

ANNUAL REPORT & ACCOUNTS



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GRAND FOUNDRY LIMITED

1999 - 2000

Annual Report 1999-2000

GRAND FOUNDRY LTD.

BOARD OF DIRECTORS

: Shri Dhirajlal B. Jangla
(Chairman)
Shri Mahesh K. Shroff
Shri Nitin B. Jangla
Shri Mukul B. Jangla
Shri Shriram A. Gogate
Shri Hiten D. Jangla
(Jt. Managing Director)
Shri Kiran D. Jangla
(Managing Director)

COMPANY SECRETARY

: Shri F. A. Menezes

AUDITORS

: Thacker Butala Desai
Chartered Accountants
Ismail Bldg., 2nd Floor,
381, Dr. Dadabhai Naoroji Road,
Mumbai - 400 001.

REGISTERED OFFICE

: C-40 TTC Industrial Area,
Thane-Belapur Road,
Navi Mumbai - 400 705.

MUMBAI OFFICE

: 26, Sindhi Lane,
Nanubhai Desai Road,
Mumbai - 400 004.

BANKERS

: Bank of India
C. P. Tank Branch,
Mumbai - 400 004.

Allahabad Bank
International Branch,
World Trade Centre,
Cuffe Parade,
Mumbai - 400 005.

Grand Foundry Ltd.

NOTICE

NOTICE is hereby given that the Annual General Meeting of **Grand Foundry Limited** will be held at the Registered Office, C - 40 TTC Industrial Area, Thane-Belapur Road, Navi Mumbai - 400 705 on Friday the 29th September, 2000 at 10.30 a. m. to transact the following business :

1. To receive consider and adopt the audited Profit & Loss Account for the year ended 31st March, 2000, the Balance Sheet as at that date and the Reports of the Directors and Auditors.
2. To appoint a Director in place of Shri Nitin B. Jangla who retires by rotation under Article 151 of the Articles of Association and being eligible offers himself for reappointment.
3. To appoint a Director in place of Shri Mukul B. Jangla who retires by rotation under Article 151 of the Articles of Association and being eligible offers himself for reappointment.
4. To appoint Auditors and fix their remuneration.
5. To consider and if thought fit to pass with or without modification the following resolution as a SPECIAL RESOLUTION :

RESOLVED THAT the Company do ratify the decision of the management made in October, 1996 to delist the Company's shares from the Stock Exchange, Ahmedabad and the Delhi Stock Exchange Association Ltd., New Delhi.

By Order of the Board

F. A. MENEZES
Company Secretary

Mumbai
28th July, 2000

Registered Office :
C-40 TTC Industrial Area,
Thane-Belapur Road,
Navi Mumbai - 400 705.

NOTES :

1. A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE ON HIS BEHALF AND THE PROXY NEED NOT BE A MEMBER OF THE COMPANY.
Proxies in order to be effective must reach the Registered Office not later than 48 hours before the commencement of the meeting.
2. The Register of Members and Transfer Books will remain closed from MONDAY THE 25TH SEPTEMBER, 2000 TO FRIDAY THE 29TH SEPTEMBER, 2000 in connection with the Annual General Meeting.
3. Shareholders desiring any information on the accounts are requested to write to the Company well before the meeting to enable the management to keep the requisite information ready.
4. All communications pertaining to shares and share transfers should be forwarded to the Registered Office or the Mumbai Office of the Company.

EXPLANATORY STATEMENT to item 5 pursuant to Section 173 (2) of the Companies Act, 1956 annexed to and forming part of the notice dated 28th July, 2000.

In view of the easy accessibility of the investors all over India and the wide network of the Stock Exchange, Mumbai and the National Stock Exchange, and the extremely thin trading of the Company's shares on the Stock Exchange, Ahmedabad, and the Delhi Stock Exchange, the management had communicated its decision to these exchanges to delist its shares from these exchanges. However, it is understood from SEBI's circular of April, 1998 that the Company should obtain specific prior approval from the members for voluntary delisting by way of a special resolution passed in general meeting. The special resolution is accordingly proposed.

