's internal controls and the financial reporting process. The independent auditors are responsible for performing an independent audit of the Company's financial statements in accordance with the applicable accounting standards and for issuing a report thereon. The Committee's responsibility is to monitor these processes. The Committee is also responsible to oversee the processes related to the financial reporting and information dissemination, in order to ensure that the financial statements are true, correct, sufficient and credible.

(c) Composition of the Audit Committee

The Audit Committee comprises of three Directors of which two are Independent Directors. The Audit Committee is constituted in accordance with the Corporate Governance Code of the Listing Agreement and the provisions of the Companies Act, 2013. The statutory auditors are invited to the Audit Committee Meetings whenever required. The quorum for the Audit Committee Meeting is two members.

The composition of the Audit Committee as on date is as follows:

1. Shri. Naresh Goradia - Chairman
(Appointed wef 27.05.2016)
2. Shri. Kiran Jangla - Member

3. Smt. Nirmala Maurya - Member
(Appointed wef 08.08.2016)

(d) Audit Committee Meetings and Attendance during the financial year ended 31st March, 2016

During the financial year ended 31st March, 2016, Four Audit Committee Meetings were held. The Committee has recommended to the Board the appointment of M/s. Thacker Butala Desai, Chartered Accountants, as the statutory and independent auditors of the Company for the Financial Year 2016-2017 and that necessary resolution for appointing them as auditors be placed before the shareholders.

(ii) Stakeholder Relationship Committee:

Composition:

The Stakeholder Relationship Committee is headed by a Non-Executive Director and consisted of the following members as on date of this report:

1. Shri. Naresh Goradia - Chairman
(Appointed wef 27.05.2016)
2. Shri. Kiran Jangla - Member
3. Smt.Nirmala Maurya - Member
(Appointed wef 08.08.2016)

Scope of the Shareholders Relationship Committee:

The said Committee inter-alia, deals with various matters relating to transfer/transmission of shares, issue of duplicate share certificate, investors' grievances and redressal mechanism and to recommend measures to improve the level of investor services.

iii. **Nomination and Remuneration Committee**

The Broad terms of reference of the Remuneration Committee is to ensure that the remuneration practices of the Company in respect of the Senior Executives are competitive keeping in view prevalent compensation packages so as to recruit and retain suitable individual(s) in such capacity. The Remuneration Committee of the Board of Directors comprise of:

Name of the director	Designation in the Committee	Nature of Directorship
Shri.Naresh Goradia	Chairman	Non- Executive Director
Shri. Bidhan Gujarati	Member	Non- Executive Director
Smt. Nirmala Maurya	Member	Non- Executive Director

Remuneration Policy:

The Remuneration policy of your Company is a comprehensive policy which is competitive, in consonance with the industry practices and rewards good performance of the employees of the Company. The policy ensures equality, fairness and consistency in rewarding the employees on the basis of performance against set objectives. The Company endeavors to

attract, retain, develop and motivate a high performance workforce. The Company follows a compensation mix of fixed and variable pay. Individual performance pay is determined by business performance and the performance of the individuals measured through the annual appraisal process.

None of the director is paid any remuneration or sitting fees during the year 2015-2016. Presently, the Company does not have any stock option plan or performance linked incentives for its directors.

(D) General Body Meetings:

Details of last **three** Annual General Meetings are given hereunder

Year	Date	Venue	Time	Details of Special Resolution
2012-2013	30/09/2013	327, 3RD FLOOR, ARUN CHAMBERS, TARDEO MUMBAI 400034	11.00 am	No Special Resolution
2013-2014	30/09/2014	327, 3RD FLOOR, ARUN CHAMBERS, TARDEO MUMBAI 400034	11.00 am.	No Special Resolution
2014-2015	30/09/2015	327, 3RD FLOOR, ARUN CHAMBERS, TARDEO MUMBAI 400034	11.00 am	Reduction of Face value of share from Rs.10 each to Rs. 4 each pursuant to BIFR order

Extra Ordinary General Meeting:
During the year there was no extra ordinary General Meeting held.

Postal ballots - Procedure & Results

During the year, pursuant to the provisions of the Section 110 of the Companies Act, 2013, read with Companies (Management and Administration) Rules, 2014, the Company has not passed any resolutions through Postal Ballot:

No special resolution is proposed to be conducted through postal ballot.

(E) Disclosures:
(i) Related Party Transactions:
There are no transactions of material nature with Directors/Promoters or any related entity, which will have any potential conflict with the interests of the Company at large.

(ii) Compliances by the Company:
There is no non-compliance by the Company or any penalties, strictures imposed by the Stock Exchange, SEBI or any other statutory authority on any matter related to capital markets, during the last three years/period.

(iii) Whistle Blower Policy:
The Company has established the Whistle Blower Policy.

(I) General Shareholders' Information:

(i)	CIN	L74999MH1985PLC035047
(ii)	Date, time and venue of Annual General Meeting of Shareholders	30th September 2016, 11.00 P.M. 327, 3RD FLOOR, ARUN CHAMBERS, TARDEO MUMBAI 400034
(iii)	Financial Year/ Financial Calendar (tentative and subject to change)	The financial year of the company starts from April 1st and ends on March 31st of the succeeding year. **Financial reporting for quarter ended** June 30, 2016 : By August 14, 2015 September 30, 2016 : By November 14, 2015 December 31, 2016 : By February 14, 2016 March 31, 2017 : By May 30,2016 Annual General Meeting for year ended March 31, 2017 – By September 30, 2017.
(iv)	Dates of book closures	18thSeptember 2015 to 25thSeptember 2015 (both days inclusive)
(v)	Registered Office	327, 3RD FLOOR, ARUN CHAMBERS, TARDEO MUMBAI -400034 Tel. No.: 022 – 23526316
(vi)	Listing on stock exchanges	The Equity Shares of the Company are listed on: - BSE Limited - National Stock Exchange of India
(vii)	Stock Exchange Code	513343 (BSE Limited) GRANDFONRY (The National Stock Exchange Limited)

(vii) Disclosures regarding appointment or re-appointment of Directors

As required a brief profile and other particulars of the Directors seeking appointment/re-appointment are given in the Notice of 24th Annual General Meeting and form a part of this report.

