

**I&PCL VACUUM CAST LIMITED**

**FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31<sup>st</sup> MARCH 2016**

**INDEPENDENT AUDITORS' REPORT**

To  
The Members of  
**I&PCL VACUUM CAST LIMITED**

**Report on the Financial Statements**

We have audited the accompanying financial statements of I&PCL Vacuum Cast Limited ("the Company") which comprise the Balance Sheet as at 31<sup>st</sup> March 2016, 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 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 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 thereunder. 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 financial statements.

### Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at 31<sup>st</sup> March 2016 and of the loss 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 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 2016, and taken on record by the Board of Directors, none of the directors is disqualified as on 31<sup>st</sup> March 2016, 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;
- f) 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.
  - ii. The Company did not have any long-term contracts including derivatives contracts for which there were any material foreseeable losses;
  - iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.

Bhavnagar  
May 4, 2016



For SANGHAVI & COMPANY  
Chartered Accountants  
FRN: 109099W

*Manoj Ganatra*

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)

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

- 1 Since no fixed assets are held by the Company during the year, provisions of clause 3(i) of the Order are not applicable to the Company.
- 2 Since no inventories are held by the Company during the year, provisions of clause 3(ii) of the Order are not applicable to the Company.
- 3 The Company has not granted any loans, secured or unsecured, to companies, firms or other parties in the register maintained under section 189 of the Companies Act, 2013.
- 4 Since the company has not given loans, investments, guarantees and security under Section 185 and 186 of the Act, provisions of clause 3(iv) of the Order are not applicable to the the company.
- 5 The Company has not accepted any deposits within the meaning of section 73 to 76 of the Companies Act, 2013 and the rules framed thereunder.
- 6 The Central Government has not prescribed maintenance of the cost records under section 148(1) of the Companies Act, 2013.
- 7 In respect of statutory and other dues:
  - a. The Company has 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.
  - b. There are no amounts outstanding, which have not been deposited on account of dispute.
- 8 The company has not obtained any borrowings from the banks or from the financial institutions or by way of debentures.
- 9 The Company has not raised any money, during the year, by way of public offer (including debt instruments) or term loans.
- 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 Since the Company has not paid any managerial remuneration during the year, the provisions of clause 3(xi) of the Order are not applicable to the Company.
- 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.

Bhavnagar  
May 4, 2016



For SANGHAVI & COMPANY  
Chartered Accountants  
FRN: 109099W

*Manoj Ganatra*

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 I&PCL Vacuum Cast Limited ("the Company") as of 31<sup>st</sup> March, 2016 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

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

The Company's management is responsible for establishing and maintaining internal financial controls based on the internal 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, 2016, 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.

Bhavnagar  
May 4, 2016



For SANGHAVI & COMPANY  
Chartered Accountants  
FRN: 109099W

*Manoj Ganatra*

**MANOJ GANATRA**  
Partner  
Membership No. 043485



I&PCL VACUUM CAST LIMITED

BALANCE SHEET AS AT 31st MARCH 2016

	Note No.	31st March 2016 ₹	31st March 2015 ₹
<b><u>EQUITY AND LIABILITIES ::</u></b>			
<b>Shareholders' Funds</b>			
Share Capital	2	2,500,000	2,500,000
Reserves and Surplus	3	(2,264,909)	(1,887,944)
		235,091	612,056
<b>Non-Current Liabilities</b>			
Long-term Borrowings	4	5,434,134	5,425,284
Other Long Term Liabilities		-	-
Long-term Provisions		-	-
		5,434,134	5,425,284
<b>Current Liabilities</b>			
Short-term Borrowings		-	-
Trade Payables		226,280	238,277
Other Current Liabilities	5	-	3,850
Short-term Provisions		-	-
		226,280	242,127
<b>Total...</b>		<b>5,895,505</b>	<b>6,279,467</b>
<b><u>ASSETS ::</u></b>			
<b>Non-Current Assets</b>			
<b><u>Fixed Assets</u></b>			
Pre-operative Expenses		2,156,720	2,138,538
Capital Work-in-Progress		1,676,162	3,438,090
		3,832,882	5,576,628
Non-current Investments	6	60,000	60,000
Long-term Loans and Advances	7	230,740	230,740
Other Non-current Assets		-	-
		4,123,622	5,867,368
<b>Current Assets</b>			
Inventories		-	-
Trade Receivables	8	1,704,781	-
Cash and Bank Balances	9	67,102	164,784
Short-term Loans and Advances	10	-	247,315
Other Current Assets		-	-
		1,771,883	412,099
<b>Total...</b>		<b>5,895,505</b>	<b>6,279,467</b>

The accompanying notes 1 to 19 are an integral part of these financial statements.