No Director of the Company may be deemed to be concerned or interested in the resolution.

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REPORT OF THE DIRECTORS

Your Directors submit herein the Annual Report and the Audited Statement of Accounts for the year ended 31st March, 2000.

FINANCIAL RESULTS :

	(Rs. in Lacs)	
	1999-2000	1998-99
Profit/(Loss) before Interest, Depreciation & Tax	24.75	(500.97)
Less/Add : Interest & Finance Charges	566.25	569.48
Loss before Depreciation	(541.50)	(1,070.45)
Add : Depreciation	47.83	51.13
Loss for the year	(589.33)	(1,121.59)
Less : Prior Period Adjustments	-	77.39
	(589.33)	(1,044.20)
Add/Less : Short/Excess Provision for Taxation of earlier years	0.02	(0.02)
	(589.35)	(1,044.18)
Add : Public Share Issue Expenses written off	4.66	4.66
	(594.01)	(1,048.84)
Debit Balance brought forward	(2,922.65)	(1,845.63)
	(3,516.66)	(2,894.47)
Add : Provision for Subsidiary's Losses	4.90	27.21
	(3,521.56)	(2,921.68)
Add : Debenture Redemption Reserve	-	0.98
Balance carried to Balance Sheet	(3,521.56)	(2,922.66)

OPERATIONS :

The total sales tonnage of Bright Bars business for the year amounted to 1415 tonnes (export 70 tonnes, domestic 1345 tonnes) against the previous year's sales tonnage of 3362 tonnes (export 494 tonnes, domestic 2868 tonnes). Total production including job work production amounted to 5953 tonnes (previous year 4241 tonnes).

FOREIGN EXCHANGE EARNINGS & OUTGO :

The Company's FOB value of exports amounted to Rs.24.05 lacs (previous year Rs.389.06 lacs). Expenditure in foreign currency on account of import of raw material, travelling, bank charges etc. amounted to Rs. 8.94 lacs (previous year Rs.34.02 lacs). The Company continues to be a net earner of foreign exchange; foreign exchange earnings during the year amounted to Rs. 15.11 lacs (previous year Rs.355.04 lacs).

AUDITORS' QUALIFICATIONS :

- In regard to information on dues of SSI units, the relevant note in the accounts is self-explanatory.
- The Company has not been able to make timely deposits of Provident Fund and State Insurance dues due to the continuous liquidity crunch being faced by the Company.

CONSERVATION OF ENERGY & TECHNOLOGY ABSORPTION :

POWER & FUEL OIL CONSUMPTION

	1999-2000	1998-99
1. Electricity Consumption		
Purchased units	11,62,692	12,30,328
Total amount Rs. lacs	57.76	59.15
Rate/unit Rs.	4.97	4.89
2. LDO		
Quantity (KL)	22,283	175,280
Total amount Rs. lacs	3.029	16.27
Rate Rs/KL	13593.43	9284.24

Production (including job work) during the year increased by 40.37 per cent. Electricity consumption and fuel oil consumption decreased by 5.50 per cent and 87.29 per cent respectively.

Grand Foundry Ltd.**DIRECTORS :**

The Directors have to report the sudden and sad demise of Shri Madan G. Kikla on 17th December, 1999. Shri Kikla was legal advisor of the Company for several years and was a member of the Board since 17th September, 1991.

Shri Nitin B. Jangla and Shri Mukul B. Jangla retire by rotation and being eligible offer themselves for re-election.

AUDITORS :

The Company's Auditors, Messrs Thacker Butala Desai, retire as auditors and are eligible for reappointment.

LISTING OF COMPANY'S SHARES :

The Company's shares are listed on the Stock Exchange, Mumbai and the National Stock Exchange of India Ltd. The fees for the year 2000-01 of both the exchanges are due. A resolution has been placed before the members ratifying the decision of the management made in October, 1996 for delisting of the Company's shares from the Stock Exchange, Ahmedabad, and the Delhi Stock Exchange Association Ltd.

