



# INVESTMENT & PRECISION CASTINGS LTD

You Design, We Cast

Corporate Identification No. (CIN) :  
L27100GJ1975PLC002692

REGD. OFFICE  
& WORKS  
TELEPHONE  
FAX  
E-MAIL  
WEBSITE

NARI ROAD, BHAVNAGAR  
GUJARAT, INDIA 364 006  
(91) (278) 252 3300 to 04  
(91) (278) 252 3500 to 02  
direct1@ipcl.in  
www.ipcl.in

ISO 9001 : 2008  
TS 16949 : 2009  
ISO 14001 : 2008  
OHSAS 18001 : 2007  
Certified Company

By E-filing on BSE On-line Portal on 15.11.2017

AC\2914-A\IX

November 15, 2017

The GENERAL MANAGER  
DEPARTMENT OF CORPORATE SERVICES  
The Bombay Stock Exchange Limited  
1st Floor, New Trading Ring  
Rotunda Building  
P. J. Tower, Dalal Street  
Fort Mumbai 400 001.

Dear sir,

Sub: Submission of 42nd Annual Report of the Company for the Financial Year 2016-2017 ended on 31.3.2017.

Ref: Scrip Code No. 504786.

With reference to the above, we submit herewith soft copy of the 42nd Annual Report of the Company for the Financial Year ended on 31.3.2017.

Please take the above information on record.

Thanking you

For INVESTMENT & PRECISION CASTINGS LTD

  
(Girish Shah)  
CHIEF FINANCIAL OFFICER

Encl: As above.

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Certified Company

## FORM A

Format of covering letter of the annual audit report to be filed with the Stock Exchange

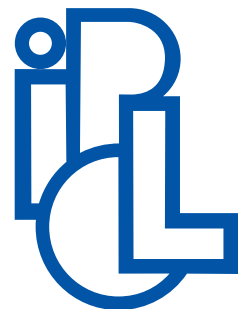
1.	Name of the Company	INVESTMENT & PRECISION CASTINGS LTD
2.	Annual Financial Statements for the year ended	31 March 2017 (F.Y. 2016-2017)
3.	Type of Audit Observation	Un-qualified
4.	Frequency of observation	Repetitive since 31 March 2002 (F.Y. 2001-2002)

For INVESTMENT & PRECISION CASTINGS LTD

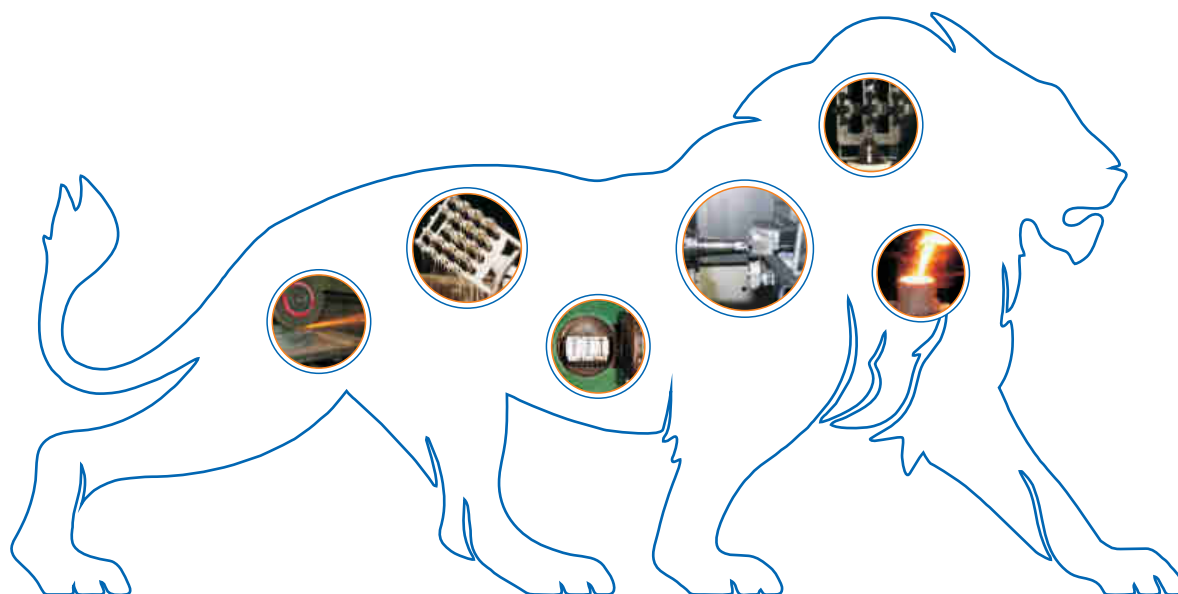
(Girish V. Shah)  
CHIEF FINANCIAL OFFICER



ISO 9001 : 2008  
TS 16949 : 2009  
ISO 14001 : 2004  
OHSAS 18001 : 2007  
AD 2000 - Merkblatt Wo  
PED 97/23/EC  
EN 9100:2009  
Certified Company  
DUNS No.: 95-050-1435  
Type Approval From  
CEMILAC, DRDO for  
AEROSPACE Castings



**SINCE : 1975**



## **42nd ANNUAL REPORT 2016-2017**

# **INVESTMENT & PRECISION CASTINGS LTD.**

**You Design, We Cast**

**Corporate Identification No. (CIN) :**  
L27100GJ1975PLC002692

**REGD. OFFICE :** NARI ROAD, BHAVNAGAR  
& WORKS GUJARAT, INDIA-364 006  
**TELEPHONE :** (91) (0278) 252 3300 to 04  
**FAX :** (91) (0278) 252 3500 to 02  
**EMAIL :** direct1@ipcl.in  
**WEBSITE :** www.ipcl.in

# SHRADHANJALI



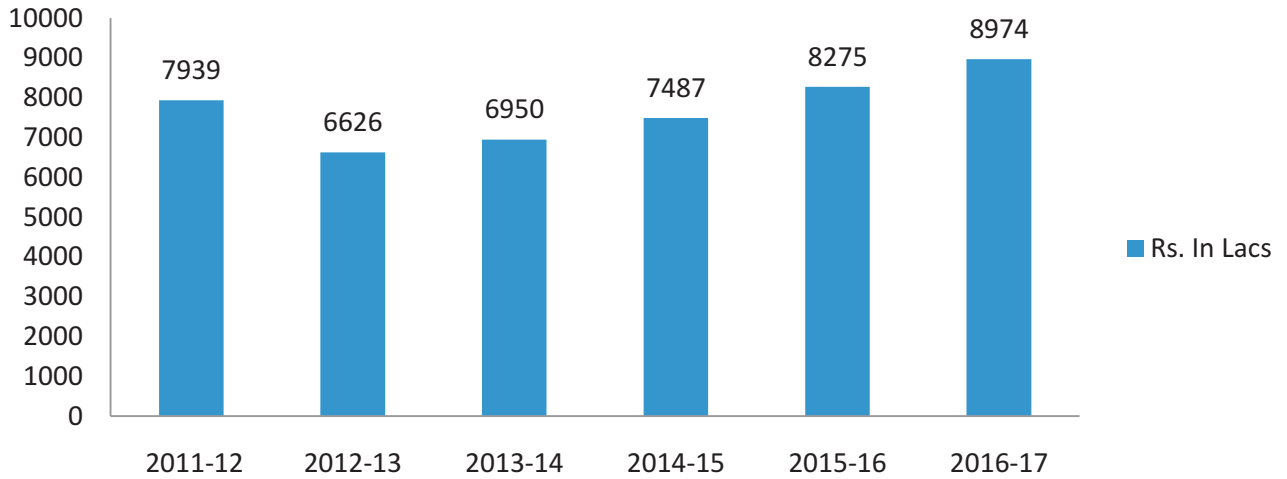
**Shri Indulal Fulchand Tamboli**

Chairman Emeritus

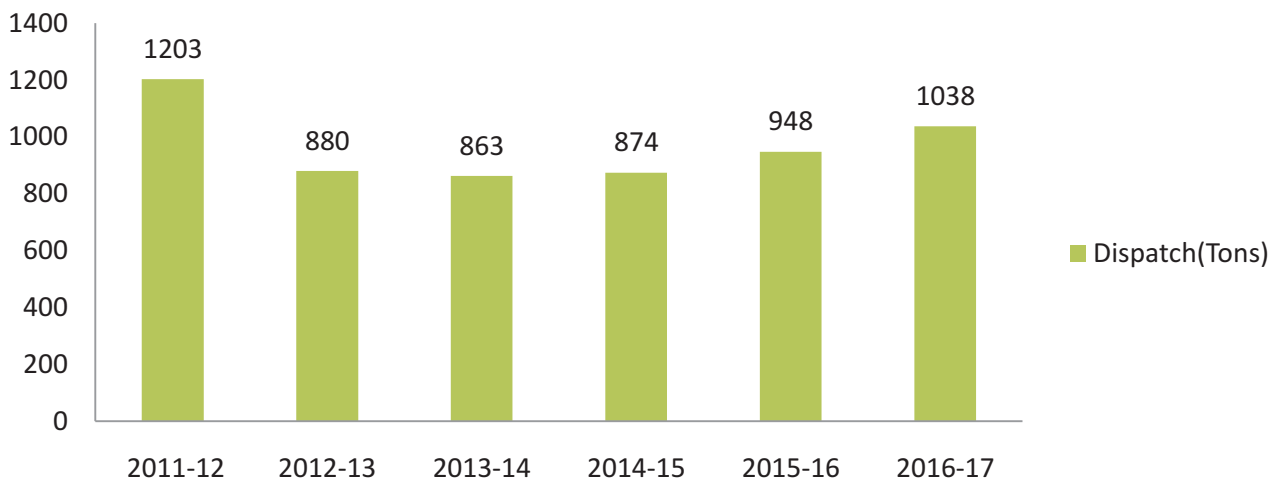
**07.06.1931 - 26.10.2016**

**IPCL PARIVAR**

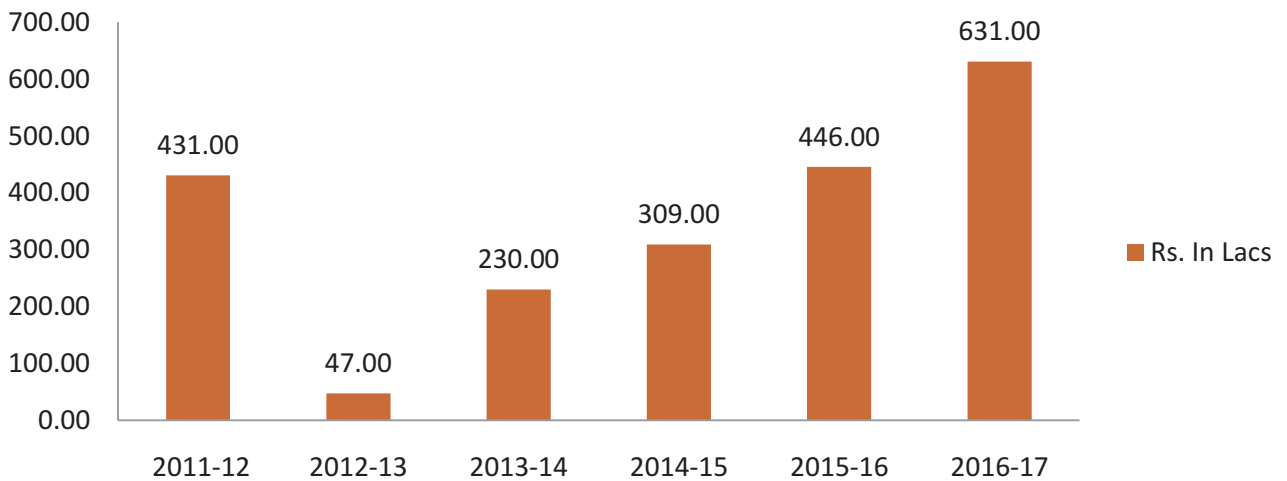
## Sales



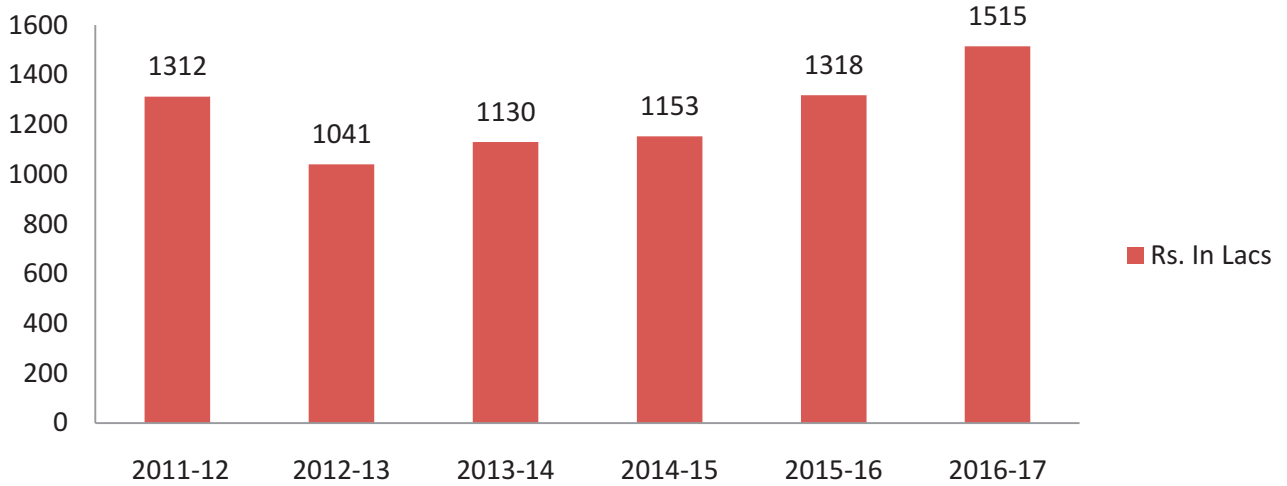
## DISPATCH



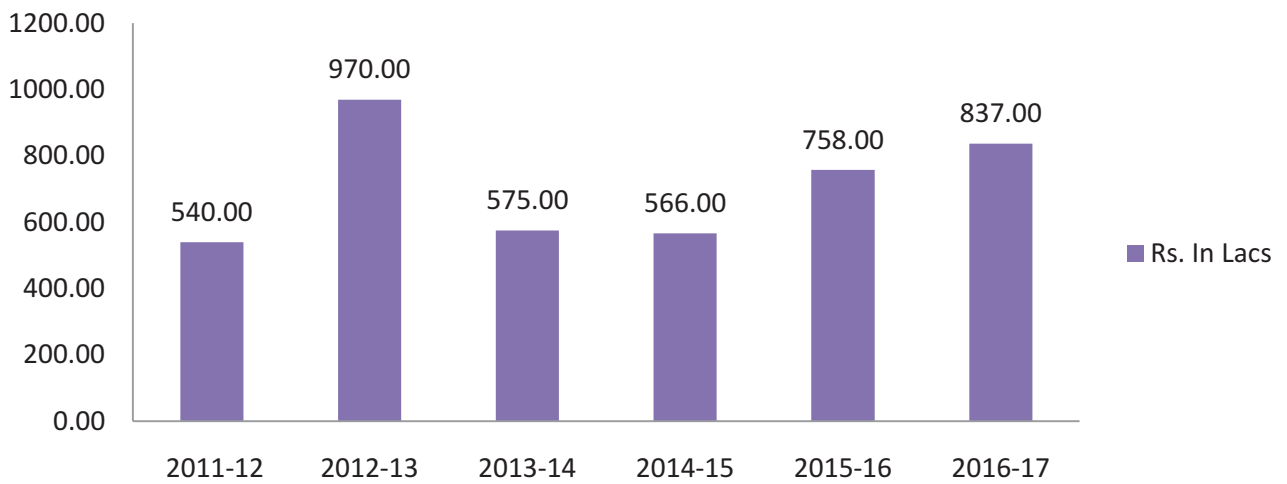
## PROFIT BEFORE TAX(PBT)



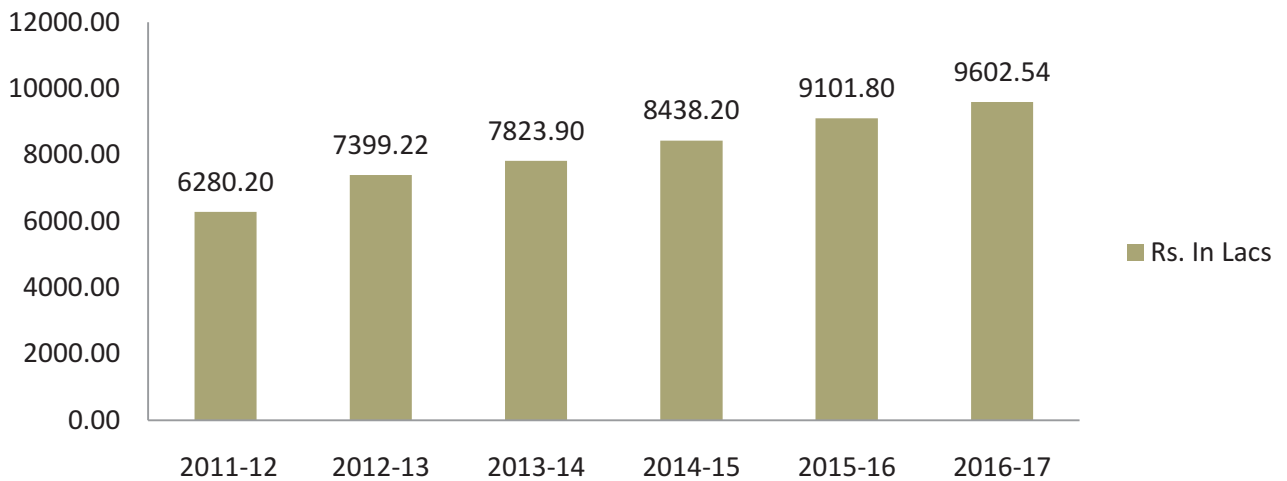
## OPERATING PROFIT (EBIDTA)



## CAPEX



## Gross Block Fixed Assets



## INVESTMENT & PRECISION CASTINGS LTD

<b>BOARD OF DIRECTORS</b>	:	Shri Piyush I. Tamboli Shri Akshay R. Shah Shri J. M. Mapgaonkar Shri Girish C. Shah Shri R. K. Menon Smt. V. P. Tamboli  Shri I. F. Tamboli  Shri Girish V. Shah  Ms. Hetal B. Kapadiya	Chairman & Managing Director Independent Director Independent Director Independent Director Executive Director Director  Chairman Emeritus up to 26.10.2016  Chief Financial Officer  Company Secretary & Compliance Officer
<b>BANKERS</b>	:	Bank of Baroda Lokhand Bazar, Main Branch, Bhavnagar, Gujarat	
<b>AUDITORS</b>	:	Sanghavi & Company Chartered Accountants Bhavnagar	
<b>REGISTERED OFFICE &amp; WORKS</b>	:	Nari Road, Bhavnagar Gujarat 364 006. Telephone (91) (278) 2523300 to 304 E-Mail <a href="mailto:direct1@ipcl.in">direct1@ipcl.in</a> Website <a href="http://www.ipcl.in">www.ipcl.in</a>	
<b>COMPANY IDENTIFICATION NUMBER ( CIN )</b>	:	L27100GJ1975PLC002692	
<b>ISIN</b>	:	INE155E01016	
<b>BSE Scrip Code</b>	:	504786	
<b>CONTENTS</b>	:	1. Notice 2. Directors' Report 3. Management Discussion & Analysis 4. Corporate Governance 5. Independent Auditors' Report 6. Financial Statements	1 8 30 32 39 46
		<b>Subsidiary Information:</b>	
		I&PCL Vacuum Cast Limited	68
		<b>Consolidated Financial Statements</b>	69

NOTICE

NOTICE IS HEREBY GIVEN THAT THE FORTY-SECOND ANNUAL GENERAL MEETING OF INVESTMENT & PRECISION CASTINGS LIMITED WILL BE HELD ON TUESDAY, 11<sup>TH</sup> JULY, 2017 AT HOTEL SAROVAR PORTICO, PARIJAT BANQUET HALL, ISCON MEGA CITY, OPP. VICTORIA PARK, BHAVNAGAR GUJARAT INDIA 364 002, AT 1630 HOURS, to transact the following business:

**ORDINARY BUSINESS:**

1. To consider and adopt the Balance Sheet as at March 31, 2017 and the Statement of Profit & Loss for the period ending on that date and the report of the Board Of Directors and Auditors thereon.
2. To declare Dividend.
3. To appoint a Director in place of Smt. Vishakha P. Tamboli (DIN 06600319) who retires by rotation and being eligible offers herself for re-appointment.
4. To appoint the new Auditors M/s. P A R K & Company, Chartered Accountant, Bhavnagar in place of retiring Existing Auditors, M/s. Sanghavi & Company, Chartered Accountants, Bhavnagar and fix the remuneration of the new auditors and in this regard to pass, with or without modification, the following resolution as an **Ordinary Resolution**:

"RESOLVE THAT pursuant to the provisions of Section 139, 142 and other applicable provisions, if any, of the Companies act, 2013 as amended and subject to all other modification(s) in the said act, made vide notifications, rules, guidelines issued in the matter by the statutory authority, Ministry of Corporate Affairs, Government of India to the extent applicable for the said appointment, M/s. P A R K & Company, (Firm Registration No. 116825W), Chartered Accountants, Bhavnagar after receiving a recommendation in this regard from the Audit Committee, be and are hereby appointed as the Statutory Auditors of the Company to hold office from the conclusion of this 42<sup>nd</sup> Annual General Meeting till the conclusion of the Annual General Meeting of the financial year 2021-2022, at a remuneration to be decided by the Board of Directors in consultation with the Auditors, plus applicable service tax or any other tax as determined under the new GST Act and re-imburement of travelling and out of pocket expenses incurred by them for the purpose of audit".

5. Appointment and Payment of Remuneration to the Cost Auditors:

To appoint Cost Auditors to hold office from the conclusion of this meeting until the conclusion of the next Annual General Meeting and to fix their remuneration and to consider and if thought fit, to pass, with or without modification(s) the following resolution as an **Ordinary Resolution**:

"RESOLVED that pursuant to Section 148 and other applicable provisions, if any, of the Companies Act, 2013 and the Rules made thereunder, as amended from time to time, the Company hereby re-appoint M/s. S. K. Rajani & Co., Cost Accountants (FRN 101113) Bhavnagar, as Cost Auditors to conduct the audit of cost records maintained by the Company for the Financial Year 2017-2018, at a remuneration of Rs. 35,000/- plus service tax and actual out-of-pocket expenses payable to M/s. S. K. Rajani & Co., Cost Accountants (FRN 101113) Bhavnagar.

Registered Office:  
Nari Road, Bhavnagar  
Gujarat 364 006, India  
Dated: May 23, 2017  
CIN: L27100GJ1975PLC002692  
E-mail: [direct1@ipcl.in](mailto:direct1@ipcl.in) [investor@ipcl.in](mailto:investor@ipcl.in)

BY ORDER OF BOARD OF DIRECTORS  
**Piyush I. Tamboli**  
CHAIRMAN & MANAGING DIRECTOR  
DIN 00146033



NOTES:

1. **A Member entitled to attend and vote at the Annual General Meeting (the “Meeting”) is entitled to appoint a proxy to attend and vote instead of himself/herself and a proxy need not be a member of the Company.** The instrument of Proxy in order to be effective, should be deposited at the Registered Office of the Company, duly completed and signed, not less than 48 hours before the commencement of the meeting. Proxies submitted on behalf of the companies/ bodies corporate etc., must be supported by an appropriate resolution/authority, as applicable.
2. As per Section 105 of the Companies Act, 2013 and relevant rules made there under, a person can act as proxy on behalf of members not exceeding fifty (50) and holding in the aggregate not more than ten percent (10%) of the total share capital of the company carrying voting rights. Further, a member holding more than ten percent (10%) of the total share capital of the Company carrying voting rights may appoint a single person as proxy and such person shall not act as proxy for any other person or shareholder.
3. During the period beginning 24 hours before the time fixed for the commencement of the meeting and ending with the conclusion of the meeting, a member would be entitled to inspect the proxies lodged at any time during the business hours of the Company, provided that not less than three days of notice in writing is given to the Company.
4. Copies of all documents referred to in the Notice are available for inspection at the registered office of the Company during normal business hours on all working days upto and including the date of the meeting of the Company.
5. Pursuant to Section 101 of the Companies Act, 2013 and Rules made thereunder, the companies are allowed to send communication to the Members electronically. We, thus, request you to kindly register/update your email ids with your respective depository participant and Company's Registrar and Share Transfer Agent (in case of physical shares) and make this initiative a success.
6. The Register of Directors' and Key Managerial Personnel and their shareholding maintained under section 170 of the Companies Act, 2013 and the Register of Contracts or Arrangements in which Directors are interested under section 189 of the Companies Act, 2013, will be available for inspection at the meeting.
7. The Securities and Exchange Board of India has mandated submission of Permanent Account Number (PAN) by every participant in securities market. Members holding shares in demat form are, therefore, requested to submit PAN details to the Depository Participants with whom they have demat accounts. Members holding shares in physical form can submit their PAN details to M/s. MCS Share Transfer Agent Ltd. the RTA to the Company.
8. The Members may note that due to strict security reasons mobile phones, brief cases, eatables and other belongings are not allowed inside the aforesaid venue of the meeting.

