

**THE INDUSTRIAL & PRUDENTIAL INVESTMENT Co. LTD.**

**Regd. Office :**

125, Maker Chambers III, Nariman Point,  
Mumbai - 400 021 • Telephone : 2285 4243  
Email : indpru@vsnl.net

To  
MS. BHUVANA SRIRAM  
Relationship Manager,  
Corporate Relationship Department,  
BSE Limited,  
Rotunda Building,  
Phiroze Jeejeebhoy Towers,  
Dalal Street, Fort  
MUMBAI - 400 023

Dated 12th July, 2016

**Re: Submission of Annual Report for the year ended 31.03.2016**  
**BSE Code 501298**

Dear Sirs,

*In accordance with Regulation 34 (1) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 we enclose certified true copy of the Annual Report for the year ended 31<sup>st</sup> March, 2016.*

*This has been approved by the members at the annual general meeting held on 8<sup>th</sup> July, 2016.*

.Thank you

Yours faithfully  
The Industrial & Prudential  
Investment Company Limited

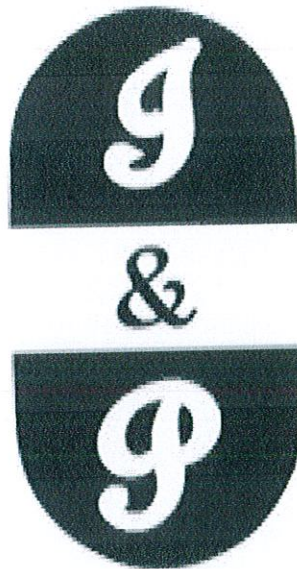
  
A.V. Setalvad  
Chairman

Encl: as above

CERTIFIED TRUE COPY

for Industrial & Prudential Investment Co., Ltd.  
*[Signature]*  
Director

**100<sup>th</sup>**  
**ANNUAL REPORT**  
**2015-2016**



**THE INDUSTRIAL & PRUDENTIAL  
INVESTMENT COMPANY LIMITED**

## Company Information

**Directors :** A. V. SETALVAD (DIN: 00056124) (*Chairman*)  
A. R. BROACHA (DIN: 00056291)  
ANISH K. MODI (DIN: 00031232)  
BINAISHA R. SUNDARAM (DIN: 06637130)  
GAURAV SWARUP (DIN: 00374298) (*Managing Director*)

**Executives :** ARUN K. SINGHANIA (*Chief Financial Officer*)  
HIRAK GHOSH (*Company Secretary*)

**Bankers :** DEUTSCHE BANK  
BANK OF INDIA  
ICICI BANK LIMITED

**Auditors :** V.S. SOMANI & CO.  
Chartered Accountants

**Registered Office :** 125, MAKER CHAMBERS III,  
NARIMAN POINT,  
MUMBAI - 400 021.  
TEL.: 22854243  
Email: indpru@vsnl.net  
Website: www.industrialprudential.com  
CIN: L65990MH1913PLC000374

**Registrars & Transfer Agents :** LINK INTIME INDIA PVT. LTD.  
C-13, PANNALAL SILK MILLS COMPOUND,  
L.B.S. MARG, BHANDUP (WEST),  
MUMBAI-400 078.  
TEL.: 25946970  
Email-Id: rent.helpdesk@linkintime.co.in  
CIN: U67190MH1999PTC118368

**Notice to the Shareholders**

NOTICE is hereby given that the hundredth Annual General Meeting of **THE INDUSTRIAL & PRUDENTIAL INVESTMENT COMPANY LIMITED** will be held at Indian Merchants' Chamber Building (Walchand Hirachand Hall), 4th Floor, IMC Marg, Churchgate, Mumbai - 400 020, on Friday, July 8, 2016 at 2.00 p.m. to transact the following items of business:

1. To receive, consider and adopt:
  - (a) The Audited Financial Statements of the Company for the financial year ended March 31, 2016, the Reports of the Board of Directors and the Auditors thereon; and
  - (b) The Audited Consolidated Financial Statements of the Company for the financial year ended March 31, 2016, and the Report of Auditors thereon.
2. To declare a dividend.
3. To appoint a Director in place of Mr. A V Setalvad (DIN 00056124), who retires by rotation and, being eligible, offers himself for re-appointment.
4. To ratify appointment of Messrs. V. S. Somani & Co., Chartered Accountants, as Statutory Auditors in accordance with the first proviso to section 139(1) of the Companies Act, 2013 read with the Companies (Audit and Auditors) Rules, 2014 and to fix their remuneration for the financial year ending 31st March, 2017.
5. To consider and, if thought fit, to pass the following resolution, with or without modification, as a SPECIAL RESOLUTION:

**"RESOLVED that** the existing authorised share capital of the Company be and is hereby increased from Rs.1,00,00,000 (Rupees one crore only) divided into 10,00,000 Equity shares of Rs.10 (Rupees ten) each to Rs.2,00,00,000 (Rupees two crores only) divided into 20,00,000 Equity shares of Rs.10 (Rupees ten) each."

6. To consider and, if thought fit, to pass the following resolution, with or without modification, as a SPECIAL RESOLUTION:

**"RESOLVED that**

- (a) The existing clauses 5 and 6 in the Memorandum of Association of the Company be and are hereby substituted by the following clauses:
    - (5) The Capital of the Company is Rs.2,00,00,000 (Rupees two crores) capable of being increased in accordance with the Company's regulations and the legislative provisions for the time being in force.
    - (6) The said Capital is divided into 20,00,000 Equity shares of Rs.10 each.
  - (b) the existing article 4 in the Articles of Association of the Company be and is hereby substituted by the following article:
    - (4) The authorised Share Capital of the Company is Rs.2,00,00,000 (Rupees two crores) divided into 20,00,000 (Twenty lacs) Equity shares of Rs.10 each."
7. To consider and, if thought fit, to pass the following resolution, with or without modification, as an ORDINARY RESOLUTION:

**RESOLVED that:**

- (i) in accordance with
  - (a) provisions of section 63 and other applicable provisions, if any, of the Companies Act, 2013,
  - (b) regulations, guidelines, notifications and circulars issued by the Securities and Exchange Board of India (SEBI) to the Listed Companies from time to time,
  - (c) SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (LODR) as amended,
  - (d) SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2009 as amended,
  - (e) Regulations/Notifications issued by the RBI to NBFC,

## Notice to the Shareholders — contd.

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(f) Memorandum and Articles of Association of the Company and

(g) such approvals, permission, sanction that may be required

a sum of Rs. 1,16,35,600 being a part of the amount standing to the credit of the Company's General Reserve be capitalized and transferred to Share Capital and the same be applied on behalf of persons whose names appear in the Register of Members maintained by the Company's Registrar and Transfer Agents, the National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL), on the record date (to be determined by the Board) for the purpose for payment in full of 11,63,560 new Equity shares of the Company of Rs.10 (Rupees ten) each, and that such 11,63,560 new Equity shares credited as fully paid be issued and allotted as bonus shares to all such persons in the proportion of 2 (two) new Equity share for every 1 (one) existing Equity share of the Company held by them on the record date and that the 11,63,560 new Equity shares so distributed shall be treated for all purposes as an increase in the nominal amount of the capital of the Company held by each such member and not as income;

- (ii) the aforesaid 11,63,560 new Equity shares fully paid, as and when issued and allotted shall be subject to the Memorandum and Articles of Association of the Company and shall rank in all respects and including dividend *pari passu* with the existing Equity shares of the Company;
- (iii) members to whom the new Equity shares are allotted in accordance with para (i) above, shall accept the same in full and final satisfaction of their respective rights and interest in the capitalized sum of Rs. 1,16,35,600;
- (iv) the new equity Bonus shares shall be issued and despatched to the allottees thereof within the period prescribed or that may be prescribed in this behalf, from time to time, except that the new equity Bonus shares in dematerialized form will be credited to the demat account of the allottees, who are holding the existing equity shares in electronic form and in case of Members who hold equity shares in physical mode Bonus shares shall be despatched, within such time as prescribed by law and the relevant authorities;
- (v) the allotment of the new equity Bonus shares to the extent they relate to non-resident members, if any, of the Company shall be subject to such approval, of the Reserve Bank of India under the Foreign Exchange Management Act, 1999 as amended from time to time and rules made thereunder, as may be deemed necessary;
- (vi) for the purpose of giving effect to this resolution, the Directors of the Company be and are hereby authorised to do all such acts, deeds, matters and things as they may in their absolute discretion deem necessary, expedient, usual or proper and to give such directions as may be necessary, to settle any question, difficulty or doubt that may arise in regard to the issue and distribution of the new Equity shares as they may think fit."

## NOTES:

- I. The relative Explanatory Statement pursuant to Section 102 of the Companies Act, 2013 and the Rules made; notifications, circulars and orders issued from time to time thereunder (collectively referred to as "the Act") in respect of business under Items Nos. 4 to 7 of the Notice, is annexed hereto. The relevant details as required as per the Listing Agreement entered into with the BSE Limited (BSE), in accordance with LODR, of persons seeking appointment/re-appointment as Directors under Item No. 3 is also annexed.
- II. **A Member entitled to attend and vote at the Annual General Meeting (AGM) is entitled to appoint a proxy to attend and vote instead of himself and the proxy need not be a Member of the Company.** The instrument appointing the proxy, in order to be effective, must be deposited at the Company's Registered Office, duly completed and signed, not less than **FORTY-EIGHT HOURS** before the meeting. Proxies submitted on behalf of limited companies, societies, etc., must be supported by appropriate resolutions/authority, as applicable. A person can act as proxy on behalf of Members not exceeding fifty



**Notice to the Shareholders — contd.**

- (50) and holding in the aggregate not more than 10% of the total share capital of the Company. In case a proxy is proposed to be appointed by a Member holding more than 10% of the total share capital of the Company carrying voting rights, then such proxy shall not act as a proxy for any other person or shareholder.
- III. The Register of Members and the Share Transfer Books of the Company will remain closed from Wednesday, 15th June, 2016 to Thursday, 16th June, 2016 (both days inclusive).
  - IV. If dividend as recommended by the Board of Directors is approved at the AGM, payment of such dividend will be made on or after Monday, 18th July, 2016 as under:
    - (i) To all Beneficial Owners in respect of shares held in dematerialized form as per the data made available by the National Securities Depository Limited (NSDL) and the Central Depository Services (India) Limited (CDSL) as at the close of business hours on Tuesday, 14th June, 2016;
    - (ii) To all Members in respect of shares held in physical form after giving effect to valid transfers in respect of transfer requests lodged with the Company/RTA on or before the close of business hours on Tuesday, 14th June, 2016;
  - V. Pursuant to Section 124 of the said Act, the amount of dividend remaining unpaid or unclaimed for a period of seven years from the date of its transfer to the unpaid Dividend Account of the Company shall be transferred to the Fund established by the Government of India under Section 125 of the Act. All shares in respect of which such unpaid or unclaimed dividend has been transferred shall also be transferred by the Company in the name of Investor Education and Protection Fund.
  - VI. Pursuant to the provisions of Section 205C of the Companies Act, 1956 (which are still applicable as the relevant sections under the Act, are yet to be notified), the Company has transferred on due dates, the unpaid or unclaimed dividend amount for the financial year ended March 31, 2008 to the Investor Education and Protection Fund (IEPF) established by the Central Government. Pursuant to the provisions of Investor Education and Protection Fund (Uploading of Information regarding unpaid and unclaimed amounts lying with Companies) Rules, 2012, the Company has uploaded the details of unpaid and unclaimed amounts lying with the Company on August 31, 2015 (date of the last AGM) on the website of the Company ([www.industrialprudential.com](http://www.industrialprudential.com)), as also on the website of the Ministry of Corporate Affairs ([www.mca.gov.in](http://www.mca.gov.in)).
  - VII. Corporate Members intending to send their authorised representatives to attend the Meeting pursuant to Section 113 of the Companies Act, 2013 are requested to send to the Company a certified copy of the relevant Board Resolution together with their respective specimen signatures authorising their representative(s) to attend and vote on their behalf at the Meeting.
  - VIII. 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 their PAN to the Depository Participants with whom they maintain their demat accounts. Members holding shares in physical form should submit their PAN to the Company/Registrar and Transfer Agent, Link Intime India Pvt. Ltd. (RTA).
  - IX. Members who have not yet encashed their dividend warrant(s) for the financial year ended 31st March, 2009 onwards, are requested to make their claims to the Company accordingly, without any delay.
  - X. Members holding shares in dematerialized form are requested to intimate all changes pertaining to their bank details, National Electronic Clearing Service (NECS), Electronic Clearing Service (ECS), mandates, nominations, power of attorney, change of address, change of name, e-mail address, contact numbers, etc., to their Depository Participant (DP). Changes intimated to the DP will then be automatically reflected in the Company's records which will help the Company and the Company's RTA, to provide efficient and better services. Members holding shares in physical form are also requested to intimate such changes to the RTA.
  - XI. Members holding shares in physical form are requested to consider converting their holding to dematerialized form to eliminate all risks associated with physical shares. Members can contact the Company/RTA for assistance in this regard.