(viii) Stock Market price data

There was no trading done during the year under review

(x) Registrar and Share Transfer Agents:
Link Intime India Private Limited
Computech Sharecap Ltd ,
147, Mahatma Gandhi Road, Opp Jehangir Art Gallery, Fort, Mumbai-400023

(xi) Share Transfer System:
Transfers in physical forms are generally registered by Registrar and Share Transfer Agents, Computech Sharecap Ltd within a period of 30 days of receipt of documents complete in all respect. Invalid share transfers are returned within a period of 15 days from the date of receipt. The Stakeholder Relationship Committee of the Company meets as often as required.

(xii) Distribution of Shareholding as on March 31, 2016: This data is not available with the company since company has not received the same from RTA.

(xiii) Categories of Shareholding as on March 31, 2016: This data is not available with the company since company has not received the same from RTA

(xiv) Dematerialisation of shares and liquidity
The Company has established connectivity with Central Depository Services (India) Limited and National Securities Depository Limited for dematerialisation of shares and the same are available in electronic segment under ISIN No. INE534A01010.

RECONCILIATION OF SHARE CAPITAL AUDIT REPORT
As stipulated by SEBI, a qualified Practicing Company Secretary carries out Secretarial Audit to reconcile the total admitted capital with National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL) and the total issued and listed capital. The audit is carried out every quarter and the report thereon is submitted to the stock exchange where the Company's shares are listed. The audit confirms that the total listed and Paid-up Capital is in agreement with the aggregate of the total number of shares in dematerialized form (held with NSDL and CDSL) and total number of shares in physical form.

(xv) Outstanding GDRs/ADRs/Warrants or any Convertible Instruments, conversion date and likely impact on equity.
There are no GDR/ADR/Warrant or any Convertible Instruments pending conversion or any other instrument likely to impact the equity share capital of the Company.

(xvi) Plant location:
The Company does not have any plant.

(xvii) Address for Correspondence: Registrar & Share Transfer Agent

Computech Sharecap Ltd ,
147, Mahatma Gandhi Road, Opp Jehangir Art Gallery, Fort, Mumbai-400023

Tel No: 22635003,22635000/5001
Fax No:(022) 22635005
Email-id:
helpdesk@computechsharecap.com

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 few years due to which 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 one 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 few year.

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 fews 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. 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

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, as per the order passed by the Hon'ble BIFR dated 7th September, 2015 paid up share capital of the Company of Rs. 104300000 consisting of 10430000 equity shares of Rs. 10/- each fully paid up has been reduced to Rs. 41720000 consisting of 10430000 equity shares of Rs. 4/- each.

CERTIFICATE ON CORPORATE GOVERNANCE

To,
The Members of
Grand Foundry Limited.

We have examined the compliance of conditions of Corporate Governance by Grand Foundry Limited (the Company) for the year ended March 31, 2016, as stipulated in Chapter IV of Securities and Exchange Board of India (Listing Obligation ad Disclosure Requirements) Regulations, 2015 pursuant to the Listing Agreement of the said Company with the Stock Exchange.

The compliance of conditions of Corporate Governance is the responsibility of the management. Our examinations were limited to procedures and implementation thereof, adopted by the Company for ensuring the compliance of the conditions of 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 the provisions as specified in Chapter IV of Securities and Exchange Board of India (Listing Obligations ad Disclosure Requirements) Regulations, 2015 pursuant to the Listing Agreement of the said Company with the Stock Exchange Limited.

We further state that this certificate 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 and on behalf of
Thaker Butala Desai
Chartered Accountants

Place: Mumbai
Date: May 27, 2016

Kunjan Gandhi,Partner
Membership No.: 039195

THACKER BUTALA DESAI, CHARTERED ACCOUNTANTS
418 Dalamal Tower,B-Wing, Free Press Journal Marg, Nariman Point, Mumbai 400 021, Tel: 2204 9473/2086, Fax: 2204 0148,
e-mail:Kunjan@tbda.in

INDEPENDENT AUDITOR'S REPORT

To the Members of **GRAND FOUNDRY LIMITED**

Report on the Financial Statements

1. We have audited the accompanying financial statements of **GRAND FOUNDRY LIMITED**("the Company"), which comprise the Balance Sheet as at March 31, 2016, and the Statements of Profit and Loss and Cash Flow for the y ear then ended, and a summary of the significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

2. The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014 (as amended). 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 the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

3. Our responsibility is to express an opinion on the financial statements based on our audit.

4. We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made there-under.
5. We conducted our audit in accordance with the Standards on Auditing, issued by the Institute of Chartered Accountants of India, as specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.
6. An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on whether the Company has in place an adequate internal financial controls system over financial reporting and the operating effectiveness of such controls. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the financial statements.

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

Opinion

8. In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India of the state of affairs of the Company as at March 31, 2016, and its Loss and its cash flows for the year ended on that date.

Report on Other Legal and Regulatory Requirements

9. As required by the Companies (Auditor's Report) Order, 2016, issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act (the "Order"), and on the basis of such checks of the books and records of the Company as we considered appropriate and according to the information and explanations given to us, we give in the **Annexure I** a statement on the matters specified in paragraphs 3 and 4 of the Order.