THE COMPANIES (PARTICULARS OF EMPLOYEES) RULES, 1975 :

None of the Company's employees were covered by the disclosure requirement of Section 217 (2A) of the Act read with the relevant rules.

SUBSIDIARY COMPANY :

The Balance Sheet and other documents of the 100% subsidiary, Grand Bright Bars Ltd. are attached in accordance with Section 212 of the Companies Act, 1956.

ACKNOWLEDGEMENTS :

The Directors wish to place on record their appreciation of the continued support given to the Company by its employees. They would also like to thank the customers, suppliers, institutions and government authorities for the assistance and support given by them to the Company.

For and on behalf of the Board

Mumbai.
28th July, 2000

DHIRAJLAL B. JANGLA
Chairman

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Annual Report 1999-2000**AUDITORS' REPORT**

TO THE MEMBERS OF
MESSRS. GRAND FOUNDRY LIMITED

We have audited the attached Balance Sheet of M/s. GRAND FOUNDRY LIMITED as at 31st March 2000 and the Profit and Loss account for the year ended 31st March, 2000 annexed thereto and report that :

1. As required by the Manufacturing and other Companies (Auditors' Report) Order 1988 issued by the Company Law Board in terms of Section 227 (4A) of the Companies Act, 1956, we give in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the said order.
2. Further to our comments in the Annexure referred to in paragraph 1 above :
 - (a) We have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit.
 - (b) Proper books of accounts as required by law have been kept by the company so far as appears from our examination of such books.
 - (c) The Balance Sheet and Profit and Loss Account referred to in this report are in agreement with the books of accounts.
 - (d) In our opinion, Profit and Loss Account and Balance Sheet comply with the accounting standards referred to in section 211(3c) of the Companies Act, 1956.
 - (e) Read with clause 17 & 20 of the attached Annexure (MAOCARO) & subject to clause 6, & clause 10 to Notes to Accounts for claims of Rs. 2,00,20,368/- against the foreign supplier which are in dispute and for non information on liability to Small Scale industrial Units, in our opinion and to the best of our information and according to the explanations given to us the said accounts read together with the notes thereon give the information required by the Companies Act, 1956, in the manner so required and give a true and fair view :
 - (i) In the case of the Balance Sheet of the state of affairs of the Company as at 31st March 2000
and
 - (ii) In the case of Profit and Loss Account of the loss for the year ended on that date.

For **THACKER BUTALA DESAI**
Chartered Accountants

Mumbai,
Dated : 28 July, 2000

K. N. GANDHI
Partner

ANNEXURE TO AUDITORS' REPORT

(Referred to in Paragraph (1) of our report of even date).

1. The Company has maintained records showing full particulars including quantitative details and situation of fixed assets after 1.4.1991. For details prior to 1.4.1991, we are informed that the particulars are being complied. The Fixed Assets have been physically verified by the Management. To the best of our knowledge, no serious discrepancies have been noticed between the book records and physical verification carried out by the Management.
2. None of the Fixed Assets have been revalued during the year.
3. As explained to us, physical verification of finished goods, stores, spare parts and raw materials lying with outside parties for conversion etc. has been conducted by the management during the year at reasonable intervals.
4. According to the information and explanations given to us, in our opinion, the procedures for physical verification of stocks followed by the management is reasonable and adequate in relation to the size of the company and the nature of its business.
5. The discrepancies noticed on verification between the physical stocks and stock records were not material having regard to the size of the operations of the company.
6. In our opinion and on the basis of our checks, the valuation of stock is fair and proper and in accordance with the normally accepted accounting principles.

Grand Foundry Ltd.