## Notice to the Shareholders — contd.

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- XII. Members holding shares in physical form in identical order of names in more than one folio are requested to send to the Company/RTA, the details of such folios together with the share certificates for consolidating their holding in one folio. A consolidated share certificate will be returned to such Members after making requisite changes thereon.
- XIII. In case of joint holders attending the meeting, the Member whose name appears as the first holder in the order of names as per the Register of Members of the Company will be entitled to vote.
- XIV. Members seeking any information with regard to the Accounts are requested to write to the Company at an early date, so as to enable the Management to keep the information ready at the meeting.
- XV. Electronic copy of the Annual Report for the year 2015-16 is being sent to all the members whose email IDs are registered with the Company/Depository Participants(s) and have given their positive consent to receive the same through electronic means. To members other than above, physical copies of the Annual Report are being sent in the permitted mode.
- XVI. Electronic copy of the Notice of the 100th AGM of the Company inter alia indicating the process and manner of remote e-voting along with Attendance Slip and Proxy Form are being sent to all the members whose email IDs are registered with the Company/Depository Participants(s) and have given their positive consent to receive the same through electronic means. To members other than above, physical copies of the Notice of the 100th AGM of the Company inter alia indicating the process and manner of remote e-voting along with Attendance Slip and Proxy Form are being sent in the permitted mode.
- XVII. Members may also note that the Notice of the 100th AGM and the Annual Report for 2015-16 will also be available on the Company's website [www.industrialprudential.com](http://www.industrialprudential.com) for their download. The physical copies of the aforesaid documents will also be available at the Company's Registered Office in Mumbai for inspection during normal business hours on working days. Even after registering for e-communication, members are entitled to receive such communication in physical form, upon making a request for the same, free of cost. For any communication, the shareholders may also send request to the Company's investor email id: [indpru@vsnl.net](mailto:indpru@vsnl.net).
- XVIII. Voting through electronic means:
1. Pursuant to Section 108 of the Companies Act, 2013 read with Rule 20 of the Companies (Management and Administration) Rules, 2014, as amended from time to time, the Company is pleased to provide to its members the facility of 'remote e-voting' (e-voting from a place other than venue of the 100th AGM) to exercise their right to vote at the 100th AGM. The business may be transacted through e-voting services rendered by Central Depository Services (India) Limited (CDSL).
  2. The facility for voting, either through electronic voting system or through ballot/polling paper provided with the Notice of the 100th AGM and shall also be made available at the venue of the 100th AGM. The members attending the meeting, who have not already cast their vote through remote e-voting shall be able to exercise their voting rights at the meeting. The members who have already cast their vote through remote e-voting may attend the meeting but shall not be entitled to cast their vote again at the 100th AGM.
  3. The Company has appointed Mr. Mayur Mehta, Practicing Company Secretary as the Scrutinizer for conducting the remote e-voting and the voting process at the 100th AGM in a fair and transparent manner. Scrutinizer will submit his report to the Chairman of the meeting not later than Saturday, 9th July, 2016. The result with the Scrutinizer's Report will be announced and displayed at the Registered Office. The said result would be available on the website of the Company [www.industrialprudential.com](http://www.industrialprudential.com) and of the CDSL. The same would be uploaded on the website of BSE in accordance with the LODR.

**Notice to the Shareholders — contd.**

4. The instructions to members for voting electronically are as under:

- I. The voting period begins on Tuesday, 5th July, 2016 at 9.00 a.m. and ends on Thursday, 7th July, 2016 at 5.00 p.m. During this period shareholders' of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date i.e. 1st July, 2016 may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting after 5.00 p.m. on 7th July, 2016.
- II. Members holding shares in physical or in demat form as on 1st July, 2016 shall only be eligible for e-voting.
- III. The shareholders should log on to the e-voting website [www.evotingindia.com](http://www.evotingindia.com).
- IV. Click on Shareholders.
- V. Now Enter your User ID;
- VI.
  - a. For CDSL: 16 digits beneficiary ID;
  - b. For NSDL: 8 Character DP ID followed by 8 Digits Client ID;
  - c. Members holding shares in Physical Form should enter Folio Number registered with the Company.
- VII. Next enter the Image Verification as displayed and Click on Login.
- VIII. If you are holding shares in demat form and had logged on to [www.evotingindia.com](http://www.evotingindia.com) and voted on an earlier voting of any company, then your existing password is to be used.
- IX. If you are a first time user follow the steps given below:

	<b>For Members holding shares in Demat Form and Physical</b>
PAN	Enter your 10 digit alpha-numeric PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders). Members who have not updated their PAN with the Company/Depository Participant are requested to use number which is printed on Attendance Sheet indicated in the PAN field.
DOB	Enter the Date of Birth as recorded in your demat account or in the company records for the said demat account or folio in dd/mm/yyyy format.
Dividend Bank Details	Enter the Dividend Bank Details as recorded in your demat account or in the company records for the said demat account or folio. Please enter the DOB or Dividend Bank Details in order to login. If the details are not recorded with the depository or company please enter the member id/ folio number in the Dividend Bank details field as mentioned in instruction (v).

- X. After entering these details appropriately, click on "SUBMIT" tab.
- XI. Members holding shares in physical form will then directly reach the Company selection screen. However, members holding shares in demat form will now reach 'Password Creation' menu wherein they are required to mandatorily enter their login password in the new password field. Kindly note that this password is to be also used by the demat holders for voting for resolutions of any other company on which they are eligible to vote, provided that company opts for e-voting through CDSL platform. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.



**Notice to the Shareholders — contd.**

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- XII. For Members holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.
- XIII. Click on the EVSN and select the Company's name.
- XIV. On the voting page, you will see "RESOLUTION DESCRIPTION" and against the same the option "YES/NO" for voting. Select the option YES or NO as desired.
- XV. Click on the "RESOLUTIONS FILE LINK" if you wish to view the entire Resolution details.
- XVI. After selecting the Resolution you have decided to vote on, click on "SUBMIT". A confirmation box will be displayed. If you wish to confirm your vote, click on "OK", else to change your vote, click on "CANCEL" and accordingly modify your vote.
- XVII. Once you "CONFIRM" your vote on the resolution, you will not be allowed to modify your vote.
- XVIII. You can also take out print of the voting done by you by clicking on "Click here to print" option on the Voting page.
- XIX. If Demat account holder has forgotten the changed password then Enter the User ID and the image verification code and click on Forgot Password & enter the details as prompted by the system.
- XX. Note for Non-Individual Shareholders and Custodians
- Non-Individual shareholders (i.e. other than Individuals, HUF, NRI etc.) and Custodian are required to log on to [www.evotingindia.com](http://www.evotingindia.com) and register themselves as Corporates.
  - A scanned copy of the Registration Form bearing the stamp and sign of the entity should be emailed to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com).
  - After receiving the login details a compliance user should be created using the admin login and password. The Compliance user would be able to link the account(s) for which they wish to vote on.
  - The list of accounts should be mailed to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com) and on approval of the accounts they would be able to cast their vote.
  - A scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, should be uploaded in PDF format in the system for the scrutinizer to verify the same.
- XXI. In case you have any queries or issues regarding remote e-voting, you may refer the Frequently Asked Questions ("FAQs") and e-voting manual available at [www.evotingindia.com](http://www.evotingindia.com), under help section or write an email to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com).

By Order of the Board of Directors

**A. V. SETALVAD**  
*Chairman*

*Registered Office:*

125, Maker Chambers III,  
Nariman Point, Mumbai-400 021.

Mumbai, May 30, 2016.

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**Explanatory Statement  
(Pursuant to Section 102 of the Companies Act, 2013)**

As required by Section 102 of the Act, the following explanatory statement sets out all material facts relating to the business mentioned under Items 4 to 7 of the accompanying Notice:

**Item 4**

The explanatory statement for this item is provided though strictly not required as per Section 102 of the Act.

In accordance with Section 139 of the Act, the Company at the AGM held on 24th September, 2014 appointed M/s. V S Somani & Co., Chartered Accountants, the existing statutory auditors (being a sole proprietary firm) for a period of three years. The appointment was to be ratified by members at every annual general meeting thereafter. At the AGM held on 31st August, 2015, the said appointment was ratified.

In view of the above, it is proposed to ratify appointment of M/s. V. S. Somani & Co., Chartered Accountants, statutory auditors in accordance with the first proviso to section 139(1) of the Companies Act, 2013 read with the Companies (Audit and Auditors) Rules, 2014 and to fix their remuneration for the financial year ending 31st March, 2017.

In accordance with proviso of Section 139 of the Act, the Board of Directors has received consent and certificates of eligibility and compliance of criteria under Section 141 of the Act from M/s. V S Somani & Co., Chartered Accountants.

Based on the recommendation of the Audit Committee, the Board of Directors recommend to the members to ratify the appointment of the existing statutory auditors M/s. V S Somani & Co., Chartered Accountants and fix their remuneration as mentioned in Item No 4 of the Notice.

None of the Directors, KMP or their relatives is concerned or interested in the Resolution at Item No. 4 of the Notice.

Documents referred to above are open for inspection by members at the Registered Office of the Company during normal business hours on any working day except Saturday.

**Items 5 & 6**

In view of the recommendation of the Directors of the Company for issue of bonus shares as mentioned in item 7 of the Notice, it is necessary to increase the existing authorised Share Capital of the Company from Rs.1,00,00,000 (Rupees one crore only) to Rs.2,00,00,000 (Rupees two crores only) as mentioned in the resolution set-out in item 5 of the Notice. Consequently, the existing clauses 5 and 6 and article 4 of the Company's Memorandum and Articles of Association need to be amended in the manner set out in the resolution at item 6 of the Notice. The Directors recommend the said two resolutions for approval of members of the Company.

None of the Directors, KMP or their relatives is concerned or interested in these resolutions.

A copy of the Memorandum and Articles of Association of the Company together with the proposed changes is open for inspection by the members at the Registered Office of the Company during usual office hours on all working days upto and including the day of the annual general meeting.

**Item 7**

To commemorate 100 years of the Company the Directors propose to capitalize a portion of free reserves and accordingly, recommend that a sum of Rs. 1,16,35,600 being a part of the amount standing to the credit of the Company's General Reserve be capitalized and transferred to Share Capital and the same be applied on behalf of persons by issuing and allotting 11,63,560 new Equity shares of the Company of Rs.10 (Rupees Ten) each credited as fully paid, as bonus shares, in the proportion of 2 (two) Equity Bonus Shares for every 1 (one) Equity

## Notice to the Shareholders — contd.

Share of the Company, to the holders of Equity shares on the Company's Register of Members on a date to be determined by the Directors of the Company, on the terms and conditions mentioned in the resolution at item 7 of the Notice.

In the opinion of the Directors, the proposed issue of bonus shares is in accordance with

- (a) provisions of section 63 and other applicable provisions, if any, of the Companies Act, 2013
- (b) regulations, guidelines, notifications and circulars issued by SEBI to the Listed Companies from time to time
- (c) LODR as amended
- (d) SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2009 as amended
- (e) Regulations/Notifications issued by the RBI to NBFC
- (f) Memorandum and Articles of Association of the Company
- (g) Such approvals, permission, sanction that may be required

The Directors recommend the resolution as set out at item 7 of the Notice for approval of members of the Company.

The Directors of the Company/KMP and their relatives may be deemed to be concerned or interested in the said ordinary resolution to the extent of their respective shareholding in the Company.

By Order of the Board of Directors

**A. V. SETALVAD**  
Chairman

*Registered Office:*

125, Maker Chambers III,  
Nariman Point, Mumbai-400 021.

Mumbai, May 30, 2016.

## ANNEXURE

Details of Directors seeking appointment/re-appointment at the annual general meeting

Sr. No.	Particulars	Mr. Anant V. Setalvad
1.	Date of Birth	29th August, 1934
2.	Date of Appointment	11th February, 1960
3.	Qualifications	B.A., LLB
4.	Expertise in specific functional areas	Vast experience in finance and corporate law
5.	Directorships held in other companies (excluding foreign companies)	1. New Holding And Trading Company Limited 2. J.M. Financial Trustee Co. Pvt. Ltd.
6.	Memberships/Chairmanships of committees of other companies (includes only Audit Committee and Shareholders/Investors Grievance Committee)	None
7.	Number of Shares held in the Company	4484

**Directors' Report for the Year Ended 31st March, 2016**

To,

The Shareholders,

Your directors have pleasure in submitting the ANNUAL REPORT relating to the affairs of the Company together with Audited Financial Statements of the Company for the year ended 31st March, 2016.

**FINANCIAL RESULTS**

	<b>Rs in lakhs</b>	
<b>Particulars</b>	<b>Year ended 31.03.2016</b>	<b>Year ended 31.03.2015</b>
Income	<b>757.13</b>	780.29
Expenditure		
(a) Expenses	<b>69.98</b>	64.68
(b) Provision for diminution in Long Term Investments	<b>28.83</b>	3.98
(c) Provision for Corporate Social Responsibility	<b>11.25</b>	10.00
<b>Profit before taxation</b>	<b>647.07</b>	701.63
<b>Provision for taxation</b>		
Current tax		
— For the year	<b>12.00</b>	45.00
— Relating to earlier years	<b>—</b>	0.42
	<b>12.00</b>	45.42
Net Profit after taxation	<b>635.07</b>	656.21
Add: Balance brought forward from Balance Sheet	<b>1,118.48</b>	979.63
<b>Total</b>	<b>1,753.55</b>	1,635.84
Profit for appropriation		
<b>Appropriation</b>		
Dividend	<b>581.78</b>	319.98
Tax on Proposed Dividend	<b>118.44</b>	65.14
Special Reserve (in terms of Section 45-IC of RBI Act, 1934)	<b>128.00</b>	132.00
Depreciation as per Schedule II for earlier years	<b>—</b>	0.24
Balance carried to Balance Sheet	<b>925.33</b>	1,118.48
<b>Total</b>	<b>1,753.55</b>	1,635.84

**DIVIDEND**

Directors recommend dividend of Rs. 100 per share including Rs. 45 per share as jubilee dividend celebrating hundred years (previous year Rs 55 per share).

**HOLDING COMPANY**

Paharpur Cooling Towers Limited (PCTL) controls the composition of the Board of Directors of the Company. Consequently the Company in terms of section 2(87) (i) read with Explanation (b) of the Companies Act, 2013 (hereinafter referred to as "the Act"), is the subsidiary of PCTL.

**DIRECTORS**

Mr. A.V. Setalvad (DIN 00056124) retires by rotation and being eligible offers himself for re-appointment.

## Directors' Report for the Year Ended 31st March, 2016

### KEY MANAGERIAL PERSONNEL

The following are the Key Managerial Personnel (KMP)

- Mr. Gaurav Swarup, Managing Director.
- Mr. A. K. Singhania, Chief Financial Officer.
- Mr. Hirak Ghosh, Company Secretary.

All the above are also KMP of the PCTL (holding Company). Therefore their appointment is covered by section 203(3) of the Act.

In compliance with the Act and the Listing Agreement with BSE Ltd as per SEBI Listing (Obligation and Disclosure Requirements) Regulation, 2015 [LODR] the following reports are attached.