10. As required by Section 143(3) of the Act, we report that:
    a. We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit;
    b. In our opinion proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
    c. the Balance Sheet, the Statement of Profit and Loss and Cash Flow dealt with by this Report are in agreement with the books of account;
    d. In our opinion, the aforesaid financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014 (as amended);
    e. On the basis of written representations received from the directors as on March 31, 2016 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2016, from being appointed as a director in terms of Section 164(2) of the Act.
    f. With regard to the adequacy of internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, we provide a report in **Annexure II** for the matters specified therein.

g. With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014(as amended), in our opinion and to the best of our information and according to the explanations given to us:
   i. The Company does not have any pending litigations which would impact its financial position;
   ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses;
   iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.

For THACKER BUTALA DESAI
Chartered Accountants
F. R. No. : 110864W

Kunjan Gandhi, Partner
Mem. No.:39195

Mumbai :

THACKER BUTALA DESAI, CHARTERED ACCOUNTANTS
418 Dalamal Tower,B-Wing, Free Press Journal Marg, Nariman Point, Mumbai 400 021, Tel: 2204 9473/2086, Fax: 2204 0148,
e-mail:Kunjan@tbda.in

ANNEXURE I REFERRED TO IN PARAGRAPH 9 OF OUR REPORT OF EVEN DATE

i) Fixed Assets

a) The company is maintaining proper records showing full particulars, including quantitative details and situation of fixed assets;

b) According to the information and explanation given to us, the title deed of immovable property is held in the name of the Company

ii) Inventory

The Company has inventory as it is not a service provider. Accordingly, the provision of clause (ii) of para 3 of the Companies (Auditor's Report) Order, 2016 is applicable. The inventory has been physically verified at proper intervals.

iii) Loans granted to parties covered in register maintained u/s 189

As informed, the Company has granted any loans, secured or unsecured to companies, or other parties covered in the register maintained under Section 189 of the Companies Act. Accordingly, the provision of clause of Para 3 of the Companies (Auditor's Report) Order, 2016 are applicable. The terms on conditions of the loan are not prejudicial to the company's interest.

iv) Compliance with the provisions of Section 185 and 186 of the Companies Act, 2013 with respect to Loans, Investments, Guarantees and Security

As informed, the Company has granted loan, not given any guarantee and has provided security in connection with any loan and hence the compliance of the provisions of Section 185 and 186 of the Companies Act, 2013 is applicable and hence commented upon. However the loans granted, the term and condition of the loans are not prejudicial to the interest of the Company.

As informed, the company has investments during the year and the compliance of the provisions of Section 186 of the Companies Act, 2013 is applicable ,the company has disclosed full particulars of

the investment made in the financial statement.

v) Public Deposits

In our opinion and according to the information and explanation given to us, the company has not accepted deposits. Accordingly, the provision clause (v) of para 3 of the Companies (Auditor's Report) Order, 2016 is not applicable and hence not commented upon.

vi) Cost Records

On facts, the requirement of clause (vi) of para 3 of the Companies (Auditor's Report) Order, 2016 is not applicable in case of the Company and hence not commented upon.

vii) Statutory dues

a) The company is regular in depositing undisputed statutory dues including income-tax, service tax, and any other statutory dues with the appropriate authorities and there are no arrears of outstanding statutory dues as at the last day of the financial year concerned for a period of more than six months from the date they became payable.

b) As per the information and explanation given to us, there are no dues of Income Tax, **S**ervice Tax, Sales Tax, Custom duty, Excise duty and cess which have not been deposited on account of dispute.

viii) Dues to financial institutions, banks, Government and debenture holders

Based on the records examined by us and according to the information and explanations given to us, the Company has borrowed any loans from any financial institution, banks, government or debenture holders as at the Balance Sheet date. Accordingly, the provision of clause (viii) of para 3 of the Companies (Auditor's Report) Order, 2016 is applicable. The company has not defaulted in payment of loans or borrowing to financial institution.

ix) Utilisation of proceeds raised by way of Initial Public Offer or further public offer

The Company has not raised any money by way of initial public offer or further public offer (including debt instruments) and term loans. Accordingly, the provision of clause (ix) of para 3 of the Companies (Auditor's Report) Order, 2016 is not applicable and hence not commented upon.

x) Frauds

During the course of our examination of the books and records of the Company, carried out in accordance with generally accepted accounting practices and according to the information and explanations given to us, we have neither come across any instances of fraud by the Company or any fraud on the Company by its officers or employees were noticed or reported during the year.

xi) Managerial Remuneration

As informed, the company being a Private Limited Company, the provisions of Section 197 and the Schedule V to the Companies Act, 2013 with respect to obtaining requisite approvals for payment of managerial remuneration is not applicable. Accordingly, the provision of clause (xi) of para 3 of the Companies (Auditor's Report) Order, 2016 is not applicable and hence not commented upon.

xii) Nidhi Company

The company is not a Nidhi Company. Accordingly, the provision of clause (xii) of para 3 of the Companies (Auditor's Report) Order, 2016 is not applicable and hence not commented upon.

xiii) Related Party Transactions

Based on the records examined by us and according to the information given to us, the Company has complied with the provisions of Sections 177 and 188 of the Companies Act, 2013 with respect to the transactions with the related parties and the details of such transactions have been disclosed in the Financial Statements as required by the applicable Accounting Standards (AS-18). The provisions of Section 177 of the Companies Act, 2013 is not applicable to the Company, being a Private Limited Company.

xiv) Preferential Allotment / Private Placement

Based on the records examined by us and according to the information given to us, the Company

has not made any Preferential Allotment or Private Placement of shares or fully or partly convertible debentures. Accordingly, the provision of clause (xiv) of para 3 of the Companies (Auditor's Report) Order, 2016 is not applicable and hence not commented upon.

xv) Non-cash transactions

Based on the records examined by us and according to the information given to us, the Company has not entered into any non-cash transactions with the Directors or persons connected with him. Accordingly, the provision of clause (xv) of para 3 of the Companies (Auditor's Report) Order, 2016 is not applicable and hence not commented upon.

xvi) Registration under Section 45-IA of the RBI Act, 1934

The Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934. Accordingly, the provisions of Clause 3(xvi) of the Order are not applicable to the Company.