## 9. Voting through electronic means

- I. In compliance with provisions of Section 108 of the Companies Act, 2013, Rule 20 of the Companies (Management and Administration) Rules, 2014 as amended by the Companies (Management and Administration) Amendment Rules, 2015 and Regulation 44 of SEBI (Listing Obligations and Disclosure Requirements), Regulations, 2015, the Company is pleased to provide members facility to exercise their right to vote on resolutions proposed to be considered at the **42<sup>nd</sup> Annual General Meeting (AGM)** by electronic means and the business may be transacted through e-Voting Services. The facility of casting the votes by the members using an electronic voting system from a place other than venue of the **42<sup>nd</sup> Annual General Meeting (AGM)** ("remote e-voting") will be provided by National Securities Depository Limited (NSDL).
- II. The facility for voting through ballot paper shall be made available at the **42<sup>nd</sup> Annual General Meeting (AGM)** and the members attending the meeting who have not cast their vote by remote e-voting shall be able to exercise their right at the meeting through ballot paper.
- III. The members who have cast their vote by remote e-voting prior to the **42<sup>nd</sup> Annual General Meeting (AGM)** may also attend the **42<sup>nd</sup> Annual General Meeting (AGM)** but shall not be entitled to cast their vote again.
- IV. The remote e-voting period commences on **8<sup>th</sup> July, 2017 SATURDAY (9:00 am)** and ends on **10<sup>th</sup> July 2017 MONDAY (5:00 pm)**. During this period members' of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date of **4<sup>th</sup> July 2017, TUESDAY**, may cast their vote by remote e-voting. The remote e-voting module shall be disabled by NSDL for voting thereafter. Once the vote on a resolution is cast by the member, the member shall not be allowed to change it subsequently.
- V. The process and manner for remote e-voting are as under:
  - A. In case a Member receives an email from NSDL [for members whose email IDs are registered with the Company/Depository Participants(s)] :
    - (i) Open email and open PDF file viz; "**remote e-voting.pdf**" with your Client ID or Folio No. as password. The said PDF file contains your user ID and password/PIN for remote e-voting. Please note that the password is an initial password.  
*NOTE: Shareholders already registered with NSDL for e-voting will not receive the PDF file "remote e-voting.pdf".*
    - (ii) Launch internet browser by typing the following URL: <https://www.evoting.nsdl.com/>
    - (iii) Click on Shareholder - Login
    - (iv) Put your user ID and password (the initial password mentioned in the e-mail sent by NSDL to shareholders whose email addresses are registered with the company/depository participant(s) or mentioned in the postal ballot form) and verification code as displayed. Click Login.
    - (v) Password change menu appears. Change the password/PIN with new password of your choice with minimum 8 digits/characters or combination thereof. Note new password. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.
    - (vi) Home page of remote e-voting opens. Click on remote e-voting: Active Voting Cycles.
    - (vii) Select "EVEN" of "**INVESTMENT & PRECISION CASTINGS LTD.**"
    - (viii) Now you are ready for remote e-voting as Cast Vote page opens.
    - (ix) Cast your vote by selecting appropriate option and click on "Submit" and also "Confirm" when prompted.
    - (x) Upon confirmation, the message "Vote cast successfully" will be displayed.
    - (xi) Once you have voted on the resolution, you will not be allowed to modify your vote.
    - (xii) Institutional shareholders (i.e. other than individuals, HUF, NRI etc.) are required to send scanned copy (PDF/JPG Format) of the relevant Board Resolution/ Authority letter etc. together with attested specimen signature of the duly authorized signatory(ies) who are authorized to vote, to the Scrutinizer through e-mail to [welcom2pcs@gmail.com](mailto:welcom2pcs@gmail.com) with a copy marked to [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in)

- B. In case a Member receives physical copy of the Notice of **42<sup>nd</sup> Annual General Meeting (AGM)** [for members whose email IDs are not registered with the Company/Depository Participant(s) or requesting physical copy] :
1. Initial password is provided as below in the enclosed letter, Subject: Process and manner for availing E-voting facility:  

<b><u>EVEN (Remote e-voting Event Number)</u></b>	<b><u>USER ID</u></b>	<b><u>PASSWORD/PIN</u></b>
---	-----------------------	----------------------------
  - (ii) Please follow all steps from Sl. No. (ii) to Sl. No. (xii) above, to cast vote.
- VI. In case of any queries, you may refer the Frequently Asked Questions (FAQs) for Members and remote e-voting user manual for Members available at the downloads section of [www.evoting.nsdl.com](http://www.evoting.nsdl.com) or call on toll free no.: 1800-222-990.
- VII. If you are already registered with NSDL for remote e-voting then you can use your existing user ID and password/PIN for casting your vote.  
*NOTE: Shareholders who forgot the User Details/Password can use "Forgot User Details/Password?" or "Physical User Reset Password?" option available on [www.evoting.nsdl.com](http://www.evoting.nsdl.com).*  
*In case Shareholders are holding shares in demat mode, USER-ID is the combination of (DPID+ClientID).*  
*In case Shareholders are holding shares in physical mode, USER-ID is the combination of (Even No+Folio No).*
- VIII. You can also update your mobile number and e-mail id in the user profile details of the folio which may be used for sending future communication(s).
- IX. The voting rights of members shall be in proportion to their shares of the paid up equity share capital of the Company as on the cut-off date of **4<sup>th</sup> JULY, 2017, TUESDAY**.
- X. Any person, who acquires shares of the Company and become member of the Company after dispatch of the notice and holding shares as of the cut-off date i.e. **4<sup>th</sup> JULY, 2017, TUESDAY**, may obtain the login ID and password by sending a request at [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in) or **INVESTMENT & PRECISION CASTINGS LTD., BHAVNAGAR / RTA, MCS SHARE TRANSFER AGENT LTD., AHMEDABAD**.
- However, if you are already registered with NSDL for remote e-voting then you can use your existing user ID and password for casting your vote. If you forgot your password, you can reset your password by using "Forgot User Details/Password?" or "Physical User Reset Password?" option available on [www.evoting.nsdl.com](http://www.evoting.nsdl.com) or contact NSDL at the following toll free no.: 1800-222-990.
- XI. A member may participate in the **42<sup>nd</sup> Annual General Meeting (AGM)** even after exercising his right to vote through remote e-voting but shall not be allowed to vote again at the **42<sup>nd</sup> Annual General Meeting (AGM)**.
- XII. A person, whose name is recorded in the register of members or in the register of beneficial owners maintained by the depositories as on the cut-off date only shall be entitled to avail the facility of remote e-voting as well as voting at the **42<sup>nd</sup> Annual General Meeting (AGM)** through ballot paper.
- XIII. CS Alpesh Dhandhlya of M/s. Alpesh Dhandhlya & Associates, Company Secretaries, Ahmedabad has been appointed for as the Scrutinizer for providing facility to the members of the Company to scrutinize the voting and remote e-voting process in a fair and transparent manner.

- XIV. The Chairman shall, at the **42<sup>nd</sup> Annual General Meeting (AGM)**, at the end of discussion on the resolutions on which voting is to be held, allow voting with the assistance of scrutinizer, by use of **"Poling Paper"** for all those members who are present at the **42<sup>nd</sup> Annual General Meeting (AGM)** but have not cast their votes by availing the remote e-voting facility.
- XV. The Scrutinizer shall after the conclusion of voting at the general meeting, will first count the votes cast at the meeting and thereafter unblock the votes cast through remote e-voting in the presence of at least two witnesses not in the employment of the Company and shall make, not later than three days of the conclusion of the **42<sup>nd</sup> Annual General Meeting (AGM)**, a consolidated scrutinizer's report of the total votes cast in favour or against, if any, to the Chairman or a person authorized by him in writing, who shall countersign the same and declare the result of the voting forthwith.
- XVI. The Results declared along with the report of the Scrutinizer shall be placed on the website of the Company [www.ipcl.in](http://www.ipcl.in) and on the website of NSDL immediately after the declaration of result by the Chairman or a person authorized by him in writing. The results shall also be immediately forwarded to the BSE Limited, Mumbai.
10. A Member can opt for only one mode of voting i.e. either through e-voting or by Ballot. If a Member casts votes by both these modes, then voting done through e-voting shall prevail and the vote cast through Ballot shall be treated as invalid.
- 11 In case of the members who are entitled to vote but have not exercised their right to vote by electronic means, upon poll being demanded, in the larger interest of the members, the Chairman of the Company may order a poll on his own motion or on demand at the meeting in terms of Section 109 of the Companies Act, 2013 for all businesses specified in the accompanying Notice. For abundant clarity, in the event of poll, please note that the members who have exercised their right to vote by electronic means shall not vote by way of poll at the meeting. The voting rights of the members shall be in proportion to their shares of the paid-up equity share capital of the Company. The poll process shall be conducted and scrutinized and report thereon will be prepared in accordance with Section 109 of the Companies Act, 2013 read with the Companies (Management and Administration) Rules, 2014.
- 12 Register of Members shall remain closed from 3.7.2017 (MONDAY) to 10.7.2017 (MONDAY), both days inclusive.**
- 13 Members desiring any information pursuant to an item on the Agenda are requested to write sufficiently early so as to reach the Company at least 7 days prior to the meeting, to enable the Management to keep the information available at the meeting.
- 14 Members holding shares in dematerialised form are requested to bring their Client ID and DPID numbers and photo identity for easy identification of attendance at the meeting.
- 15 Under the provisions of Section 205-C of the Companies Act, 1956, dividends remaining unpaid/unclaimed for a period over 7 years will be transferred to the Investor Education & Protection Fund (IEPF) of the Central Government. The members may write to the Company for claiming the amount if any, relating to following years before it is transferred to the IEPF.

Financial year Ended	Date of Declaration of dividend	Last date for claiming unpaid Dividend	Due date for transfer to IEP fund
2009-2010	26.7.2010	25.7.2017	25.8.2017
2010-2011	12.8.2011	11.8.2018	11.9.2018
2011-2012	04.8.2012	03.8.2019	03.9.2019
2012-2013	07.8.2013	06.8.2020	06.9.2020
2013-2014	07.8.2014	06.8.2021	06.9.2021
2014-2015	11.8.2015	10.8.2022	10.9.2022
2015-2016	26.7.2016	25.7.2023	25.8.2023

- 16 Dividend, if sanctioned at the meeting, will be payable to the members whose names appear on the Company's Register of Members on the **Record Date 1.7.2017 (SATURDAY)** and to those members who hold the shares in dematerialised form as per the record of Depositories, National Securities Depository Ltd. (NSDL) and Central Depository Services (India) Ltd. (CDSL), as on the close of the **1.7.2017, (SATURDAY)** before start of **Book Closure date from 3.7.2017 (MONDAY) to 10.7.2017 (MONDAY) both days inclusive.**
- 17 Members holding shares in dematerialised form may note that bank particulars registered against their respective depository accounts will be used by the Company for payment of dividend. The Company or its Registrars and Transfer Agents cannot act on any request received directly from the members holding shares in dematerialised form for any change of bank particulars or bank mandates. Such changes are to be advised only to the Depository Participant of the members.
- 18 The Securities and Exchange Board of India (SEBI) has mandated the submission of Permanent Account Number (PAN) by every participant in securities market. Members holding shares in electronic form, are, therefore, requested to submit the PAN to their Depository Participant with whom they are maintaining their dematerialised accounts. Members holding shares in physical form can submit their PAN details to the Company/Registrars and Transfer Agents, M/s. MCS Share Transfer Agent Ltd. 201, Shatdal Complex, 1st Floor, Opp. Bata Show Room, Ashram Road, Ahmedabad, Gujarat 380 009. TELEPHONES: 079 26580461 to 63, E-MAIL: [mcsahmd@gmail.com](mailto:mcsahmd@gmail.com)
- 19 Payment of Dividend through Electronic Clearing Service (ECS) facility: Reserve Bank of India's Electronic Clearance Service (ECS) Facility provides investors an option to collect dividend directly through their bank accounts rather than receiving the same through post.

The Company has already started making payment of Dividend to the members through the said Electronic Clearing Service (ECS) facility since F. Y. 2006-2007. Investors holding shares in physical form may send their ECS Mandate Form duly filled in, to the Company, R&TA. ECS Mandate Form is enclosed (Annexure A) for immediate use of investors. However, if shares are held in dematerialised form, ECS mandate has to be sent to the concerned Depository Participant (DP) directly in the format prescribed by the DP.

- 20 Members are requested to take note that copy of annual report will be sent to them as per their e-mail address registered with the R&TA of the Company.

Registered Office:  
Nari Road, Bhavnagar Gujarat, 364 006  
Gujarat 364 006, India  
Dated: May 23, 2017  
CIN: L27100GJ1975PLC002692  
E-mail: [direct1@ipcl.in](mailto:direct1@ipcl.in) [investor@ipcl.in](mailto:investor@ipcl.in)

BY ORDER OF BOARD OF DIRECTORS  
**Piyush I. Tamboli**  
CHAIRMAN & MANAGING DIRECTOR  
DIN 00146033

**Information about appointee:**

Name of Director	Smt. V.P. Tamboli
Date of Birth	23.6.1968
Date of appointment/re-appointment	23.7.2016 Re-appointment
Qualification	Engineer (B.E. Civil)
Designation	Woman Director
Chairman/Director of other companies	Meche Pvt. Ltd.
Experience	Carrying on business of FASHION JEWELLERY.
Name of Director	Smt. V.P. Tamboli
Chairman/Member of committees of Board of company of which he/she is a Director	1 (member) 1 (chairman)
No. of shares held	3,13,200
Comparative Remuneration Profile with respect to industries, size of the Company, Profile of the Position and person	The remuneration (i.e. sitting fees for attending meetings) of the re-appointee is fully justifiable and comparable to that prevailing in the industry, keeping in view the profile and the position and enriches knowledge and vast experience of the re-appointee.

Registered Office:  
Nari Road, Bhavnagar  
Gujarat 364 006, India  
Dated: May 23, 2017  
CIN: L27100GJ1975PLC002692  
E-mail: [direct1@ipcl.in](mailto:direct1@ipcl.in) [investor@ipcl.in](mailto:investor@ipcl.in)

BY ORDER OF BOARD OF DIRECTORS  
**Piyush I. Tamboli**  
CHAIRMAN & MANAGING DIRECTOR  
DIN 00146033

## DIRECTORS' REPORT: 2016-2017

To  
The Members

The Directors have pleasure in presenting the Directors' Report and audited statement of accounts of the Company for the period ended on March 31, 2017.

**1. Financial Results:**

	<u>2016-2017</u>	(Rs. in Lacs) <u>2015-2016</u>
Total Income	8974.34	8275.25
Profit Before Taxation	630.64	446.15
Less: Tax Expenses:		
1. Current	220.00	128.00
2. Deferred	-6.96	31.66
3. Earlier Years' Tax	-6.19	---
Profit After Taxation	423.80	286.49
Which has been appropriated as follows:		
1. Proposed Dividend	62.50	35.00
2. Corporate Dividend Tax	12.72	7.13
3. General Reserve	348.58	244.36

- 2. Operations:** The total Income during the year went up by over 7 % over the previous year. The profit before finance costs, depreciation and tax (EBITDA) increased to Rs.1515.13 Lacs from Rs. 1317.72 Lacs in the previous year.

There are no material changes and commitments which affect the financial position of the Company as on the date of this report since March 31, 2017.

There was no change in the nature of the business during the year under review.

- 3. Dividend:** The Directors are pleased to recommend a Dividend for the period ended March 31, 2017 @ Rs. 1.00 per share and further special dividend @ Rs. 0.25 per share on 50,00,000 Equity Shares. Therefore, the total final dividend for financial year 2016-2017 will be Rs. 1.25 per equity share (i.e.12.50%) amounting to Rs. 62.50 Lacs as against Rs. 0.70 per share, amounting to Rs. 35.00 Lacs for last financial year 2015-2016, subject to approval of the members at this Annual General Meeting.

- 4. Conservation of Energy, Research and Development, Technology Up gradation/Absorption, Foreign Earnings and Outgo:**

The Company's principle product is "Un machined and Machined, Ferrous and Non-ferrous alloys Investment Castings". The Government has not classified the said category of product for giving information relating to the Conservation of Energy, Research and Development, Technology Up gradation/Absorption, Foreign Earnings and Outgo.

However, the company is undergoing such activities regularly, and the details are furnished in the **Annexure A** on voluntary basis.

4. **Research & Development:** Product Development and Process Improvements actively continued during the year.
5. **Wind Power Project:** The Company's two Wind Turbine Generators are operating satisfactorily.
6. **Director and Key Managerial Personnel:** The Details of re-appointment of the Director:
  - 6.1 Smt. Vishakha P. Tamboli (DIN 06600319) retires by rotation as required by the Companies Act, 2013, and being eligible, offers herself for re-election.

The particulars of Directors/employees and the remuneration paid to directors is given in the Annexure to the Directors' Report as required under section 197 (12) of the Companies Act, 2013

6.2 **Sad Demise of Shri I F Tamboli, Chairman Emeritus of the Company:**

The Board takes note with deep regrets of the sad demise of Shri I F Tamboli, Chairman Emeritus, who peacefully left for his heavenly abode on October 26, 2016 at the age of 86. He was an Industrialist and a noble person in nature. Shri I F Tamboli was associated with the company since inception and held positions of Promoter Director & Chairman during the tenure of his directorship on the Board of Directors of the Company till 1.4.2010. He inspired and motivated IPCL family in a big way, throughout IPCL history. It is a huge and irreparable loss to entire IPCL family. May his departed soul rest in eternal peace.

The Board places on record its sincere appreciation for the outstanding contribution made by Shri I F Tamboli for the growth of the Company since inception.

7. **Declaration from Independent Directors:** The Company has received necessary declaration from each Independent Director of the Company under section 149 (7) of the Companies Act, 2013 that the Independent Director of the Company meet with the criteria of their Independence laid down in Section 149 (6).
8. **Audit Committee:** The Audit Committee comprises of Independent Directors namely Shri Akshay R. Shah (Chairman), Shri J. M. Mapgaonkar, Shri Girish C. Shah and Shri Piyush I. Tamboli as other Members. All the recommendations made by the Audit Committee were accepted by the Board.
9. Policy laid down by the Nomination and Remuneration Committee for remuneration of Directors, Key Managerial Persons (KMP) and other employees and the criteria formulated by the committee for determining qualifications, positive Attributes, Independence of a Director. **Please refer Annexure B attached to this report.**
10. **Vigil Mechanism:** The Vigil Mechanism of the Company, which also incorporates a whistle blower policy in terms of the Listing Agreement, includes an Ethics & Compliance Task force comprising senior executives of the Company. Protected disclosures can be made by a whistle blower through an e-mail, or telephone line or a letter to the Chairman of the Audit Committee. The policy on vigil mechanism and whistle blower policy may be accessed on the Company's website at the address [www.ipcl.in](http://www.ipcl.in).



11. **Directors' Responsibility Statement:** Your Directors confirm that:
- a) in the preparation of the annual accounts, the applicable accounting standards read with requirements set out under Schedule III to the Companies Act, 2013, have been followed and there are no departure from the same;
  - b) they have selected prudent accounting policies;
  - c) they 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;
  - d) they have prepared the annual accounts on a 'going concern' basis;
  - e) They have devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems are adequate and operating effectively.
12. **Information about the Financial Performance/Financial Position of the Subsidiary:** The summary information on the balance sheet of the subsidiary company is given in this annual report on **Page No. 68**
13. **Extract of Annual Return:** Extract of Annual Return of the Company is annexed herewith as **Annexure C** to this report.
14. **Secretarial Audit Report:** The Board has appointed CS Alpesh Dhandhalya, practising company secretary, of M/s. CS Alpesh Dhandhalya & Associates, Companies Secretaries, Ahmedabad, to conduct Secretarial Audit for the financial year 2016-2017. The Secretarial Audit Report for the financial year ended March 31, 2017 contains no reservation and remarks.
- A copy of this report issued by M/s. CS Alpesh Dhandhalya & Associates, Companies Secretaries, Ahmedabad is enclosed as **Annexure D** with this report.
15. **Significant and Material orders passed by the Regulators:** During the year there were no orders passed by the regulators which affected the going concern of the Company's operation, present and future.
16. **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 was observed.
17. **Particulars of Loans given, Investments made, Guarantees given and Securities provided:** Particulars of loans given, investment made along with the purpose for which the loan is proposed to be utilised by recipient are provided in the standalone financial statement. (Please refer to note 11, 12, 16 and 35 to the standalone statement).
18. **Risks Management Policy:** The Company manages, and monitors on the principal risks and uncertainties that can impact its ability to achieve its objectives.

19. **Corporate Social Responsibility Policy and annual report on CSR:** In pursuant to the provisions of section 135 and schedule VII of the Companies Act, 2013, CSR Committee of the Board of Directors was formed to recommend (a) the policy on Corporate Social Responsibility (CSR) and (b) implementation of the CSR Projects or Programs to be undertaken by the Company as per CSR Policy for consideration and approval by the Board of Directors.

The Company has made certain activities under the CSR project on voluntarily basis as the company is not falling under the defined criteria applicable to the company under the Companies Act, 2013.

20. **Related Party Transactions:** All contracts/arrangements/transactions entered during the financial year with related parties were in the ordinary course of the business and on arm's length basis. During the year, the company had not entered into any contract/arrangement/transaction with related parties which could be considered material in accordance with the policy of the Company on materiality of related party transactions.

Your Directors draw attention of the members to Note 35 to the Standalone financial statement which sets out related party disclosures.

21. **Cost Audit:** Your company carries out an audit of cost records relating to the principle product of the Company viz. "Un machined and Machined, Ferrous and Non-ferrous alloys Investment Castings" according to the requirement of the Central Government and pursuant to Section 148 of the Companies Act, 2013 as amended. Your company has proposed to appoint M/s. S.K. Rajani, Cost Accounts, Bhavnagar, subject to approval of the members in this meeting, as the Cost Auditors to audit the cost accounts of the Company for the Financial Year 2016-2017. The Cost audit is presently applicable to the company according to the revised guideline for limit of turnover for cost audit under the Companies Act, 2013 as amended.
22. **Listing with Stock Exchanges:** The Company is listed on The Bombay Stock Exchange Ltd. (BSE) since 1976. The company has paid listing fees to BSE for 2016-17 and 2017-18.
23. **Corporate Governance and Shareholders Information:** The Company has complied with amended clause of listing agreement concerning strength of independent directors on the Board before March 31, 2017.
24. **Secretarial Standards:** The Company has complied with amended secretarial standards.
25. **Segment Reporting:** As all the manufacture is of one class of products, segment wise reporting of the results is not applicable to your Company.
26. **Accounting for Taxes on income:** Deferred Tax Asset of Rs. 6.96 Lacs, resulting from application of the Accounting Standard AS-22, has been credited to the amount available for appropriation for the current Financial Year, 2016-2017.
27. **Management Discussion & Analysis:** The Management Discussion & Analysis is also enclosed.
28. **Quality:** Your Company has a dedicated and efficient Quality Assurance ("QA") team is monitoring product quality. The team also looks after all the audit of various Quality System related certificates and adhere and implement the requirement of audit conducted by the auditors of various certificate.

## INVESTMENT & PRECISION CASTINGS LTD

29. **Insurance:** All the assets of the Company, viz. Buildings, plant and machineries, Stocks, etc. are adequately insured and the insurance is renewed from time to time as per the due dates during the year.
30. **Human Resources:** Your Company considers its employee as the valuable assets of the Company. The Company regularly organises various training programme at all level to enhance skill of the employees. The employees are fully committed to the growth of the Company.
31. **Formal Annual Evaluation:** The Board of Directors has carried out as annual evaluation of its own performance, its committees and individual Directors pursuant to the requirements of the Act and the Listing Regulations.