7. The Company has taken unsecured loans from parties listed in the Register maintained under Section 301 of the Companies Act, 1956, but the rate of interest and other terms and conditions of such loans are not prima-facie prejudicial to the interest of the company.
8. The Company has given interest free unsecured advances/deposits to associated companies and other bodies listed in the register under section 301 of the Companies Act, 1956, and/or to the Companies under the same management as defined under sub-section (1B) of section 370 of the Companies Act, 1956. These advances are repayable on demand and they have been given as advances for purchase of goods and services and hence in the opinion of the Management, are not prejudicial to the interest of the Company.
9. In respect of loans and advances in the nature of loans given by the Company to employees, the employees are repaying principal amounts as stipulated and the interest is charged by the Company.
10. In our opinion and according to the information and explanations given to us, there is an adequate internal control procedure for purchase of stores, raw materials including components, Plant & Machinery, equipment and other assets and for sale of goods commensurate with the size of the company and nature of its business.
11. The transactions of purchase of goods and materials and sale of goods, materials and services made pursuant to contracts or arrangements entered in the Register under Section 301 of the Companies Act, 1956 and aggregating during the year to Rs. 50,000 or more in respect of each party have been made at prices which are reasonable having regard to prevailing market prices for such goods, materials or services or the prices at which transactions for similar goods or services have been made with other parties wherever such parties are available with the Company.
12. As explained to us, unserviceable or damaged stores, raw-materials and finished goods are determined by the Management and adequate provisions have been in the accounts for the loss so determined.
13. In our opinion and according to the information and explanations given to us, the Company has accepted deposits within the prescribed limit of Section 58A of the Companies Act, 1956.
14. In our opinion, reasonable records have been maintained by the company for scale of scrap. We are informed that no realisable by-products are generated by the company's operation.
15. In our opinion, the company has an adequate internal audit systems commensurate with the size and nature of its business.
16. We have been explained that the maintenance of cost records has not been prescribed by the Central Government under section 209 (1) (d) of the Companies Act, 1956.
17. According to the records of the company, Provident fund and Employees' State Insurance dues have not been regularly deposited during the year with the appropriate authority.
18. We have informed that there are no undisputable amounts payable in respect of income-tax, wealth-tax, sales-tax, custom duty and excise duty as at the last day of the financial year concerned.
19. According to the information and explanations given to us, no personal expenses of employees or directors have been charged to revenue account, other than payable under contractual obligations or in accordance with generally accepted business practice.
20. The Company has been declared a sick industrial company within the meaning of clause (o) of Sub-section (1) of section 3 of the Sick Industrial Companies (Special Provisions) Act, 1985.

For THACKER BUTALA DESAI
Chartered Accountants

Mumbai,
Dated : 28 July, 2000

K. N. GANDHI
Partner

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BALANCE SHEET AS AT 31ST MARCH, 2000			
	SCHEDULE	31-03-2000 Rupees	31-03-1999 Rupees
SOURCES OF FUNDS :			
SHAREHOLDERS' FUNDS :			
Share Capital	'A'	10,43,00,000	10,43,00,000
Reserves & Surplus	'B'	57,64,000	57,64,000
		<u>11,00,64,000</u>	<u>11,00,64,000</u>
LOAN FUNDS :			
Secured Loans	'C'	15,75,49,173	16,71,81,146
Unsecured Loans	'D'	22,12,07,126	19,50,11,496
		<u>37,87,56,299</u>	<u>36,21,92,642</u>
TOTAL :		<u><u>48,88,20,299</u></u>	<u><u>47,22,56,642</u></u>
APPLICATION OF FUNDS :			
FIXED ASSETS :			
Gross Block	'E'	18,05,72,174	17,71,61,633
Less : Depreciation		<u>4,74,32,568</u>	<u>4,26,59,265</u>
		<u>13,31,39,606</u>	<u>13,45,02,368</u>
INVESTMENT	'F'	8,95,125	8,95,125
CURRENT ASSETS, LOANS & ADVANCES :			
Inventories	'G'	2,48,27,822	1,95,39,047
Sundry Debtors		8,01,89,625	8,49,74,409
Cash & Bank Balances		19,61,094	1,21,30,309
Other Current Assets		15,66,325	33,59,230
Loans & Advances		<u>7,42,01,458</u>	<u>7,60,31,437</u>
		<u>18,27,46,323</u>	<u>19,60,34,432</u>
LESS : CURRENT LIABILITIES & PROVISIONS :	'H'	<u>18,05,82,542</u>	<u>15,23,72,733</u>
CURRENT ASSETS (NET)		<u>21,63,781</u>	<u>4,36,61,699</u>
MISCELLANEOUS EXPENDITURE			
(to the extent not written off or adjusted)			
Public Share Issue Expenses		4,65,747	9,31,487
Profit & Loss A/c		<u>35,21,56,039</u>	<u>29,22,65,963</u>
TOTAL :		<u><u>48,88,20,299</u></u>	<u><u>47,22,56,642</u></u>
Notes Forming Part of Accounts	'M'		
As per our attached Report of even date		On behalf of the Board	
For THACKER BUTALA DESAI		Dhirajlal B. Jangla <i>Chairman</i>	
<i>Chartered Accountants</i>		Kiran D. Jangla <i>Managing Director</i>	
K. N. GANDHI		F. A. Menezes <i>Company Secretary</i>	
<i>Partner</i>			
Mumbai		Mumbai	
28th July 2000		28th July 2000	