For THACKER BUTALA DESAI
Chartered Accountants
F. R. No. : 110864W

Kunjan Gandhi, Partner
Mem. No.:39195

Mumbai :

THACKER BUTALA DESAI, CHARTERED ACCOUNTANTS
418 Dalamal Tower,B-Wing, Free Press Journal Marg, Nariman Point, Mumbai 400 021, Tel: 2204 9473/2086, Fax: 2204 0148,
e-mail:Kunjan@tbda.in

ANNEXURE IITO THE INDEPENDENT AUDITOR'S REPORT – MARCH 31, 2016
(Referred to in our report of even date)

REPORT ON THE INTERNAL FINANCIAL CONTROLS UNDER CLAUSE (I) OF SUB-SECTION 3 OF SECTION 143 OF THE ACT:

We have audited the internal financial controls over financial reporting of GRAND FOUNDRY LIMITED ("the Company") as of March 31, 2016 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

MANAGEMENT'S RESPONSIBILITY FOR INTERNAL FINANCIAL CONTROLS:

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

AUDITORS' RESPONSIBILITY:

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit

of Internal Financial Controls Over Financial Reporting (the "Guidance Note") and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the 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 ICAI. 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 was established and maintained and if such controls operated effectively in all material respects. Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal controls based on the assessed risk. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial control system over financial reporting.

MEANING OF INTERNAL FINANCIAL CONTROLS OVER FINANCIAL REPORTING:

A company's internal financial controls over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial controls over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

INHERENT LIMITATIONS OF INTERNAL FINANCIAL CONTROLS OVER FINANCIAL REPORTING:

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

OPINION:

In our opinion, the Company has, in all material respects, an adequate internal financial control system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2016, based on the internal controls 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 ICAI.

For THACKER BUTALA DESAI
Chartered Accountants
F. R. No. : 110864W

Kunjan Gandhi, Partner
Mem. No.:39195

Mumbai :

BALANCE SHEET AS AT 31ST MARCH 2016

Particulars	Sch. No.	*AS AT 25TH MARCH 2016*	*AS AT 31st MARCH 2015*
		RS.	**RS.**
I. EQUITY AND LIABILITIES			
(1) Shareholder's Funds			
(a) Share Capital	1	41720000	104300000
(b) Reserves and Surplus	2	(112576130)	(161801046)
		(70856130)	(57501046)
(2) Non-Current Liabilities			
(a) Long-Term Borrowings	3	81002823	81435265
LOAN FROM DEBENTURES		980000	980000
(b) Deferred Tax Liabilities (Net)		10756148	10756148
		92738971	93171413
(3) Current Liabilities			
(a) Trade Payables	4	12216110	1712718
(b) Other Current Liabilities	5	10985817	11072147
(c) Short-Term Provisions	6	296049	257470
		23497976	**13042335**
Total Equity & Liabilities		**45380817**	**48712702**
II.ASSETS			
(1) Non-Current Assets			
(a) Fixed Assets (Tangible)			
Tangible Assets	7	44874020	46855498
(b) Long term loans and advances	8	-	211871
(c) Deferred Tax Assets (Net)		-	-
		44874020	**47067369**
(2) Current Assets			
(a) Trade receivables	9	33723	1076590
(b) Cash and cash equivalents	10	99537	101757
(c) Short-term loans and advances	11	373537	466986
		506797	**1645333**
Total Assets		**45380817**	**48712702**
NOTES TO ACCOUNTS	20		

As per our Report of even date.

FOR THACKER BUTALA DESAI
CHARTERED ACCOUNTANTS
FRN.: 11086W

KUNJAN N. GANDHI, Partner
Membership No. : 39195

MUMBAI :
DATED : 27th May, 2016

FOR GRAND FOUNDRY LTD

Dhirajlal B.Jangla, Chairman

Kiran D Jangla , Managing Director

PROFIT AND LOSS STATEMENT FOR THE YEAR ENDED ON 31ST MARCH, 2016

Sr. No	Particulars	Sch. No.	*Figures as as on 31 March 2016 Rs.*	*Figures as as on 31 March 2015 Rs.*
I	**Revenue from operations**	12	22413910	10362356
II	Other Income	13	1979019	243369
III	***III. Total Revenue (I +II)***		**24392929**	**10605725**
IV	***Expenses:***			
	Consumption of Raw Materials			
	Purchase - Consumables	14	22303427	3285933
	Employee Benefit Expense	15	2616902	1178752
	Financial Costs	16	1764961	2710085
	Depreciation and Amortization Expense		1981479	2152524
	Other Expenses	17	8566637	5924187
	Total Expenses (IV)		**37233406**	**15251481**
V	Profit/(Loss) before exceptional and extraordinary items and Tax	(III - IV)	**(12840477)**	**(4645756)**
VI	Exceptional Items	18	514609	648740
VII	Profit/(Loss) before extraordinary items and tax (V - VI)		**(13355086)**	**(5294496)**
VIII	Extraordinary Items	19	0	154069
IX	Profit/(Loss) before tax (VII - VIII)		**(13355086)**	**(5140427)**
X	***Tax expense:***			
	(1) Current tax		-	-
	(2) Deferred tax		-	18038583
XI	Profit(Loss) from the year from continuing operations	(IX-X)	**(13355086)**	**(23179010)**
XII	Profit/(Loss) from discontinuing operations			
XIII	Tax expense of discounting operations			
XIV	Profit/(Loss) from Discontinuing operations (XII - XIII)			
XV	Profit/(Loss) for the year (XI + XIV)		**(13355086)**	**(23179010)**
XVI	Earning per equity share:			
	(1) Basic		(1.28)	(2.22)
	(2) Diluted		(1.28)	(2.22)