Sr. No.	Particulars	Annexure
1.	Corporate Governance Report with requisite certificate from the Practising Company Secretary (PCS)	A
2.	Management Discussion and Analysis Report	B
3.	Secretarial Audit Report	C
4.	A Statement containing salient features of the financial statement of New Holding and Trading Co. Ltd. (wholly owned subsidiary) and KSB Pumps Limited (Associate Company) in Form AOC 1	D
5.	Extract of Annual Report in Form MGT 9	E
6.	Corporate Social Responsibility report in accordance with Section 135 of the Act read with the Rules	F
7.	Financial Summary/Highlights	G
8.	Disclosure on related party as per LODR	H
9.	Consolidated Financial Statement	I

### BONUS ISSUE

The Board of Directors subject to various approvals, recommends issue of Bonus Shares in the ratio of 2 (two) Equity Bonus Shares of Rs. 10 each for every 1 (one) existing equity shares of Rs. 10 each to the shareholders of the Company on a date to be fixed by the Board of Directors. After issue of 11,63,560 Bonus shares as proposed, the paid equity capital of the Company will be increased to Rs. 1,74,53,400. Bonus shares will be issued by capitalization of General Reserves to the extent of Rs. 1,16,35,600. Necessary resolutions for issue of Bonus Shares and consequent increase in authorised capital and alteration of Memorandum and Articles of Association are set out in the accompanying notice of 100th Annual General Meeting.

### CHANGE OF REGISTERED OFFICE

The Board of Directors at its meeting held on 30th May, 2016, subject to various approvals, has proposed to shift the Registered Office from the State of Maharashtra to the State of West Bengal. The change will help better administration and economy, reduce overheads and duplication of records. In accordance with the Section 110 of the Act read with the Rule 22 of the Companies (Management and Administration) Rules, 2014 the members consent is being obtained by Postal Ballot. A separate notice is being issued in this regard.

### NUMBER OF MEETINGS OF THE BOARD

During the financial year under review the Board of Directors met 5 (five) times. The details are given in the



## Directors' Report for the Year Ended 31st March, 2016

Corporate Governance Report (Annexure A). All suggestions of the Audit Committee have been accepted by the Board.

### DIRECTORS' RESPONSIBILITY STATEMENT

Pursuant to Section 134(3)(c) and sub section (5) of the Act, your Directors confirm that:

- (a) In the preparation of the annual accounts, the applicable accounting standards have been followed along with proper explanation relating to material departures, if any.
- (b) Appropriate accounting policies have been selected and applied consistently and that the judgements and estimates made are reasonable and prudent so as to give a true and fair view of the affairs of the Company for the year ended March 31, 2016 and of the profit for the year under review.
- (c) proper and sufficient care have been taken for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- (d) the annual accounts have been prepared on a 'going concern' basis.
- (e) internal financial controls have been laid down and followed by the company and such internal financial controls are adequate and operating satisfactorily.
- (f) there is proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

### AUDIT COMMITTEE

Members of the Audit Committee are Mr. A.R. Broacha, Mr. A.K. Modi and Mr. A.V. Setalvad. Details of the said committee are set out in the Corporate Governance Report (Annexure A).

### A STATEMENT OF DECLARATION BY INDEPENDENT DIRECTORS

Mr. A R Broacha, Mr. A K Modi and Mrs. Binaisha Sundaram, independent directors have furnished declarations that they meet the criteria of independence as laid down under section 149(6) of the Companies Act, 2013 and of LODR.

### POLICY ON DIRECTORS' APPOINTMENT, REMUNERATION AND CRITERIA OF INDEPENDENCE OF DIRECTORS

Nomination and Remuneration Committee recommends to the Board appointment of director, and payment of commission in accordance with the limits approved by the members.

With regard to remuneration, except Mr. G Swarup all the Directors are non- executive directors. Mr. Swarup does not draw any remuneration except sitting fees. Directors are paid sitting fee as well as commission based on the net profits of the Company. The members have approved payment of commission within the limit laid down in the Act.

### SECRETARIAL AUDIT REPORT

Pursuant to Section 204 of the Act, the Board of Directors has appointed Mayur Mehta, PCS as secretarial auditor. Secretarial Audit Report received from Mayur Mehta is enclosed (Annexure C).

### PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS

The Company's principal business is dealing in investments and securities and it is registered as NBFC with the Reserve Bank of India. As nothing in Section 186, except sub Section (1) of the Act applies in accordance with section 186(11) details are not required to be given. However Note 7 and 9 of the attached financial statement give details of the same.

## Directors' Report for the Year Ended 31st March, 2016

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### **PARTICULARS OF CONTRACTS OR ARRANGEMENTS WITH RELATED PARTIES**

There are no material related party transactions during the year under review with the promoters, directors, Key Managerial Personnel and their relatives. Therefore no details are required to be disclosed in the Form AOC 2.

### **MATERIAL CHANGES AND FINANCIAL COMMITMENTS, IF ANY,**

No material changes and financial commitments have occurred between the end of the financial year of the Company to which the balance sheet relates and the date of this Report.

### **CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS AND OUTGOINGS**

There are no particulars to be disclosed with regard to

- conservation of energy,
- technology absorption and
- foreign exchange earnings and outgoings

### **RISK MANAGEMENT**

The principal business of the company is dealing in investments and securities which are subject to market risks. The Board of Directors/Committee of Directors take policy decision on deployment of funds of the Company in securities market based on investment climate and economic conditions in the country and movement in the stock markets. The investment portfolio is periodically reviewed by the Board of Directors and cautious approach is a key note of the policy to mitigate risks.

### **CORPORATE SOCIAL RESPONSIBILITY**

Members of the Corporate Social Responsibility are Mr. A. V. Setalvad (Chairman), Mr. A. R. Broacha and Mr. G. Swarup.

Based on the recommendation of Corporate Social Responsibility Meeting, the Board has adopted CSR Policy. It is available on the Website of the Company. Based on the recommendation of CSR Committee, budgeted expenditure for the year ended 31st March, 2015 of Rs.10 lacs was approved. The entire Rs.10 lacs has been contributed to Jnana Prabodhini Shivapradesh, Pune. The said project has progressed satisfactorily. For the year 31st March, 2016 a budget of Rs. 11.25 lacs has been fixed. The same has been provided in the books of accounts. Based on the progressive report received the amount would be spent on the project.

### **CHANGE IN BUSINESS**

There has been no change in the nature of business of the Company.

### **DEPOSITS**

The Company had no deposits at the beginning of the Financial Year. It has not accepted any deposits from its members/directors. The Company does not have any outstanding deposits at the end of the Financial Year.

### **SIGNIFICANT MATERIAL ORDERS**

Save as mentioned in the Report on Corporate Governance (Annexure A) under para 8(V) Disclosure, no

**Directors' Report for the Year Ended 31st March, 2016**

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significant and material orders have been passed by the regulators or courts or tribunals impacting the going concern status and the Company's operations in future.

**INTERNAL FINANCIAL CONTROL**

The quality of internal financial procedure and control observed by the management and its officials are commensurate with the size and the operations of the Company.

**DISCLOSURE OF REMUNERATION VIS A VIS EMPLOYEES**

No disclosure is required to be made pursuant to Rule 5 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 as there is only one male employee of the Company. Further non-executive directors are paid commission related to profits and fees. The Managing Director is not paid remuneration.

The Company has no employees covered under Rule 5 (2) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014.

**UNCLAIMED SECURITIES**

In accordance with Regulation 39 read with Schedule VI, the Company has transferred unclaimed securities to "Industrial Prudential Unclaimed Securities Suspense Account" on 5th May, 2016. Aggregate number of shareholders is 330 holding 8703 shares. The voting rights on these shares shall remain frozen till the rightful owner of such shares claims the shares.

**AUDITORS' REPORT**

There are no qualifications or adverse remarks in the Auditors' Report.

**AUDITORS**

In accordance with Section 139 of the Act read with Rules made thereunder, the Company at the Annual General Meeting held on 24th September, 2014 appointed Messrs. V S Somani & Co., Chartered Accountants, the existing statutory auditors (being a sole proprietary firm) for a period of three years. The appointment is to be ratified by members at every annual general meeting thereafter.

In accordance with provisions of Section 139 of the Act, the Board of Directors has received consent and certificates of eligibility and compliance of criteria under Section 141 of the Act from Messrs. V S Somani & Co., Chartered Accountants, Mumbai. Members are requested to ratify the appointment of the existing statutory auditors Messrs. V S Somani & Co., Chartered Accountants, and to fix their remuneration.

On behalf of the Board of Directors

**A. V. SETALVAD**  
*Chairman*

*Registered Office:*

125, Maker Chambers III,  
Nariman Point, Mumbai-400 021.

Mumbai, May 30, 2016.

**ANNEXURE A**

**Report on Corporate Governance**

**A. MANDATORY REQUIREMENTS**

**1. A Brief Statement on Company's Philosophy on Code of Governance**

The Company aims to achieve good corporate governance practice and to ensure compliance with the relevant laws and regulations. The Company is conducting its business efficiently, professionally and in the manner which is fair and transparent. It always strives to meet its obligations to all stakeholders in a balanced and accountable manner.

**2. Board of Directors**

(i) Composition and Category of Directors

The Board of Directors comprises of five directors.

(ii) Attendance of each Director at the Board Meetings and the last Annual General Meeting (AGM):

Name of the Director	Category of Directorship	No. of Board Meetings attended	Attendance at the last AGM on 24.09.2014
Mr. A V Setalvad	Chairman NED	5	Yes
Mr. A R Broacha	NED I	5	Yes
Mr. G Swarup	Managing Director	2	Yes
Mr. A K Modi	NED I	4	Yes
Mrs. Binaisha Sundaram	WD NED I	2	—

NED — Non-Executive Director

NED I — Non-Executive Director – Independent

WD — Woman Director

(iii) Number of other Boards or Board Committees in which he/she is a member or chairperson:

Name of the Director	No. of Directorships in other Boards @	No. of Memberships in other Board Committees #	No. of Chairmanships in other Board Committees #
Mr. A V Setalvad	2	None	None
Mr. A R Broacha	2	1	None
Mr. G Swarup	14	4	1
Mr. A K Modi	5	—	—
Mrs. Banaisha Sundaram	—	—	—

@ Directorships in Foreign Companies and Private Limited Companies are included in the above table.

# Memberships in Committees other than Audit Committee/ Shareholder Grievance Committee/ Remuneration Committee/ Management Committee/Share Transfer Committee of public limited companies and all Committees of private limited/foreign companies are excluded in the above table.

## Report on Corporate Governance

(iv) Number of Board Meetings held during the year under review:

Sr. No.	Date
1.	22.04.2015
2.	28.05.2015
3.	12.08.2015
4.	04.11.2015
5.	11.02.2016

The Company is managed by the Board of Directors and committee of directors.

#### Key Managerial Personnel (KMP)

- (a) Mr G. Swarup – *Managing Director*
- (b) Mr. A. K. Singhanian – *Chief Financial Officer*
- (c) Mr. Hirak Ghosh – *Company Secretary*

These KMPs are already KMPs of the Company's holding company viz. Paharpur Cooling Towers Limited (PCTL). They have been appointed under section 203(3) of the Companies Act, 2013. PCTL (unlisted public company) is a holding company in accordance with section 2(87)(i) of the Companies Act, 2013.

The Chairman of the Board is a Non-executive Director. The composition of the Board of Directors is in conformity with the Companies Act, 2013 (the Act) and SEBI (Listing Obligation and Disclosure Requirements) Regulation, 2015 (LODR).

There has been no change in the Directors during the financial year.

None of the Directors of the Company and KMP are inter se related.

#### Independent Directors

Independent Directors play an important role in the governance process of the Board by bringing their expertise and experience. Each Independent Director has been appointed by the members at the general meeting for a period of five years from the date of appointment by the members.

None of the Independent Directors serves as "Independent Director" in more than seven listed companies.

The Independent Directors have confirmed that they meet the criteria of Independence laid down under the Act and LODR.

During the financial year under review, the Independent Directors met on 11th February, 2016 in accordance with the Act and LODR to

- review the performance of non-independent directors and the Board as a whole;
- review the performance of the Chairperson of the company, taking into account the views of executive directors and non-executive directors;
- 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



## Report on Corporate Governance

All the Independent Directors were present throughout the meeting. They expressed satisfaction on all the issues which were reviewed and assessed.

All the Independent Directors are fully familiarised with the Company's business and the regulatory framework in which the Company operates.

### 3. Audit Committee

(i) Brief Description of Terms of Reference:

The terms of reference of this Committee are wide enough covering the matters specified under the Act and LODR.

(ii) Composition, Name of Members and Chairperson and attendance during the year.

Names of the Members	Composition	No. of Meetings attended
Mr. A R Broacha, <i>Chairman</i>	NED I	4
Mr. A K Modi	NED I	4
Mr. A V Setalvad	NED	4

All the members of the Audit Committee possess the requisite qualification for appointment on the Committee and have knowledge of finance, accounting practices and internal financial controls.

(iii) Details of Audit Committee Meetings held during the year under review:

Sr. No.	Date
1.	28.05.2015
2.	12.08.2015
3.	04.11.2015
4.	11.02.2016

### 4. Nomination and Remuneration Committee

(i) Brief Description of Terms of Reference

The Remuneration Committee has the power to perform the role and functions laid down in the Act and LODR.

(ii) Composition, name of members and Chairperson

Names of the Members	Composition
Mr. A R Broacha — Chairman	NED I
Mr. G. Swarup	ED
Mr. A K Modi	NED I

**Report on Corporate Governance**

(iii) Details of meetings held during the year under review

Sr. No.	Date	Attendance by members
1.	22.04.2015	All
2.	11.02.2016	All

(iv) Remuneration policy

The Board of Directors decide the remuneration of non-executive directors which consists of a sitting fee as well as commission based on the net profits of the Company. The members have approved payment of commission within the limit laid down in the Companies Act, 2013.

(v) Details of remuneration to all the directors (including KMPs)

Except Mr. G Swarup who is Managing Director all other Directors are non-executive. The Non-executive Directors are paid sitting fees as well as commission based on the net profits of the Company within the limit approved by the members. Mr. G. Swarup is paid sitting fees for attending the Board Meetings and Committee Meetings

Payments made/payable for the period from 01.04.2015 to 31.03.2016 is as under:

Rs.'000s

Name of the Directors	Sitting Fees	Commission
Mr. A V Setalvad	148	150
Mr. A R Broacha	150	150
Mr. Anish Modi	32	150
Mrs. Binaisha Sunderam	12	150
Mr. G. Swarup	10	0
<b>Total</b>	<b>352</b>	<b>600</b>

The Managing Director, Chief Financial Officer and Company Secretary are not paid any remuneration from the Company. Members have approved payment to the Managing Director of sitting fees for attending the Board Meetings and other Committee Meetings.