Further, the Independent Directors, at their exclusive meetings held on 26.7.2016 and on 23.5.2017 reviewed the performance of the Board, its Chairman and Non-Executive Directors and other items as stipulated under the Listing Regulations.

32. **Sexual Harassment Policy:** Your Company has adopted a Policy on Sexual Harassment in line with the provisions of Sexual Harassment of Workmen at Workplace (Prevention, Prohibition and Redressal) Act, 2013 and the rules made there under.
33. **Auditors:** The members will be requested at this Meeting to appoint new Auditors M/s. P A R K & Company, Chartered Accountants, Bhavnagar and fix their remuneration.
34. **General:** Your Directors state that no disclosure or reporting is required in respect of the following items as there were no transactions on these items during the year under review:
- Details relating to deposits covered under Chapter V of the Companies Act, 2013.
  - No significant or material orders were passed by the Regulations or Courts or Tribunals which impact the going concern status and Company's operations in future.
  - Your Directors further state that during the year under review, there were no cases filed pursuant to the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013.
35. **Appreciation:** The Directors thank the Bankers, Bank of Baroda, and the concerned authorities of the Government for their co-operation, and also record their appreciation for the efforts put in by the employees.

Registered Office:  
Nari Road, Bhavnagar  
Gujarat 364 006  
Dated May 23, 2017

ON BEHALF OF THE BOARD OF DIRECTORS  
**Piyush I. Tamboli**  
CHAIRMAN & MANAGING DIRECTOR  
DIN 00146033

**ANNEXURE A**

Information relating to Conservation of Energy, Research and Development, Technology Upgradation/Absorption, Foreign Earnings and Outgo.

1. Energy Conservation:

1.1 The steps taken or impact on conservation of energy:

- # Reducing power consumption by installing LED lighting in the factory area.
- # Prevention of air leaks while using compressed air in the plant.

1.2 The steps taken by company for utilising alternate source of energy.

- # LPG as Alternate source of LDO

1.3 Capital Investment on Energy Conservation Equipment:

The Company has made investments amounting to Rs. 19.27 Lacs during financial year 2016-2017 on the energy conservation equipments.

2. Technology Absorption:

2.1 Research & Development (R&D): Vacuum Furnace installed for development of castings for AEROSPACE, Medical Implants and Railway.

The efforts made towards technology:

- # ..Development of 3D Print technology for making castings.

2.2 The Company has in place well developed programme of:

- # Continuous Improvement Plan (CIP)
- # Product Development
- # Process Development
- # Materials Development

**ANNEXURE B TO DIRECTORS' REPORT**

**NOMINATION & REMUNERATION POLICY**

**1. Introduction:**

In terms of Section 178 of the Companies Act, 2013, and the Listing Agreement entered into by the Company with Stock Exchanges, as amended from time to time, this policy on nomination and remuneration of Directors, Key Managerial Personnel (KMP), Senior Management and other employees of the Company has been formulated by the Nomination and Remuneration Committee of the Company and approved by the Board of Directors. This policy shall act as a guideline for determining, inter alia, qualifications, positive attributes and independence of a Director, matters relating to the remuneration, appointment, removal and evaluation of performance of the Directors, Key Managerial Personnel and Senior Management.

**2. Objective :** The policy is framed with the following objectives:

- 2.1 That the level and composition of remuneration is reasonable and sufficient to attract, retain and motivate directors of the quality required to run the Company successfully.
- 2.2 That the relationship of remuneration to performance is clear and meets appropriate performance benchmarks.
- 2.3 That the remuneration to Directors and Key Managerial Personnel (KMP) involves a balance between fixed and incentive pay reflecting short and long-term performance objectives appropriate to the working of the Company and its goals.
- 2.4 To lay down criteria and terms and conditions with regard to identifying persons who are qualified to become Directors (Executive and Non-executive) and persons who may be appointed in Senior Management, Key Managerial positions and to determine their remuneration.
- 2.5 To determine remuneration based on the Company's size and financial position and trends and practices on remuneration prevailing in peer companies, in the industry.
- 2.6 To carry out evaluation of the performance of Directors, as well as Key Managerial and Senior Management Personnel and to provide for reward(s) linked directly to their effort, performance, dedication and achievement relating to the Company's operations.
- 2.7 To retain, motivate and promote talent and to ensure long term sustainability of talented managerial persons and create competitive advantage.
- 2.8 To lay down criteria for appointment, removal of directors, Key Managerial Personnel and Senior Management Personnel and evaluation of their performance.

**3. Definitions:**

In this Policy, unless the context otherwise requires, the following definitions shall apply:

- 3.1 '**Act**' means Companies Act, 2013, and rules thereunder.

- 3.2 **'Board of Directors'** or **'Board'**, in relation to the Company, means the collective body of the directors of the Company.
- 3.3 **'Committee'** means Nomination and Remuneration Committee of the Company as constituted or reconstituted by the Board.
- 3.4 **'Company'** means INVESTMENT & PRECISION CASTINGS LIMITED.
- 3.5 **'Directors'** means Directors of the Company.
- 3.6 **'Independent Director'** means a director referred to in Section 149 (6) of the Companies Act, 2013.
- 3.7 **'Key Managerial Personnel'** (KMP) means: (a) Chief Executive Officer and / or Managing Director, (b) Whole Time Director, (c) Chief Financial Officer, (d) Company Secretary, and (e) Such other officer as may be statutorily prescribed.
- 3.8 **'Ministry'** means the Ministry of Corporate Affairs.
- 3.9 **'Regulations'** refers to and comprises Companies Act, 2013, The Companies (Meeting of Board and its Powers) Rules, 2014, The Companies (Appointment and Qualification of Directors) Rules, 2014, The Companies (Appointment and Remuneration of Managerial personnel) Rules, 2014, The Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, Listing Agreement and such other rules and provisions as applicable to the matters dealt in by this Policy.
- 3.10 **'Senior Management Personnel'** for this purpose shall mean employees of the company who are members of its core management team excluding Board of Directors. It would comprise all members of management one level below the executive director(s), including the functional / vertical heads.
- 3.11 Unless the context otherwise requires, words and expressions used in this policy and not defined herein but defined in the Companies Act, 2013 as may be amended from time to time shall have the meaning respectively assigned to them therein.

#### **4. Nomination and Remuneration Committee:**

##### **4.1 Guiding Principles for constitution of Nomination and Remuneration Committee:**

The Nomination and Remuneration Committee will consist of three or more nonexecutive directors, out of which at least one-half shall be independent director(s), provided that chairperson of the Company may be appointed as a member of this Committee but shall not chair such a Committee.

- 4.2 The Committee will meet at such intervals as it deems fit to carry out the objectives set out in the Policy. A quorum of two members is required to be present for the proceedings to take place. The Committee members may attend the meeting physically or via permitted audio-visual mode, subject to the provisions of the applicable Regulations. The Committee shall have the authority to call such employee(s), senior official(s) and / or externals, as it deems fit.

**5. Role of the Committee:**

5.1 The Committee shall:

- i. Formulate the criteria for determining qualifications, positive attributes and independence of a Director;
  - ii. Identify persons who are qualified to become a Director and persons who may be appointed in Key Managerial and Senior Management positions in accordance with the criteria laid down in this Policy;
  - iii. Lay down the evaluation criteria for performance evaluation of Independent Directors and the Board;
  - iv. Recommend to the Board, appointment, remuneration and removal of Director, KMP and Senior Management;
  - v. To devise a Policy on Board diversity.
- 5.2 The Chairman of the Nomination and Remuneration Committee could be present at the Annual General Meeting, to answer the shareholders' queries. However, it would be up to the Chairman to decide who should answer the queries.
- 5.3 Provided that Nomination and Remuneration Committee shall set up a mechanism to carry out its functions and is further authorized to delegate any / all of its powers to any of the Directors and / or officers of the Company, as deemed necessary for proper and expeditious execution.

**6. Applicability:** This Policy is applicable to:

- a. Directors viz. Executive, Non-executive and Independent
- b. Key Managerial Personnel
- c. Senior Management Personnel
- d. Other Employees of the Company as may be decided by the Board

**7. Appointment criteria and qualification:**

- 7.1 The Committee shall identify and ascertain the integrity, qualification, expertise and experience of the person for appointment as Director in terms of Diversity Policy of the Board and recommend to the Board his / her appointment.
- 7.2 For the appointment of KMP (other than Managing / Whole time Director) or Senior Management Personnel, a person should possess adequate qualification, expertise and experience for the position he / she is considered for the appointment. Further, for administrative convenience, the appointment of KMP (other than Managing / Whole time Director) or Senior Management, the Managing Director is authorized to identify and appoint a suitable person for such position. However, if the need be, the Managing Director may consult the Committee / Board for further directions / guidance.

**8. Term / Tenure:** The Term of the Directors including Managing / Whole time Director / Independent Director shall be governed as per the provisions of the Act and Rules made thereunder and as per the Listing Agreement/Listing Regulations, as amended from time to time. However, the term of the KMP (other than the Managing / Whole time Director) and Senior Management shall be governed by the prevailing HR policies of the Company.

**9. Training of Independent Directors:**

9.1 The company shall provide suitable training to Independent Directors to familiarize them with the company, their roles, rights, responsibilities in the company, nature of the industry in which the company operates, business model of the company, etc.

9.2 The details of such training imparted shall be disclosed in the Annual Report.

**10. Evaluation:**

The Committee shall identify evaluation criteria which will evaluate Directors based on knowledge to perform the role, time and level of participation, performance of duties, level of oversight, professional conduct and independence. The appointment / re-appointment / continuation of Directors on the Board shall be subject to the outcome of the yearly evaluation process.

**11. Disqualifications for Appointment of Directors:**

11.1 Pursuant to section 164 of the Companies Act, 2013, a person shall not be eligible for appointment as a director of a company if:

- a. He is of unsound mind and stands so declared by a competent court;
- b. He is an undischarged insolvent;
- c. He has applied to be adjudicated as an insolvent and his application is pending;
- d. He has been convicted by a court of any offence, whether involving moral turpitude or otherwise and sentenced in respect thereof to imprisonment for not less than six months and a period of five years has not elapsed from the date of expiry of the sentence:
  - i. Provided that if a person has been convicted of any offence and sentenced in respect thereof to imprisonment for a period of seven years or more, he shall not be eligible to be appointed as a director in any company;
  - ii. An order disqualifying him for appointment as a director has been passed by a court or Tribunal and the order is in force;
  - iii. He has not paid any calls in respect of any shares of the company held by him, whether alone or jointly with others, and six months have elapsed from the last day fixed for the payment of the call;
  - iv. He has been convicted of the offence dealing with related party transactions under section 188 at any time during the last preceding five years; or
  - v. He has not complied with sub-section (3) of section 152.



- 11.2. No person who is or has been a director of a company which:
- a. Has not filed financial statements or annual returns for any continuous period of three financial years; or
  - b. Has failed to repay the deposits accepted by it or pay interest thereon or to redeem any debentures on the due date or pay interest due thereon or pay any dividend declared and such failure to pay or redeem continues for one year or more, shall be eligible to be re-appointed as a director of that company or appointed in other company for a period of five years from the date on which the said company fails to do so.
- 12. Removal:** The Committee may recommend, to the Board with reasons recorded in writing, removal of a Director, KMP or Senior Management Personnel subject to the provisions of the Companies Act, 2013, and all other applicable Acts, Rules and Regulations, if any
- 13. Retirement:** The Director, KMP and Senior Management Personnel shall retire as per the applicable provisions of the Regulations and the prevailing policy of the Company. The Board will have the discretion to retain the Director, KMP, Senior Management Personnel in the same position / remuneration or otherwise even after attaining the retirement age, for the benefit of the Company.
- 14. Remuneration of Managing / Whole Time Director, KMP & Senior Management Personnel :**
- 14.1 The remuneration / compensation / commission, etc., as the case may be, to the Managing / Whole Time Director will be determined by the Committee and recommended to the Board for approval. Subject to the prior / post approval of the shareholders of the Company and Central Government, wherever required and shall be in accordance with the provisions of the Act and Rules made thereunder.
- 14.2 Further, the Managing Director of the Company is authorized to decide the remuneration of KMP (other than Managing / Whole time Director) and Senior Management, and which shall be decided by the Managing Director based on the standard market practice and prevailing HR policies of the Company.
- 15. Remuneration to Non-Executive / Independent Director:** The remuneration / commission sitting fees, as the case may be, to the Non-Executive / Independent Director, shall be in accordance with the provisions of the Act and the Rules made thereunder for the time being in force or as may be decided by the Committee / Board / Shareholders.
- An Independent Director shall not be entitled to any stock option of the Company unless otherwise permitted in terms of the Act and as per the Listing Agreement/Listing Regulations, as amended from time to time.
- 16. Dissemination:** The details of the Policy and the evaluation criteria as applicable shall be published on Company's website and accordingly disclosed in the Annual Report as part of Board's report therein.

ANNEXURE C TO DIRECTORS' REPORT

Form No. MGT-9

EXTRACT OF ANNUAL RETURN

as on the financial year ended on 31.3.2017

[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:

CIN	L27100GJ1975PLC002692
Registration date	03.04.1975
Name of the Company	INVESTMENT & PRECISION CASTINGS LTD
Category / Sub-Category of the Company	Having share capital
Address of the registered office and contact details	Nari road, Bhavnagar Gujarat 364 006 India
Whether listed company (Yes/No)	Yes
Name, address and contact details of Registrar and Transfer Agent, if any	MCS SHARE TRANSFER AGENT LIMITED 201,SHATDAL COMPLEX,OPP:BATA SHOW ROOM ,ASHRAM ROAD,AHMEDABAD-380009

II. Principal of business activities of the company:

All the Business Activities contributing 10% or more of the total turnover of the Company shall be stated:

Sr No.	Name and Description of main Products / Services	NIC Code of the Product / Service	% to total turnover of the Company
1	Steel Castings	24310 FOR CASTINGS OF IRON AND STEEL 24320 FOR CASTING OF NON FERROUS METAL	100 %

III. Particulars of holding, subsidiary and Associate Companies:

Sr. no	Name and address of the company	CIN/GLN	Holding/ Subsidiary/ Associate	Applicable Section
1	I&PCL Vacuum Cast limited	U27300GJ2010PLC062162	Wholly Owned Subsidiary	2 (87) (ii)

IV. Shareholding pattern (Equity share capital break up as percentage of Total Equity):

(i) Category-wise Shareholding:

Category of Share holder	No. of Shares held at the beginning of the year				No. of Shares held at the end of the year				% change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
<b>A. PROMOTERS</b>									
(1) INDIAN									
a) Individual/ HUF	1686329	0	1686329	33.727	1690529	0	1690529	33.811	0.084

**INVESTMENT & PRECISION CASTINGS LTD**

Category of Share holder	No. of Shares held at the beginning of the year				No. of Shares held at the end of the year				% change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
b) Central Govt.	0	0	0	0	0	0	0	0	0
c) State Govt(s)	0	0	0	0	0	0	0	0	0
d) Bodies Corporate	809728	0	809728	16.195	809728	0	809728	16.195	0
e) Banks/FI	0	0	0	0	0	0	0	0	0
f) Any Other	0	0	0	0	0	0	0	0	0
<b>Sub total A(1)</b>	2496057	0	2496057	49.921	2500257	0	2500257	50.005	0.084
(2) FOREIGN	0	0	0	0	0	0	0	0	0
a) NRI-individuals	0	0	0	0	0	0	0	0	0
b) Other	0	0	0	0	0	0	0	0	0
Individuals	0	0	0	0	0	0	0	0	0
c) Bodies	0	0	0	0	0	0	0	0	0
Corporate	0	0	0	0	0	0	0	0	0
d) Banks/FI	0	0	0	0	0	0	0	0	0
e) Any Other	0	0	0	0	0	0	0	0	0
<b>Sub Total A(2)</b>	0	0	0	0	0	0	0	0	0
<b>Total Shareholding of Promoter (A)=(A)(1)+ (A)(2)</b>	2496057	0	2496057	49.921	2500257	0	2500257	50.005	0.084
<b>B) Public Shareholding</b>									
<b>1. INSTITUTIONS</b>									
Mutual funds	0	0	0	0	0	0	0	0	0
Banks / FI	0	0	0	0	0	0	0	0	0
Central Govt.	0	0	0	0	0	0	0	0	0
State Govt.	0	0	0	0	0	0	0	0	0
Venture Capital Funds	0	0	0	0	0	0	0	0	0
Insurance Companies	0	0	0	0	0	0	0	0	0
FIs	0	0	0	0	0	0	0	0	0
Foreign Venture Capital Funds	0	0	0	0	0	0	0	0	0
Others (Specify)	0	0	0	0	0	0	0	0	0
<b>Sub Total B(1):-</b>	0	0	0	0	0	0	0	0	0

**INVESTMENT & PRECISION CASTINGS LTD**

Category of Share holder	No. of Shares held at the beginning of the year				No. of Shares held at the end of the year				% change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
<b>2. NON-INSTITUTIONS</b>									
a) Bodies Corp.	160876	0	160876	3.218	269670	0	269670	5.393	2.175
1) Indian									
2) Overseas	0	0	0	0	0	0	0	0	0
<b>b) Individuals</b>									
i) Individual shareholders holding nominal share <b>capital upto Rs. 2 lakh</b>	1429862	130119	1559981	31.200	1398492	119519	1518011	30.360	-0.840
ii) Individual Shareholders holding nominal share capital in excess of Rs 1 lakh	610000	0	610000	12.200	655816	0	655816	13.116	0.916
<b>c) Others (Specify)</b>									
<b>HUF</b>	83423	0	83423	1.668	0	0	0	0	-1.668
<b>NRI</b>	89663	0	89663	1.793	56246	0	56246	1.125	-0.668
<b>Sub total (B) (2) :-</b>	2373824	130119	2503943	50.079	2380224	119519	2499743	49.995	-0.084
<b>Total Public Share holding (B) = (B) (1) + (B) (2)</b>	2373824	130119	2503943	50.079	2380224	119519	2499743	49.995	-0.084
<b>C. Shares held by Custodian for GDRs &amp; ADRs</b>	0	0	0	0	0	0	0	0	0
<b>GRAND TOTAL A+B+C</b>	4869881	130119	5000000	100	4880481	119519	5000000	100	0

ii Shareholding of Promoters:

Sl. No.	NAME OF SHARE HOLDER	SAHRE HOLDING AT THE BEGNING OF THE YEAR			SAHRE HOLDING AT THE END OF THE YEAR			% CHANGE DURING THE YEAR
		NO OF SHARES	% OF TOTAL SHARES OF THE COMPANY	%of Shares Pledged/encumbered to total shares	NO OF SHARES	% OF TOTAL SHARES OF THE COMPANY	%of Shares Pledged/encumbered to total shares	
1	Meche Pvt. Ltd.	809728	16.195	0	809728	16.195	0	0
2	P I Tamboli	1048329	20.967	0	1060379	21.208	0	0.241
3	V P Tamboli	313200	6.264	0	313200	6.264	0	0
4	Jainam P Tamboli	296000	5.920	0	296000	5.920	0	0
5	I F Tamboli	11400	0.228	0	3550	0.071	0	- 0.157
6	Kavya P Tamboli	6400	0.128	0	6400	0.128	0	0
7	Kasturi H. Kamdar	6200	0.124	0	6200	0.124	0	0
8	Sarla I Tamboli	2400	0.048	0	2400	0.048	0	0
9	R K Menon	2400	0.048	0	2400	0.048	0	0
	TOTAL	2496057	49.921	0	2500257	50.005	0	0.084

(ii) Change in Promoter's Shareholding:

Sl. No.		SAHRE HOLDING AT THE BEGNING 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 begning of the year	2496057	49.921	2496057	49.921
	27.6.2016	4200	0.084	2500257	50.005
		purchased from open market			
	At the End of the Year	xx	Xx	2500257	50.005

**(IV) Shareholding Pattern of top ten Shareholders (Other than directors, Promoters and Holders of GDRs and ADRs):**

Sr. No.	For Each of the Top 10 Shareholders	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 begning of the year	730024	14.600	Xx	Xx
	Date wise Increase / Decrease in Share holding during the year	99370 1.4.16 to 31.3.17	1.987	99370	1.987
	At the End of the Year (or on date of Seperation if Seerated during the year)	Xx	Xx	829394	16.587

**(V) Shareholding of Directors and Key Managerial Personnel:**

Sl. No.	For Each of the Directors and KMP	SAHRE HOLDING AT THE BEGNING 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	1363929	27.279	Xx	Xx
	1.4.16 to 31.3.17	4200	0.084	1368129	27.363
	Purchased from open market				
	At the End of the Year	xx	xx	1368129	27.363

**V. Indebtedness:**

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

Particulars	Secured Loans Excluding Deposits	Unsecured Loans	Deposits	Total Indebtedness
<b>Indebtedness at the beginning of the financial year</b>				
i) Principal Amount	318845848	0	0	318845848
ii) Interest Due but Not Paid	0	0	0	0
iii) Interest Accrued but not due	0	0	0	0
<b>Total I + ii = iii</b>	318845848	0	0	318845848
<b>Change in indebtedness during the financial year</b>				
i) Addition	11976726	0	0	11976726
ii) Reduction	29615000	0	0	29615000
<b>Net Change</b>		0	0	
<b>Indebtedness at the end of the financial year</b>				
i) Principal Amount	301207574	0	0	301207574
ii) Interest Due but Not Paid	0	0	0	0
iii) Interest Accrued but not due	0	0	0	0
<b>Total I + ii = iii</b>	301207574	0	0	301207574

**VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL:**

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

SN.	Particulars of Remuneration	Name of MD/WTD/ Manager		Total Amount
		CMD	ED	
1	Gross salary	5489000	1140000	6629000
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	0	0	0
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	0	0	0
	(c) Profits in lieu of salary under section 17(3) Income- tax Act, 1961	0	0	0
2	Stock Option	0	0	0
3	Sweat Equity	0	0	0
4	Commission - as % of profit - others, specify	0 0	0 0	0 0
5	Others, please specify	0	0	0
	Total (A)	5489000	1140000	6629000
	Ceiling as per the Act	5489000	1140000	6629000

**B. Remuneration to other directors**

SN.	Particulars of Remuneration	Name of Directors				Total Amount
		A R shah	J M Mapgaonkar	Girish C Shah	Vishakha P. Tamboli	
1	Independent Directors					
	Fee for attending board committee meetings	100500	79000	111500	0	324000
	Commission	0	0	0	0	0
	Others, please specify	0	0	0	0	0
	Total (1)	100500	79000	111500	0	324000
2	Other Non-Executive Directors	0	0	0	0	0
	Fee for attending board committee meetings	0	0	0	55000	55000
	Commission	0	0	0	0	0
	Others, please specify	0	0	0	0	0
	Total (2)	0	0	0		
	Total (B)=(1+2)	100500	79000	111500	55000	379000
	Total Managerial Remuneration	100500	79000	111500	55000	379000
	Overall Ceiling as per the Act	100500	79000	111500	55000	379000



**INVESTMENT & PRECISION CASTINGS LTD**

**C. REMUNERATION TO KEY MANAGERIAL PERSONNEL OTHER THAN MD/MANAGER/WTD:**  
(If there is otherwise delete)

SN	Particulars of Remuneration	Key Managerial Personnel		
		CS	CFO	Total
1	Gross salary	144000	621091	765091
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	Nil	Nil	Nil
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	Nil	Nil	Nil
	(c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961	Nil	Nil	Nil
2	Stock Option	Nil	Nil	Nil
3	Sweat Equity	Nil	Nil	Nil
4	Commission	Nil	Nil	Nil
	- as % of profit	Nil	Nil	Nil
	Others, specify...	Nil	Nil	Nil
5	Others, please specify	Nil	Nil	Nil
	<b>Total</b>	<b>144000</b>	<b>621091</b>	<b>765091</b>

**VII. PENALTIES / PUNISHMENT/ COMPOUNDING OF OFFENCES:**

Type	Section of the Companies Act	Brief Description	Details of Penalty / Punishment/ Compounding fees imposed	Authority [RD / NCLT/ COURT]	Appeal made, if any (give Details)
<b>A. COMPANY</b>					
Penalty	Nil	Nil	Nil	Nil	Nil
Punishment	Nil	Nil	Nil	Nil	Nil
Compounding	Nil	Nil	Nil	Nil	Nil
<b>B. DIRECTORS</b>					
Penalty	Nil	Nil	Nil	Nil	Nil
Punishment	Nil	Nil	Nil	Nil	Nil
Compounding	Nil	Nil	Nil	Nil	Nil
<b>C. OTHER OFFICERS IN DEFAULT</b>					
Penalty	Nil	Nil	Nil	Nil	Nil
Punishment	Nil	Nil	Nil	Nil	Nil
Compounding	Nil	Nil	Nil	Nil	Nil

**ANNEXURE D TO DIRECTORS' REPORT**  
**SECRETARIAL AUDIT REPORT**  
**FOR THE FINANCIAL YEAR ENDED 31 MARCH 2017**  
[Pursuant to section 204(1) of the Companies Act,  
2013 and rule 9 of the Companies (Appointment and  
Remuneration of Managerial Personnel) Rules, 2014]

To,  
The Members,  
**INVESTMENT & PRECISION CASTINGS LIMITED**  
Nari Road, Bhavnagar, Gujarat-364006 , INDIA

I have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by **M/s. Investment & Precision Castings Limited** (hereinafter called 'the Company'). Secretarial Audit was conducted in a manner that provided me a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing my opinion thereon.