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

KUNJAN N. GANDHI, Partner
Membership No. : 39195

PLACE: MUMBAI
DATED : 27th May, 2016

FOR GRAND FOUNDRY LTD

Dhirajlal B.Jangla, Chairman

Kiran D Jangla , Managing Director

CASH FLOW STATEMENT FOR THE YEAR ENDED 31.03.2016	31.03.2016	31.03.2015
Cash Flow from Operating Activities		
Net Profit Before Tax & Extraordinary Items	(12,840,477)	(4,645,756)
Adjustments		
Depreciation	1981479	2152524
Operating Profit Before Working Capital Charges	(10,858,998)	(2,493,232)
Adjustment for		
Interest and Finance Charges	1764961	2710085
Trade and other receivable	1348187	3103142
Trade and other payable	10,455,642	(118,593)
Cash Generated from Operations	2,709,792	3,201,402
Taxes Paid	-	-
Cash Flow before Extraordinary Items	2,709,792	3,201,402
Prior Period Income	-	154,069
Extraordinary Items	(514,609)	(648,740)
Net Cash Flow from Operating Activities (a)	2,195,183	2,706,731
Cash Flow from Investing Activities		
(Increase) / Decrease in Investment	-	-
Sale/Purchase of Fixed Assets (Net)	-	(866,818)
Net Cash Flow from Investing Activities (b)	0	(866,818)
Cash Flow from Finance Activities		
Increase / (Decrease) in Unsecured Loans	(432,442)	518220
Interest and Finance Charges	(1,764,961)	(2,710,085)
Net Cash Flow from Financing Activities (c)	(2,197,403)	(2,191,865)
Net Cash & Cash Equivalents (a + b + c)	(2,221)	(351,952)
Opening Cash Balance	101,757	453,709
Closing Cash Balance	99,537	101,757

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

For And On Behalf of the Board

Dhirajlal B. Jangla
Chairman

Kiran D. Jangla
Managing Director

Mumbai
Dated :27th May, 2016

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 2016 and found the same in agreement therewith.

For Thacker Butala Desai
Chartered Accountants
FRN : 110864 W

Kunjan N.Gandhi, Partner
Membership No. 39195

Mumbai
Dated : 27th May, 2016

Schedules Forming Integral Part of the Balance Sheet as at 31ST MARCH 2016

Schedule : 1 Share Capital

Sr. No	Particulars	*AS AT 31ST MARCH 2016*	*AS AT 31st MARCH 2015*
		Rs	**Rs**
1	**AUTHORIZED CAPITAL**		
	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
		301000000	301000000
2	**ISSUED , SUBSCRIBED & PAID UP CAPITAL**		
	1,04,30,000 Equity Shares of Rs.4/-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 alloted as Bonus Shares by capitalising general reserves in 1989-90;	41720000	104300000
	Total in ₹	**41720000**	**104300000**

Sr. No	Particulars	AS AT 31ST MARCH 2016		AS AT 31st MARCH 2015	
2(b)	**Details of shareholders holding more than 5% equity Shares in the Company on reporting date:**	No. of shares	% of Holding	No. of shares	% of Holding
	UPTO 5000	6059196	58.09%	6059196	58.09%
	5001-10000	942671	9.04%	942671	9.04%
	10001-20000	778925	7.47%	778925	7.47%
	50001-100000	1007395	9.66%	1007395	9.66%
	100001-9999999	769973	7.38%	769973	7.38%

Schedule : 2 Reserve & Surplus

Sr. No	Particulars	*AS AT 31ST MARCH 2016*	*AS AT 31st MARCH 2015*
		Rs	**Rs**
1	Capital Reserve	7199500	7199500
2	Capital Redemption Reserve	11000	11000
3	Share Premium reserve	4671500	4671500
4	Debenture Redeemption Reserve	882000	882000
5	Profit and Loss Account :		
	Balance brought forward from previous year	(111985044)	(151386036)
	Add: Profit/(Loss) for the period	(13355086)	(23179010)
		(125340130)	(174565046)
	Total in ₹	**(112576130)**	**(161801046)**

Schedule : 3 Long Term Borrowings

Sr. No	Particulars	*AS AT 31ST MARCH 2016*	*AS AT 31st MARCH 2015*
		Rs	**Rs**
1	**Term Loan -Unsecured**		
	- From Promotors	75,966,308	76,371,725
	- From Financial Institution	-	-
	- Zenith Ltd	2,400,000	2,400,000

Schedules Forming Integral Part of the Balance Sheet as at 31ST MARCH 2016

	Term Loan -Secured		
	CAR LOAN	911515	1192891
	Total in ₹	**79,277,823**	**79,964,616**

Schedule : 3-A Advances from customers

Sr. No	Particulars	*AS AT 31ST MARCH 2016*	AS AT 31st MARCH 2015
		Rs	Rs
1	D H EXPORTS PVT LTD	-	230,345
2	BLURB TECHNOLOGIES PVT LTD	-	150,000
3	Subvijay International Pvt Ltd	1,725,000	-
4	SUNFLAG IORN & STEEL CO LTD (SALE OF M/C)	-	1,090,304
	Total in ₹	**1,725,000**	**1,470,649**