**5. Stakeholders' Relationship Committee**

(i) Composition:

Members of the Committee are:

- (a) Mr. A R Broacha, Chairman ( NED – I)
- (b) Mr. A V Setalvad

(ii) Compliance Officer:

Mr. Hirak Ghosh, Company Secretary is a compliance officer.

## Report on Corporate Governance

(iii) One meeting was held on 11th February, 2016 which was attended by both the members.

(iv) Complaints:

13 complaints were received during the year under review. All the complaints have been resolved to the satisfaction of the shareholders. There were no pending transfers as on 31.03.2016.

### 6. Subsidiary Company

The Company has one non-material unlisted subsidiary, viz. New Holding and Trading Company Limited. Mr A. V. Setalvad and Mr. A. R. Broacha are also the directors of the subsidiary company. Ms. Devina Swarup is also a director of the subsidiary company.

The Company's policy on "material subsidiary" is placed on the Company's website [www.industrialprudential.com](http://www.industrialprudential.com)

The Audited Financial Statement of the Subsidiary Company is tabled at the Audit Committee Meeting and Board Meeting.

### 7. General Body meetings

(i) Location and time where last three Annual General Meetings were held:

Financial Year	Date	Time	Venue
31.03.2013	11.09.2013	3.00 pm	Bajaj Bhavan, Nariman Point, Mumbai
31.03.2014	24.09.2014	3.00 pm	Bajaj Bhavan, Nariman Point, Mumbai
31.03.2015	31.08.2015	3.00 pm	Bajaj Bhavan, Nariman Point, Mumbai

(ii) Special Resolution passed in the previous three Annual General Meetings:

Financial Year	Special Resolution Passed
31.03.2013	None
31.03.2014	None
31.03.2015	None

(iii) Postal Ballot:

No resolution was required to be passed by means of a postal ballot during the last year.

### 8. Disclosures

- (i) The particulars of transactions between the Company and its related parties in accordance with the Accounting Standard 18 are set out in Note no 18 to the Accounts. These transactions are in the ordinary course of business and are not likely to have any conflict with the interest of the Company.
- (ii) There were no material pecuniary relationships or transactions of the directors other than payment of sitting fees, commission and investments, if any, in shares/securities of the Company.

## Report on Corporate Governance

- (iii) There were no material pecuniary transactions of the Company with its promoters, directors, KMP or their relatives other than investments, if any, in shares/securities of the Company that may have potential conflict with the interest of the Company at large.
- (iv) In compliance with the Act and LODR, the Company has framed the other following policies which are placed on the Company's website [www.industrialprudential.com](http://www.industrialprudential.com)
  - a. Related Party Transactions
  - b. Determination of materiality of events or information
  - c. Code of Fair Disclosure under PIT Regulations, 2015
  - d. Code of conduct
  - e. Preservation of documents
  - f. Archival of documents
- (v) The Company has complied with the requirements of regulatory authorities on capital markets except payment of penalty of Rs. 50,000 for late appointment of woman director.
- (vi) With regard to compliance with the non-mandatory requirements the same have been disclosed separately.
- (vii) The financial statements of the Company are prepared in accordance with the relevant Accounting Standards.
- (viii) The principal business of the company is dealing in investments and securities which are subject to market risks. The Board of Directors/Committee of Directors take policy decision on deployment of funds of the Company in securities market based on investment climate and economic conditions in the country and movement in the stock markets. The investment portfolio is periodically reviewed by the Board of Directors/Committee of Directors and cautious approach is a key note of the policy to mitigate the risks.

### 9. Means of Communication

(i) Quarterly Results	Published in the newspapers every quarter
(ii) Newspapers wherein results normally published	(i) Free Press Journal (ii) Navshakti (Marathi)
(iii) Website, where results are displayed	<a href="http://www.industrialprudential.com">www.industrialprudential.com</a>
(iv) Whether website also displays official news releases	Yes
(v) The presentations made to Institutional Investors or to the Analysts	No presentation has been made to Institutional Investors or to the Analysts

## Report on Corporate Governance

### 10. General Shareholder Information

AGM: Date, Time and Venue	On Friday 8th July, 2016 at 2.00 pm at Indian Merchant Chambers, Walchand Hirachand Hall, IMC Marg, Churchgate, Mumbai 400020
Financial Year	The financial year under review covers the period 1st April, 2015 to 31st March, 2016.
Date of Book Closure	From Wednesday, 15th June, 2016 to Thursday, 16th June, 2016 (both days inclusive)
Dividend Payment date	18th July, 2016 onwards
Listing on Stock Exchanges	1. BSE Limited 2. The Company has paid the listing fees for the period 1st April 2016 to 31st March 2017
Stock Code and ISIN	1. BSE : 501298 2. ISIN : INE 620D01011
Market Price Data: High, Low during each month in last Financial year	Please see Annexure 'A'
Performance in comparison to broad-based indices such as BSE Sensex, CRISIL index etc.	The performance of the Company's share relative to the BSE sensitive index is given in Annexure 'B'
Registrar and Transfer Agent	Link Intime India Pvt. Ltd.
Share Transfer System	All the transfers received are processed by the Registrar and Transfer Agent and approved by committee of directors at regular intervals.
Distribution of Shareholding and Share holding pattern as on 31.03.2016	Please see Annexure 'C'
Dematerialisation of shares and liquidity	5,21,837 shares were dematerialised as on 31.03.2016, representing 89.70% of the total share capital.
Outstanding GDRs/ADRs/ Warrants or any Convertible instruments conversion date and likely impact on equity	Not issued
Plant Locations	The Company's main business is dealing in investments and securities
Address for correspondence	Shareholders should address correspondence to: Link Intime India Pvt. Ltd. C-13, Pannalal Silk Mills Compound, L.B.S. Marg, Bhandup (W), Mumbai 400 078 Phone 022-25946970 E-mail: <a href="mailto:rnt.helpdesk@linkintime.co.in">rnt.helpdesk@linkintime.co.in</a>
Transfer of "Underlying Shares" into Investor Education and Protection Fund (IEPF)	Members are requested to note that in accordance with the Regulation 39(4) read with the Schedule VI of LODR, the Company has transferred unclaimed equity shares to a separate account titled "Industrial Prudential Unclaimed Securities Suspense Account" on 5th May, 2016 and the said shares are being dematerialised.



**Report on Corporate Governance**

	<p>As and when the relevant sections of the Act shall come into force, all shares in respect of which dividend has not been paid or claimed for seven consecutive years or more shall be transferred by the company in the name of Investor Education and Protection Fund along with a statement containing such details as may be prescribed.</p> <p><b>Provided</b> that any claimant of shares transferred above shall be entitled to claim the transfer of shares from Investor Education and Protection Fund in accordance with such procedure and on submission of such documents as may be prescribed.</p>
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**B. NON-MANDATORY REQUIREMENTS UNDER REGULATION 27(I) READ WITH PART E OF SCHEDULE II OF LODR**

**a. The Board**

A non-executive Chairman has been provided with the office at the company's expense and is also allowed reimbursement of expenses incurred in performance of his duties.

**b. Shareholders' Rights**

Under review

**c. Audit Qualifications**

The financial statements of the Company are unqualified.

**d. Separate Posts of Chairman and CEO**

The Company has a separate post of the Chairman and the Managing Director

**e. Reporting of Internal Auditor**

The Internal Auditor is an employee of the Company and he reports directly to the Audit Committee.

**DECLARATION UNDER REGULATION 26(3) OF LODR REGARDING ADHERENCE TO THE CODE OF CONDUCT**

I hereby confirm that, all the directors of the Company and KMP have affirmed compliance to the Code of Conduct for the financial year ended 31st March, 2016.

The Managing Director and CFO have provided the compliance certificate to the Board of Directors as specified in Part B of Schedule II of LODR.

On behalf of the Board of Directors

**A. V. SETALVAD**  
Chairman

Mumbai, May 30, 2016.

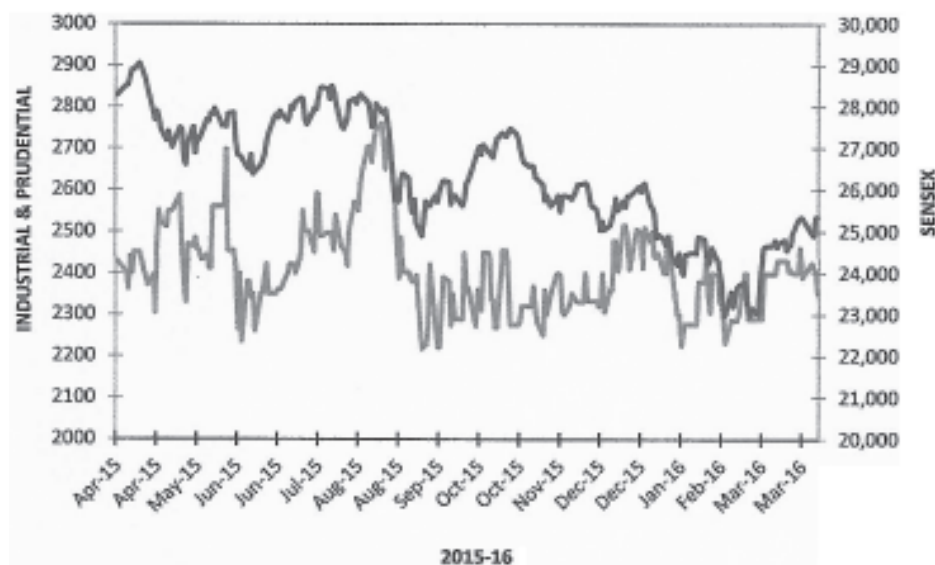
Report on Corporate Governance

ANNEXURE A

Price and volume of shares traded

Month/Year	BSE Ltd.		
	High (Rs.)	Low (Rs.)	Volume traded
<b>2015</b>			
April	2570	2300	1481
May	3018	2212	678
June	2639	1967	437
July	2597	2249	526
August	2861	2355	1783
September	2495	2200	825
October	2500	2214	357
November	2447	2212	346
December	2560	2216	268
<b>2016</b>			
January	2548	2200	552
February	2440	2212	1320
March	2500	2350	376

ANNEXURE B



Report on Corporate Governance

ANNEXURE C

Distribution of shareholding as on 31st March, 2016

Number of shares held	Members		Shares	
	Number	%	Number	%
1-500	1532	94.92	77383	13.30
501-1000	35	2.17	25519	4.39
1001-2000	21	1.30	31133	5.35
2001-3000	11	0.68	26591	4.57
3001-4000	4	0.31	17336	2.98
4001-5000	4	0.25	17765	3.05
5001-10000	2	0.18	21636	3.72
10001 and above	3	0.19	364417	62.64
<b>TOTAL</b>	<b>1612</b>	<b>100.00</b>	<b>581780</b>	<b>100.00</b>

Shareholding pattern as on 31st March, 2016

Category	No. of Members	No. of Shares held	% to the Capital
Indian Promoters	8	383355	65.89
Foreign Promoters	—	—	—
Mutual Funds & UTI	—	—	—
Banks, Financial Institutions and Insurance Companies	1	400	0.07
Central Government/State Government	1	56	0.00
Foreign Institutional Investors	—	—	—
Private Corporate Bodies	30	10656	1.83
Indian Public/ Trust	1547	185415	31.88
Foreign Nationals/ NRIs	25	1898	0.33
<b>TOTAL</b>	<b>1612</b>	<b>581780</b>	<b>100.00</b>

## Corporate Governance Compliance Certificate

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**Registration No.** : L65990MH1913PLC000374

**Nominal Capital** : Rs. 1,00,00,000

**Paid-up Capital** : Rs. 58,17,800

To:

The Members,

**THE INDUSTRIAL & PRUDENTIAL INVESTMENT COMPANY LIMITED.**

I have examined all relevant records of The Industrial and Prudential Investment Company Limited (the Company) for the purpose of certifying compliance of the Conditions of Corporate Governance under Clause 49 of the Listing Agreement with BSE Limited and SEBI Listing (Obligations and Disclosure Requirements) Regulations, 2015, (LODR) as applicable, for the financial year 1st April, 2015 to 31st March, 2016. I have obtained all the information and explanations which to the best of my knowledge and belief were necessary for the purposes of certification.

The Compliance of the conditions of Corporate Governance is the responsibility of the management. My examination was limited to the procedure and implementation thereof. This certificate 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. It is neither an audit nor an expression of opinion on the financial statements of the Company.

On the basis of my examination of the records produced, explanations and information furnished, I certify that the Company has complied with the conditions of the Corporate Governance as stipulated in the above mentioned SEBI regulations.

Based on the representation received from the Company and certified by the Registrar and Transfer Agent, no investor grievance is pending for a period exceeding one month as on 31st March, 2016, against the Company.

**MAYUR MEHTA**

*Practising Company Secretary*

C.P.No. 9952

Membership No. A3132

Place : Mumbai

Date : May 30, 2016.

**ANNEXURE B**

**Management Discussion and Analysis**

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**GLOBAL ECONOMY**

During the financial year 2015-16 the international economy witnessed unusual volatility. The fear of the faltering recovery of global economy persisted throughout the year. Amidst the gloomy landscape, risks of extreme events continued to rise. The Global economy continued to be weak.

**INDIAN ECONOMY**

A year ago it was expected that Indian economy will stabilize on account of strong political mandate. The expected reforms did not materialize due to the logjam in the Parliament. Presently the picture is not encouraging. No significant growth in Industrial Production. Agriculture suffered during the year on account of deficient rainfall. Exports have declined and private investment remains weak. Current account deficit continues to be perennial problem for the economy.

**FINANCIAL PERFORMANCE**

The activities of the Company comprise of investment mainly in equity shares and is directly related to the performance of stock market. Not only the Indian markets but all major international markets are moribund. The Directors are aware of the situation and monitor on a regular basis.

The profit before tax for the year under review is comparable with the previous year's performance.