Based on my verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, I hereby report that in my opinion, the Company has, during the audit period covering the financial year ended on **31 March 2017** ('Audit Period') complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

I have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on **31 March 2017** according to the provisions of:

- (i) The Companies Act, 2013 (the Act) and the rules made thereunder;
- (ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder;
- (iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;
- (iv) Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings;
- (v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'): —
  - (a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
  - (b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992;
  - (c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009 (**Not applicable to the Company during the Audit Period**);
  - (d) The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999 (**Not applicable to the Company during the Audit Period**);
  - (e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008 (**Not applicable to the Company during the Audit Period**);
  - (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 (**Not applicable to the Company during the Audit Period**); and
  - (h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998 (**Not applicable to the Company during the Audit Period**).

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 Uniform Listing Agreement entered into by the Company with Stock Exchanges pursuant to the SEBI (Listing Obligations And Disclosure Requirements) Regulations, 2015 and other applicable regulations /guidelines/circulars as may be issued by SEBI from time to time.

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

**I further report that**, having regard to the compliance system prevailing in the Company and on examination of the relevant documents and records in pursuance thereof, on test-check basis, the Company has complied with the following laws applicable specifically to the Company:

- (a) Factories Act, 1948 and Rules made thereunder;
- (b) Payment of Bonus Act, 1965 and Rules made thereunder;
- (c) Minimum Wages Act, 1948 and Rules made thereunder;
- (d) Contract Labour (Regulation & Abolition) Act, 1970 and Rules made thereunder;
- (e) Employee State Insurance Act, 1948 and Rules made thereunder;
- (f) Provident Fund Act, 1952 and Rules made thereunder;
- (g) Apprentice Act, 1961 and Rules made thereunder; and

**I further report that**

The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors.

The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act.

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

All decisions at Board Meetings and Committee Meetings are carried out unanimously as recorded in the minutes of the meetings of the Board of Directors or Committee of the Board, as the case may be.

**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.

Place: Ahmedabad  
Date: May 23, 2017

FOR ALPESH DHANDHLYA & ASSOCIATES  
COMPANY SECRETARIES  
CS Alpesh Dhandhlya  
(Proprietor)  
ACS No. 32500  
CP No. 12119

To,  
The Members,  
**INVESTMENT & PRECISION CASTINGS LIMITED**  
Nari Road, Bhavnagar,  
Gujarat-364006  
INDIA

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 process 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 process 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. Wherever 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 the management. Our examination was limited to the verification of procedure 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.

Place: Ahmedabad  
Date: May 23, 2017

FOR ALPESH DHANDHLYA & ASSOCIATES  
COMPANY SECRETARIES  
CS Alpesh Dhandhlya  
(Proprietor)  
ACS No. 32500  
CP No. 12119

**MANAGEMENT DISCUSSION & ANALYSIS**

**A. INDUSTRY STRUCTURE & DEVELOPMENT:**

The growth rate of Indian economy has improved during the year as compared to the previous year. The Indian automotive industry has shown an upward trend under different segments of vehicles during the year.

**B. OPPORTUNITIES, THREATS, RISKS & CONCERNS:**

**1. Opportunities:**

The next year forecast of the Indian Automotive Sector is projected to be better than the previous year which is subject to the impact of GST as applicable to the Automotive Sector during the next year. The Company has been able to improve market share from automobile sector customers with the help of development of new customers/automotive parts which has improved the order position of the company. The export business is also helping the company to some extent. The company has continued its focus on the development of new business in the aerospace sector, with the help of adding vacuum melting furnaces which may help increase the volume of business of the company.

**2. Threats:**

In the future, electric cars will come in the market, which will affect the company's market share in the automobile sector. However, the Company has developed business with non-auto customers, Export, Aerospace, etc. which has improved the company's position in the market of investment casting.

**3. Risks & Concerns:**

The prevailing uncertain volatile trend of increase/decrease in the cost of inputs, etc. has an effect on the operational manufacturing cost of the Company. Also, the frequent and uncontrolled increase in fuel cost has also affected the automotive sector largely. In addition to this, the impact of GST rates will be a matter of concern. All these factors will affect the business and margins of the company.

**C. OUTLOOK:**

Overall, the market seems improved as compared to the last couple of years for IPCL. We also see good business potential from the Export market in coming years.

The Company has made need-based Capital Investment during the year.

**D. INTERNAL CONTROL SYSTEMS AND THEIR ADEQUACY:**

The Company has in place adequate systems of internal control and documented procedures covering all financial and operating functions. These have been designed to provide reasonable assurance with regard to maintaining proper accounting controls, monitoring economy and efficiency of operations, protecting assets from unauthorized use or losses, and ensuring the reliability of financial and operational information.

An Audit Committee of the Board of Directors comprising of Independent Directors and Whole Time Directors, which is functional from 2005-06 Financial Year, has reviewed regularly the audit plans, significant audit findings, adequacy of internal controls as well as compliance with Accounting Standards.

**E. FINANCIAL PERFORMANCE:**

Turnover (sales and other income from operations), net of Excise Duties, increased by over 7 % from Rs. 8275.25 Lacs to Rs. 8974.35 Lacs.

Expenditure increased by over 6.00 % from Rs. 8063.95 Lacs to Rs. 8592.77 Lacs mainly on account of the increase in the turnover and level of production. During the year finance costs and depreciation cost increased marginally from Rs. 871.57 Lacs to Rs. 884.75 Lacs.

Profit before depreciation, finance costs and tax increased from Rs. 1317.71 Lacs to Rs. 1515.39 Lacs.

The Company's Profit before Tax (PBT) increased from Rs. 446.15 Lacs to Rs. 630.64 Lacs.

**F. HUMAN RESOURCES:**

Industrial relations continued to be cordial during the year.

**G. CAUTIONARY STATEMENT:**

Statement in the Management Discussion and Analysis describing the Company's objectives, projections, estimates, expectations may be "forward looking statements" within the meaning of applicable securities laws and regulations. Actual results could differ materially from those expressed or implied important factors that could make a difference to the Company's operations include, among others, economic conditions affecting demand/supply and price conditions in the domestic and overseas markets, change in the Government regulations, tax laws and other statutes and incidental factors.

**CORPORATE GOVERNANCE**

**1.0 BOARD OF DIRECTORS:**

The Board of Directors comprises six Directors out of which three are Non-Executive Directors and one Woman Director as on the date of the accompanying Notice, May 23, 2017. The Company has an Executive and Promoter Director as the Chairman. Out of the total strength of six directors, fifty percent directors are independent directors. The company has complied with amended clause of listing agreement concerning strength of independent directors on the Board as on the date of the accompanying Notice, May 23, 2017. The day-to-day operations of the Company are being overseen by Shri Piyush I. Tamboli, Chairman and Managing Director. None of the Directors on the Company's Board is a member of more than ten Committees and Chairman of more than five Committees across all the companies in which he is a Director. The composition of the Board, details of remuneration paid, attendance at the Board Meetings (BM) held during the financial year under review and at the last Annual General Meeting (AGM), number of Directorships memberships/chairmanships in public companies (including the Company) are annexed herewith.

Information on appointment of Directors as required under Listing Agreement is given below:

Sr. No.	Name	Date of Birth	Date of Appointment	Expertise In specific functional areas	No. of other Directorship
1				Nil	

During the year under review, five Board Meetings were held on dates 4.5.2016, 26.7.2016, 29.8.2016, 26.10.2016 and 24.1.2017.

**2.0 Audit Committee:** At present, the composition of the Audit Committee is as under:

1.	Chairman	:	Mr. Akshay R. Shah, (Independent Director)
2.	Members	:	Shri J. M. Mapgaonkar, (Independent Director )
		:	Shri Girish C. Shah (Independent Director )
		:	Shri P. I. Tamboli, Chairman & Managing Director

During the year under review, the Audit Committee met four times on dates 4.5.2016, 26.7.2016, 26.10.2016 and 24.1.2017.

**3.0 Investor's Grievance Committee:** At present, the composition of the Investors' Grievance Committee is as under:

1.	Chairman	:	Shri J. M. Mapgaonkar (Independent Director)
2.	Members	:	Shri Akshay R. Shah, (Independent Director )
		:	Shri Girish C. Shah (Independent Director )
		:	Shri P. I. Tamboli, Chairman & Managing Director

During the year under review, the Investor's Grievance Committee met four times on dates 4.5.2016, 26.7.2016, 26.10.2016 and 24.1.2017.

The status on the total number of Complaints received during the year was as follows:

# Complaints pending at the beginning of the year	:	0
# Complaints received during the year	:	2
# Complaints redressed and replied during the year	:	2
# Complaints pending at the end of the year.	:	0

**4.0 Remuneration Committee:** Presently, the composition of the Remuneration Committee is as under:

1.	Chairman	:	Shri Girish C. Shah, (Independent Director)
2.	Members	:	Shri Akshay R. Shah, (Independent Director)
		:	Shri J M Mapgaonkar (Independent Director)

**4.1 Scope of the Remuneration Committee:** The Remuneration Committee recommends/reviews remuneration of Whole Time Directors.

During the year under review, the Remuneration Committee met one time on date 4.5.2016.

**5.0 Separate meeting of Independent Directors of the Company:**

As per the provisions of Clause VII of the Schedule IV of the Companies Act, 2013 and the applicable Clause(s) of the Listing Agreement as amended, the Independent Directors of the Company met on 26.7.2016 and on 23.5.2017. The independent directors in the meeting require inter-alia:

- i. review the performance of non-independent directors and the Board as a whole;
- ii. review the performance of the Chairperson of the company, taking into account the views of executive directors and non-executive directors;
- iii. assess the quality, quantity and timeliness of flow of information between the company management and the Board that is necessary for the Board to effectively and reasonably perform their duties.

**6.0 Corporate Social Responsibility (CSR) Committee:** Presently, the composition of the CSR Committee is as under:

1.	Chairman	:	Shri Girish C. Shah, (Independent Director)
2.	Members	:	Shri Piyush I Tamboli, (Chairman & Managing Director)
		:	Shri J M Mapgaonkar (Independent Director)
		:	Smt. Vishakha P. Tamboli (Woman Director)

**7.0 Sexual Harassment Committee:** Presently, the composition of the committee is as under:

1.	Chairman	:	Smt. Vishakha P. Tamboli, (Woman Director)
2.	Members	:	Shri Girish C. Shah, Member & Alternate Chairman (Independent Director)
		:	Shri Akshay R. Shah (Independent Director)

Your Directors further state that during the year under review, there were no cases filed pursuant to the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013.

**8.0** As per the provision of Section 205 A read with Section 205 C of the Companies Act 1956, the Company has transferred unpaid dividends to the Investor Education and Protection Fund (IEPF).



**9.0 Means of communication:**

Half-yearly reports sent to each household of shareholders	Yes
Quarterly and Half Yearly Results	Published in The Indian Express, Mumbai and Financial Express, Ahmedabad
Any Website where displayed	<a href="http://www.ipcl.in">www.ipcl.in</a>
Whether it displays official news releases and presentations made to institutional investors or to the analysts.	No
Whether Management Discussion & Analysis is a part of the Annual Report	Yes

**Details of last three Annual General Meetings:**

Annual General Meeting for Financial Year	:	2015-2016	2014-2015	2013-2014
Date	:	26.7.2016	11.8.2015	7.8.2014
Time	:	4.30 P.M.	4.30 P.M.	4.30 P.M.
Venue	:	Hotel Nilambaug Palace, Bhavnagar		

**10.0 Disclosures:**

During the year under review, besides the transactions reported elsewhere in the Annual Report, there were no other related party transactions with its promoters, directors, management and subsidiaries that had a potential conflict with the interest of the Company.

The Company has complied with various rules and regulations prescribed by stock exchanges, SEBI or any other statutory authority relating to the capital markets during the last three years. No penalties or structures have been imposed by them on the Company.

**11.0 General Shareholder information:**

**11.1 Annual General Meeting:**

Date & Time : 11.7.2016 at 4.30 p.m.

Venue : **HOTEL SAROVAR PORTICO, PARIJAT BANQUET HALL, ISCON MEGA CITY, OPP. VICTORIA PARK, BHAVNAGAR GUJARAT INDIA 364 002**

11.2 Registered Office : Nari Road, Bhavnagar, Gujarat 364 006.

11.3 Telephone Nos. : (91) (278) 2523300 to 04

11.4 E-mail : [direct1@ipcl.in](mailto:direct1@ipcl.in); [investor@ipcl.in](mailto:investor@ipcl.in)

**11.5 Financial Calendar:**

Quarter ending	:	30th June 2016	30th September 2016	31st December 2016	31st March 2017
Reporting Month	:	July 2016	October 2016	January 2017	May 2017

11.6 The Company has paid annual listing fees to The Bombay Stock Exchange Limited (BSE) in respect of the financial year 2016-2017 and 2017-2018.

## INVESTMENT & PRECISION CASTINGS LTD

### 11.7 Market Price Data: Market Price Data: High, Low during each month in last financial year:

Months	BSE High	BSE Low	Months	BSE High	BSE Low	Months	BSE High	BSE Low
April 16	168.80	135.00	Aug. 16	194.00	147.00	Dec. 16	167.80	152.00
May 16	158.50	143.00	Sept. 16	195.00	167.15	Jan. 17	205.00	153.00
June 16	158.00	137.00	Oct. 16	197.00	170.75	Feb. 17	200.00	178.00
July 16	175.00	145.05	Nov. 16	194.80	147.00	Mar. 17	238.00	187.35

**11.8 Registrar and Transfer Agent:** MCS SHARE TRANSFER AGENT LIMITED  
 201, Shatdal Complex, Opp. Bata Show Room,  
 Ashram Road, Ahmedabad, Gujarat 380 009.  
 TELEPHONES: 079 26580461 to 63  
 E-mail: [mcsstaahmd@gmail.com](mailto:mcsstaahmd@gmail.com) [mcsahmd@gmail.com](mailto:mcsahmd@gmail.com)

### 11.9 Distribution of Shareholding as at end of 31st March 2017:

Category	No. of Shares held	Percentage (%) of Shareholding
Promoters	2500257	50.005
Nationalised Banks	--	--
Financial Institutions	--	--
Non Resident Indian	56246	1.125
Others	2443497	48.870
Total	50,00,000	100.00

### 11.10 Distribution Schedule as on 31<sup>st</sup> March, 2017:

Number of Shares held	No. of Holders				Shares held in			
	Physical	%	Electronic	%	Physical	%	Electronic	%
Upto 250	54	36.49	2400	70.09	6219	5.20	189327	3.88
251 to 500	13	8.78	404	11.80	5100	4.27	163853	3.36
501 to 1000	55	37.16	270	7.89	43600	36.48	219603	4.50
1001 to 2000	18	12.16	168	4.91	27800	23.26	254251	5.21
2001 to 3000	0	0	61	1.78	0	0	152031	3.12
3001 to 4000	6	4.05	38	1.11	20000	16.73	132020	2.71
4001 to 5000	1	0.68	26	0.76	4800	4.02	119562	2.45
5001 to 10000	0	0	27	0.79	0	0	185497	3.80
10001 and above	1	0.68	30	0.87	12000	10.04	3464337	70.98
Total	148	100.00	3424	100.00	119519	100.00	4880481	100.00

Board of Directors: Name of the Director	Category	Remuneration paid , Rs. F.Y. 2016-2017					F.Y. 2016-17		As on 23.5.2017		
		Salary & Perks	Sitting Fees	Commis- sion	Total	Attendance at		No. of Direc- torship*	Committee Positions		
						BM	Last AGM		Mem- ber**	Chair- man	
Mr. I. F. Tamboli	Non-Executive Chairman (Emeritus), Promoter (deceased on 26.10.16)	-	33,000	-	33,000	3	No	-	-	-	
Mr. Akshay R. Shah	Non-Executive, Independent	-	1,00,500	-	1,00,500	4	Yes	4	3	1	
Mr. J. M. Mapgaonkar	Non-Executive, Independent	-	79,000	-	79,000	3	Yes	2	2	2	
Mr. Girish C. Shah	Non-Executive, Independent	-	111,500	-	111,500	5	Yes	3	4	1	
Mrs. V. P. Tamboli	Non-executive Woman Director Promoter	-	55,000	-	55,000	5	Yes	2	1	1	
Mr. R. K. Menon	Whole-Time Director Non-Promoter	1,140,000	-	-	1,140,000	4	Yes	4	-	-	
Mr. P. I. Tamboli	Chairman and Managing Director Promoter	5,489,000	-	-	5,489,000	5	Yes	5	3	-	
	<b>Total</b>	<b>6,629,000</b>	<b>379,000</b>	<b>-</b>	<b>7,008,000</b>						

\*including the Company

\*\* Member does not include Chairman

**MD, CFO & CEO CERTIFICATION**

To

The Board of Directors  
INVESTMENT & PRECISION CASTINGS LTD

- (a) We have reviewed the attached financial statements and the cash flow statement for the year ended on 31<sup>st</sup> March 2017.

To the best of our knowledge and belief, we certify that:

- (i) these statements do not contain any materially un-true statement or omit any material fact or contain statements that might be misleading;
- (ii) these statements together present a true and fair view of the Company's affairs and are in compliance with existing accounting standards, applicable laws and regulations.
- (b) There are, to the best of our knowledge and belief, no transactions entered into by the company during the year which are fraudulent, illegal or violative of the company's code of conduct.
- (c) We accept responsibility for establishing and maintaining internal controls and we have evaluated the effectiveness of the internal control systems of the company. We certify that no deficiencies in the design or operation of internal control were found.
- (d) We have indicated to the auditors about;
- (i) no significant changes in internal control during the year;
- (ii) no significant changes in accounting policies during the year.
- (iii) no instances of any fraud during the year under review.

Place : Bhavnagar  
Dated : May 23, 2017

**(Girish V. Shah )**  
CHIEF FINANCIAL OFFICER  
PAN : AGBPS4678H

**(Piyush I Tamboli )**  
CHAIRMAN & MANAGING DIRECTOR  
DIN 00146033

**CERTIFICATE**

To,

The members of  
Investment & Precision Castings Ltd.

We have examined the compliance of conditions of Corporate Governance by INVESTMENT & PRECISION CASTING LTD ("The Company") for the year ended 31<sup>st</sup> March 2017, as per the provisions of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations 2015 (Listing Regulations") as referred to in Regulation 15(2) of the Listing Regulations for the period from 1<sup>st</sup> April 2016 to 31<sup>st</sup> March 2017.

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

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

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

Place: Bhavnagar  
Date: May 23, 2017

For and on behalf of  
Sanghavi & Company,  
Chartered Accountants,  
FRN : 109099W  
Manoj Ganatra  
Partner  
Member Ship No:043485  
Bhavnagar

**INDEPENDENT AUDITORS' REPORT**

To  
The Members of  
**INVESTMENT & PRECISION CASTINGS LIMITED**

**Report on the Standalone Financial Statements**

We have audited the accompanying standalone financial statements of **Investment & Precision Castings Limited** ("the Company") which comprise the Balance Sheet as at 31<sup>st</sup> March 2017, the Statement of Profit and Loss, the Cash Flow Statement for the year then ended, and a summary of the significant accounting policies and other explanatory information.

**Management's Responsibility for the Financial Statements**

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these standalone financial statements that give a true and fair view of the financial position and financial performance 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. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

**Auditors' Responsibility**

Our responsibility is to express an opinion on these standalone financial statements based on our audit. We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made there under. We conducted our audit in accordance with the Standards on Auditing specified under 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.

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditors consider internal financial control relevant to the Company's preparation of the financial statements that give true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the financial statements.

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

## Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at 31<sup>st</sup> March 2017 and of the profit and its cash flows for the year ended on that date.

## Report on Other Legal and Regulatory Requirements

- 1 As required by the Companies (Auditor's Report) Order, 2016 ("the Order") issued by the Central Government of India terms of sub-section (11) of section 143 of the Act, we give in the Annexure – A, a statement on the matters specified in clause 3 and 4 of the Order, to the extent possible.
2. 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 the Cash Flow Statement dealt with by this Report are in agreement with the books of account;
  - d) In our opinion, the aforesaid standalone financial statements comply with the Accounting Standards specified under section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014;
  - e) On the basis of written representations received from the directors as on 31<sup>st</sup> March 2017, and taken on record by the Board of Directors, none of the directors is disqualified as on 31<sup>st</sup> March 2017, from being appointed as a director in terms section 164(2) of the Act;
  - f) With respect to the adequacy of internal financial controls over financial reporting of the Company and operating effectiveness of such controls, our separate report in annexure – B may be referred;
  - e) With respect to the other matters to be included in the Auditors' Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanation given to us:
    - i. The Company does not have any pending litigations which would impact its financial position except those stated under note no. 30 - Contingent Liabilities;
    - ii. The Company did not have any long-term contracts including derivatives contracts for which there were any material foreseeable losses;
    - iii. There has been no delay in transferring the amounts required to be transferred to the Investor Education and Protection Fund by the Company.

**INVESTMENT & PRECISION CASTINGS LTD**

- iv. The Company has provided requisite disclosures in the financial statements as to holdings as well as dealings in Specified Bank Notes (SBNs) during the period from 8<sup>th</sup> November 2016 to 30<sup>th</sup> December 2016. In absence of any external evidences, based on audit procedures and relying on the management representation, we report that the disclosures are in accordance with books of account maintained by the Company and as produced to us by the management. (refer note no. 34)

**For SANGHAVI & COMPANY**

**Chartered Accountants**

**FRN: 109099W**

Bhavnagar

May 23, 2017

**MANOJ GANATRA**

**Partner**

**Membership No. 043485**



**ANNEXURE – A TO THE INDEPENDENT AUDITORS' REPORT**

(Referred to in paragraph 1 under 'Report on Other Legal and Regulatory Requirements' section of our report of even date)

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On the basis of such checks as we considered appropriate and in terms of information and explanations given to us, we state that:

1. In respect of fixed assets:
  - a. The Company has maintained proper records showing full particulars including quantitative details and situation of fixed assets.
  - b. The fixed assets were physically verified by the management at reasonable intervals in a phased manner in accordance with a programme of physical verification. No discrepancies were noticed on such verification.
  - c. The title deeds of immovable properties are held in the name of the Company.
2. The inventories were physically verified by the management at reasonable intervals during the year. No material discrepancies were noticed on such physical verification carried out by the Company.
3. The Company has granted unsecured loans to the wholly-owned subsidiary company covered in the register maintained under section 189 of the Companies Act, 2013. Since no terms and conditions of these loans are stipulated, we cannot offer any comments as to the repayment of principal amount or overdue amounts, if any. No interest is charged on these loans.
4. The Company has complied with provisions of Section 185 and 186 of the Act in respect of loans, investments, guarantees and security, to the extent applicable.
5. The Company has not accepted any deposits within the meaning of the provisions of section 73 to 76 or any other relevant provisions of the Act and the rules framed there under with regard to the deposits accepted from the public. No order has been passed by the Company Law Board or National Company Law Tribunal or Reserve Bank of India or any court or any other tribunal.
6. We have broadly reviewed the cost records maintained by the Company pursuant to Section 148(1) of the Companies Act, 2013 and are of the opinion that, prima facie, the prescribed cost records have been maintained. We have, however, not made a detailed examination of the cost records with a view to determine whether they are accurate or complete.
7. In respect of statutory and other dues:
  - a. The Company has generally been regular in depositing undisputed statutory dues, including Provident Fund, Employees State Insurance, Income Tax, Sales Tax, Service Tax, Custom Duty, Excise Duty, Value Added Tax, Cess and other statutory dues, to the extent applicable, with the appropriate authorities during the year. There are no undisputed statutory dues outstanding for a period of more than six months from the date they became payable *except for municipal tax ₹ 50,000.*

## INVESTMENT & PRECISION CASTINGS LTD

- b. There are no amounts outstanding, which have not been deposited on account of dispute except for the followings:

Nature of Payment	Financial Year	₹	Forum where dispute is pending
Income Tax	2002-2003	312,000	Income Tax Appellate Tribunal
Value Added Tax	2002-2003	894,939	The Commissioner of Gujarat Commercial Tax
Central Sales Tax	2012-2013	659,381	The Commissioner of Gujarat Commercial Tax

8. The Company has not defaulted in repayment of loans or borrowing to banks. The Company has not obtained any borrowings from any financial institutions or government or by way of debentures.
9. Terms loans obtained by the Company have been applied for the purpose for which they were obtained. The Company has not raised any money, during the year, by way of public offer (including debt instruments).
10. To the best of our knowledge and belief and according to the information and explanations given to us, no fraud on or by the Company or on the Company by its officers or employees was noticed or reported during the year.
11. Managerial remuneration paid or provided by the Company during the year is in accordance with the requisite approvals mandated by the provisions of Section 197 read with Schedule V to the Act.
12. Since the Company is not a Nidhi Company, the provisions of clause 3 (xii) of the Order are not applicable to the Company.
13. All transactions with the related parties are in compliance with Section 177 and 188 of the Act and the details have been disclosed in the financial statements as required by the applicable accounting standards.
14. The Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year under review.
15. The Company has not entered into any non-cash transactions during the year with directors or persons concerned with him.
16. The Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934.