Schedule : 4 Trades Payable

Sr. No	Particulars	*AS AT 31ST MARCH 2016*	AS AT 31st MARCH 2015
		Rs	Rs
	-Sundry Creditors for Materiel/Supplies	8,699,917	-
	-Sundry Creditors for Services	3,516,192	1,712,718
	Total in ₹	**12,216,109**	**1,712,718**

Schedule : 5 Other Current Liabilities

Sr. No	Particulars	*AS AT 31ST MARCH 2016*	AS AT 31st MARCH 2015
		Rs	Rs
1	Sales Tax Payable	9,572,038	9,572,038
2	Central Excise Duty Payable	1,391,356	1,391,356
3	Service Tax Payable	-	14869
4	TDS -Professional Fees	16400	5700
5	TDS - RENT	-	3034
6	TDS - RETAINERSHIP FEES	500	1287
7	Vat Payable Asst.Year 2012-13	-	9595
8	Vat Payable F.Y.2014-15	-	74268
9	Vat Payable F.Y.2015-16	5523	-
	Total in ₹	**10,985,817**	**11,072,147**

Schedule : 6 Short Term Provisions

Sr. No	Particulars	*AS AT 31ST MARCH 2016*	AS AT 31st MARCH 2015
		Rs	Rs
	Others		
1	Audit Fees Payable	160,043	91,643
2	Salary Payable	136006	109272
3	Retainership Fees Payable	-	41580
4	Wages Payable	-	12,959
5	Stipend Payable	-	2,016
	Total in ₹	**296,049**	**257,470**

Schedules Forming Integral Part of the Balance Sheet as at 31ST MARCH 2016

Schedule : 7 Fixed Asset

Sr. No	Particulars	Gross Block				Depreciaton					Net Block	
		As at 01.04.2015	*Addition during the year*	*Deduction during the year*	*As at 31.03.2016*	*As at 01.04.2015*	*Adjustment of Depreciation*	*Addition during the year*	*Deduction during the year*	*As at 31.03.2016*	₹ *As at 31.03.2016*	₹ *As at 01.04.2015*
	TANGIBLE ASSETS	Rs.	Rs.	Rs.	Rs.	Rs.		Rs.	Rs.	Rs.	Rs.	Rs.
1	Plant & Machinery	97,208,948	-	-	97208948	55,087,428	-	1,289,496	-	56,376,924	40,832,024	42,121,520
2	Furniture & Fixtures	1,788,000	-	-	1,788,000	601,561	-	307,169	-	908,730	879,270	1,186,439
3	Motor Car	4,050,664	-	-	4,050,664	503,125	-	384,813	-	887,938	3,162,726	3,547,539
	TOTAL [I + II] (Current Year)	**103,047,612**	**-**	**-**	**103,047,612**	**56,192,114**	**-**	**1,981,478**	**-**	**58,173,592**	**44,874,020**	**46,855,498**
	(Previous Year)	**101,939,362**	**1,108,250**	**-**	**103,047,612**	**53,798,158**	**241,432**	**2,152,524**	**-**	**56,192,114**	**46,855,498**	**48,141,204**

Schedules Forming Integral Part of the Balance Sheet as at 31ST MARCH 2016

Schedule : 8 Long Term Loans and Advances

Sr. No	Particulars	AS AT 31ST MARCH 2016	AS AT 31st MARCH 2015
		Rs	Rs
I)	**Security Deposit**		
	a) Secured, Considered Good :		
	Other Deposit	-	211,871
	b) Unsecured, Considered Good :	-	-
	c) Doubtful	-	-
	Total in ₹	**-**	**211,871**

Schedule : 9 Trade Recievables

Sr. No	Particulars	AS AT 31ST MARCH 2016	AS AT 31st MARCH 2015
		Rs	Rs
1	**Outstanding for more than six months**		
	a) Secured, Considered Good :	33723	33723
	b) Unsecured, Considered Good :		
	c) Doubtful		
2	**Others**		
	a) Secured, Considered Good :	-	1042869
	b) Unsecured, Considered Good :		
	c) Doubtful		
	Total in ₹	**33,723**	**1,076,592**

Schedule : 10 Cash & Cash Equivalent

Sr. No	Particulars	AS AT 31ST MARCH 2016	AS AT 31st MARCH 2015
		Rs	Rs
1	**Cash-in-Hand**		
	Cash Balance	63526	43085
	Sub Total (A)	**63,526**	**43,085**
2	**Bank Balance**		
	With ICICI Bank	16865.27	23801.83
	With Indian Overseas Bank	19146.18	30534.11
	With Canara Bank	-	4336
	Sub Total (B)	**36,011**	**58,672**
	Total [A + B]	**99,537**	**101,757**

Schedule :11 Short Terms Loans and Advances

Sr. No	Particulars	AS AT 31ST MARCH 2016	AS AT 31st MARCH 2015
		Rs	Rs
1	Loans & Advances from related parties		
	a) Secured, Considered Good :	-	-
	b) Unsecured, Considered Good :	-	-
	c) Doubtful	-	-
2	*Advance Recoverable in cash or in kind or for value to be considered good*		
	Advance to Suppliers	209,427	-
	Advance to Staff	60,000	36000
	Advance Income Tax/Refund Due	59,654	386,708
	Prepaid Expenses	44,456	41489
	Vat Excess Paid Refundable F.Y.2010-2011	-	2,789
	Total in ₹	**373,537**	**466,986**

Schedules Forming Part of the Profit & Loss Accounts as at 31ST MARCH 2016

Schedule : 12 Revenue from Operations

Sr. No	Particulars	AS AT 31ST MARCH 2016	AS AT 31st MARCH 2015
		Rs.	Rs.
1	Job Work Receipts	-	3,759,840
2	Conductorship Charges Received	-	2,405,989
3	LOCAL SALES	22,413,910	4,196,527
	Total in ₹	**22,413,910**	**10,362,356**