**OPPORTUNITIES, THREATS, RISKS AND CONCERNS**

The Company is exposed to risks that are particular to its business and the environment, within which it operates. The volatility in stock markets and the downtrend in international trade is a concern.

**DISCLAIMER**

The information and opinion expressed in this section of the Annual Report may contain certain statements, which the Management believes are true to the best of its knowledge at the time of its preparation. The Company and the Management shall not be held liable for any loss, which may arise as a result of any action taken on the basis of the information contained herein.

For and on behalf of the Board of Directors

**A. V. SETALVAD**  
*Chairman*

Mumbai, May 30, 2016.

**Secretarial Audit Report for the Financial Year Ended 31st March, 2016**

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

**ANNEXURE C**

To:

The Members,

**THE INDUSTRIAL & PRUDENTIAL INVESTMENT COMPANY LIMITED**

I have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by The Industrial & Prudential Investment Company 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 Industrial & Prudential Investment Company Limited's, books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, I hereby report that in my opinion, the Company has, during the audit period covering the financial year ended on 31st March, 2016 complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance mechanism in place to the extent, in the manner and subject to the reporting made hereunder:-

I have examined the books, papers, minute books, forms and returns filed and other records maintained by The Industrial & Prudential Investment Company Limited, ("the Company") for the financial year ended on 31st March, 2016 according to the provisions of:

- (i) The Companies Act, 2013 (the Act) and the rules made thereunder;
- (ii) The Securities Contracts (Regulation) Act, 1956 (SCRA) and the rules made thereunder;
- (iii) The Depositories Act, 1996 and the Regulations and Bye -laws framed thereunder;
- (iv) Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment, Overseas Investment and External Commercial Borrowings;
- (v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ("SEBI Act"):-
  - i. The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
  - ii. The Securities and Exchange Board of India (Prohibition of Insider Trading ) Regulations, 2015;
  - iii. The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009;
  - iv. The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999;
  - v. The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008;
  - vi. 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;
  - vii. The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations 2009; and
  - viii. The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998.
- (vi) Regulations, Circulars, Notifications and Guidelines issued by the Reserve Bank of India in relation to the Non-Banking Financial Companies as applicable to the Company.

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) Listing Agreement with the BSE Ltd. and SEBI Listing (Obligations and Disclosure Requirements) Regulations, 2015 as applicable.

**Secretarial Audit Report for the Financial Year Ended 31st March, 2016**

During the year under review the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, etc. mentioned above, subject to payment of penalty of Rs. 50,000 for late appointment of women Director.

I further report that during the year under review 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 of schedule of 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 the decisions were carried out unanimously; therefore, there was no question of recording dissenting members' views in the minutes.

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 the applicable laws, rules, regulations and guidelines.

I further report that during the audit period there were no events/actions having a major bearing on the company's affairs in pursuance of the above referred laws, rules, regulations, guidelines, standards, etc. such as

- i. Public/Right/Preferential Issue of shares/debentures /sweat equity, etc.
- ii. Redemption/buy-back of securities
- iii. Major decisions taken by members pursuance to section 180 of the Companies Act, 2013
- iv. Merger/Amalgamation/reconstruction, etc.
- v. Foreign technical collaborations

**MAYUR MEHTA**

*Practising Company Secretary*

C.P.No. 9952

Membership No. A3132

Place : Mumbai

Date : May 30, 2016.

To:

The Members,

**THE INDUSTRIAL & PRUDENTIAL INVESTMENT COMPANY LIMITED**

My report of even date is to be read along with this letter

1. Maintenance of Secretarial records is the responsibility of the management of the Company. My responsibility is to express an opinion on the secretarial records based on our audit.
2. I have followed the audit practices and processes as were appropriate to obtain responsible assurance about the correctness of the contents of secretarial records. The verification was done on test basis to ensure that correct facts are reflected in secretarial records. I believe that the processes and practices, I follow provide a responsible basis for our opinion.
3. I have not verified the correctness and appropriateness of financial records and books of accounts of the company.
4. Wherever required, I have obtained the management representation about the compliance of laws, rules and regulations and happening of events etc.

**MAYUR MEHTA**

*Practising Company Secretary*

C.P.No. 9952

Membership No. A3132

Place : Mumbai

Date : May 30, 2016.



# THE INDUSTRIAL & PRUDENTIAL INVESTMENT COMPANY LIMITED

## ANNEXURE D

### FORM AOC 1

(Pursuant to first proviso to sub-section (3) of Section 129 read with rule 5 of Companies (Accounts) Rules, 2014)

Statement containing salient features of the financial statement of subsidiaries/associate companies/joint ventures

#### Part “A”: Subsidiary

(Rs. in Thousands)

		New Holding & Trading Co. Ltd.
1.	Reporting period	31.03.2016
2.	Share capital	502
3.	Reserves & surplus	42,176
4.	Total assets	42,968
5.	Total Liabilities	42,968
6.	Investments	40,529
7.	Revenue from operations	4,880
8.	Profit before taxation	4,717
9.	Provision for tax	202
10.	Proposed Dividend	0
11.	% of share holding	100

#### Part “B”: Associates and Joint Ventures

Statement pursuant to Section 129(3) of the Companies Act, 2013 related to Associate Companies and Joint Ventures

(Rs. in Thousands)

Name of Associates/Joint Ventures	KSB Pumps Ltd.
1. Latest audited Balance Sheet Date	31.12.2015
2. Shares of Associate/Joint Ventures held by the company	
No. (Including Subsidiary Holding) Holding	74,00,000
Amount of Investment in Associates/Joint Venture	28,409
Extend of Holding %	21.2595
3. Description of how there is significant influence	Control of 20% of Total Share Capital
4. Reason why the associate/joint venture is not consolidated	Not Required
5. Net worth attributable to Shareholding as per latest audited Balance Sheet	12,56,750
6. Profit/Loss for the year	1,46,121
i. Considered in Consolidation	1,46,121
ii. Not Considered in Consolidation	—

For and on behalf of the Board of Directors

**A. V. SETALVAD** *Chairman*

**A.K. SINGHANIA**  
*Chief Financial Officer*

**HIRAK GHOSH**  
*Company Secretary*

**A. R. BROACHA** *Director*

Mumbai, May 30, 2016.

**ANNEXURE E**

**Directors' Report for the Year Ended 31st March, 2016**

Form No. MGT-9

**EXTRACT OF ANNUAL RETURN**

**as on the financial year ended on 31<sup>st</sup> March, 2016**

*[Pursuant to section 92(3) of the Companies Act, 2013 and rule 12(1) of the Companies (Management and Administration) Rules, 2014]*

**I. REGISTRATION AND OTHER DETAILS:**

Sr. No.	Particulars	Details
i.	CIN	L65990MH1913PLC000374
ii.	Registration Date	26.08.1913
iii.	Name of the Company	The Industrial and Prudential Investment Co Ltd
iv.	Category/Sub-Category of the Company	Public Company Limited by Shares
v.	Address of the Registered Office and Contact Details	125, Maker Chambers III, Nariman Point, Mumbai 400 021
vi.	Whether Listed Company	YES
vii.	Name, Address and Contact details of Registrar and Transfer Agent, if any	Link Intime India Pvt. Ltd. C-13, Pannalal Silk Mills Compound L.B.S. Marg, Bhandup (W) Mumbai 400 078 Phone 022-25946970 E-mail: <a href="mailto:rnt.helpdesk@linkintime.co.in">rnt.helpdesk@linkintime.co.in</a>

**II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY**

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

Sr. No.	Name and Description of main products/services	NIC Code of the Product/service	% to total turnover of the company
1	Investment	—	100%

**III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES**

Sr. No.	Name and address of the Company	CIN/GLN	Holding/ Subsidiary/ Associate	% of shares held	Applicable Section
1	Paharpur Cooling Towers Limited 8/1/B Diamond Harbour Road Kolkata 700 027	U02005WB1949PLC018363	Holding	42.79	2(87)(i) read with explanation(b)
2	New Holding and Trading Co Ltd 125, Maker Chambers III Nariman Point Mumbai 400 021	U65990MH1981PLC025981	Wholly owned subsidiary	100	2(87)(ii)
3	KSB Pumps Limited 126, Maker Chambers III Nariman Point Mumbai 400 021	L29120MH1960PLC011635	Associate	20.53	2(6) read with explanation

Directors' Report for the Year Ended 31st March, 2016

IV. SHAREHOLDING PATTERN (Equity Share Capital Break up as percentage of Total Equity)

(i) Category-wise shareholding

Category of Shareholders	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	
A. Promoters (including promoter group)									
(1) Indian									
a) Individual/HUF	18,938	0	18,938	3.2552	18,938	0	18,938	3.2552	0.0000
b) Central Govt. or State Govt.	0	0	0	0.0000	0	0	0	0.0000	0.0000
c) Bodies Corporates	3,64,417	0	3,64,417	62.6383	3,64,417	0	3,64,417	62.6383	0.0000
d) Bank/FI	0	0	0	0.0000	0	0	0	0.0000	0.0000
e) Any other	0	0	0	0.0000	0	0	0	0.0000	0.0000
<b>SUB TOTAL: (A) (1)</b>	<b>3,83,355</b>	<b>0</b>	<b>3,83,355</b>	<b>65.8935</b>	<b>3,83,355</b>	<b>0</b>	<b>3,83,355</b>	<b>65.8935</b>	<b>0.0000</b>
(2) Foreign									
a) NRI- Individuals	0	0	0	0.0000	0	0	0	0.0000	0.0000
b) Other Individuals	0	0	0	0.0000	0	0	0	0.0000	0.0000
c) Bodies Corp.	0	0	0	0.0000	0	0	0	0.0000	0.0000
d) Banks/FI	0	0	0	0.0000	0	0	0	0.0000	0.0000
e) Any other...	0	0	0	0.0000	0	0	0	0.0000	0.0000
<b>SUB TOTAL: (A) (2)</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0.0000</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0.0000</b>	<b>0.0000</b>
<b>Total Shareholding of Promoter &amp; Promoter Group (A)= (A)(1)+(A)(2)</b>	<b>3,83,355</b>	<b>0</b>	<b>3,83,355</b>	<b>65.8935</b>	<b>3,83,355</b>	<b>0</b>	<b>3,83,355</b>	<b>65.8935</b>	<b>0.0000</b>
B. Public Shareholding									
(1) Institutions									
a) Mutual Funds	0	0	0	0.0000	0	0	0	0.0000	0.0000
b) Venture Capital Funds	0	0	0	0.0000	0	0	0	0.0000	0.0000
c) Alternate Investment Funds	0	0	0	0.0000	0	0	0	0.0000	0.0000
d) Foreign Venture Capital Investors	0	0	0	0.0000	0	0	0	0.0000	0.0000
e) Foreign Portfolio Investor	0	0	0	0.0000	0	0	0	0.0000	0.0000
f) Financial Institution/Banks	0	400	400	0.0688	0	400	400	0.0688	0.0000
g) Insurance Companies	0	0	0	0.0000	0	0	0	0.0000	0.0000
h) Provident Funds/ Pension Funds	0	0	0	0.0000	0	0	0	0.0000	0.0000
i) Any other(Specify)	0	0	0	0.0000	0	0	0	0.0000	0.0000
<b>SUB TOTAL (B)(1):</b>	<b>0</b>	<b>400</b>	<b>400</b>	<b>0.0688</b>	<b>0</b>	<b>400</b>	<b>400</b>	<b>0.0784</b>	
(2) Central Government/ State Government(s)/ President of India Central Government/ State Government(s)	0	56	56	0.0096	0	56	56	0.0096	0
<b>SUB TOTAL (B)(2):</b>	<b>0</b>	<b>56</b>	<b>56</b>	<b>0.0096</b>	<b>0</b>	<b>56</b>	<b>56</b>	<b>0.0096</b>	<b>0</b>
(3) Non Institutions									
a) Individuals									
i) Individual shareholders holding nominal share capital upto Rs.1 lakhs	1,20,411	58,484	1,78,895	30.7496	1,16,103	57,623	1,73,726	29.8611	-0.8885
ii) Individuals shareholders holding nominal share capital in excess of Rs. 1 lakhs	0	0	0	0.0000	0	0	0	0.0000	0.0000
b) NBFC registered with RBI	0	0	0	0.0000	0	0	0	0.0000	0.0000
c) Employee Trust	0	0	0	0.0000	0	0	0	0.0000	0.0000
d) Overseas Depositories (holding DRs) [balancing figure]	0	0	0	0.0000	0	0	0	0.0000	0.0000
e) Any Others (specify)									
Trusts	200	0	200	0.0344	200	0	200	0.0344	0
Hindu Undivided Family	0	0	0	0	6,882	0	6,882	1.1829	1.1829
Non Resident Indians (Non Repat)	40	0	40	0.0069	2,495	0	2,495	0.4289	0.4220
Directors	2,150	0	2,150	0.3696	2,050	0	2,050	0.3524	-0.0172
Non Resident Indians (Repat)	389	1,424	1,813	0.3116	474	1,424	1,898	0.3262	0.0146
Clearing Member	50	0	50	0.0086	62	0	62	0.0107	0.0021
Bodies Corporate	14,381	440	14,821	2.5475	10,216	440	10,656	1.8316	-0.7159
<b>Total Public Shareholding (B)= (B)(1)+(B)(2)+(B)(3)</b>	<b>1,37,621</b>	<b>60,804</b>	<b>1,98,425</b>	<b>34.1065</b>	<b>1,38,482</b>	<b>59,943</b>	<b>1,98,425</b>	<b>34.1065</b>	<b>0</b>
<b>Total (A)+(B)</b>	<b>5,20,976</b>	<b>60,804</b>	<b>5,81,780</b>	<b>100</b>	<b>5,21,837</b>	<b>59,943</b>	<b>5,81,780</b>	<b>100</b>	<b>0</b>
C. Non Promoter -Non public									
(1) Custodian/ DR holders	0	0	0	0.0000	0	0	0	0.0000	0.0000
(2) Employee Benefit Trust [under SEBI (Share based Employee Benefit) Regulations, 2014]	0	0	0	0.0000	0	0	0	0.0000	0.0000
<b>Grand Total (A+B+C)</b>	<b>5,20,976</b>	<b>60,804</b>	<b>5,81,780</b>	<b>100.0000</b>	<b>5,21,837</b>	<b>59,943</b>	<b>5,81,780</b>	<b>100.0000</b>	