**For SANGHAVI & COMPANY**  
**Chartered Accountants**  
**FRN: 109099W**

Bhavnagar  
May 23, 2017

**MANOJ GANATRA**  
**Partner**  
**Membership No. 043485**

**ANNEXURE – B TO THE INDEPENDENT AUDITORS' REPORT**

(Referred to in paragraph 2 (f) under 'Report on Other Legal and Regulatory Requirements' section of our report of even date)

---

We have audited the internal financial controls over financial reporting of **Investment & Precision Castings Limited** ("the Company") as of 31<sup>st</sup> March, 2017 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

**Management's Responsibility for Internal Financial Controls**

The Company's management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India. 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.

**Auditors' Responsibility**

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls over Financial Reporting (the "Guidance Note") and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and, both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting 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 control based on the assessed risk. The procedures selected depend on the auditors' judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system over financial reporting.

### Meaning of Internal Financial Controls Over Financial Reporting

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

- (1) Pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company;
- (2) Provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the Company are being made only in accordance with authorisations of management and directors of the company; and
- (3) Provide reasonable assurance regarding prevention or timely detection of 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 control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

### Opinion

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2017, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

**For SANGHAVI & COMPANY**  
**Chartered Accountants**  
**FRN: 109099W**

Bhavnagar  
May 23, 2017

**MANOJ GANATRA**  
**Partner**  
**Membership No. 043485**

## BALANCE SHEET AS AT 31st MARCH 2017

Particulars	Note No.	31st March 2017		31st March 2016	
		₹		₹	
<b><u>EQUITY AND LIABILITIES ::</u></b>					
<b>Shareholders' Funds</b>					
Share Capital	2	50,000,000		50,000,000	
Reserves and Surplus	3	504,178,018	554,178,018	461,798,388	511,798,388
<b>Non-Current Liabilities</b>					
Long-term Borrowings	4	64,198,578		57,845,092	
Deffered Tax Liabilities		34,029,000		34,725,000	
Other Long Term Liabilities	5	-		19,990	
Long-term Provisions	6	3,303,861	101,531,439	3,237,207	95,827,289
<b>Current Liabilities</b>					
Short-term Borrowings	7	213,812,996		231,385,756	
Trade Payables		94,775,092		110,234,452	
Other Current Liabilities	8	52,357,473		49,001,994	
Short-term Provisions	9	6,661,315	367,606,876	8,847,594	399,469,796
<b>Total...</b>			<b>1,023,316,333</b>		<b>1,007,095,473</b>
<b><u>ASSETS ::</u></b>					
<b>Non-Current Assets</b>					
<b><u>Fixed Assets</u></b>					
Tangible Assets	10	469,996,597		437,970,414	
Intangible Assets		-		-	
Capital Work-in-Progress		16,024,881		46,141,540	
		486,021,478		484,111,954	
Non-current Investments	11	2,500,000		2,500,000	
Long-term Loans and Advances	12	50,108,859		51,390,272	
Other Non-current Assets		-	538,630,337	-	538,002,226
<b>Current Assets</b>					
Inventories	13	171,715,807		164,731,111	
Trade Receivables	14	177,246,053		202,258,019	
Cash and Bank Balances	15	12,809,694		8,472,515	
Short-term Loans and Advances	16	122,914,442		93,631,602	
Other Current Assets		-	484,685,996	-	469,093,247
<b>Total...</b>			<b>1,023,316,333</b>		<b>1,007,095,473</b>
The accompanying notes 1 to 39 are an integral part of these financial statements.					

As per our report of even date  
For SANGHAVI & COMPANY  
Chartered Accountants

MANOJ GANATRA  
Partner

Bhavnagar  
23rd May 2017

For and on behalf of the Board of Directors  
Piyush I Tamboli  
CHAIRMAN & MANAGING DIRECTOR

R K MENON  
EXECUTIVE DIRECTOR

Girish V Shah  
CHIEF FINANCIAL OFFICER  
Hetal B. Kapadiya  
COMPANY SECRETARY

Bhavnagar  
23rd May 2017

STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31st MARCH 2017

Particulars	Note No.	2016-2017 ₹	2015-2016 ₹
<b>REVENUE :</b>			
Revenue from Operations (Gross)	17	1,027,961,222	954,196,721
Less: Excise duty		(107,873,708)	(104,923,968)
Revenue from Operations (Net)		920,087,514	849,272,753
Other Income	18	2,253,637	1,737,891
Total Revenue		922,341,151	851,010,644
<b>EXPENSES :</b>			
Cost of Materials Consumed	19	76,083,677	77,076,297
Purchases of Stock-in-Trade		-	-
Changes in Inventories	20	(611,674)	(15,401,027)
Employee Benefits Expense	21	77,904,508	75,799,483
Finance Costs	22	38,597,168	40,523,341
Depreciation and Amortization		49,877,522	46,633,736
Manufacturing Expenses	23	555,357,529	519,046,133
Other Expenses	24	62,067,989	62,717,264
Total Expenses		859,276,719	806,395,227
<b>Profit before exceptional and extraordinary items and tax</b>		63,064,432	44,615,417
Exceptional Items		-	-
Extraordinary Items		-	-
<b>Profit Before Tax</b>		63,064,432	44,615,417
Tax Expenses			
Current tax		22,000,000	12,800,000
Deferred Tax		(696,000)	3,166,000
Earlier Years' Tax		(619,198)	-
		20,684,802	15,966,000
<b>Net Profit for the year</b>		42,379,630	28,649,417
Face Value per Equity Share		10.00	10.00
Earnings per Equity Share			
Basic/Diluted		8.48	5.73
The accompanying notes 1 to 39 are an integral part of these financial statements.			

As per our report of even date  
For SANGHAVI & COMPANY  
Chartered Accountants

MANOJ GANATRA  
Partner  
Bhavnagar  
23rd May 2017

Girish V Shah  
CHIEF FINANCIAL OFFICER  
Hetal B. Kapadiya  
COMPANY SECRETARY

For and on behalf of the Board of Directors  
Piyush I Tamboli  
CHAIRMAN & MANAGING DIRECTOR

R K MENON  
EXECUTIVE DIRECTOR

Bhavnagar  
23rd May 2017

**INVESTMENT & PRECISION CASTINGS LTD**

**CASH FLOW STATEMENT FOR THE YEAR ENDED MARCH 31, 2017**

(₹ in lacs)

	2016-2017	2015-2016
<b>A CASH FLOW FROM OPERATING ACTIVITIES :</b>		
Net Profit Before Tax And Extraordinary Items	630.64	446.15
Adjustments for -		
Depreciation	498.78	466.33
Loss (Profit) on sale of fixed assets	0.19	(1.37)
Interest	323.28	343.95
	<u>822.25</u>	<u>808.91</u>
Operating Profit Before Working Capital Changes	1,452.89	1,255.06
Adjustments for -		
Trade and Other Receivables	(82.40)	(377.23)
Inventories	(69.85)	(269.78)
Trade and Other Payables	(100.16)	464.98
	<u>(252.41)</u>	<u>(182.03)</u>
Cash Generated From Operations	1,200.48	1,073.03
Direct Taxes Paid	(201.71)	(135.94)
	<u>(201.71)</u>	<u>(135.94)</u>
<b>NET CASH FROM OPERATING ACTIVITIES</b>	<b>998.77</b>	<b>937.09</b>
<b>B CASH FLOW FROM INVESTING ACTIVITIES :</b>		
Purchase of Fixed Assets	(536.26)	(680.61)
Sale of Fixed Assets	18.20	5.89
Interest Received	16.49	11.90
Dividend Received	-	-
<b>NET CASH USED IN INVESTING ACTIVITIES</b>	<b>(501.57)</b>	<b>(662.82)</b>
<b>C CASH FLOW FROM FINANCING ACTIVITIES :</b>		
Proceeds from Long Term Borrowings (net)	63.54	24.74
Proceeds from Short Term Borrowings (net)	(175.73)	26.00
Loans Lent	-	(0.09)
Interest Paid	(339.77)	(355.85)
Dividend Paid	(35.45)	(26.16)
<b>NET CASH USED IN FINANCING ACTIVITIES</b>	<b>(487.41)</b>	<b>(331.36)</b>
<b>Net Increase in Cash and Cash Equivalents</b>	<b>9.79</b>	<b>(57.09)</b>
Cash and Cash Equivalents as at beginning of the year	47.42	104.51
Cash and Cash Equivalents as at end of the year	<u>57.21</u>	<u>47.42</u>

Cash and Cash Equivalents:

Cash and Bank Balances	128.10	84.73
Statutory restricted accounts	(70.89)	(37.31)
	<u>57.21</u>	<u>47.42</u>

As per our report of even date

**For SANGHAVI & COMPANY**

**Chartered Accountants**

**MANOJ GANATRA**

**Partner**

Bhavnagar

23rd May 2017

**For and on behalf of the Board of Directors**

Piyush I Tamboli

**CHAIRMAN & MANAGING DIRECTOR**

**R K MENON**

**EXECUTIVE DIRECTOR**

Girish V Shah

**CHIEF FINANCIAL OFFICER**

Hetal B. Kapadiya

**COMPANY SECRETARY**

Bhavnagar

23rd May 2017

**1 Significant Accounting Policies:**Basis of Accounting:

The financial statements have been prepared in accordance with the recognition and measurement principles laid down in the Accounting Standards specified under Section 133 of the Companies Act, 2013 read with Rule 7 of the Companies (Accounts) Rules, 2014 and other accounting principles generally accepted in India.

Use of Estimates:

The preparation of financial statements in conformity with GAAP requires the management to make estimates and assumptions that affect the reported amounts of assets and liabilities, disclosure of contingent assets and liabilities at the date of financial statements and the reported amount of revenues and expenses during the reporting period. Actual results could differ from these estimates. Any revision to accounting estimates is recognised prospectively in current and future periods.

Fixed Assets:

Tangible Assets are stated at cost less depreciation, All the costs incurred till the date of the assets ready for use, including installation and substantial modification to the fixed assets are capitalized and included in the cost of the respective assets.

Depreciation is provided on Straight Line Method at the rates and in the manner specified in the Schedule II in accordance with the provisions of section 123(2) of the Companies Act, 2013.

Inventories:

Inventories are valued at cost or net realizable value, whichever is lower. Cost is determined on the following basis:

Raw materials, traded goods and stores and spares – on weighted average basis;

Finished and semi-finished goods – at material cost plus direct expenses and appropriate value of overheads; cost of finished goods includes excise duty.

Revenue Recognition:

Revenue is recognized to the extent that it is probable that the economic benefits will flow to the company and the revenue can be reliably be measured.

Revenue from sale of goods are recognized when significant risks and rewards of ownership are passed the buyer, which generally coincides with dispatch of goods. Sales taxes and value added taxes, wherever applicable, are collected on behalf of the Government and therefore, excluded from the revenue.



Excise and Custom Duty:

Excise Duty in respect of goods manufactured by the company is, according to the method consistently followed by the company, accounted for at the time of removal of goods from the factory for sale.

However, excise duty payable on the closing stock of finished goods is provided for in the accounts. Purchases of goods and fixed assets are accounted for net of excise credit availed. Custom duty paid on import of materials is dealt with in respective materials accounts.

Employee Benefits:

Post-employment benefit plans:

Defined Contribution Plan: Contribution for provident fund is accrued in accordance with applicable statutes and deposited with the Regional Provident Fund Commissioner. Contribution for Superannuation in respect of certain employees of the company is made in accordance with the scheme with Life Insurance Corporation of India.

Defined Benefit Plan: The liabilities in respect of gratuity and leave encashment are determined using Projected Unit Credit Method with actuarial valuation carried out as at balance sheet date. Actuarial gains are recognised in full in the profit and loss account for the period in which they occur.

Contributions in respect of gratuity are made to the Group Gratuity Scheme with Life Insurance Corporation of India. Employee benefits recognised in the balance sheet represents the present value of the defined benefit obligation as adjusted for unrecognised past service cost and as reduced by the fair value of respective fund.

Short-term employee benefits:

The undiscounted amount of short-term benefits expected to be paid in exchange for services rendered by employee is recognised during the period when the employee renders the service.

Research and Development:

Revenue expenditure on Research and Development is charged against the profit for the year in which it is incurred. Capital expenditure on Research and Development is shown as an addition to the fixed assets and is depreciated on the same basis as other fixed assets.

Investments:

Long-term investments are stated at cost. Provision, if any, is made for permanent diminution in the value of investments.

Borrowing Costs:

Net cost of borrowed funds for the projects till completion are capitalised and included in the cost of fixed assets. Other borrowing costs are recognised as expenses in the period in which they are incurred.

Foreign Currencies Transactions:

Foreign currency transactions are accounted for at the rates prevailing on the date of transaction. Differences arising out of foreign exchange rates are dealt with in the profit & loss account. Current assets and current liabilities relating to foreign currency transactions remaining unsettled at the end of the year are translated at the closing rates and profit or loss arising there from is dealt with in the profit & loss account.

Taxation:

Provisions are made for current tax based on tax liability computed in accordance with relevant tax rates and tax laws.

Deferred tax is recognised, subject to the consideration of prudence, on timing difference, being the difference between taxable income and accounting income that originate in one period and are capable of reversal in one or more subsequent periods.

Earning per Share:

Basic earning per Share is computed by dividing the net profit attributable to equity shareholders for the year by weighted average number of equity shares outstanding during the year. Diluted earning per share is computed by using the weighted average number of equity and dilutive equity equivalent shares outstanding at the year end.

Provision and Contingencies:

The Company creates a provision when there is present obligation as a result of past event that probably requires an outflow of resources and a reliable estimate can be made of the amount of obligation. A disclosure for a contingent liability is made when there is a possible obligation or a present obligation that probably will not require an outflow or where a realisable estimate of the obligation cannot be made.

**Note No. 2**

2.1 Share Capital:

Particulars	31st March 2017	31st March 2016
	₹	₹
<b>Authorised</b>		
10,400,000 Equity Shares of ₹ 10 each		104,000,000
10,000 11 % Redeemable Cumulative Preference Shares of ₹ 100 each	1,000,000	1,000,000
	<u>1,000,000</u>	<u>105,000,000</u>
<b>Issued, Subscribed and Paid up</b>		
5,000,000 Equity Shares of ₹ 10 each	50,000,000	50,000,000
	<u>50,000,000</u>	<u>50,000,000</u>

a. Of the total share capital, 4,650,000 equity shares were issued as fully paid up bonus shares.

b. Equity shares issued as fully paid up bonus shares or otherwise than by cash during the preceding 5 years: Nil

2.2 Share Capital Reconciliation:

Particulars	Equity Shares	
	No. of shares	₹
Shares outstanding at the beginning of the year	5,000,000	50,000,000
Shares issued during the year	-	-
Shares bought back during the year	-	-
Shares outstanding at the end of the year	5,000,000	50,000,000

2.3 Shares held by each shareholder holding more than five per cent shares

Name of Shareholder	31st March 2017		31st March 2016	
	No. of shares	% of holding	No. of shares	% of holding
Meche Private Limited	809,728	16.19	809,728	16.19
Piyush I Tamboli	1,060,979	21.22	1,048,329	20.97
Rekha N Shah	500,000	10.00	500,000	10.00
Vishakha P Tamboli	313,200	6.26	313,200	6.26
Jainam P Tamboli	296,000	5.92	296,000	5.92

2.4 Rights, preferences and restrictions attached to shares

Equity Shares:

The company has one class of equity shares having a face value of ₹ 10 each ranking pari passu in all respects including voting rights and entitlement to dividend.

## Note No. 3

## Reserves and Surplus

Particulars	31st March 2017	31st March 2016
	₹	₹
<b>a. General Reserve</b>		
Balance at the beginning of the year	451,890,888	427,453,989
Transfer from surplus	34,857,277	24,436,899
Balance at the end of the year	<u>486,748,165</u>	<u>451,890,888</u>
<b>b. Surplus</b>		
Balance at the beginning of the year	1,000,000	1,000,000
Net Profit for the current year	42,379,630	28,649,417
Transfer to general reserve	(34,857,277)	(24,436,899)
Proposed dividend	-	(3,500,000)
Corporate dividend tax	-	(712,518)
Balance at the end of the year	<u>8,522,353</u>	<u>1,000,000</u>
<b>c. Capital Reserve</b>		
Balance at the beginning of the year	6,387,500	6,387,500
Forefeiture of equity warrants application money	-	-
Balance at the end of the year	<u>6,387,500</u>	<u>6,387,500</u>
<b>d. Securities Premium Account</b>		
Balance at the beginning of the year	2,520,000	2,520,000
Addition during the year	-	-
Balance at the end of the year	<u>2,520,000</u>	<u>2,520,000</u>
	<u>504,178,018</u>	<u>461,798,388</u>

**Note No. 4**  
**Long Term Borrowings**

Particulars	31st March 2017	31st March 2016
	₹	₹
<b>a. Secured</b>		
Term loans from a bank	64,198,578	57,845,092
	<u>64,198,578</u>	<u>57,845,092</u>
Notes:		
Term loans from Bank of Baroda are secured by hypothecation of plant & equipment and mortgage of land, building and vehicle and further secured by personal guarantee of one of the directors.		
Period of default - N.A		
Amount - Nil		
<b>b. Unsecured</b>		
	-	-
	<u>-</u>	<u>-</u>
	<u>64,198,578</u>	<u>57,845,092</u>

**Note No. 5**  
**Other Long Term Liabilities**

Particulars	31st March 2017	31st March 2016
	₹	₹
Staff security deposits	-	19,990
	<u>-</u>	<u>19,990</u>

**Note No. 6**  
**Long Term Provisions**

Particulars	31st March 2017	31st March 2016
	₹	₹
Provision for leave encashment	3,303,861	3,237,207
	<u>3,303,861</u>	<u>3,237,207</u>

**Note No. 7****Short Term Borrowings**

Particulars	31st March 2017	31st March 2016
	₹	₹
<b>a. Secured</b>		
Working capital finance from a bank (In Indian rupees)	27,812,996	231,385,756
Working capital finance from a bank (In Foreign Currency)	186,000,000	-
	<u>213,812,996</u>	<u>231,385,756</u>
Note:		
Working capital finance from Bank of Baroda are secured by hypothecation, book debts and all movable properties and mortgagage of all immovable properties and further secured by personal guarantee of one of the directors.		
Period of default - N.A		
Amount - Nil		
<b>b. Unsecured</b>	-	-
	-	-
	<u>213,812,996</u>	<u>231,385,756</u>

**Note No. 8****Other Current Liabilities**

Particulars	31st March 2017	31st March 2016
	₹	₹
Current maturities of long-term debt	31,817,167	29,615,000
Advances from customers	1,587,225	2,156,911
Statutory liabilities	11,192,988	10,071,095
Unclaimed dividends	373,131	418,220
Other liabilities	7,386,962	6,740,768
	<u>52,357,473</u>	<u>49,001,994</u>

**Note No. 9****Short Term Provisions**

Particulars	31st March 2017	31st March 2016
	₹	₹
Provision for bonus	5,800,000	4,100,000
Provision for leave encashment	798,103	535,076
Provision for taxation	63,212	-
Proposed dividend	-	3,500,000
Corporate dividend tax	-	712,518
	<u>6,661,315</u>	<u>8,847,594</u>

Note No. 10  
Fixed Assets

Particulars	Gross Block						Accumulated Depreciation			Net Block	
	As at 1st April 2016	Additions	Deductions	As at 31st March 2017	As at 1st April 2016	Depreciation For the Year	On Deductions/A adjustments	As at 31st March 2017	As at 31st March 2017	As at 31st March 2016	
<b>Tangible Assets</b>											
Freehold Land	11,481,727	-	-	11,481,727	-	-	-	-	-	11,481,727	
Leasehold Land	5,562,718	-	-	5,562,718	393,323	56,189	-	449,512	5,113,206	5,169,395	
Buildings	227,907,754	33,227,293	-	261,135,047	49,177,484	8,671,683	-	57,849,167	203,285,880	178,730,270	
Plant & Equipment	577,588,443	41,329,494	1,878,620	617,039,317	351,233,548	37,213,350	1,741,888	386,705,210	230,334,107	226,354,895	
Vehicles	11,805,420	6,615,371	3,350,350	15,070,441	6,775,583	1,349,483	1,647,779	6,477,287	8,593,154	5,029,837	
Furniture & Fixtures	12,084,074	1,407,318	-	13,491,392	5,029,006	1,042,595	-	6,071,601	7,419,791	7,055,068	
Office Equipment	17,608,157	1,163,732	-	18,771,889	13,458,935	1,544,222	-	15,003,157	3,768,732	4,149,222	
Total...	864,038,293	83,743,208	5,228,970	942,552,531	426,067,879	49,877,522	3,389,467	472,555,934	469,996,597	437,970,414	
<b>Intangible Assets</b>											
Total...	864,038,293	83,743,208	5,228,970	942,552,531	426,067,879	49,877,522	3,389,467	472,555,934	469,996,597	437,970,414	
Capital Work in Progress	46,141,540	17,782,723	47,899,382	16,024,881	-	-	-	-	16,024,881	46,141,540	
Total...	910,179,833	101,525,931	53,128,352	958,577,412	426,067,879	49,877,522	3,389,467	472,555,934	486,021,478	484,111,954	
Previous year	843,820,206	85,760,305	19,400,678	910,179,833	380,685,582	46,633,736	1,251,439	426,067,879	484,111,954	463,134,624	

**Note No. 11**  
**Non-current Investments**

Particulars	31st March 2017 ₹	31st March 2016 ₹
<u>Trade Investments:</u>		
<u>Unquoted; at cost:</u>		
<u>Investment in Subsidiary Company :</u>		
250,000 equity shares of I&PCL Vacuum Cast Limited of ₹ 10 each ( A Wholly Owned Subsidiary)	2,500,000	2,500,000
	2,500,000	2,500,000

**Note No. 12**  
**Long-term Loans and Advances**

Particulars	31st March 2017 ₹	31st March 2016 ₹
<u>Unsecured (considered good)</u>		
Capital advances	20,193,894	28,255,735
Security deposits ( including to a company in which some of the directors are interested ₹ 10,000,000 (10,000,000))	20,180,123	12,551,076
Loan to a subsidiary company	5,434,134	5,434,134
Loans to staff (including officers of the company ₹ 214,995; previous year ₹ 1,241,820 )	375,564	1,316,746
Loans to ancillary units	3,925,144	3,832,581
	50,108,859	51,390,272

**Note No. 13**  
**Inventories**

Particulars	31st March 2017 ₹	31st March 2016 ₹
(Valued at the lower of cost or net realisable value)		
Raw materials	31,890,565	30,557,277
Work-in-progress	72,025,959	70,506,382
Finished goods	31,966,406	32,874,309
Stores & spares	35,832,877	30,793,143
	171,715,807	164,731,111



**Note No. 14****Trade Receivables**

Particulars	31st March 2017	31st March 2016
	₹	₹
<u>Unsecured (considered good)</u>		
Over six months	1,640,590	2,790,741
Others	175,605,463	199,467,278
	<u>177,246,053</u>	<u>202,258,019</u>