Schedule : 13 Other Income

Sr. No	Particulars	AS AT 31ST MARCH 2016	AS AT 31st MARCH 2015
		Rs.	Rs.
1	Other Receipts	150,000	214,740
2	Sundry Dr/Cr. Bal. W/back	1,813,474	-
3	Interest Reced from Income Tax	15,545	28,629
	Total in ₹	**1,979,019**	**243,369**

Schedule : 14 Consumption of Raw Materials & Stores

Sr. No	Particulars	AS AT 31ST MARCH 2016	AS AT 31st MARCH 2015
		Rs.	Rs.
1	LOCAL PURCHASES	22,303,427	3,285,933
	Total in ₹	**22,303,427**	**3,285,933**

Schedule : 15 Employement Benefit Expenses

Sr. No	Particulars	AS AT 31ST MARCH 2016	AS AT 31st MARCH 2015
		Rs.	Rs.
1	Salary	2,605,337	1,125,952
2	Arrears	-	52,800
3	Contribution to Provident Fund	11,565	-
	Total in ₹	**2,616,902**	**1,178,752**

Scedule :16 Financial Cost

Sr. No	Particulars	AS AT 31ST MARCH 2016	AS AT 31st MARCH 2015
		Rs.	Rs.
1	Interest on Debentures	1,624,554	1,457,494
3	Interest to Others	-	1,079,298
4	Bank Charges	9,571	9,533
5	Interest on Car Hire	130,836	163,759
	Total in ₹	**1,764,961**	**2,710,085**

Schedule : 17 Other Expenses

Sr. No	Particulars	AS AT 31ST MARCH 2016	AS AT 31st MARCH 2015
		Rs.	Rs.
A)	**Direct Expenses**		
1	Packing, Freight & Forwarding	430	16,929
2	Electricity Chgs	3,865,759	-

Schedules Forming Part of the Profit & Loss Accounts as at 31ST MARCH 2016

	Sub-total (a)	**3,866,189**	**16,929**
B)	**Administrative Expenses**		
1	Telephone Expenses(Including Postage)	378,866	313,340
2	Car Expenses ***(Including Insurance)***	526,052	518,882
3	Conveyance Expenses	87,001	56,862
4	Travelling Expenses ***(Including Foreign Travelling)***	2,008,306	832,824
5	Repair & Maintenance Others	470	24,420
6	Repair & Maintenance Office Equiptment	3,410	59,259
7	General Expenses	45,880	23,644
8	Insurance Expenses	-	54,735
9	Internet & Website Expenses	31,178	41,359
10	Management Chgs -IDBI	-	100,000
11	Legal Expenses	116,466	2,759
12	Courier Charges	4,081	2,868
13	Professional Charges	208,599	266,445
14	Canteen Expenses	83,648	240,474
15	Medical Expenses	83,806	64,503
16	Books & Periodicals	7,624	2,817
17	Diwali Gift	-	150
18	Stationery Expenses	78,848	62,316
19	Auditors Remuneration--Tax Audit	22,800	22,800
20	Audit Fees	45,600	45,600
21	Sales Promotion Expenses	183,269	-
22	Membership & Subscription	41,695	67,250
23	Directors Club Expenses	159,347	157,924
24	Donation	151	-
25	Sales tax paid	5,318	-
26	Retainership fees	334,000	546,710
27	Jobwork paid	-	2,285,690
28	Gratuity	25,000	105,712
29	Sundry Dr/Cr.Bal.W/off	219,032	2,028
30	Loss on Sale of machinary	-	5,886
	Sub-total (b)	**4,700,448**	**5,907,258**
	Total in ₹	**8,566,637**	**5,924,187**

Schedule : 18 Exceptional Items

Sr. No	Particulars	AS AT 31ST MARCH 2016	AS AT 31st MARCH 2015
		Rs.	Rs.
1	Interest/Penalty	318,090	277,287
2	Prior Year Expenses	196,519	371,453
	Total in ₹	**514,609**	**648,740**

Schedule : 19 Extraordinary Items

Sr. No	Particulars	AS AT 31ST MARCH 2016	AS AT 31st MARCH 2015
		Rs.	Rs.
1	Sundry Dr/Cr Written Back	-	-
2	Excess Interest Provided to Bank	-	-
3	Prior Year Income	-	154,069
	Total in ₹	**-**	**154,069**

NOTES FORMING PART OF THE ACCOUNTS FOR THE YEAR ENDED 31ST MARCH, 2016

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 II of the Compnies Act 2013

(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 :-**

The Hon'ble BIFR has examined the DRS and circulated the same. In the hearing to be held in the month of November 2014, the order for the same would be passed and subject to the direction of BIFR, the paid up share capital of the Company of Rs. 104300000 consisting of 10430000 equity shares of Rs. 10/-each fully paid up shall be written off to Rs. 41720000 consisting of 10430000 equity shares of Rs. 4/- each by effecting a reduction of Rs.62580000 from the paid up capital of the company by Rs. 6/- per equity share of Rs.10/- each. Simultaneously with writing down of existing equity share capital of Rs. 1043 lacs by 60% through write of accumulated losses against face value of share and thus reduce Face Value of Share from Rs. 10 to Rs. 4. Therefore, fresh issue of equity shares of Rs. 600 lacs (150 lacs shares at Rs. 4 per share) to the promoters for expansion of business. And subject to the approval of this scheme of Rehabilitation and subject to the direction of BIFR, the BSE/NSE to open the trading which has been suspended by the stock exchanges and also to list the further issued capital as provided in the scheme.