**Directors' Report for the Year Ended 31st March, 2016**

**(ii) Shareholding of Promoters**

Sr. No.	Shareholder's Name	Shareholding at the beginning of the year			Shareholding at the end of 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	% of change in share holding during the year
1	Paharpur Cooling Towers Ltd.	2,48,967	42.7940	0.0000	2,48,967	42.7940	0.0000	0.0000
2	Paharpur Corporation Limited	63,850	10.9749	0.0000	63,850	10.9749	0.0000	0.0000
3	Melvin Powel Vanaspati & Engg. Industries Ltd.	51,600	8.8693	0.0000	51,600	8.8693	0.0000	0.0000
4	Vikram Swarup	9,116	1.5669	0.0000	9,116	1.5669	0.0000	0.0000
5	Jeroo Anant Setalvad	4,484	0.7707	0.0000	0,000	0.7707	0.0000	-0.7707
6	Bindu V. Swarup	3,000	0.5157	0.0000	3,000	0.5157	0.0000	0.0000
7	Gaurav Swarup	1,200	0.2063	0.0000	1,200	0.2063	0.0000	0.0000
8	Parul Swarup	1,138	0.1956	0.0000	1,138	0.1956	0.0000	0.0000
9	Anant Venkatrao Setalvad	0	0.0000	0.0000	4,484	0.7707	0.0000	0.7707

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

Sr. No.	Name & Type of Transaction	Shareholding at the beginning of the year – 2015		Transactions during the year		Cumulative shareholding at the end of the year – 2016	
		No. of shares held	% of total shares of the company	Date of transaction	No. of shares	No. of shares held	% of total shares of the company
1	Paharpur Cooling Towers Ltd.	2,48,967	42.794			2,48,967	42.794
	At the end of the year					2,48,967	42.794
2	Paharpur Corporation Limited	63,850	10.9749			63,850	10.9749
	At the end of the year					63,850	10.9749
3	Melvin Powel Vanaspati & Engg. Industries Ltd.	51,600	8.8693			51,600	8.8693
	At the End of the year					51,600	8.8693

**Directors' Report for the Year Ended 31st March, 2016**

Sr. No.	Name & Type of Transaction	Shareholding at the beginning of the year – 2015		Transactions during the year		Cumulative shareholding at the end of the year – 2016	
		No. of shares held	% of total shares of the company	Date of transaction	No. of shares	No. of shares held	% of total shares of the company
4	<b>Vikram Swarup</b> At the End of the year	9,116	1.5669			9,116	1.5669
5	<b>Anant Venkatrao Setalvad</b> Transmission At the End of the year	0	0	10 Jul 2015	4,484	0 4,484	0 0.7707
6	<b>Bindu Vikram Swarup</b> At the End of the year	3,000	0.5157			3,000	0.5157
7	<b>Gaurav Swarup</b> At the End of the year	1,200	0.2063			1,200	0.2063
8	<b>Parul Swarup</b> At the End of the year	1,138	0.1956			1,138	0.1956
9	<b>Jeroo Anant Setalvad</b> Transmission At the End of the year	4,484	0.7707	10 Jul 2015	-4,484	4,484 0 0	0.7707 0 0

**(iv) Shareholding Pattern of top ten Shareholders**

Sr. No.	Name & Type of Transaction	Shareholding at the beginning of the year – 2015		Transactions during the year		Cumulative shareholding at the end of the year – 2016	
		No. of shares held	% of total shares of the company	Date of transaction	No. of shares	No. of shares held	% of total shares of the company
1	<b>Sita Atul Setalvad</b> At the end of the year	6,382	1.097			6,382	1.097
2	<b>PAVANKUMAR SANWARMAL</b> Market Purchase At the end of the year	8,760	1.5057	17 Jul 2015	3,760	8,760 12,520 12,520	1.5057 3.0544 2.152

Directors' Report for the Year Ended 31st March, 2016

Sr. No.	Name & Type of Transaction	Shareholding at the beginning of the year – 2015		Transactions during the year		Cumulative shareholding at the end of the year – 2016	
		No. of shares held	% of total shares of the company	Date of transaction	No. of shares	No. of shares held	% of total shares of the company
3	VIPUL RAMESHCHANDRA SHAH	5,088	0.8746			5,088	0.8746
	At the end of the year					5,088	0.8746
4	Man Made Fibres Private Limited	0	0			0	0
	Market Purchase			19 Jun 2015	5,000	5,000	0.8594
	At the end of the year					5,000	0.8594
5	DIPAK KANAYALAL SHAH	4,710	0.8096			4,710	0.8096
	Market Purchase			14 Aug 2015	5	4,715	0.8104
	At the end of the year					4,715	0.8104
6	SADHANA DESAI AHUJA	4,128	0.7095			4,128	0.7095
	At the end of the year					4,128	0.7095
7	HEMANG RAJNIKANT MANIAR	4,000	0.6875			4,000	0.6875
	At the end of the year					4,000	0.6875
8	YOGESH MATHURADAS	3,606	0.6198			3,606	0.6198
	At the end of the year					3,606	0.6198
9	PRAVIN KANTILAL VAKIL	3,574	0.6143			3,574	0.6143
	At the end of the year					3,574	0.6143
10	KOKILA RAJNIKANT MANIAR	3,380	0.581			3,380	0.581
	At the end of the year					3,380	0.581
11	Keen Investment And Leasing Limited	7,370	1.2668			7,370	1.2668
	Market Sell			19 Jun 2015	-5,000	2,370	0.4074
	Market Sell			17 Jul 2015	-2,370	0	0
	At the end of the year					0	0

**Directors' Report for the Year Ended 31st March, 2016**

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

Sr. No.	Name & Type of Transaction	Shareholding at the beginning of the year – 2015		Transactions during the year		Cumulative shareholding at the end of the year – 2016	
		No. of shares held	% of total shares of the company	Date of transaction	No. of shares	No. of shares held	% of total shares of the company
1	<b>Aspy Rustom Broacha</b>	<b>2,150</b>	<b>0.3696</b>			<b>2,150</b>	<b>0.3696</b>
	Market Sell			05 Feb 2016	-100	2,050	0.3524
	At the End of the year					2,050	0.3524

**V. INDEBTEDNESS**

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

	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
Indebtedness at the beginning of the financial year	NIL	NIL	NIL	NIL
i) Principal Amount				
ii) Interest due but not paid				
iii) Interest accrued but not due				
<b>Total (i+ii+iii)</b>	<b>NIL</b>	<b>NIL</b>	<b>NIL</b>	<b>NIL</b>
Change in Indebtedness during the financial year	NIL	NIL	NIL	NIL
— Addition				
— Reduction				
<b>Net Change</b>	<b>NIL</b>	<b>NIL</b>	<b>NIL</b>	<b>NIL</b>
Indebtedness at the end of the financial year				
i) Principal Amount				
ii) Interest due but not paid				
iii) Interest accrued but not due	NIL	NIL	NIL	NIL
<b>Total (i+ii+iii)</b>	<b>NIL</b>	<b>NIL</b>	<b>NIL</b>	<b>NIL</b>



**Directors' Report for the Year Ended 31st March, 2016**

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

**A. Remuneration to Managing Director, Whole-time Directors and/or Manager:** (Rs. in 000's)

Sr. No.	Particulars of Remuneration	G. Swarup Managing Director	Total Amount
1.	Gross salary		
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	NIL	NIL
	(b) Value of perquisites u/s17(2) Income-tax Act,1961	NIL	NIL
	(c) Profits in lieu of salary under section17(3) Income-tax Act, 1961	NIL	NIL
2.	Stock Option	NIL	NIL
3.	Sweat Equity	NIL	NIL
4.	Commission	NIL	NIL
	— as % of profit	NIL	NIL
	— Others, specify	NIL	NIL
5.	Others, please specify — sitting fees	10	10
<b>Total (A)</b>		<b>10</b>	<b>10</b>
Ceiling as per the Act		647	647

**B. Remuneration to other directors:** (Rs. in 000's)

Sr. No.	Particulars of Remuneration	Name of Directors				Total Amount
		A R Broacha	A K Modi	Mrs. Binaisha	A V Setalvad	
		Independent	Independent	Independent	Non-Executive	
1.	Independent Directors					
	Fee for attending board/committee meetings	150	32	12	—	194
	Commission	150	150	150	—	450
	Others, please specify	—	—	—	—	—
<b>Total (1)</b>		<b>300</b>	<b>182</b>	<b>162</b>	<b>—</b>	<b>644</b>
2.	Other Non-executive directors					
	Fee for attending board/committee meetings	—	—	—	148	148
	Commission	—	—	—	150	150
	Others, please specify	—	—	—	—	—
<b>Total (2)</b>		<b>—</b>	<b>—</b>	<b>—</b>	<b>298</b>	<b>298</b>
<b>Total (B) = (1+2)</b>		<b>300</b>	<b>182</b>	<b>162</b>	<b>298</b>	<b>944</b>
Total Managerial Remuneration — Commission to non-executive Directors						600
Overall Ceiling as per the Act						647

**Directors' Report for the Year Ended 31st March, 2016**

**C. Remuneration to Key Managerial Personnel other than MD/Manager/WTD**

Sr. No.	Particulars of Remuneration	Key Managerial Personnel			Total
		CEO/MD	CFO	CS	
1.	Gross salary	NIL	NIL	NIL	NIL
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961				
	(b) Value of perquisites u/s17(2) Income-tax Act, 1961	NIL	NIL	NIL	NIL
	(c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961	NIL	NIL	NIL	NIL
	Stock Option	NIL	NIL	NIL	NIL
	Sweat Equity	NIL	NIL	NIL	NIL
	Commission	NIL	NIL	NIL	NIL
	— as % of profit	NIL	NIL	NIL	NIL
	— Others, specify	NIL	NIL	NIL	NIL
	Others, please specify	NIL	NIL	NIL	NIL
<b>Total</b>		<b>NIL</b>	<b>NIL</b>	<b>NIL</b>	<b>NIL</b>

**VI. 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	None	None	None	None	None
Punishment	None	None	None	None	None
Compounding	None	None	None	None	None
<b>B. DIRECTORS</b>					
Penalty	None	None	None	None	None
Punishment	None	None	None	None	None
Compounding	None	None	None	None	None
<b>C. OTHER OFFICERS IN DEFAULT</b>					
Penalty	None	None	None	None	None
Punishment	None	None	None	None	None
Compounding	None	None	None	None	None

**ANNEXURE F**

**ANNUAL REPORT ON CSR ACTIVITIES  
FORMING PART OF THE  
BOARD'S REPORT  
2015-16**

Sr. No.	Particulars				Remarks		
1.	A brief outline of the Company's CSR policy, including overview of projects or programs proposed to be undertaken and reference to the web-link to the CSR policy and projects or programs				To achieve one or more activities or programs laid down in Schedule VII of the Act in general and promotion of education, health care and sanitation and rural development in particular.		
2.	Composition of CSR committee				Constituted on 11.02.2015. Members: Mr. A V Setalvad Mr. A R Broacha Mr. Gaurav Swarup		
3.	Average net profits of the Company for last three financial years				Rs. 5.15 crore		
4.	Prescribed CSR Expenditure ((two per cent of the amount as in item 3 above)				Rs. 11.25 lakhs (rounded)		
5.	Details of CSR spent during the year (a) Total amount to be spent for the financial year ended 31.03.2016 (b) Amount unspent, if any (c) Manner in which the amount spent during the financial year is detailed below				Rs. 11.25 lakhs. This amount has been provided in the accounts. Rs. 11.25 lakhs for the financial year 2015-16 During the year spent Rs. 10 lakhs pertaining to the financial year 2014-15. For the financial year 2015-16, the amount has been provided in the books of accounts.		
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
Sr. No.	CSR Project or activity identified	Sector in which the project is covered	Projects or programs (1) Local area or other (2) Specify the state and district where projects or programs was undertaken	Amount outlay (budget) Project or programs-wise	Amount spent on the projects or program sub heads 1. Direct expenditure on projects or program 2. Overheads	Cumulative expenditure up to the reporting period	Amount spent: Direct or through implementing agency
1.	Hostel for girls	Education	Maharashtra	Rs. 25.00 lakhs	Direct Rs. 10 lakhs	Direct Rs. 10 lakhs	Direct Rs. 10 lakhs

6. Reason for not spending is given in the Board's Report.

7. Implementation and monitoring of CSR Policy, is in compliance with CSR objectives and Policy of the Company.

**A.V. SETALVAD**  
Chairman CSR Committee

Mumbai, May 30, 2016

**ANNEXURE G**  
**FINANCIAL SUMMARY/HIGHLIGHTS**

Rs. in '000s

PARTICULARS	31.03.2016	31.03.2015	31.03.2014
<b>Balance Sheet Items</b>			
Paid-up Capital	5821	5821	5821
Reserves and Surplus	279598	286113	259028
Non-Current Investments	342526	320152	264430
Current Investments	4410	4410	35785
<b>Profit and Loss Accounts</b>			
Revenue from Operations	75713	78029	26620
Expenses	11006	7896	6748
Profit before tax	64707	70163	19872
Dividend	58178	31998	31998
Retained earnings	92533	111848	97963
Earnings per Shares	109.16	112.79	34.16
Dividend per Shares	100*	55	55

\*Proposed

**ANNEXURE H**

Disclosure under Regulation 34(3) read with Schedule V with regard to “**A. Related Party Disclosures**”

Sr. No.	Disclosures of amounts at the year end and the maximum amount of loans/advances/investment outstanding during the year	As at 31.03.2016 Rupees	Maximum amount during the financial year Rupees
1.	Loans and advances in the nature of loans to New Holding and Trading Co Ltd. (WOS)	NIL	NIL
2.	Loans and advances in the nature of loans to KSB Pumps Ltd (associate company)	NIL	NIL
3.	Loans and advances in the nature of loans to firms/ companies in which directors are interested	NIL	NIL

**Independent Auditors' Report**

**TO THE MEMBERS OF THE INDUSTRIAL & PRUDENTIAL INVESTMENT COMPANY LIMITED**

**REPORT ON THE STANDALONE FINANCIAL STATEMENTS**

We have audited the accompanying standalone financial statements of **THE INDUSTRIAL & PRUDENTIAL INVESTMENT COMPANY LIMITED** ("the Company"), which comprise the Balance Sheet as at 31st 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 STANDALONE 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, financial performance and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014. 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.