**Note No. 15****Cash and Bank Balances**

Particulars	31st March 2017	31st March 2016
	₹	₹
<u>I. Cash and Cash Equivalents</u>		
<u>a. Balances with Banks:</u>		
Current accounts	5,233,518	5,116,682
Short term deposits	-	-
Cheques on hand	-	-
	<u>5,233,518</u>	<u>5,116,682</u>
b. Cash on Hand	487,545	222,113
	<u>5,721,063</u>	<u>5,338,795</u>
<u>II. Other Bank Balances</u>		
Dividend accounts	373,131	418,220
Terms deposits with more than 12 months maturity	-	-
Other terms deposits	6,715,500	2,715,500
	<u>7,088,631</u>	<u>3,133,720</u>
	<u>12,809,694</u>	<u>8,472,515</u>
(Term deposits of ₹ 6,715,500 (previous year ₹ 3,313,360) are under lien with banks against letter of credits and bank guarantees)		

**Note No. 16**  
**Short-term Loans and Advances**

Particulars	31st March 2017	31st March 2016
	₹	₹
<u>Unsecured (considered good)</u>		
Trade advances to suppliers [including to companies or firms in which some of the directors are interested ₹ 124,52,994 ( ₹ 8,478,698)]	98,325,333	72,840,661
Loans and advances to staff (including officers of the company ₹ 759,262; previous year ₹ 151,008)	2,916,724	2,160,078
Interest Receivable	162,750	179,640
Input credits receivable	9,555,900	7,489,547
Prepaid expenses	7,587,462	4,649,925
Loans to ancillary units	2,015,295	2,014,969
Advance payment of taxes (net of provisions)	-	1,860,145
Other loans and advances	2,350,978	2,436,637
	<b>122,914,442</b>	<b>93,631,602</b>

**Note No. 17**

**Revenue from Operations**

Particulars	2016-2017		2015-2016	
	₹		₹	
<u>Sale of Products</u>				
Export sales	16,728,113		18,324,589	
Domestic sales	<u>986,210,153</u>	1,002,938,266	<u>911,487,611</u>	929,812,200
<u>Other Operating Revenue</u>				
Foreign currency fluctuation gain	(292,217)		804,002	
Energy credits from Wind Mills operations	<u>24,906,584</u>		23,484,998	
Export incentive and credits	<u>408,589</u>	25,022,956	<u>95,521</u>	24,384,521
		<u>1,027,961,222</u>		<u>954,196,721</u>

**Note No. 18**

**Other Income**

Particulars	2016-2017		2015-2016	
	₹		₹	
Interest receipts	1,649,353		1,189,599	
Profit on sale of fixed assets (net)	-		137,305	
Miscellaneous income	<u>604,284</u>		<u>410,987</u>	
		<u>2,253,637</u>		<u>1,737,891</u>

**Note No. 19**

**Cost of Materials Consumed**

Particulars	2016-2017		2015-2016	
	₹		₹	
<u>Raw Materials Consumed</u>				
Opening stock	30,557,277		23,136,962	
Purchase and direct expenses	<u>77,416,965</u>		<u>84,496,612</u>	
	<u>107,974,242</u>		<u>107,633,574</u>	
Closing stock	<u>31,890,565</u>	76,083,677	<u>30,557,277</u>	77,076,297
		<u>76,083,677</u>		<u>77,076,297</u>

**Note No. 20**

**Changes in Inventories**

Particulars	2016-2017		2015-2016	
	₹		₹	
<u>Opening Stock</u>				
Finished Goods	32,874,309		33,002,695	
Work-in-progress	<u>70,506,382</u>	103,380,691	<u>54,976,969</u>	87,979,664
<u>Closing Stock</u>				
Finished Goods	31,966,406		32,874,309	
Work-in-progress	<u>72,025,959</u>	103,992,365	<u>70,506,382</u>	103,380,691
		<u>(611,674)</u>		<u>(15,401,027)</u>

**Note No. 21**

**Employee Benefit Expenses**

Particulars	2016-2017		2015-2016	
	₹		₹	
Salaries, wages, allowances and bonus	69,501,178		65,744,443	
Contribution to employee benefit funds	7,050,981		8,308,673	
Staff welfare expenses	<u>1,352,349</u>		<u>1,746,367</u>	
	<u>77,904,508</u>		<u>75,799,483</u>	
Includes Directors' remuneration	7,912,033		4,373,339	

**Note No. 22**

**Finance Costs**

Particulars	2016-2017		2015-2016	
	₹		₹	
<u>Interest</u>				
Working capital finance	24,620,422		25,997,949	
Term loans	9,291,942		9,507,476	
Others	<u>65,045</u>	33,977,409	<u>79,272</u>	35,584,697
Other borrowing costs	4,619,759		4,938,644	
(including guarantee commission to a director ₹ 2,955,500; previous year ₹ 2,916,000)	<u>38,597,168</u>		<u>40,523,341</u>	

**Note No. 23**

**Manufacturing Expenses**

Particulars	2016-2017		2015-2016	
	₹		₹	
Power & Fuel	130,627,427		126,309,717	
Machinery repairs and maintenance	7,192,577		7,262,954	
Stores & spares	196,832,628		190,457,503	
Fettling and other external processing charge	201,302,786		178,553,902	
Other expenses	19,402,111	555,357,529	16,462,057	519,046,133
		<u>555,357,529</u>		<u>519,046,133</u>

**Note No. 24**

**Other Expenses**

Particulars	2016-2017		2015-2016	
	₹		₹	
<u>Selling and Distribution Expenses</u>				
Sales commission	1,354,689		1,376,581	
Export freight and insurance	391,375		283,168	
Other selling expenses	26,831,345	28,577,409	28,192,762	29,852,511
<u>Administrative and Other Expenses</u>				
Travelling expenses	8,328,466		6,621,538	
Rent	170,250		161,320	
Rates and taxes	414,421		429,067	
Advertisement expenses	670,422		422,524	
Insurance premiums	1,150,996		1,229,641	
Building and other repairs	2,515,170		2,794,736	
Directors' sitting fees	379,000		382,500	
Legal and professional fees	4,610,256		4,362,263	
Payments to auditors	401,000		382,500	
Bank discount, commission and other charges	541,310		378,635	
Donations	265,000		130,500	
Corporate social responsibility expenses	17,073		125,000	
Loss on sale of assets	18,503		-	
Bad debts and sundry balances written off	-		392,095	
Prior period expenses	602,788		625,890	
General expenses	13,405,925	33,490,580	14,426,544	32,864,753
		<u>62,067,989</u>		<u>62,717,264</u>

## INVESTMENT & PRECISION CASTINGS LTD

- 25 Balances with sundry debtors, sundry creditors and for advances are subject to confirmations from the respective parties. In absence of such confirmations, balances as per books have been relied upon by the Auditors.
- 26 Deferred tax asset of ₹ 696,000 arising during the year, a major component of which is due to timing difference related to depreciation charged in the accounts and as claimed under the Income Tax Act, is credited to the profit & loss account. Details of the balance of ₹ 34,029,000 are as under:

Particulars	₹
Depreciation	37,365,448
Disallowance u/s 43B of the Income Tax Act	(3,336,448)
<b>Total</b>	<b>34,029,000</b>

- 27 The management of the Company has, during the year, carried out technological evaluation for identification of impairment of assets, if any, in accordance with the Accounting Standard AS-28. Based on the judgement of the management and as certified by the Directors, no provision for impairment is found to be necessary in respect of any of the assets.
- 28 As the company's business activity, in the opinion of the management, falls within a single primary segment subject to the same risks and returns, the disclosure requirements of Accounting Standard AS-17 "Segment Reporting" are not applicable.
- 29 In the opinion of the Directors, the current assets, loans and advances are approximately of the value as stated in the balance sheet, if realised in the ordinary course of the business. The provision of all known liabilities is adequate and not in excess of the amount reasonably required.
- 30 Contingent Liabilities:
- (i) In respect of Central Sales Tax for which 'C' forms are pending for collection ₹ 95,482,000 (84,856,000)
- (ii) In respect of disputed Value Added Tax liabilities ₹ 1,852,381 (1,975,449).
- (iii) In respect of disputed Income Tax liabilities ₹ 755,000 (312,000)

- 31 Payments to Auditors:

Particulars	2016-2017	2015-2016
	₹	₹
Audit Fees (including quarterly review)	<b>245,000</b>	<b>252,500</b>
Taxation Matters	<b>40,000</b>	<b>35,000</b>
For certification and other matters	<b>116,000</b>	<b>95,000</b>

32 Disclosure as per AS-15 (Revised) on "Employee Benefit" for the year ended 31<sup>st</sup> March 2017:

Gratuity Plan:	(Amount, ₹)	
Particulars	2016-2017	2015-2016
<b>A. Change in the defined benefit obligations:</b>		
<b>Defined benefit obligations as at beginning of the year:</b>	18,735,589	18,580,532
Service cost	1,109,551	1,118,996
Interest cost	1,498,847	1,486,443
Actuarial loss / (Gain)	(391,342)	(288,270)
Benefits paid	(2,414,523)	(2,162,112)
<b>Defined benefit obligations as at close of the year (a)</b>	18,538,122	18,735,589
<b>B. Change in plan assets:</b>		
<b>Fair value of plan assets as at beginning of the year:</b>	21,836,757	20,488,142
Expected return on plan assets	1,588,228	1,891,243
Contributions by employer	-	1,622,484
Actuarial loss / (Gain)	-	-
Benefits paid	(2,414,523)	(2,162,112)
<b>Fair value of plan assets as at close of the year (b)</b>	21,013,462	21,839,757
Present Value of unfunded obligations (a-b)	-	-
The net amount recognized in the statement of profit and loss for the year ended 31 <sup>st</sup> March is as follows:	-	
Current service cost	1,109,551	1,118,996
Interest cost	1,498,847	1,486,443
Expected return on plan assets	(1,588,228)	(1,891,243)
Net actuarial loss / (gain) recognized	(391,342)	(288,270)
<b>Net amount recognized</b>	628,828	425,926
<b>Actual Return on Plan Assets</b>		
<b>The principal actuarial assumptions used as at end of financial year are as follows:</b>		
<b>Discount Rate</b>	8.00 %	8.00%
<b>Expected rate of return on plan assets</b>	8.75 %	8.75%
<b>Rate of increase in compensation levels</b>	7.00 %	7.00%

**33. Proposed Dividend:**

The Board of Directors at its meeting held on May 23, 2017 has recommended a dividend of ₹ 1.25 per equity share for the year ended March 31, 2017 (March 31, 2016: ₹ 0.70 per equity share). The declaration and payment of dividend is subject to the approval of the shareholders in the Annual General Meeting.

Proposed Dividend: ₹ 6,250,000  
Corporate Dividend Tax: ₹ 1,272,353

According to the revised AS 4 – 'Contingencies and events occurring after the balance sheet date' as notified by the Ministry of Corporate Affairs through amendments to Companies (Accounting Standards) Amendment Rules, 2016, the Company not accounted for proposed dividend (including tax) as a liability for the year ended March 31, 2017.

**34 Disclosure in respect of Specified Bank Notes (SBN) held and transected during the period 8<sup>th</sup> November, 2016 to 30<sup>th</sup> December, 2016.**

Particulars	SBNs	Other Denomination Notes	Total
	Amount ₹	Amount ₹	Amount ₹
Closing Balance as at 8th November 2016	373,000	123,990	496,990
Add: Withdrawal from Bank Accounts	0	448,000	448,000
Less: Paid for permitted transactions	0	267,090	267,090
Less: Deposited in Bank Accounts	373,000	0	373,000
Closing Balance as at 30th December 2016	0	304,900	304,900

**35 Related Party Disclosures:**

**35.1 Subsidiary Company: I&PCL Vacuum Cast Limited:**

Nature of Transactions		2016-2017	2015-2016
Subsidiary:		₹.	₹
1.	Advance granted	-	8,850
2.	Purchase of Fixed Assets	-	1,704,781
3.	Outstanding balance: Advance Recoverable	5,434,781	5,434,781
	Trade Payables	1,704,781	1,704,781

**35.2 Associates: Tamboli Foundry Supplies and Services Ltd.**

Nature of Transactions		2016-2017	2015-2016
Associates:		₹	₹
1.	Purchases of Materials and Services	4,731,676	4,303,224
2.	Reimbursement of Expenses	1,872,177	-
3.	Outstanding balance: Trade receivables	22,881,000	22,881,000
	Security Deposits	10,000,000	10,000,000
	Trade Advance to suppliers	12,071,994	8,478,698



**35.3 Key Management Personnel & Relatives:**

1. Shri Piyush I Tamboli, 2. Shri R. K. Menon, 3. Jainam P. Tamboli 4. Smt. Vishakha P. Tamboli, 5. Shri Girish V. Shah 6. Ms. Hetal Kapadia

<b>Key Management Personnel:</b>	<b>2016-2017</b>	<b>2015-2016</b>
	₹	₹
Remuneration	7,533,033	5,156,680
Guarantee Commission	2,955,500	2,916,500
Director Sitting Fees	55,000	55,000

**36. Additional Information (as certified by the management):**

**A Details of Sales and Stocks of Castings (Finished Goods):**

<b>Product</b>	<b>Opening Stock</b>		<b>Sales</b>		<b>Closing Stock</b>	
	<b>2016-2017</b>	<b>2015-2016</b>	<b>2016-2017</b>	<b>2015-2016</b>	<b>2016-2017</b>	<b>2015-2016</b>
Investment Casting	32,874,309	33,002,695	1,002,938,266	929,812,200	31,966,406	32,874,309
work-in process	70,506,382	54,976,969	--	--	72,025,959	70,506,382

**B. Consumption of Raw Materials:**

<b>Item</b>	<b>2016-2017</b>	<b>2015-2016</b>
	₹	₹
a) Scrap	47,626,125	47,533,893
b) Ferro Alloys	28,457,552	29,542,404
<b>Total</b>	<b>76,083,677</b>	<b>77,076,297</b>

**C. Percentage of Consumption:**

<b>Item</b>	<b>2016-2017</b>		<b>2015-2016</b>	
	<b>%</b>	<b>₹</b>	<b>%</b>	<b>₹</b>
Raw Materials:				
a) Imported	4.63	3,526,102	5.62	4,328,146
b) Indigenous	95.37	72,557,575	94.38	72,748,151
<b>Total</b>	<b>100.00</b>	<b>76,083,677</b>	<b>100.00</b>	<b>77,076,297</b>

**D. Imports on CIF Basis: (accrual basis):**

<b>Item</b>	<b>2016-2017</b>	<b>2015-2016</b>
	₹	₹
Raw materials	2,556,415	4,288,179
Stores & Spares	2,048,530	3,160,070
Capital Goods	1,835,882	2,883,535

**E. Earnings and Expenditure (accrual basis) in Foreign Currency:**

Item		2016-2017	2015-2016
		₹	₹
Earnings	Exports of Goods (FOB)	16,336,738	18,041,421
Expenditure	Traveling Expenses	1,401,968	615,241
	Membership Fees	251,012	391,273
	Sales Promotion expenses	624,930	404,197

**F. Payment of Dividend to Non-resident shareholders:**

Number of Shareholders	42
Amount of Dividend Rs.	61,993
Year to which dividend relates	2015-2016

37. Figures in the brackets are the figures for the previous year, unless otherwise stated.  
 38. Previous year's figures are regrouped and rearranged, wherever necessary.  
 39. All the amounts are stated in Indian Rupees, unless otherwise stated.

**Signatures to Note No. 1 to 39**

**As per our Report of even date**  
**For SANGHAVI & COMPANY**  
 Chartered Accountants  
**MANOJ GANATRA**  
 Partner

**For and on behalf of the Board of Directors**  
**PIYUSH I TAMBOLI**  
 Chairman &  
 Managing Director

**R. K. MENON**  
 Executive Director

**GIRISH V SHAH**  
 Chief Financial Officer

**HETAL KAPADIYA**  
 Company Secretary

Bhavnagar  
 23rd May , 2017

Bhavnagar  
 23rd May , 2017

**ANNEXURE TO BALANCE SHEET FOR THE YEAR ENDED 31ST MARCH, 2017  
STATEMENT PURSUANT TO SECTION 129 (3) OF THE COMPANIES ACT, 2013 READ WITH RULE 5  
OF THE COMPANIES (ACCOUNTS) RULES, 2014-AOC-1)**

1. Name of the Subsidiary Company : I&PCL VACUUM CAST LIMITED
2. Financial Year of the Subsidiary Company : 31 March, 2017
3. Date from which it became subsidiary : 30 August, 2010
4. Extent of the Holding Company's interest in the Subsidiary Company at the end of the financial year of the Subsidiary Company : 100 %
5. Net aggregate amount of the profit/(loss) of the Subsidiary Company not dealt with in the Holding Company's Account (concerning the members of the Holding Company)
  - i) For the Current Year : Nil
  - ii) For the previous years since it became a Subsidiary : Nil
6. Net aggregate amount of the profit of the Subsidiary Company dealt with in the Holding Company's Accounts.
  - i) i) For the Current Year : (68,522)
  - ii) ii) For the previous year since it became a Subsidiary : (2,333,431)

Girish V Shah  
CHIEF FINANCIAL OFFICER  
Hetal B. Kapadiya  
COMPANY SECRETARY  
Bhavnagar  
Dated: May 23, 2017

FOR AND ON BEHALF OF THE BOARD  
**Piyush I Tamboli**                      **R. K. Menon**  
CHAIRMAN &                              EXECUTIVE DIRECTOR  
MANAGING DIRECTOR              (DIN 00088753)  
(DIN 00146033)

**DISCLOSURE ON BALANCE SHEET OF THE SUBSIDIARY COMPANY I&PCL VACUUM CAST LIMITED as at 31.3.2017**

No.	Item	As at 31.3.2017	As at 31.3.2016
		Amount, ₹	Amount, ₹
1.	Capital	2,500,000	2,500,000
2.	Reserves	(2,333,431)	(2,264,909)
3.	Total Assets	5,872,198	5,895,505
4.	Total Liabilities	5,872,198	5,895,505
5.	Investments	60,000	60,000
6.	Turnover	--	--
7.	Profit Before Taxation	(68,522)	(376,965)
8.	Provision for Taxation	--	--
9.	Profit After Taxation	(68,522)	(376,965)
10.	Proposed Dividend	--	--

**INDEPENDENT AUDITORS' REPORT**

To  
The Members of  
**INVESTMENT & PRECISION CASTINGS LIMITED**

**Report on the Consolidated Financial Statements**

We have audited the accompanying consolidated financial statements of **Investment & Precision Castings Limited** ("the Holding Company") and its wholly-owned subsidiary, I&PCL Vacuum Cast Limited (the Holding Company and its subsidiary together referred to as "the Group") which comprise the Consolidated Balance Sheet as at 31<sup>st</sup> March 2017, the Consolidated Statement of Profit and Loss, the Consolidated Cash Flow Statement for the year then ended, and a summary of the significant accounting policies and other explanatory information (hereinafter referred to as "the consolidated financial statements").

**Management's Responsibility for the Consolidated Financial Statements**

The Holding Company's Board of Directors is responsible for the preparation of these consolidated financial statements in terms of the requirements of the Companies Act, 2013 (hereinafter referred to as "the Act") that give a true and fair view of the consolidated financial position, consolidated financial performance and consolidated cash flows of the Group 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. The respective Board of the Directors of the companies included in the Group are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Group and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the consolidated financial statements by the directors of the Holding Company, as aforesaid.

**Auditors' Responsibility**

Our responsibility is to express an opinion on these consolidated financial statements based on our audit.

While conducting the audit, we have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made there under.

We conducted our audit in accordance with the Standards on Auditing specified under 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.

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the consolidated financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditors consider internal financial control relevant to the Holding Company's preparation of the consolidated financial statements that give true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by the Holding Company's Board of Directors, as well as evaluating the overall presentation of the consolidated financial statements.

We believe that the audit evidence obtained by us is sufficient and appropriate to provide a basis for our audit opinion on the consolidated financial statements.

### Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid consolidated 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 consolidated state of affairs of the Group as at 31<sup>st</sup> March 2017 and of the consolidated profit and its consolidated cash flows for the year ended on that date.

### Report on Other Legal and Regulatory Requirements

- 1 Companies (Auditor's Report) Order, 2016 ("the Order") issued by the Central Government of India terms of sub-section (11) of section 143 of the Act, is not applicable on consolidated financial statements.
2. As required by section 143(3) of the Act, we report, to the extent possible, 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 of the aforesaid consolidated financial statements;
  - b) In our opinion, proper books of account as required by law relating to preparation of the aforesaid consolidated financial statements have been kept so far as it appears from our examination of those books;
  - c) The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss and the Consolidated Cash Flow Statement dealt with by this Report are in agreement with the relevant books of account maintained for the purpose of preparation of the consolidated financial statements;
  - d) In our opinion, the aforesaid consolidated financial statements comply with the Accounting Standards specified under section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014;
  - e) On the basis of the written representations received from the directors as on 31<sup>st</sup> March 2017 and taken on record by the Board of Directors of the Holding Company and its subsidiary company incorporated in India, none of the directors of the Group Companies is disqualified as on 31<sup>st</sup> March 2017, from being appointed as a director in terms section 164(2) of the Act;

## INVESTMENT & PRECISION CASTINGS LTD

- f) With respect to the adequacy of internal financial controls over financial reporting of the Holding Company and its subsidiary company and operating effectiveness of such controls, our separate report in annexure – A may be referred;
- g) With respect to the other matters to be included in the Auditors' Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanation given to us:
- v. There were no pending litigations which would impact the consolidated financial position of the Group except for those stated under note no. 33 – Contingent Liabilities.
  - vi. The Group did not have any material foreseeable losses on long-term contracts including derivatives contracts;
  - vii. There has been no delay in transferring the amounts required to be transferred to the Investor Education and Protection Fund by the Holding Company and there were no amounts which were required to be transferred to the Investor Education and Protection Fund by its subsidiary company incorporated in India.
  - viii. The Company has provided requisite disclosures in the financial statements as to holdings as well as dealings in Specified Bank Notes (SBNs) during the period from 8<sup>th</sup> November 2016 to 30<sup>th</sup> December 2016. In absence of any external evidences, based on audit procedures and relying on the management representation, we report that the disclosures are in accordance with books of account maintained by the Company and as produced to us by the management. (refer note no. 35)

**For SANGHAVI & COMPANY**  
**Chartered Accountants**  
**FRN: 109099W**

Bhavnagar  
May 23, 2017

**MANOJ GANATRA**  
**Partner**  
**Membership No. 043485**

**ANNEXURE – A TO THE INDEPENDENT AUDITORS' REPORT**

(Referred to in paragraph 2 (f) under 'Report on Other Legal and Regulatory Requirements' section of our report of even date)

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In conjunction with our audit of the consolidated financial statements of the Company as of and for the year ended 31<sup>st</sup> March, 2017, we have audited the internal financial controls over financial reporting of **Investment & Precision Castings Limited** ("the Holding Company") and its wholly-owned subsidiary, I&PCL Vacuum Cast Limited (the Holding Company and its subsidiary together referred to as "the Group") which are companies incorporated in India.

**Management's Responsibility for Internal Financial Controls**

The respective Board of Directors of the Holding Company and its subsidiary company, which are companies incorporated in India, are responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Holding Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India. 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.

**Auditors' Responsibility**

Our responsibility is to express an opinion on the Group's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls over Financial Reporting (the "Guidance Note") and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and, both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting 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 control based on the assessed risk. The procedures selected depend on the auditors' judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system over financial reporting.