As per our report of even date

For SANGHAVI & COMPANY

Chartered Accountants

*Manoj Ganatra*

MANOJ GANATRA

Partner



Bhavnagar  
May 4, 2016

For and on behalf of the Board of Directors

*Piyush I Tamboli*

PIYUSH I TAMBOLI  
Managing Director

*R K Menon*

R K MENON  
Director

Bhavnagar  
May 4, 2016

I&PCL VACUUM CAST LIMITED

STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31st MARCH 2016

Particulars	Note No.	2015-2016 ₹	2014-2015 ₹
<b>REVENUE :</b>			
Revenue from Operations (Gross)		-	-
Less: Excise duty		-	-
Revenue from Operations (Net)		-	-
Other Income	11	-	3,340
Total Revenue		-	3,340
<b>EXPENSES :</b>			
Cost of Materials Consumed		-	-
Purchases of Stock-in-Trade		-	-
Changes in Inventories		-	-
Employee Benefits Expense		-	-
Finance Costs		-	17,503
Depreciation and Amortization		-	-
Other Expenses	12	376,965	109,084
Total Expenses		376,965	126,587
Profit/(Loss) before exceptional and extraordinary items and tax		(376,965)	(123,247)
Exceptional Items		-	-
Extraordinary Items		-	-
Profit/(Loss) Before Tax		(376,965)	(123,247)
Tax Expenses			
Current tax		-	-
Deferred Tax		-	-
Net Profit/(Loss) for the year		(376,965)	(123,247)
Face Value per Equity Share		10.00	10.00
Earnings per Equity Share			
Basic/Diluted		(1.51)	(0.49)
The accompanying notes 1 to 19 are an integral part of these financial statements.			

As per our report of even date

For SANGHAVI & COMPANY  
Chartered Accountants

*Manoj Ganatra*

MANOJ GANATRA  
Partner



Bhavnagar  
May 4, 2016

For and on behalf of the Board of Directors

*P. P. Tamboli*  
PIYUSH I TAMBOLI  
Managing Director

*R. K. Menon*  
R K MENON  
Director

Bhavnagar  
May 4, 2016

I&PCL VACUUM CAST LIMITED

CASH FLOW STATEMENT FOR THE YEAR ENDED 31st MARCH 2016

	2015-2016	2014-2015
<b>A CASH FLOW FROM OPERATING ACTIVITIES :</b>		
Net Profit Before Tax and Extraordinary Items	(3.77)	(1.23)
<b>Adjustments for -</b>		
Depreciation	-	-
Loss on sale of Assets	2.88	-
Interest	- 2.88	0.15 0.15
Operating Profit Before Working Capital Changes	(0.89)	(1.08)
<b>Adjustments for -</b>		
Trade and Other Receivables	(14.57)	1.04
Inventories	-	-
Trade Payables	(0.16) (14.73)	0.07 1.11
Cash generated from Operations	(15.62)	0.03
Direct Taxes Paid (Net)	- -	- -
<b>NET CASH FROM OPERATING ACTIVITIES</b>	<b>(15.62)</b>	<b>0.03</b>
<b>B CASH FLOW FROM INVESTING ACTIVITIES :</b>		
Sale of Fixed Assets	14.73	-
Pre Operative Expenses	(0.18)	(2.39)
Interest Received	-	0.03
<b>NET CASH USED IN INVESTING ACTIVITIES</b>	<b>14.55</b>	<b>(2.36)</b>
<b>C CASH FLOW FROM FINANCING ACTIVITIES :</b>		
Proceeds from Loans Borrowed	0.09	2.34
Interest Paid	-	(0.18)
Dividend Paid	-	-
<b>NET CASH USED IN FINANCING ACTIVITIES</b>	<b>0.09</b>	<b>2.16</b>
Net Increase in Cash and Cash Equivalents	(0.98)	(0.17)
Cash and Cash Equivalents as at beginning of the year	1.65	1.82
Cash and Cash Equivalents as at end of the year	0.67	1.65

As per our report of even date

For SANGHAVI & COMPANY  
Chartered Accountants

MANOJ GANATRA  
Partner

Bhavnagar  
4th May 2016



For and on behalf of the Board of Directors

PP Pamb  
PIYUSH I TAMBOLI  
Managing Director

R K MENON  
Director

Bhavnagar  
4th May 2016

## Note No. 1

### Significant Accounting Policies:

#### 1.1 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.

#### 1.2 Fixed Assets:

Fixed Assets are stated at cost less depreciation, if put to use. Capital work in progress represents the machinery under installation and not put into use as on the balance sheet date.

#### 1.3 Investments:

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

#### 1.4 Pre-Operative Expenses:

Pre-Operative expenses represent revenue expenditure, directly related to the project (net of income earned), prior to commencement of the commercial production.



**Note No. 2**

**2.1 Share Capital:**

Particulars	31st March 2016	31st March 2015
	₹	₹
<b>Authorised</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>
<b>Issued, Subscribed and Paid up</b>		
250,000 Equity Shares of ₹ 10 each	2,500,000	2,500,000
	<u>2,500,000</u>	<u>2,500,000</u>

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

b. The entire share capital is held by the holding company, Investment & Precision Castings Limited.