**AUDITOR'S 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 auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the financial statements.

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 31st March, 2016, and its statement of Profit and its cash flows for the year ended on that date.

## Independent Auditors' Report

### 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 in terms of sub-section (11) of section 143 of the Act, and on the basis of such checks of the books and records of the Company as we considered appropriate and according to the information and explanations given to us, we give in the Annexure A a statement on the matters specified in paragraphs 3 and 4 of the Order.
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 purposes 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 the written representations received from the directors as on 31st March, 2016 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2016 from being appointed as a director in terms of Section 164 (2) of the Act.
  - f) With respect to the adequacy of the internal financial control over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate report in Annexure B.
  - g) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our Information and according to the explanations given to us:
    - i. the Company does not have any pending litigations which would impact its financial position as on 31st March 2016.
    - ii. the Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
    - iii. there has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company.

**For V. S. SOMANI & CO.**

*Chartered Accountants*

Firm Registration No.: 117589W

**VIDYADHAR SOMANI**

*Proprietor*

Membership No.: 102664

Place : Mumbai

Date : May 30, 2016

**Annexure to the Independent Auditors' Report**

**ANNEXURE 'A'**

**(Annexure referred to in paragraph 1 to 'Report on Other Legal and Regulatory Requirements' Section of our report of even date).**

**(Matters referred to in clause (ii), (vi) and (xii) of the Order are not applicable)**

- i. (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
- (b) As explained to us, physical verification of fixed assets was conducted by the management during the year. No material discrepancies were noticed on such physical verification.
- (c) Title deeds of immovable properties as described in note 6 on fixed assets to the financial statements are held in the name of the Company.
- ii. The Company has not granted any loans, secured or unsecured, during the year to companies, firms, Limited Liability Partnerships or other parties covered in the register maintained under section 189 of the Companies Act. Accordingly, sub-clause (a), (b) and (c) are not applicable.
- iii. Being Investment Company, clause (iv) of the Order is not applicable to the Company.
- iv. The Company has not accepted any deposits from the public, within the meaning of Sections 73, 74, 75 and 76 of the Act and rules framed there under to the extent notified.
- v. (a) According to the records of the Company, the Company is generally regular in depositing undisputed statutory dues including Income-tax, Service Tax, cess and any other statutory dues applicable to it. Based on our audit procedures and according to the information and explanations given to us, there are no arrears of undisputed statutory dues which remained outstanding as at 31st March 2016 for a period of more than six months from the date they became payable.
- (b) According to the records made available to us and the information and explanations given by the management, there are no dues of income tax or Service Tax or cess, which have not been deposited on account of any dispute.
- vi. The Company has not taken any loans from any banks or financial institutions and has not issued any debentures.
- vii. The Company has not raised any moneys by way of initial public offer and has not availed any term loans.
- viii. According to the information and explanation given to us, no fraud by the Company or any fraud on the Company by its officers or employees has been noticed or reported during the year in the course of our audit.
- ix. Managerial Remuneration has been provided in accordance with the requisite approvals mandated by the provisions of section 197 read with Schedule V of the Act.



## Annexure to the Independent Auditors' Report

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- x. All transactions with the related parties are in compliance with sections 177 and 188 of the Act, and details have been disclosed in the Financial Statements as required by the applicable accounting standards.
- xi. During the year the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures.
- xii. During the year, the Company has not entered into any non-cash transactions with directors or persons connected with him.
- xiii. The Company is registered under section 45-IA of the Reserve Bank of India Act, 1934 and the registration certificate has been obtained.

**For V. S. SOMANI & CO.**

*Chartered Accountants*

Firm Registration No.: 117589W

**VIDYADHAR SOMANI**

*Proprietor*

Place : Mumbai

Date : May 30, 2016

Membership No.: 102664

### ANNEXURE 'B'

We have audited the internal financial controls over financial reporting of **THE INDUSTRIAL & PRUDENTIAL INVESTMENT COMPANY LIMITED** ("the Company") as of March 31, 2016 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 (ICAI). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

#### 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.

## Annexure to the Independent Auditors' Report

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 auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

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

**For V. S. SOMANI & CO.**

*Chartered Accountants*

Firm Registration No.: 117589W

**VIDYADHAR SOMANI**

*Proprietor*

Membership No.: 102664

Place : Mumbai

Date : May 30, 2016

# THE INDUSTRIAL & PRUDENTIAL INVESTMENT COMPANY LIMITED

## Balance Sheet as at 31st March, 2016

		Rs. in Thousand	
PARTICULARS	NOTES	As at 31-03-2016	As at 31-03-2015
<b>I EQUITY AND LIABILITIES</b>			
(1) SHAREHOLDERS' FUNDS			
(a) Share Capital	2	5,821	5,821
(b) Reserves and Surplus	3	279,598	286,113
(c) Money received against, Share Warrants		—	—
<b>Sub-Total — Shareholders Funds</b>		<b>285,419</b>	<b>291,934</b>
(2) SHARE APPLICATION MONEY			
Pending allotment		—	—
(3) NON - CURRENT LIABILITIES			
(a) Long - term borrowings		—	—
(b) Deferred tax Liabilities		—	—
(c) Other Long Term Liabilities		—	—
(d) Long - term Provisions		—	—
<b>Sub-Total — Non Current Liabilities</b>		<b>—</b>	<b>—</b>
(4) CURRENT LIABILITIES			
(a) Short - term borrowings		—	—
(b) Trade Payables		1,124	1,175
(c) Other Current Liabilities	4	5,115	4,295
(d) Short - term Provisions	5	79,814	46,763
<b>Sub-Total — Current Liabilities</b>		<b>86,053</b>	<b>52,233</b>
<b>TOTAL- I</b>		<b>371,472</b>	<b>344,167</b>
<b>II ASSETS</b>			
(1) NON - CURRENT ASSETS			
(a) Fixed assets			
(i) Tangible assets	6	48	42
(ii) Intangible assets		106	—
(iii) Capital work in progress		—	—
(iv) Intangible assets under development		—	—
(b) Non-Current Investments	7	342,526	320,152
(c) Deferred Tax assets		—	—
(d) Long Term Loans and Advances	8	—	75
(e) Other non-current assets		7	7
<b>Sub-Total — Non Current Assets</b>		<b>342,687</b>	<b>320,276</b>
(2) CURRENT ASSETS			
(a) Current Investments	9	4,410	4,410
(b) Inventories		—	—
(c) Trade receivables		—	—
(d) Cash and Cash equivalents	10	17,284	13,584
(e) Short Term Loan and Advances	11	7,065	5,870
(f) Other Current assets	12	26	27
<b>Sub-Total — Current Assets</b>		<b>28,785</b>	<b>23,891</b>
<b>TOTAL-II</b>		<b>371,472</b>	<b>344,167</b>
See accompanying notes to the financial statements	1		

As per our report attached

**For V. S. SOMANI & CO.**  
Chartered Accountants

**CA. V. S. SOMANI**  
Proprietor

Mumbai, May 30, 2016.

**A. K. SINGHANIA**  
Chief Financial Officer

**HIRAK GHOSH**  
Company Secretary

For and on behalf of the Board of Directors

**A. V. SETALVAD** Chairman

**A. R. BROACHA** Director

Mumbai, May 30, 2016.

**Statement of Profit and Loss for the year ended 31st March, 2016**

		Rs. in Thousand	
	NOTES	For the year ended 31.03.2016	For the year ended 31.03.2015
<b>I Revenue from operations – Interest</b>		<b>22</b>	<b>1</b>
<b>II Other Income</b>	<b>15</b>	<b>75,691</b>	<b>78,028</b>
<b>III Total Revenue (I + II)</b>		<b>75,713</b>	<b>78,029</b>
<b>IV Expenses</b>			
Cost of Materials Consumed		—	—
Purchase of Stock in Trade		—	—
Changes in inventories of finished goods, work in progress and stock in Trade		—	—
Employee benefits Expenses		<b>1,810</b>	<b>2,909</b>
Finance Cost		—	—
Depreciation and amortisation Expenses		<b>133</b>	<b>39</b>
Other Expenses	<b>16</b>	<b>9,063</b>	<b>4,918</b>
<b>TOTAL EXPENSES</b>		<b>11,006</b>	<b>7,866</b>
<b>V Profit before exceptional and extraordinary items and tax (III – IV)</b>		<b>64,707</b>	<b>70,163</b>
<b>VI Exceptional item</b>		—	—
<b>VII Profit before extraordinary items and tax (V – VI)</b>		<b>64,707</b>	<b>70,163</b>
<b>VIII Extraordinary Items</b>		—	—
<b>IX Profit before Tax (VII – VIII)</b>		<b>64,707</b>	<b>70,163</b>
<b>X Tax Expenses</b>			
(1) Current Tax		<b>1,200</b>	<b>4,500</b>
(2) Minimum Alternate Tax credit		—	—
(3) Short/(Excess) provision of earlier year		—	<b>42</b>
(4) Deferred Tax		—	—
		<b>1,200</b>	<b>4,542</b>
<b>XI Profit for the year from continuing operations</b>		<b>63,507</b>	<b>65,621</b>
<b>XII Profit/(Loss) from discontinuing operations</b>		—	—
<b>XIII Tax Expenses of discontinuing operations</b>		—	—
<b>XIV Profit/(Loss) from discontinuing operations (after Tax) (XII-XIII)</b>		—	—
<b>XV Profit/(Loss) for the year</b>		<b>63,507</b>	<b>65,621</b>
<b>XVI Earning per equity Share</b>			
(1) Basic		<b>109.16</b>	<b>112.79</b>
(2) Diluted		<b>109.16</b>	<b>112.79</b>
See accompanying notes to the financial statements	<b>1</b>		

As per our report attached

**For V. S. SOMANI & CO.**  
Chartered Accountants

**CA. V. S. SOMANI**  
Proprietor

Mumbai, May 30, 2016.

**A. K. SINGHANIA**  
Chief Financial Officer

**HIRAK GHOSH**  
Company Secretary

For and on behalf of the Board of Directors

**A. V. SETALVAD** *Chairman*

**A. R. BROACHA** *Director*

Mumbai, May 30, 2016.

**Cash Flow for the year ended 31st March, 2016**

	Rs. in Thousand	
	As at 31.03.2016	As at 31.03.2015
<b>A. CASH FLOW FROM OPERATING ACTIVITIES</b>		
Net Profit before tax .....	64,707	70,163
Adjusted for:		
Depreciation .....	133	39
Investment income .....	(75,691)	(77,297)
Carrying amount of investments (net) .....	—	(731)
Provision for Diminution in Long Term Investment.....	2,883	398
	(72,675)	(77,591)
<b>Operating Profit/(Loss) before Working Capital Changes ..</b>	<b>(7,968)</b>	<b>(7,428)</b>
<b>Changes in</b>		
Trade and Other Receivable .....	1	162
Trade and Other Payables .....	304	975
<b>NET CASH FROM/(USED IN) OPERATING ACTIVITIES .....</b>	<b>(7,663)</b>	<b>(6,291)</b>
<b>B. CASH FLOW FROM INVESTING ACTIVITIES</b>		
Purchase of Fixed Assets (Including Advances) .....	(170)	(87)
Purchase of Investments .....	(202,044)	(201,145)
Sale of Investments .....	186,283	202,163
Dividend Received .....	62,436	51,561
Income from Mutual Fund .....	3,759	700
Cash Generated from Investing Activities. ....	50,264	53,192
Direct Taxes Paid .....	(1,195)	(4,623)
<b>NET CASH FROM/(USED IN) INVESTING ACTIVITIES .....</b>	<b>49,069</b>	<b>48,569</b>
<b>C. CASH FLOW FROM FINANCIAL ACTIVITIES</b>		
Dividend Paid .....	(31,192)	(31,111)
Tax on Dividend .....	(6,514)	(5,438)
<b>NET CASH USED IN FINANCIAL ACTIVITIES .....</b>	<b>(37,706)</b>	<b>(36,549)</b>
<b>NET CHANGES IN CASH &amp; CASH EQUIVALENTS (A+B+C) .....</b>	<b>3,700</b>	<b>5,729</b>
<b>CASH AND CASH EQUIVALENTS - OPENING BALANCE .....</b>	<b>13,584</b>	<b>7,855</b>
<b>CASH AND CASH EQUIVALENTS - CLOSING BALANCE .....</b>	<b>17,284</b>	<b>13,584</b>
(Refer Note 2.)		

**NOTES:** 1. All figures in brackets are outflows.

2. Cash and Bank Balances includes balance lying with designated Banks in unclaimed dividend accounts Rs.4,896/- (Previous year Rs.4,091/-).

3. Previous year figures have been regrouped wherever necessary.

As per our report attached

**For V. S. SOMANI & CO.**  
Chartered Accountants

**CA. V. S. SOMANI**  
Proprietor

Mumbai, May 30, 2016.

**A. K. SINGHANIA**  
Chief Financial Officer

**HIRAK GHOSH**  
Company Secretary

For and on behalf of the Board of Directors

**A. V. SETALVAD** Chairman

**A. R. BROACHA** Director

Mumbai, May 30, 2016.

**Notes Forming Part of the Financial Statements for the year ended 31st March, 2016**

**NOTE – 1 — SIGNIFICANT ACCOUNTING POLICIES**

**(a) Basis of preparation**

The financial statements have been prepared on historical cost convention and on accrual basis. The financial statements have been prepared in accordance with the Accounting Standards notified by Companies (Accounting Standards) Rules, 2006 and as per Section 129 and 133 of the Companies Act, 2013.

**(b) Fixed Assets**

Fixed assets are stated at cost less depreciation. Cost comprises the cost of acquisition and any asset attributable costs of bringing them to the condition for its intended use.

**(c) Depreciation**

Depreciation is provided on the written down value method prescribed in Schedule II of the Companies Act, 2013.

**(d) Investments**

- (i) Investments have been categorised as Long Term or Current by the Board of Directors.
- (ii) Long Term Investments are stated at cost plus brokerage and other relevant charges. A Provision for diminution is made to recognise a decline, other than temporary, if any.
- (iii) Current Investments are valued at lower of Cost or Market value in accordance with the Guidance prescribed by Reserve Bank of India.