Grand Foundry Ltd.

PROFIT & LOSS ACCOUNT FOR THE YEAR ENDED 31ST MARCH, 2000

	SCHEDULE	31-03-2000 Rupees	31-03-1999 Rupees
INCOME :			
Sales		6,00,68,069	14,51,72,724
Jobwork Received		2,97,41,253	1,96,63,455
(C. Y. 4524.221 M/T - P. Y. 2767.830 M/T)			
Other Income	'I'	74,57,688	78,31,691
Profit on Sale of Fixed Assets		-	25,45,592
Increase / Decrease in stock	'J'	6,97,586	-8,13,23,492
		<u>9,79,64,596</u>	<u>9,38,89,970</u>
EXPENDITURE :			
Raw Materials Consumed	'K'	4,85,24,268	9,04,33,944
Manufacturing & Other Expenses	'L'	4,69,65,181	5,35,52,784
		<u>9,54,89,448</u>	<u>14,39,86,728</u>
Profit/ (Loss) before Interest, Depreciation & Tax		24,75,148	-5,00,96,757
Interest & Finance Charges		5,66,24,760	5,69,48,492
Depreciation		47,83,360	51,13,458
		<u>6,14,08,120</u>	<u>6,20,61,950</u>
Loss For The Year		-5,89,32,972	-11,21,58,708
Less / (Add) : Prior period adjustments		-	77,38,691
Add : Short provision for taxation of earlier years		1,776	-
		<u>-5,89,34,748</u>	<u>-10,44,20,017</u>
Less : Excess provision for taxation of earlier years		-	1,845
		<u>-5,89,34,748</u>	<u>-10,44,18,172</u>
Add : Public Share Issue Expenses written off		4,65,740	4,65,740
		<u>-5,94,00,488</u>	<u>-10,48,83,912</u>
Balance B/F		<u>-29,22,65,963</u>	<u>-18,45,62,576</u>
		<u>-35,16,66,451</u>	<u>-28,94,46,488</u>
Add : Provision For Subsidiary's Losses (As per Note No. 4 of Notes to Accounts)		-4,89,588	-27,21,475
		<u>-35,21,56,039</u>	<u>-29,21,67,963</u>
Add : Debenture Redemption Reserve		-	98,000
Balance carried to Balance Sheet		<u><u>-35,21,56,039</u></u>	<u><u>-29,22,65,963</u></u>
Notes Forming Part of Accounts	'M'		

As per our attached Report of even date

For **THACKER BUTALA DESAI**
Chartered Accountants**K. N. GANDHI**
PartnerMumbai
28th July 2000

On behalf of the Board

Dhirajlal B. Jangla Chairman
Kiran D. Jangla Managing Director
F. A. Menezes Company SecretaryMumbai
28th July 2000