### Meaning of Internal Financial Controls Over Financial Reporting

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

- (1) Pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the Company;
- (2) Provide reasonable assurance that transactions are recorded as necessary to permit preparation of consolidated 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 control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

### Opinion

In our opinion, the Holding Company and its subsidiary company which are companies incorporated in India, have, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2017, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

**For SANGHAVI & COMPANY**  
**Chartered Accountants**  
**FRN: 109099W**

Bhavnagar  
May 23, 2017

**MANOJ GANATRA**  
**Partner**  
**Membership No. 043485**



**INVESTMENT & PRECISION CASTINGS LTD**

**CONSOLIDATED BALANCE SHEET AS AT 31st MARCH 2017**

Particulars	Note No.	31st March 2017 ₹	31st March 2016 ₹
<b><u>EQUITY AND LIABILITIES ::</u></b>			
<b>Shareholders' Funds</b>			
Share Capital	2	50,000,000	50,000,000
Reserves and Surplus	3	<u>501,844,586</u>	<u>459,533,478</u>
		<b>551,844,586</b>	<b>509,533,478</b>
<b>Non-Current Liabilities</b>			
Long-term Borrowings	4	64,198,578	57,845,092
Deferred Tax Liabilities		34,029,000	34,725,000
Other Long Term Liabilities	5	0	19,990
Long-term Provisions	6	<u>3,303,861</u>	<u>3,237,207</u>
		<b>101,531,439</b>	<b>95,827,289</b>
<b>Current Liabilities</b>			
Short-term Borrowings	7	213,812,996	231,385,756
Trade Payables		93,341,808	108,740,953
Other Current Liabilities	8	52,357,473	49,016,994
Short-term Provisions	9	<u>6,661,315</u>	<u>8,847,594</u>
		<b>366,173,592</b>	<b>397,991,297</b>
<b>Total...</b>		<u><b>1,019,549,617</b></u>	<u><b>1,003,352,064</b></u>
<b><u>ASSETS ::</u></b>			
<b>Non-Current Assets</b>			
<b>Fixed Assets</b>			
Tangible Assets	10	469,996,597	437,970,414
Intangible Assets		-	-
Pre-operative Expenses		2,173,228	2,156,720
Capital Work-in-Progress		<u>17,701,043</u>	<u>47,817,702</u>
		<b>489,870,868</b>	<b>487,944,836</b>
Non-current Investments	11	60,000	60,000
Long-term Loans and Advances	12	44,905,465	46,186,878
Other Non-current Assets		<u>-</u>	<u>-</u>
		<b>534,836,333</b>	<b>534,191,714</b>
<b>Current Assets</b>			
Inventories	13	171,715,807	164,731,111
Trade Receivables	14	177,246,053	202,258,019
Cash and Bank Balances	15	12,836,982	8,539,618
Short-term Loans and Advances	16	122,914,442	93,631,602
Other Current Assets		<u>-</u>	<u>-</u>
		<b>484,713,284</b>	<b>469,160,350</b>
<b>Total...</b>		<u><b>1,019,549,617</b></u>	<u><b>1,003,352,064</b></u>
The accompanying notes 1 to 39 are an integral part of these financial statements.			

As per our report of even date  
**For SANGHAVI & COMPANY**  
Chartered Accountants

For and on behalf of the Board of Directors  
Piyush I Tamboli  
**CHAIRMAN & MANAGING DIRECTOR**

**MANOJ GANATRA**  
Partner  
Bhavnagar  
23rd May 2017

Girish V Shah  
CHIEF FINANCIAL OFFICER  
Hetal B. Kapadiya  
COMPANY SECRETARY

**R K MENON**  
EXECUTIVE DIRECTOR

Bhavnagar  
23rd May 2017

INVESTMENT & PRECISION CASTINGS LTD

CONSOLIDATED STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31st MARCH 2017

Particulars	Note No.	2016-2017 ₹	2015-2016 ₹
<b>REVENUE :</b>			
Revenue from Operations (Gross)	17	1,027,961,222	954,196,721
Less: Excise duty		(107,873,708)	(104,923,968)
Revenue from Operations (Net)		920,087,514	849,272,753
Other Income	18	2,253,637	1,600,586
Total Revenue		<u>922,341,151</u>	<u>850,873,339</u>
<b>EXPENSES :</b>			
Cost of Materials Consumed	19	76,083,677	77,076,297
Purchases of Stock-in-Trade		-	-
Changes in Inventories	20	(611,674)	-15,401,027
Employee Benefits Expense	21	77,904,508	75,799,483
Finance Costs	22	38,597,168	40,523,341
Depreciation and Amortization		49,877,522	46,633,736
Manufacturing Expenses	23	555,357,529	519,046,133
Other Expenses	24	62,136,511	62,956,924
Total Expenses		<u>859,345,241</u>	<u>806,634,887</u>
<b>Profit before exceptional and extraordinary items and tax</b>		<b>62,995,910</b>	<b>44,238,452</b>
Exceptional Items		-	-
Extraordinary Items		-	-
<b>Profit Before Tax</b>		<b>62,995,910</b>	<b>44,238,452</b>
Tax Expenses			
Current tax		22,000,000	12,800,000
Deferred Tax		(696,000)	3,166,000
Earlier Years' Tax		(619,198)	-
		<u>20,684,802</u>	<u>15,966,000</u>
<b>Net Profit for the year</b>		<b><u>42,311,108</u></b>	<b><u>28,272,452</u></b>
Face Value per Equity Share		10.00	10.00
Earnings per Equity Share			
Basic/Diluted		8.46	5.65
The accompanying notes 1 to 39 are an integral part of these financial statements.			

As per our report of even date

For **SANGHAVI & COMPANY**  
Chartered Accountants

**MANOJ GANATRA**

Partner

Bhavnagar

23rd May 2017

For and on behalf of the Board of Directors

Piyush I Tamboli

**CHAIRMAN & MANAGING DIRECTOR**

**R K MENON**

EXECUTIVE DIRECTOR

Girish V Shah

CHIEF FINANCIAL OFFICER

Hetal B. Kapadiya

COMPANY SECRETARY

Bhavnagar

23rd May 2017

**INVESTMENT & PRECISION CASTINGS LTD**
**CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED MARCH 31, 2017**

(₹ in lacs)

	2016-2017	2015-2016
<b>A CASH FLOW FROM OPERATING ACTIVITIES :</b>		
Net Profit Before Tax And Extraordinary Items	629.96	442.38
Adjustments for -		
Depreciation	498.78	466.34
Loss (Profit) on sale of fixed assets	0.19	1.51
Interest	323.29	343.95
Operating Profit Before Working Capital Changes	<u>1,452.22</u>	<u>1,254.18</u>
Adjustments for -		
Trade and Other Receivables	(86.10)	(372.97)
Inventories	(69.85)	(269.80)
Trade and Other Payables	<u>(100.34)</u>	<u>447.79</u>
Cash Generated From Operations	<u>1,195.93</u>	<u>1,059.20</u>
Direct Taxes Paid	<u>(201.71)</u>	<u>135.94</u>
<b>NET CASH FROM OPERATING ACTIVITIES</b>	<b>994.22</b>	<b>923.26</b>
<b>B CASH FLOW FROM INVESTING ACTIVITIES :</b>		
Purchase of Fixed Assets	(536.43)	(663.16)
Sale of Fixed Assets	18.19	3.00
Interest Received	16.49	11.90
Dividend Received	-	-
<b>NET CASH USED IN INVESTING ACTIVITIES</b>	<b>(501.75)</b>	<b>(648.26)</b>
<b>C CASH FLOW FROM FINANCING ACTIVITIES :</b>		
Proceeds from Long Term Borrowings (net)	63.54	24.74
Proceeds from Short Term Borrowings (net)	(175.73)	26.00
Interest Paid	(339.77)	(355.85)
Dividend Paid	<u>(31.27)</u>	<u>(26.16)</u>
<b>NET CASH USED IN FINANCING ACTIVITIES</b>	<b>(483.23)</b>	<b>(331.27)</b>
<b>Net Increase in Cash and Cash Equivalents</b>	<b>9.24</b>	<b>(56.27)</b>
Cash and Cash Equivalents as at beginning of the year	<u>49.88</u>	<u>106.15</u>
Cash and Cash Equivalents as at end of the year	<u><u>59.12</u></u>	<u><u>49.88</u></u>
<u>Cash and Cash Equivalents:</u>		
Cash and Bank Balances	130.00	87.19
Statutory restricted accounts	<u>(70.88)</u>	<u>(33.13)</u>
	<u>59.12</u>	<u>49.88</u>

As per our report of even date

**For SANGHAVI & COMPANY**  
**Chartered Accountants**
**MANOJ GANATRA**  
**Partner**  
 Bhavnagar  
 23rd May 2017

**For and on behalf of the Board of Directors**

 Piyush I Tamboli  
**CHAIRMAN & MANAGING DIRECTOR**
**R K MENON**  
**EXECUTIVE DIRECTOR**

 Girish V Shah  
**CHIEF FINANCIAL OFFICER**  
 Hetal B. Kapadiya  
**COMPANY SECRETARY**

 Bhavnagar  
 23rd May 2017

**1 Significant Accounting Policies:****Basis of Accounting:**

The financial statements have been prepared in accordance with the recognition and measurement principles laid down in the Accounting Standards specified under Section 133 of the Companies Act, 2013 read with Rule 7 of the Companies (Accounts) Rules, 2014 and other accounting principles generally accepted in India.

**Use of Estimates:**

The preparation of financial statements in conformity with GAAP requires the management to make estimates and assumptions that affect the reported amounts of assets and liabilities, disclosure of contingent assets and liabilities at the date of financial statements and the reported amount of revenues and expenses during the reporting period. Actual results could differ from these estimates. Any revision to accounting estimates is recognised prospectively in current and future periods.

**Fixed Assets:**

Tangible Assets are stated at cost less depreciation, All the costs incurred till the date of the assets ready for use, including installation and substantial modification to the fixed assets are capitalized and included in the cost of the respective assets.

Depreciation is provided on Straight Line Method at the rates and in the manner specified in the Schedule II in accordance with the provisions of section 123(2) of the Companies Act, 2013.

**Inventories:**

Inventories are valued at cost or net realizable value, whichever is lower. Cost is determined on the following basis:

Raw materials, traded goods and stores and spares – on weighted average basis;

Finished and semi-finished goods – at material cost plus direct expenses and appropriate value of overheads; cost of finished goods includes excise duty.

**Revenue Recognition:**

Revenue is recognized to the extent that it is probable that the economic benefits will flow to the company and the revenue can be reliably be measured.

Revenue from sale of goods are recognized when significant risks and rewards of ownership are passed the buyer, which generally coincides with dispatch of goods. Sales taxes and value added taxes, wherever applicable, are collected on behalf of the Government and therefore, excluded from the revenue.

Excise and Custom Duty:

Excise Duty in respect of goods manufactured by the company is, according to the method consistently followed by the company, accounted for at the time of removal of goods from the factory for sale.

However, excise duty payable on the closing stock of finished goods is provided for in the accounts. Purchases of goods and fixed assets are accounted for net of excise credit availed. Custom duty paid on import of materials is dealt with in respective materials accounts.

Employee Benefits:

Post-employment benefit plans:

Defined Contribution Plan: Contribution for provident fund is accrued in accordance with applicable statutes and deposited with the Regional Provident Fund Commissioner. Contribution for Superannuation in respect of certain employees of the company is made in accordance with the scheme with Life Insurance Corporation of India.

Defined Benefit Plan: The liabilities in respect of gratuity and leave encashment are determined using Projected Unit Credit Method with actuarial valuation carried out as at balance sheet date. Actuarial gains are recognised in full in the profit and loss account for the period in which they occur.

Contributions in respect of gratuity are made to the Group Gratuity Scheme with Life Insurance Corporation of India. Employee benefits recognised in the balance sheet represents the present value of the defined benefit obligation as adjusted for unrecognised past service cost and as reduced by the fair value of respective fund.

Short-term employee benefits:

The undiscounted amount of short-term benefits expected to be paid in exchange for services rendered by employee is recognised during the period when the employee renders the service.

Research and Development:

Revenue expenditure on Research and Development is charged against the profit for the year in which it is incurred. Capital expenditure on Research and Development is shown as an addition to the fixed assets and is depreciated on the same basis as other fixed assets.

Borrowing Costs:

Net cost of borrowed funds for the projects till completion are capitalised and included in the cost of fixed assets. Other borrowing costs are recognised as expenses in the period in which they are incurred.

Foreign Currencies Transactions:

Foreign currency transactions are accounted for at the rates prevailing on the date of transaction. Differences arising out of foreign exchange rates are dealt with in the profit & loss account. Current assets and current liabilities relating to foreign currency transactions remaining unsettled at the end of the year are translated at the closing rates and profit or loss arising there from is dealt with in the profit & loss account.

Taxation:

Provisions are made for current tax based on tax liability computed in accordance with relevant tax rates and tax laws.

Deferred tax is recognised, subject to the consideration of prudence, on timing difference, being the difference between taxable income and accounting income that originate in one period and are capable of reversal in one or more subsequent periods.

Earning per Share:

Basic earning per Share is computed by dividing the net profit attributable to equity shareholders for the year by weighted average number of equity shares outstanding during the year. Diluted earning per share is computed by using the weighted average number of equity and dilutive equity equivalent shares outstanding at the year end.

Provision and Contingencies:

The Company creates a provision when there is present obligation as a result of past event that probably requires an outflow of resources and a reliable estimate can be made of the amount of obligation. A disclosure for a contingent liability is made when there is a possible obligation or a present obligation that probably will not require an outflow or where a realisable estimate of the obligation cannot be made.

The Company has disclosed only such policies and notes from the individual financial statements, which fairly present the needed disclosures. Lack of homogeneity and other similar considerations made it desirable to exclude some of them, which in the opinion the management, could be better viewed, when referred from the individual financial statements.

**Note No. 2**

2.1 Share Capital:

Particulars	31st March 2017	31st March 2016
	₹	₹
<b>Authorised</b>		
10,400,000 Equity Shares of ₹ 10 each	<b>104,000,000</b>	104,000,000
10,000 11 % Redeemable Cumulative Preference Shares of ₹ 100 each	<b>1,000,000</b>	1,000,000
	<b>105,000,000</b>	105,000,000
<b>Issued, Subscribed and Paid up</b>		
5,000,000 Equity Shares of ₹ 10 each	<b>50,000,000</b>	50,000,000
	<b>50,000,000</b>	50,000,000

a. Of the total share capital, 4,650,000 equity shares were issued as fully paid up bonus shares.

b. Equity shares issued as fully paid up bonus shares or otherwise than by cash during the preceding 5 years: Nil

2.2 Share Capital Reconciliation:

Particulars	Equity Shares	
	No. of shares	₹
Shares outstanding at the beginning of the year	5,000,000	50,000,000
Shares issued during the year	-	-
Shares bought back during the year	-	-
Shares outstanding at the end of the year	5,000,000	50,000,000

2.3 Shares held by each shareholder holding more than five per cent shares

Name of Shareholder	31st March 2017		31st March 2016	
	No. of shares	% of holding	No. of shares	% of holding
Meche Private Limited	809,728	16.19	809,728	16.19
Piyush I Tamboli	1,060,979	21.22	1,048,329	20.97
Rekha N Shah	500,000	10.00	500,000	10.00
Vishakha P Tamboli	313,200	6.26	313,200	6.26
Jainam P Tamboli	296,000	5.92	296,000	5.92

2.4 Rights, preferences and restrictions attached to shares

Equity Shares:

The company has one class of equity shares having a face value of ₹ 10 each ranking pari passu in all respects including voting rights and entitlement to dividend.

## Note No. 3

## Reserves and Surplus

Particulars	31st March 2017	31st March 2016
	₹	₹
<b>a. General Reserve</b>		
Balance at the beginning of the year	450,337,895	426,277,961
Adjustment on account of depreciation	-	-
Transfer from surplus	34,788,755	24,059,934
Balance at the end of the year	485,126,650	450,337,895
<b>b. Surplus</b>		
Balance at the beginning of the year	288,083	288,083
Net Profit for the current year	42,311,108	28,272,452
Transfer to general reserve	(34,788,755)	(24,059,934)
Proposed dividend	-	(3,500,000)
Corporate dividend tax	-	(712,518)
Balance at the end of the year	7,810,436	288,083
<b>c. Capital Reserve</b>		
Balance at the beginning of the year	6,387,500	6,387,500
Forefeiture of equity warrants application money	-	-
Balance at the end of the year	6,387,500	6,387,500
<b>d. Securities Premium Account</b>		
Balance at the beginning of the year	2,520,000	2,520,000
Addition during the year	-	-
Balance at the end of the year	2,520,000	2,520,000
	<b>501,844,586</b>	<b>459,533,478</b>



**Note No. 4****Long Term Borrowings**

Particulars	31st March 2017 ₹	31st March 2016 ₹
<b><u>a. Secured</u></b>		
Term loans from a bank	64,198,578	57,845,092
	64,198,578	57,845,092
Notes:		
Term loans from Bank of Baroda are secured by hypothecation of plant & equipment and mortgage of land, building and vehicle and further secured by personal guarantee of one of the directors.		
Period of default - N.A		
Amount - Nil		
<b><u>b. Unsecured</u></b>	-	-
	-	-
	64,198,578	57,845,092

**Note No. 5****Other Long Term Liabilities**

Particulars	31st March 2017 ₹	31st March 2016 ₹
Staff security deposits	-	19,990
	-	19,990
	-	19,990

**Note No. 6****Long Term Provisions**

Particulars	31st March 2017 ₹	31st March 2016 ₹
Provision for leave encashment	3,303,861	3,237,207
	3,303,861	3,237,207
	3,303,861	3,237,207

**Note No. 7**

**Short Term Borrowings**

Particulars	31st March 2017 ₹	31st March 2016 ₹
<b>a. Secured</b>		
Working capital finance from a bank (In Indian rupees)	27,812,996	231,385,756
Working capital finance from a bank (In Foreign Currency)	186,000,000	
	<b>213,812,996</b>	231,385,756
Note: Working capital finance from Bank of Baroda are secured by hypothecation, book debts and all movable properties and mortgagage of all immovable properties and further secured by personal guarantee of one of the directors.  Period of default - N.A Amount - Nil		
<b>b. Unsecured</b>		
	-	-
	-	-
	<b>213,812,996</b>	231,385,756

**Note No. 8**

**Other Current Liabilities**

Particulars	31st March 2017 ₹	31st March 2016 ₹
Current maturities of long-term debt	31,817,167	29,615,000
Advances from customers	1,587,225	2,156,911
Statutory liabilities	11,192,988	10,071,095
Gratuity premium payable	-	58,503
Unclaimed dividends	373,131	418,220
Other liabilities	7,386,962	6,697,265
	<b>52,357,473</b>	49,016,994

**Note No. 9**

**Short Term Provisions**

Particulars	31st March 2017 ₹	31st March 2016 ₹
Provision for bonus	5,800,000	4,100,000
Provision for leave encashment	798,103	535,076
Proposed dividend	63,212	3,500,000
Corporate dividend tax	-	712,518
	<b>6,661,315</b>	8,847,594

Note No. 10  
Fixed Assets

Particulars	Gross Block						Accumulated Depreciation			Net Block	
	As at 1st April 2016	Additions	Deductions	As at 31st March 2017	As at 1st April 2016	Depreciation For the Year	On Deductions	As at 31st March 2017	As at 31st March 2016	As at 31st March 2017	
<b>Tangible Assets</b>											
Freehold Land	11,481,727	-	-	11,481,727	-	-	-	-	-	11,481,727	11,481,727
Leasehold Land	5,562,718	-	-	5,562,718	393,323	56,189	-	449,512	449,512	5,113,206	5,189,395
Buildings	227,907,754	33,227,293	-	261,135,047	49,177,484	8,671,683	-	57,849,167	57,849,167	203,285,880	178,730,270
Plant & Equipment	577,588,443	41,329,494	1,878,620	617,039,317	351,233,548	37,213,350	1,741,688	386,705,210	386,705,210	230,334,107	226,354,895
Vehicles	11,805,420	6,615,371	3,350,350	15,070,441	6,775,583	1,349,483	1,647,779	6,477,287	6,477,287	8,593,154	5,029,837
Furniture & Fixtures	12,084,074	1,407,318	-	13,491,392	5,029,006	1,042,595	-	6,071,601	6,071,601	7,419,791	7,055,068
Office Equipment	17,608,157	1,163,732	-	18,771,889	13,458,935	1,544,222	-	15,003,157	15,003,157	3,768,732	4,149,222
Total...	864,038,293	83,743,208	5,228,970	942,552,531	426,067,879	49,877,522	3,389,467	472,555,934	472,555,934	469,996,597	437,970,414
<b>Intangible Assets</b>											
Total...	864,038,293	83,743,208	5,228,970	942,552,531	426,067,879	49,877,522	3,389,467	472,555,934	472,555,934	469,996,597	437,970,414
Capital Work in Progress	47,817,702	17,782,723	47,899,382	17,701,043	0	0	-	0	0	17,701,043	47,817,702
Total...	911,855,995	101,525,931	53,128,352	960,253,574	426,067,879	49,877,522	3,389,467	472,555,934	472,555,934	487,697,640	485,788,116
Previous year	847,258,296	83,998,377	19,400,678	911,855,995	380,685,582	46,633,736	1,251,439	426,067,879	426,067,879	485,788,116	466,572,714

**Note No. 11**  
**Non-current Investments**

Particulars	31st March 2017 ₹	31st March 2016 ₹
<u>Trade Investments:</u>		
<u>Unquoted; at cost:</u>		
Investment in Government Securities: (Pledged with sales tax authorities)	60,000	60,000
	<b>60,000</b>	<b>60,000</b>

**Note No. 12**  
**Long-term Loans and Advances**

Particulars	31st March 2017 ₹	31st March 2016 ₹
<u>Unsecured (considered good)</u>		
Capital advances	20,388,894	28,450,735
Security deposits ( including to a company in which some of the directors are interested ₹ 10,000,000 (10,000,000))	20,215,863	12,586,816
Loans to staff (including officers of the company ₹ 214,995; previous year ₹ 1,241,820 )	375,564	1,316,746
Loans to ancillary units	3,925,144	3,832,581
	<b>44,905,465</b>	<b>46,186,878</b>

**Note No. 13**  
**Inventories**

Particulars	31st March 2017 ₹	31st March 2016 ₹
(Valued at the lower of cost or net realisable value)		
Raw materials	31,890,565	30,557,277
Work-in-progress	72,025,959	70,506,382
Finished goods	31,966,406	32,874,309
Stores & spares	35,832,877	30,793,143
	<b>171,715,807</b>	<b>164,731,111</b>

**Note No. 14**  
**Trade Receivables**

Particulars	31st March 2017 ₹	31st March 2016 ₹
<u>Unsecured (considered good)</u>		
Over six months	1,640,590	2,790,741
Others	175,605,463	199,467,278
	177,246,053	202,258,019

**Note No. 15**  
**Cash and Bank Balances**

Particulars	31st March 2017 ₹	31st March 2016 ₹
<u>I. Cash and Cash Equivalents</u>		
<u>a. Balances with Banks:</u>		
Current accounts	5,257,882	5,180,861
Short term deposits	-	-
Cheques on hand	-	-
	5,257,882	5,180,861
<u>b. Cash on Hand</u>	490,469	225,037
	5,748,351	5,405,898
<u>II. Other Bank Balances</u>		
Dividend accounts	373,131	418,220
Terms deposits with more than 12 months maturity	-	-
Other terms deposits	6,715,500	2,715,500
	7,088,631	3,133,720
	12,836,982	8,539,618
(Term deposits of ₹ 6,715,500, (previous year ₹ 3,313,360) are under lien with banks against letter of credits and bank guarantees)		

## Note No. 16

## Short-term Loans and Advances

Particulars	31st March 2017 ₹	31st March 2016 ₹
<u>Unsecured (considered good)</u>		
Trade advances to suppliers [including to companies or firms in which some of the directors are interested ₹ 12,452,994 ( ₹ 8,478,698)]	98,325,333	72,840,661
Loans and advances to staff (including officers of the company ₹ 759,262; previous year ₹ 151,008)	2,916,724	2,160,078
Interest Receivable	162,750	179,640
Input credits receivable	9,555,900	7,489,547
Prepaid expenses	7,587,462	4,649,925
Loans to ancillary units	2,015,295	2,014,969
Advance payment of taxes (net of provisions)	0	1,860,145
Other loans and advances	2,350,978	2,436,637
	122,914,442	93,631,602

## Note No. 17

## Revenue from Operations

Particulars	2016-2017		2015-2016	
	₹		₹	
<u>Sale of Products</u>				
Export sales	16,728,113		18,324,589	
Domestic sales	<u>986,210,153</u>	<u>1,002,938,266</u>	<u>911,487,611</u>	<u>929,812,200</u>
<u>Other Operating Revenue</u>				
Foreign currency fluctuation gain	(292,217)		804,002	
Energy credit from windmills	<u>24,906,584</u>		<u>23,484,998</u>	
Export incentive and credits	<u>408,589</u>	<u>25,022,956</u>	<u>95,521</u>	<u>24,384,521</u>
		<u><u>1,027,961,222</u></u>		<u><u>954,196,721</u></u>

## Note No. 18

## Other Income

Particulars	2016-2017		2015-2016	
	₹		₹	
Interest receipts		1,649,353		1,189,599
Miscellaneous income		<u>604,284</u>		<u>410,987</u>
		<u><u>2,253,637</u></u>		<u><u>1,600,586</u></u>