**2.2 Share Capital Reconciliation:**

Particulars	Equity Shares	
	No. of shares	₹
Shares outstanding at the beginning of the year	250,000	2,500,000
Shares issued during the year	-	-
Shares bought back during the year	-	-
Shares outstanding at the end of the year	250,000	2,500,000

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

Name of Shareholder	31st March 2016		31st March 2015	
	No. of shares	% of holding	No. of shares	% of holding
Investment & Precision Castings Limited	250,000	100.00	250,000	100.00

**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 2016 ₹	31st March 2015 ₹
<b>Surplus</b>		
Balance at the beginning of the year	(1,887,944)	(1,764,697)
Net Profit/(Loss) for the current year	(376,965)	(123,247)
Balance at the end of the year	(2,264,909)	(1,887,944)
	(2,264,909)	(1,887,944)

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

Particulars	31st March 2016 ₹	31st March 2015 ₹
<b>a. Secured</b>	-	-
	-	-
<b>b. Unsecured</b>		
From the holding company	5,434,134	5,425,284
	5,434,134	5,425,284
Period of default - N.A		
Amount - Nil	5,434,134	5,425,284

**Note No. 5**  
**Other Current Liabilities**

Particulars	31st March 2016 ₹	31st March 2015 ₹
Statutory liabilities	-	3,850
	-	3,850



Note No. 6

Non-current Investments

Particulars	31st March 2016	31st March 2015
	₹	₹
<u>Unquoted; at cost:</u>		
<u>Investment in Government Securities :</u>		
National Savings Certificates (pledged with Sales Tax Authority)	60,000	60,000
	60,000	60,000

Note No. 7

Long-term Loans and Advances

Particulars	31st March 2016	31st March 2015
	₹	₹
<u>Unsecured (considered good)</u>		
Capital advances	195,000	195,000
Security deposits	35,740	35,740
	230,740	230,740

Note No. 8

Trade Receivables

Particulars	31st March 2016	31st March 2015
	₹	₹
<u>Unsecured (considered good)</u>		
Over six months	-	-
Others	1,704,781	-
	1,704,781	-
	More than six months	Others
includes from Holding Company	-	1,704,781



Note No. 9

Cash and Bank Balances

Particulars	31st March 2016	31st March 2015
	₹	₹
<b>I. Cash and Cash Equivalents</b>		
<b>a. Balances with Banks:</b>		
Current accounts	64,179	157,260
Short term deposits	-	-
	<u>64,179</u>	<u>157,260</u>
<b>b. Cash on Hand</b>	<b>2,923</b>	<b>7,524</b>
	<u>67,102</u>	<u>164,784</u>
<b>II. Other Bank Balances</b>		
Terms deposits with more than 12 months maturity	-	-
Other terms deposits	-	-
	<u>-</u>	<u>-</u>
	<u>67,102</u>	<u>164,784</u>

Note No. 10

Short-term Loans and Advances

Particulars	31st March 2016	31st March 2015
	₹	₹
<b>Unsecured (considered good)</b>		
Input credits receivable	-	247,315
	<u>-</u>	<u>247,315</u>





Note No. 11  
Other Income

Particulars	2015-2016	2014-2015
	₹	₹
Interest receipts	-	-
Prior period income	-	3,340
	<u>-</u>	<u>3,340</u>

Note No. 12  
Other Expenses

Particulars	2015-2016	2014-2015
	₹	₹
<u>Administrative and Other Expenses</u>		
Legal and professional fees	34,790	46,410
Payments to auditors	32,603	43,259
Loss on sale of assets	288,288	-
General expenses	<u>21,284</u>	<u>19,415</u>
	<u>376,965</u>	<u>109,084</u>



13 The Company has been incorporated as a Limited Company under the Companies Act, 1956 effective from 30th August, 2010 and the certificate for commencement of the business was obtained on 17th September, 2010.

14 The Company has not commenced commercial production as on the balance sheet date.

15 Contingent Liabilities: Nil.

16 Payments to Auditors:

Particulars	2015-2016 ₹	2014-2015 ₹
Audit Fees	22,500	22,500
Taxation Matters	6,000	6,000
For certification and other matters	4,103	14,759

17 Related Party Disclosures:

- Holding Company :- Investment & Precision Castings Limited

Nature of Transaction		2015-2016 ₹	2014-2015 ₹
1.	Advance received	8,850	234,718
2.	Sale of Assets	1,704,781	-
3.	Outstanding Balance:		
	Trade Receivables	1,704,781	-
	Long Term Borrowings	5,434,134	5,425,284

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

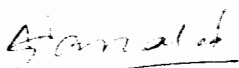
19 All the amounts are stated in Indian Rupees, unless otherwise stated.

**Signatures to Notes Nos. 1 to 19**

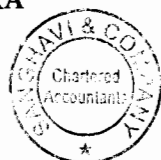
As per our Report of even date

For and on behalf of the Board of Directors

For SANGHAVI & COMPANY  
Chartered Accountants



MANOJ GANATRA  
Partner



Bhavnagar  
4th May, 2016



Piyush I Tamboli  
Managing Director



R. K. Menon  
Director

Bhavnagar  
4th May 2016