SECURITY EXCHANGE BOARD OF INDIA (SEBI) to consider :

To grant exemption to the company from the provisions of SEBI Guidelines for Preferential Allotment of Shares, SEBI (Substantial Acquisition of shares & Takeovers) Regulations, 1997, SEBI (Disclosure & Investor Protection) Guidelines ,2000, SEBI (Central Listing Authority) Regulations,2003 and ceiling on promoters holding and any other applicable Rules and Regulations for the issue of equity shares to the Promoters as envisaged under the Scheme, provided such equity shares shall be locked in for a period of three years in case allottees are non-promoters.

NATIONAL STOCK EXCHANGE/BOMBAY STOCK EXCHANGE to consider :

Stock Exchange(s) on which the shares of the company are listed shall :
i) Revoke the suspension of trading of the equity shares forthwith and list the reduced shares as well as shares allotted in terms of the sanctioned scheme without any cost of charges;
ii) Exempt the Company from the provisions of the Companies Act, SEBI Guidelines and the listing requirements
iii) Waive listing fees and other arrears including interest and penalties ; and
iv) Allow trading of shares

3 Additional information pursuant to Part II of the Schedule

A. * Capacity

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

* As certified by the Director.

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

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

C. Expenditure in Foreign Currency:	1280047	361308
TOTAL	1280047	361308

D. Earning in Foreign Currency :-	Current Year	Previous Year
	Nil	Nil

4 **Payment to Directors**
Payment made to Directors Includes reimbursement of Club Expenses and Other Expenses of Rs. 159347.33 plus mobile Expenses of Rs. 70270/- (Previous Year Club Expenses Rs.157924.37 and Mobile Expenses Rs. 118373/-)

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

6 Details relating to balances due to S.S.I. units are not readily available and thus not shown.

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
> 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	-13355086	-23179010
c)	Basic and Diluted Earnings per share (Rupees)	**(1.28)**	**(2.22)**

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

PART IV

BALANCE SHEET ABSTRACT & COMPANY'S GENERAL BUSINESS PROFILE

I) Registration Details
Registration No: 017655 State Code : 11
Balance Sheet date : 31.03.2016

II) Capital Raised during the year (Amount in RS. Thousands)

Public Issue	Right Issue
NIL	NIL
Bonus Issue	**Private Placement**
NIL	NIL

III) Position of Mobilisation and Deployment of Funds
(Amount in RS. Thousands)

Total Liabilities	Total Assets
45,381	45,381

Sources of Funds

Paid-Up Capital	Reserve & Surplus
41,720	12,764
Secured Loans	**Unsecured Loans**
912	78,366

Application of Funds

Net Fixed Assets	Investments
44,874	0
Net Current Assets	**Deferred Tax**
(22,991)	(10,756)
Accumulated Losses	
(125,340)	

iv) Performance of Company (Amount in RS. Thousands)

Turnover & Jobwork	Total Expenditure
22,414	33487
Profit/(Loss) Before Tax	**Profit/(Loss) After Tax**
(13,355)	(13,355)
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

For And On Behalf of The Board

Dhirajlal B.Jangla, Chairman

Kunjan N Gandhi , Partner
Membership No. 39195

Kiran D Jangla , Managing Director

Mumbai
Date : 27th May, 2016

Mumbai
Date : 27th May, 2016

GRAND FOUNDRY LIMITED
Registered Office: 327, 3rd Floor, Arun Chambers, Tardeo Mumbai - 400034
Tel No. 022-23526317 CIN No. L99999MH1974PLC017655 •website: www.gfsteel.co.in

PROXY FORM – MGT 11

Name of the Member (s):
Registered Address:
Email id:
Folio No./Client Id/ DP ID:

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

1. Name:……..Address:……
……...
E-mail id:……. Signature:……or falling him/her

2. Name:……..Address:……
……...
E-mail id:……. Signature:……or falling him/her

3. Name:……..Address:……
……...
E-mail id:……. Signature:……or falling him/her

as my/our Proxy to attend and vote (on poll) for me/us and on my/our behalf at the 24th Annual General Meeting of the Company, to be held on **30th day of September, 2016 at 11.00 A.M at 327, 3rd Floor, Arun Chambers, Tardeo Mumbai -400034** and at any adjournment thereof in respect of such resolutions as are indicated below:

Sr. no.	Resolution
1	Adoption of the Financial Statements and Reports thereon for the year ended March 31, 2016
2	Re-appointment of Shri. Dhirajlal Jangla who retires by rotation
3	Appointment of M/s Thaker Butala Desai, Chartered Accountants as Statutory Auditors of the company and to fix their remuneration.
	Special Business – Ordinary Resolution
4	Appointment of Shri Naresh Goradia as a Director of the Company

5	Appointment of Smt. Nirmala Maurya as a Director of the Company

Signed this _____ day of _____ 2016.

Affix
Re. 1.00

Signature of the Shareholder Signature of the proxy holder(s)

Note:

1) This Form of proxy in order to be effective should be duly completed and deposited at the Registered Office of the Company, not less than 48 hours before the commencement of the meeting.

GRAND FOUNDRY LIMITED
Registered Office: 327, 3rd Floor, Arun Chambers, Tardeo Mumbai - 400034
Tel No. 022-23526317 CIN No. L99999MH1974PLC017655 •website: www.gfsteel.co.in

ATTENDANCE SLIP
24TH ANNUAL GENERAL MEETING

DP ID – Client ID / Folio No.	
Name & Address of Sole Member:	
No of Shares held	

I certify that I am a member / proxy of the Company

I hereby record my presence at the 24th Annual General Meeting of the Company, to be held on 30th day of September, 2016 at 11.00 A.M at 327, 3rd Floor, Arun Chambers, Tardeo Mumbai – 400034

Member's / Proxy's Signature

If undelivered, please Return to:
GRAND FOUNDRY LIMITED
327, 3rd Floor, Arun Chambers,
Tardeo Mumbai - 400034.