## Note No. 19

## Cost of Materials Consumed

Particulars	2016-2017		2015-2016	
	₹		₹	
<u>Raw Materials Consumed</u>				
Opening stock	30,557,277		23,136,962	
Purchase and direct expenses	<u>77,416,965</u>		<u>84,496,612</u>	
	<u>107,974,242</u>		<u>107,633,574</u>	
Closing stock	<u>31,890,565</u>	<u>76,083,677</u>	<u>30,557,277</u>	<u>77,076,297</u>
		<u><u>76,083,677</u></u>		<u><u>77,076,297</u></u>

**INVESTMENT & PRECISION CASTINGS LTD**
**Note No. 20**
**Changes in Inventories**

Particulars	2016-2017		2015-2016	
	₹		₹	
<u>Opening Stock</u>				
Finished Goods	32,874,309		33,002,695	
Work-in-progress	<u>70,506,382</u>	<u>103,380,691</u>	<u>54,976,969</u>	<u>87,979,664</u>
<u>Closing Stock</u>				
Finished Goods	31,966,406		32,874,309	
Work-in-progress	<u>72,025,959</u>	<u>103,992,365</u>	<u>70,506,382</u>	<u>103,380,691</u>
		<u><u>-611,674</u></u>		<u><u>-15,401,027</u></u>

**Note No. 21**
**Employee Benefit Expenses**

Particulars	2016-2017		2015-2016	
	₹		₹	
Salaries, wages, allowances and bonus	69,501,178		65,744,443	
Contribution to employee benefit funds	7,050,981		8,308,673	
Staff welfare expenses	1,352,349		1,746,367	
	<u>77,904,508</u>		<u>75,799,483</u>	
Includes Directors' remuneration	7,912,033		4,373,339	

**Note No. 22**
**Finance Costs**

Particulars	2016-2017		2015-2016	
	₹		₹	
<u>Interest</u>				
Working capital finance	24,620,422		25,997,949	
Term loans	9,291,942		9,507,476	
Others	<u>65,045</u>	<u>33,977,409</u>	<u>79,272</u>	<u>35,584,697</u>
Other borrowing costs (including guarantee commission to a director ₹ 2,955,000; previous year ₹ 2,163,500)		4,619,759		4,938,644
		<u><u>38,597,168</u></u>		<u><u>40,523,341</u></u>



**INVESTMENT & PRECISION CASTINGS LTD**

**Note No. 23**

**Manufacturing Expenses**

Particulars	2016-2017 ₹	2015-2016 ₹
Power & Fuel	130,627,427	126,309,717
Machinery repairs and maintenance	7,192,577	7,262,954
Stores & spares	196,832,628	190,457,503
Fettling and other external processing charges	201,302,786	178,553,902
Other expenses	<u>19,402,111</u>	<u>16,462,057</u>
	555,357,529	519,046,133
	<u><u>555,357,529</u></u>	<u><u>519,046,133</u></u>

**Note No. 24**

**Other Expenses**

Particulars	2016-2017 ₹	2015-2016 ₹
<u>Selling and Distribution Expenses</u>		
Sales commission	1,354,689	1,376,581
Export freight and insurance	391,375	283,168
Other selling expenses	<u>26,831,345</u>	<u>28,192,762</u>
	28,577,409	29,852,511
<u>Administrative and Other Expenses</u>		
Travelling expenses	8,328,466	6,621,538
Rent	170,250	161,320
Rates and taxes	414,421	429,067
Advertisement expenses	670,422	422,524
Insurance premiums	1,150,996	1,229,641
Building and other repairs	2,515,170	2,794,736
Directors' sitting fees	379,000	382,500
Legal and professional fees	4,642,695	4,397,053
Payments to auditors	429,500	415,103
Bank discount, commission and other charges	541,310	378,635
Donations	265,000	130,500
Corporate social responsibility expenses	17,073	125,000
Bad debts and sundry balances written off	0	392,095
Prior period expenses	602,788	625,890
Loss on sale of assets	18,503	150,983
General expenses	<u>13,413,508</u>	<u>14,447,828</u>
	33,559,102	33,104,413
	<u><u>62,136,511</u></u>	<u><u>62,956,924</u></u>

**25 Basis of presentation of Financial Statements:**

The consolidated financial statements relate to Investment & Precision Castings Limited ("the Company") and its wholly owned subsidiary company, I&PCL Vacuum Cast Limited.

The audited financial statements of the subsidiary used in the consolidation are drawn up to the same reporting date as that of the parent company, i.e. year ended 31st March 2017.

**26 Principles of Consolidation:**

- a. The financial statements of the Company and its subsidiary company have been combined on a line-by-line basis by adding together the book values of like items of the assets, liabilities, income and expenses, after fully eliminating there from intra-group balances and intra-group transactions as per Accounting Standard (AS) - 21 "Consolidated Financial Statements".
- b. The financial statements of the Company and its subsidiary company have been consolidated using uniform account policies for like transactions and other events in similar circumstances.

**27** Balances with sundry debtors, sundry creditors and for advances are subject to confirmations from the respective parties. In absence of such confirmations, balances as per books have been relied upon by the Auditors.

**28** Deferred tax asset of ₹ 696,000 arising during the year, a major component of which is due to timing difference related to depreciation charged in the accounts and as claimed under the Income Tax Act, is credited to the profit & loss account. Details of the balance of ₹ 34,029,000 are as under:

Particulars	₹
Depreciation	37,365,448
Disallowance u/s 43B of the Income Tax Act	(3,336,448)
Total	34,029,000

**29** The management of the Company has, during the year, carried out technological evaluation for identification of impairment of assets, if any, in accordance with the Accounting Standard AS-28 issued by the Institute of Chartered Accountants of India. Based on the judgement of the management and as certified by the Directors, no provision for impairment is found to be necessary in respect of any of the assets.

**30** As the company's business activity, in the opinion of the management, falls within a single primary segment subject to the same risks and returns, the disclosure requirements of Accounting Standard AS-17 "Segment Reporting" issued by the Institute of Chartered Accountants of India are not applicable.

31 In the opinion of the Directors, the current assets, loans and advances are approximately of the value as stated in the balance sheet, if realised in the ordinary course of the business. The provision of all known liabilities is adequate and not in excess of the amount reasonably required.

32 **Details of Assets and Profits:**

Name of the Entity	Net Assets		Share in Profit/(Loss)	
	As % of consolidated net assets	Amount ₹ in Lacs	As % of consolidated net profit	Amount ₹ in lacs
<b>Parent Company:</b>				
Investment & Precision Castings Limited	100.42	5,541.78	100.16	423.80
<b>Wholly-owned Subsidiary Company</b>				
I&PCL Vacuum Cast Limited	0.03	1.67	(0.16)	(0.69)
Eliminations	(0.45)	(25.00)	-	-
Total...	100.00	5,518.45	100.00	423.11

33 **Contingent Liabilities:**

- (i) In respect of Central Sales Tax for which 'C' forms are pending for collection ₹ 95,482,000 (84,956,000)
- (ii) In respect of disputed Value Added Tax/Central Sales Tax liabilities ₹ 1,852,381 (1,975,449).
- (iii) In respect of disputed Income Tax liabilities ₹ 755,000 (312,000)

34. **Proposed Dividend:**

The Board of Directors at its meeting held on May 23, 2017 has recommended a dividend of ₹ 1.25 per equity share for the year ended March 31, 2017 (March 31, 2016: ₹ 0.70 per equity share). The declaration and payment of dividend is subject to the approval of the shareholders in the Annual General Meeting. Proposed Dividend: ₹ 6,250,000, Corporate Dividend Tax: ₹ 1,272,353

According to the revised AS 4 – 'Contingencies and events occurring after the balance sheet date' as notified by the Ministry of Corporate Affairs through amendments to Companies (Accounting Standards) Amendment Rules, 2016, the Company not accounted for proposed dividend (including tax) as a liability for the year ended March 31, 2017.

35. Disclosure in respect of Specified Bank Notes (SBN) held and transected during the period 8<sup>th</sup> November, 2016 to 30<sup>th</sup> December, 2016.

Particulars	SBNs	Other Denomination Notes	Total
	Amount ₹	Amount ₹	Amount ₹
Closing Balance as at 8th November 2016	373,000	126,914	499,914
Add: Withdrawal from Bank Accounts	0	448,000	448,000
Less: Paid for permitted transactions	0	267,090	267,090
Less: Deposited in Bank Accounts	373,000	0	373,000
Closing Balance as at 30th December 2016	0	304,900	304,900

36. **Related Party Disclosures;**

**Associates:** Tamboli Foundry Supplies and Services Ltd.

Nature of Transactions		2016-2017	2015-2016
		₹	₹
1.	Purchases of Materials and Services	4,731,675	4,303,224
2.	Reimbursement of Expenses	1,872,177	-
3.	Outstanding balance: Trade receivables	22,881,000	22,881,000
	Security Deposits	10,000,000	10,000,000
	Trade Advance to suppliers	12,071,994	8,478,698

**Key Management Personnel & Relatives:**

1. Shri Piyush I Tamboli, 2. Shri R. K. Menon, 3. Jainam P. Tamboli 4. Smt. Vishakha P. Tamboli, 5. Shri Girish V. Shah 6. Ms. Hetal Kapadia

Nature of Transactions		2016-2017	2015-2016
		₹	₹
	Remuneration	7,533,033	5,156,680
	Guarantee Commission	2,955,500	2,916,500
	Director Sitting Fees	55,000	55,000

37 Figures in the brackets are the figures for the previous year, unless otherwise stated.

38 All the amounts are stated in Indian Rupees, unless otherwise stated.

39 Previous year's figures have been regrouped and rearranged, wherever necessary.

Signatures to Note No. 1 to 39

As per our Report of even date  
For SANGHAVI & COMPANY  
Chartered Accountants  
MANOJ GANATRA,  
Partner

Bhavnagar  
23rd May, 2017

For and on behalf of the Board of Directors  
PIYUSH I TAMBOLI  
Chairman &  
Managing Director

R. K. MENON  
Executive Director

GIRISH V SHAH  
Chief Financial Officer  
HETAL KAPADIYA  
Company Secretary  
Bhavnagar  
23rd May, 2017

# INVESTMENT & PRECISION CASTINGS LIMITED

Reg. Office: Nari Road, Bhavnagar, Gujarat, India 364 006.

CIN: L27100GJ1975PLC002692

## FORM OF PROXY

(Form MGT-11)

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

I/We, being the member(s) of \_\_\_\_\_ shares of the Company, hereby appoint:

- Name: \_\_\_\_\_ Address: \_\_\_\_\_  
Email ID: \_\_\_\_\_ Signature: \_\_\_\_\_ or failing him;
- Name: \_\_\_\_\_ Address: \_\_\_\_\_  
Email ID: \_\_\_\_\_ Signature: \_\_\_\_\_ or failing him;
- Name: \_\_\_\_\_ Address: \_\_\_\_\_  
Email ID: \_\_\_\_\_ Signature: \_\_\_\_\_

As my/our proxy to attend and vote (on a poll) for me/us and on my/our behalf at the 42<sup>nd</sup> Annual General Meeting of the Company, to be held on Tuesday, 11<sup>th</sup> July, 2017 at 4.30 p.m. **HOTEL SAROVAR PORTICO PARIJAT BANQUET HALL, ISCON MEGA CITY, OPP. VICTORIA PARK, BHAVNAGAR GUJARAT INDIA 364 002**, and at any adjournment thereof in respect of such resolutions as are indicated below:

Resolution No.	Resolution	Optional*	
		For	Against
<b>Ordinary Business:</b>			
1	Ordinary Resolution for approval accounts for the financial year 2016-2017 ended on 31.3.2017		
2	Ordinary Resolution for recommendation/declaration of dividend for the financial year 2016-2017 ended on 31.3.2017		
3	Ordinary Resolution for re-appointment of Director Smt. Vishakha P. Tamboli(DIN 06600319)		
4	Ordinary Resolution for appointment of Statutory Auditors		
5	Ordinary Resolution for appointment of Cost Auditors		

Signed this \_\_\_\_\_ day of \_\_\_\_\_, 2017

Signature of shareholder \_\_\_\_\_

Signature of Proxy holder(s) \_\_\_\_\_

Affix Revenue  
Stamp not less  
than Re. 0.15

### Notes:

- 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.
- For the Resolutions, Explanatory Statement and Notes, please refer to the Notice of 42<sup>nd</sup> Annual General Meeting.
- It is optional to put a 'X' in the appropriate column against the Resolutions indicated in the Box. If you leave the 'For' or 'Against' column blank against any or all Resolutions, your Proxy will be entitled to vote in the manner as he/she thinks appropriate.
- Proxy need not be a Member of the Company.
- Please complete all details including details of member(s) in above box before submission.
- The Company reserves the right to ask for identification of the Proxy.

# INVESTMENT & PRECISION CASTINGS LIMITED

Reg. Office: Nari Road, Bhavnagar, Gujarat, India 364 006.

**CIN: L27100GJ1975PLC002692**

## ATTENDANCE SLIP

PLEASE FILL ATTENDANCE SLIP AND HAND IT OVER AT THE ENTRANCE OF THE MEETING HALL

Joint shareholders may obtain additional Slip at the venue of Meeting

DP ID*		Folio No.	
Client ID*		No. of Shares	

NAME AND ADDRESS OF THE SHAREHOLDER:

I hereby record my presence at the 42<sup>nd</sup> **ANNUAL GENERAL MEETING** of the Company held on Tuesday, 11th July, 2017 at 4.30 p.m. at **AT HOTEL SAROVAR PORTICO PARIJAT BANQUET HALL, ISCON MEGA CITY, OPP. VICTORIA PARK, BHAVNAGAR GUJARAT INDIA 364 002**

\* Applicable for investors holding shares in electronic form

\_\_\_\_\_  
Signature of Shareholder / Proxy

**ELECTRONIC CLEARING SERVICES (ECS) MANDATE FORM****(For use by Investors holding shares in physical form)**

To,  
Investment & Precision Castings Limited  
C/o. MCS SHARE TRANSFER AGENT LTD, 201, Shatdal Complex,  
Opp. Bata Show Room, Ashram Road  
Ahmedabad, Gujarat 380 009

Dear sirs,

**FORM FOR ELECTRONIC CLEARING SERVICES FOR PAYMENT OF DIVIDEND**

Please fill-in the information in CAPITAL LETTERS in ENGLISH ONLY

**For shares held in physical form**Master Folio No. **For shares held in electronic form**DP Id Client Id 

FOR OFFICE USE ONLY

ECS  
Ref. No.

Name of Sole/First holder

Bank Name

Branch Name

Branch Code

(9 Digits Code Number appearing on the MICR Band of the cheque supplied by the Bank). Please attach a xerox copy of a cheque or a blank cheque of your bank duly cancelled for ensuring accuracy of the banks name, branch name and code number.

Account Type  
(Please Tick (✓) wherever applicable)

→ Savings	<input type="checkbox"/>	Current	<input type="checkbox"/>	Cash Credit	<input type="checkbox"/>
-----------	--------------------------	---------	--------------------------	-------------	--------------------------

A/c No. (as appearing in the cheque book)

→ 

Effective date of this mandate

→ 

I, hereby declare that the particulars given above are correct and complete. If any transaction is delayed or not effected at all for reasons of incompleteness of information supplied as above, the Company/MCS Ltd, will not be held responsible. I agree to avail ECS facility provided by RBI, as and when implemented by RBI/Investment & precision Castings Limited)

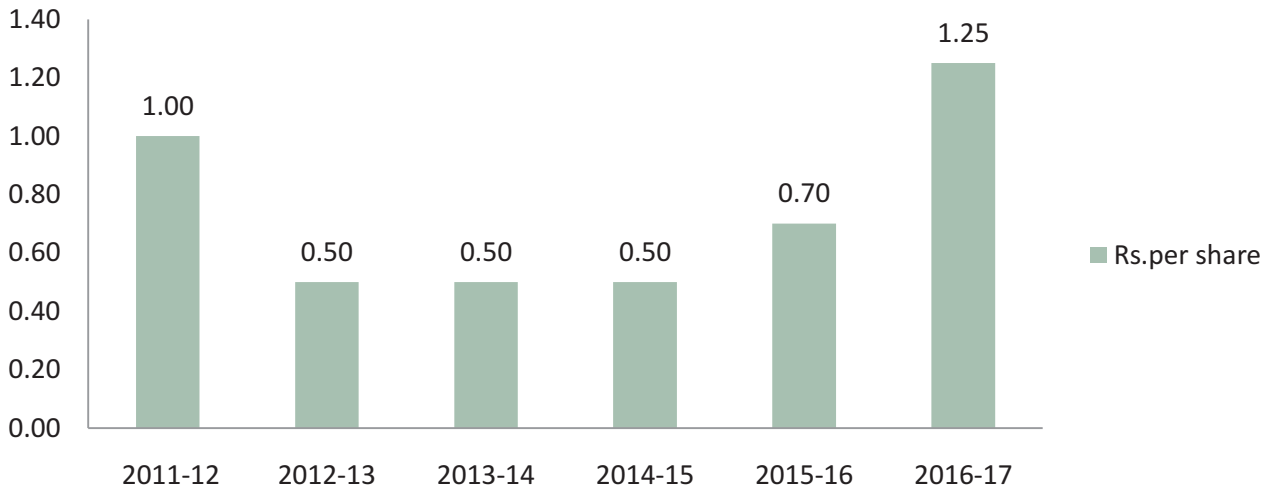
I further undertake to inform the Company any change in my Bank/branch and account number.

Dated : \_\_\_\_\_

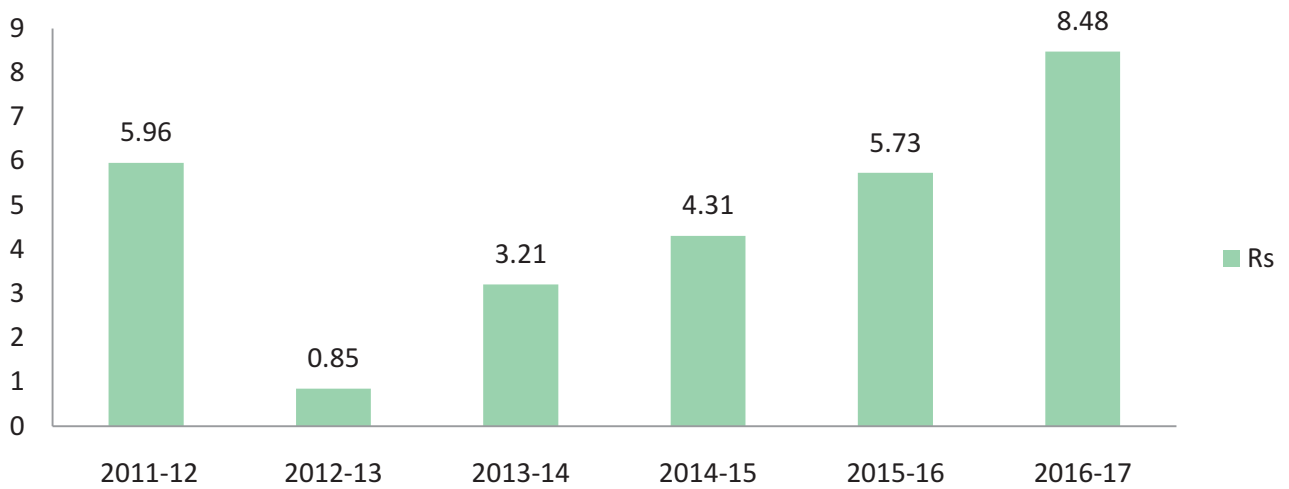
\_\_\_\_\_  
(Signature of Sole/First holder)**Notes:**

- Whenever the Shares in the given folio are entirely dematerialised, then this ECS mandate form will stand cancelled
- For Shares held in dematerialised mode nomination is required to be filed with the Depositor Participant in their prescribed form.

### DIVIDEND ON EQUITY SHARE (Face Value Rs. 10/-)

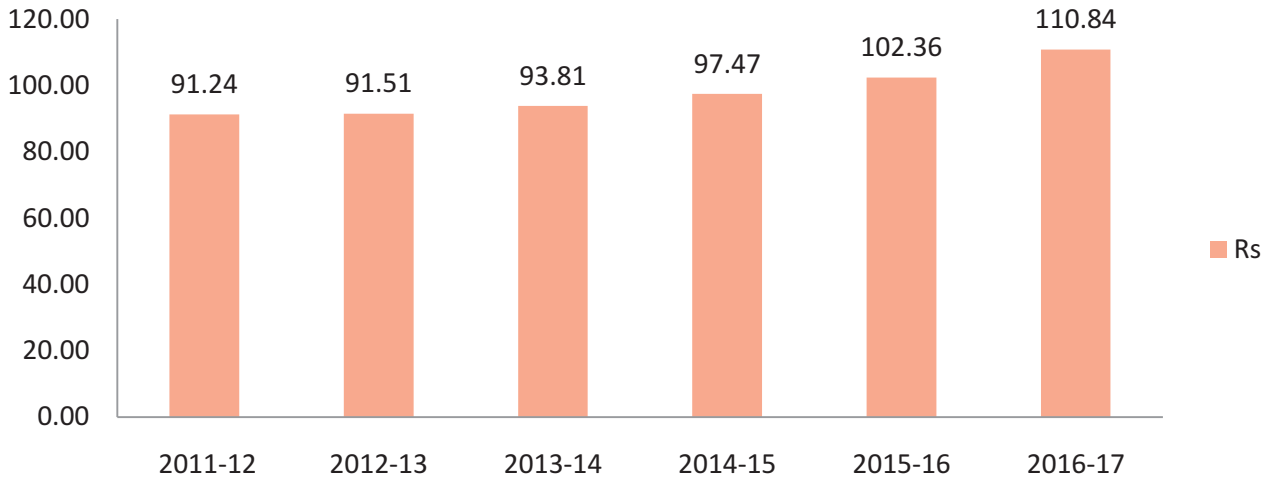


### EARNING PER SHARE (EPS)

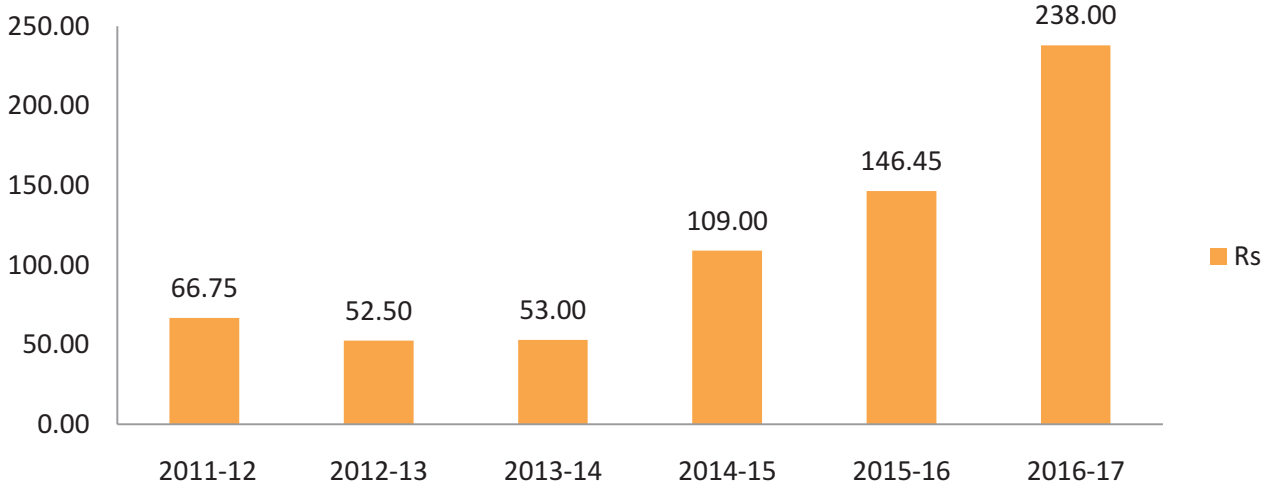




### Book Value per share



### Market price per share at 31 March





## **IPCL CRICKET TEAM WON CHAMPIONSHIP**

**INDUSTRIAL TENNIS CRICKET TOURNAMENT ORGANISED BY CII, BHAVNAGAR.**

Book-Post

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REGD. OFFICE : NARI ROAD, BHAVNAGAR  
& WORKS : GUJARAT, INDIA-364 006  
TELEPHONE : (91) (0278) 252 3300 to 04  
FAX : (91) (0278) 252 3500 to 02  
EMAIL : direct1@ipcl.in  
investor@ipcl.in  
WEBSITE : www.ipcl.in