**(e) Revenue Recognition**

Dividend Income from Investment is recognised when right to receive the payment is established. Interest income is accounted on accrual basis. Insurance claim are being accounted on cash basis.

**(f) Retirement Benefits**

The Company has provided gratuity based on the assumption that the employee will retire as on the balance sheet date.

**(g) Taxes on Income:**

**(i) Current Tax**

Provision for Income Tax is determined in accordance with the provisions of the Income tax Act, 1961.

**(ii) Deferred Tax**

Deferred tax is recognised on timing differences being the differences between taxable income and accounting income that originate in one period and are capable of reversal in one or more subsequent period(s).

**(h) Provisions and Contingent Liabilities:**

- (i) A provision is recognised when there is present obligation as a result of past event and it is obligation probable that an outflow of resources will be required to settle the obligation, in respect of which a reliable estimate can be made. These are reviewed at each Balance Sheet date and adjusted to reflect the current best estimate.
- (ii) A disclosure for a contingent liability is made when there is a possible or present obligation that may, but probably will not require an outflow of resources. When there is a possible obligation in respect of which the likelihood of out flow of resources is remote, no provision or disclosure is made.

Notes Forming Part of the Financial Statements for the year ended 31st March, 2016

		Rs. in Thousand	
		As at 31-03-2016	As at 31-03-2015
<b>NOTE – 2 — SHARE CAPITAL</b>			
<b>Authorised:</b>			
10,00,000 (10,00,000) Equity Shares of Rs. 10 each		<b>10,000</b>	10,000
<b>Issued, Subscribed and Paid-up:</b>			
5,81,780 (5,81,780) Equity Shares of Rs. 10 each		<b>5,818</b>	5,818
Forefited Shares		<b>3</b>	3
		<b>5,821</b>	5,821

(a) Reconciliation of the number of shares

Particulars	2015-16		2014-15	
	Equity Shares		Equity Shares	
	Numbers	Rupees	Numbers	Rupees
Shares outstanding at the beginning of the year	<b>581,780</b>	<b>5,818</b>	581,780	5,818
Shares Issued during the year	—	—	—	—
Shares bought back during the year	—	—	—	—
Shares outstanding at the end of the year	<b>581,780</b>	<b>5,818</b>	581,780	5,818

(b) Terms and Rights attached to equity shareholders

The Company has only One class of Equity Shares having par value of Rs. 10/- per share. Each holder of equity shares is entitled to one vote per share. The dividend proposed by the Board of Directors is subject to the approval of the Shareholders in the ensuing Annual General Meeting, except in case of interim dividend. The Share holders have all other right as available to Equity Shareholders as per the provisions of the Companies Act, 2013, read together with the Memorandum and Articles of Association of the Company, as applicable.

(c) Holding Company

In accordance with Section 2(87) (i) of the Companies Act, 2013 Paharpur Cooling Towers Limited is a Holding Company as it is deemed to control the Composition of the Board of Directors.

(d) Name of the Shareholder holding more than 5 % Equity Shares

Name of the Shareholder	31/03/2016		31/03/2015	
	No. of Shares	% of Holding	No. of Shares	% of Holding
1. Paharpur Cooling Towers Ltd.	<b>248,967</b>	<b>42.79</b>	248,967	42.79
2. Melvin Powell Vanaspati & Engineering Industries Limited	<b>51,600</b>	<b>8.87</b>	51,600	8.87
3. Paharpur Corporation Limited	<b>63,850</b>	<b>10.97</b>	63,850	10.97



**Notes Forming Part of the Financial Statements for the year ended 31st March, 2016**

	Rs. in Thousand	
	As at 31-03-2016	As at 31-03-2015
<b>NOTE – 3 — RESERVES AND SURPLUS</b>		
<b>Capital Reserve</b>		
Balance as per last Balance Sheet .....	65	65
<b>General Reserve</b>		
Balance as per last Balance Sheet .....	64,400	64,400
Add: Transferred from surplus .....	0	0
	<u>64,400</u>	<u>64,400</u>
<b>Special Reserve</b>		
(In terms of Section 45-IC of Reserve Bank of India Act, 1934)		
Balance as per last Balance Sheet .....	109,800	96,600
Add: Transferred from surplus .....	12,800	13,200
	<u>122,600</u>	<u>109,800</u>
<b>Surplus</b>		
Balance as per last Balance Sheet .....	111,848	97,963
Add: Profit for the year as per Statement of Profit and Loss .....	63,507	65,621
	<u>175,355</u>	<u>163,584</u>
Less: Appropriations:		
Transferred to:		
Special Reserve .....	12,800	13,200
General Reserve .....	—	—
Proposed Dividend .....	58,178	31,998
Tax on Dividend .....	11,844	6,514
Depreciation as per Schedule II for earlier Years .....	—	24
	<u>82,822</u>	<u>51,736</u>
	<u>92,533</u>	<u>111,848</u>
<b>TOTAL .....</b>	<u><u>279,598</u></u>	<u><u>286,113</u></u>
<b>NOTE – 4 — OTHER CURRENT LIABILITIES</b>		
	As at 31-03-2016 Rupees	As at 31-03-2015 Rupees
Unclaimed Dividend .....	4,896	4,090
Tax Deducted at source .....	116	122
Service Tax .....	103	83
<b>TOTAL .....</b>	<u><u>5,115</u></u>	<u><u>4,295</u></u>
<b>NOTE – 5 — SHORT TERM PROVISIONS</b>		
Provision for Income Tax .....	6,605	5,405
Provision for Proposed Dividend .....	58,178	31,998
Tax on Proposed Dividend .....	11,844	6,514
Provision towards Corporate Social Responsibility .....	1,125	1,000
Retirement Benefits .....	2,062	1,846
<b>TOTAL .....</b>	<u><u>79,814</u></u>	<u><u>46,763</u></u>

Notes Forming Part of the Financial Statements for the year ended 31st March, 2016

NOTE – 6 — TANGIBLE FIXED ASSETS

Rs. in Thousand										
PARTICULARS	GROSS BLOCK				DEPRECIATION				NET BLOCK	
	As at 01.04.2015	Additions during the year	Deductions/ Adjustments during the year	As at 31.03.2016	Upto 01.04.2015	For the year	Deductions/ Adjustments during the year	As at 31.03.2016	As at 31.03.2016	As at 31.03.2015
1 Office Premises	152	—	—	152	127	2	—	129	23	25
2 Furnitures and Fixtures	380	—	—	380	380	—	—	380	—	—
3 Office Equipments	117	—	—	117	116	1	—	117	—	1
4 Others Computers	510	43	—	553	494	34	—	528	25	16
<b>TOTAL</b>	<b>1,159</b>	<b>43</b>	<b>—</b>	<b>1,202</b>	<b>1,117</b>	<b>37</b>	<b>—</b>	<b>1,154</b>	<b>48</b>	<b>42</b>
<b>Previous year</b>	<b>1,147</b>	<b>12</b>	<b>—</b>	<b>1,159</b>	<b>1,054</b>	<b>39</b>	<b>24</b>	<b>1,117</b>	<b>42</b>	<b>93</b>

NOTE: Office Premises includes Rs. 250 (Previous year Rs. 250/-) being the cost of shares in Co-operative Society.

INTANGIBLE FIXED ASSETS

Rs. in Thousand										
PARTICULARS	GROSS BLOCK				DEPRECIATION				NET BLOCK	
	As at 01.04.2015	Additions during the year	Deductions/ Adjustments during the year	As at 31.03.2016	Upto 01.04.2015	For the year	Deductions/ Adjustments during the year	As at 31.03.2016	As at 31.03.2016	As at 31.03.2015
Computer Software	—	202	—	202	—	96	—	96	106	—
Previous year	—	—	—	—	—	—	—	—	—	—

NOTE – 7 — NON CURRENT INVESTMENTS (Fully Paid-up)					Rs. in Thousand		
					Face Value Rupees	Holding Nos.	As at 31-03-2016

Name of the Company

I. A. LONG TERM QUOTED — (NON TRADE) (AT COST)

(a) Investment in Equity Instruments

3i Infotech Limited .....	10	95,000	2,666	2,666
ACC Limited .....	10	7,000	438	438
Alstom T. & D. India Limited .....	2	50,000	788	788
Amara Raja Batteries Limited .....	1	105,000	1,004	1,004
Ashapura Minechem Limited .....	2	62,000	2,537	2,537
Ashok Leyland Limited .....	1	27,000	2,005	—
BASF India Limited .....	10	10,000	3,202	3,202
BEML Limited .....	10	8,500	1,877	1,877
Bharat Electronics Limited (6,000 bonus shares received) .....	10	9,000	1,196	1,196
Bharat Forge Limited .....	2	16,000	1,383	1,383
Bharti Airtel Limited .....	5	17,500	2,274	2,274
Bosch Limited .....	10	2,000	11	11
Century Textile and Industries Limited .....	10	4,500	2,394	2,394
Cairn India Limited .....	10	4,400	1,484	1,484
Dr. Reddy's Laboratories Limited .....	5	4,000	2,029	2,029
Gail (India) Limited .....	10	28,500	4,322	4,322
HDFC Bank Limited .....	2	2,000	2,197	—
Heidelberg Cement India Limited .....	10	25,000	1,785	1,785

**Notes Forming Part of the Financial Statements for the year ended 31st March, 2016**

Rs. in Thousand				
NOTE – 7 — NON CURRENT INVESTMENTS (Fully Paid-up) — contd.	Face Value Rupees	Holding Nos.	As at 31-03-2016	As at 31-03-2015
Name of the Company				
Hindustan Unilever Limited .....	1	73,000	191	191
IDBI Bank Limited .....	10	15,000	1,170	1,170
Infosys Technologies Limited (216,000 bonus shares received) .....	5	432,000	2,111	2,111
ITC Limited .....	1	18,000	1,127	1,127
India Cements Limited .....	10	26,000	2,195	—
Kokuyo Camlin Limited .....	1	20,000	2,059	—
Monsanto India Limited .....	10	1,600	673	673
Nestle India Limited .....	10	14,000	178	178
NTPC Limited .....	10	21,000	1,684	1,684
Orient Refractories Limited .....	1	90,000	401	401
Piramal Enterprises Ltd .....	2	20,500	1,557	1,557
Ranbaxy Laboratories Limited .....	5	10,000	—	3,224
Reliance Industries Limited .....	10	16,000	1,455	1,455
Schneider Electric Infrastructure Limited .....	2	50,000	237	237
Selan Exploration Technology Limited .....	10	11,000	805	805
Siemens Limited .....	2	25,000	195	195
State Bank of India .....	1	38,000	2,156	2,156
Sun Pharmaceutical Industries Ltd. ....	1	8,000	3,224	—
Tata Consultancy Services Limited .....	1	14,000	6,671	6,671
Tata Motors Limited .....	2	21,100	883	388
Tata Motors Limited (DVR) .....	2	41,500	4,005	3,395
Tata Steel Limited .....	10	10,800	2,764	2,764
Tech Mahindra Limited .....	5	12,000	1,943	1,943
The Great Eastern Shipping Company Limited .....	10	30,400	5,057	5,057
The Indian Hotels Company Limited .....	1	97,020	2,488	1,508
The Karur Vysya Bank Limited .....	10	38,000	3,591	3,591
The Tata Power Company Limited .....	1	270,000	2,884	2,884
Timken India Limited .....	10	7,000	1,433	1,433
Titan Industries Limited .....	1	282,000	3,084	3,084
Vikas W.S.P. Limited .....	1	80,000	3,216	3,216
Zee Entertainment Enterprises Limited .....	1	20,808	799	799
<b>Investments in Associates:</b>				
KSB Pumps Limited .....	10	7,140,000	17,401	17,401
Sub-Total – (a) .....			111,229	100,688
<b>(b) Investment in Preference Shares:</b>				
Zee Entertainment Enterprises Ltd. (6%) .....	10	43,696	—	—
(Redeemable on 14th March 2022)				
Sub-Total – (b) .....			—	—
<b>(c) Investment in Debentures:</b>				
NTPC Limited–SR–54- 8.49% – Non-Convertible ..	12.5	21,000	—	—
(Redeemable on 25th March 2025)				
The Indian Hotels Co. Ltd. – Compulsory Convertible	1	17,820	—	980
(Convertible to Equity Shares on 1st March 2016)				
Sub-Total – (c) .....			—	—
Total – A (a + b + c) .....			111,229	101,668

Notes Forming Part of the Financial Statements for the year ended 31st March, 2016

				Rs. in Thousand	
NOTE – 7 — NON CURRENT INVESTMENTS (Fully Paid-up) — contd.		Face Value Rupees	Holding Nos.	As at 31-03-2016	As at 31-03-2015
Name of the Company					
<b>I. B. Unquoted Long Term</b>					
<b>(a) Equity Shares (Fully Paid)</b>					
<b>(i) In Subsidiary (Trade)</b>					
New Holding and Trading Company Limited ...	100	5,025		3	3
[Sub Total (i)] .....				3	3
<b>(ii) Others (Non-Trade)</b>					
BSE Limited .....	1	13,500		3,078	3,078
Niyuprene Plastics Company Limited .....	10	1,000		—	—
Siltrionics (India) Limited .....	10	30		—	—
[Sub Total (ii)] .....				3,078	3,078
[Sub Total (a) = (i + ii)]				3,081	3,081
<b>(b) Investments In Mutual Fund (Non-Trade)</b>					
Birla Sunlife Mutual Fund:					
1. Income Plus Growth .....	10	197,594		10,000	10,000
2. Birla Short Term Opportunity Fund – Growth .	10	—		—	5,876
3. 95 Fund Growth .....	10	30,067		16,656	—
DSP BR Focus 25 Fund - Growth .....	10	732,837		12,500	—
Franklin India Balance Fund .....	10	108,369		10,000	—
Goldman Sachs Mutual Fund - Liquid Bees .....	1000	0.040		*0	*0
HDFC Mutual Fund:					
1. Balance Fund Growth .....	10	150,742		15,000	10,000
2. Income Fund Growth .....	10	258,093		7,000	7,000
3. Index Fund – Nifty Plan .....	10	—		—	18,000
ICICI Prudential Mutual Fund:					
1. Balance Fund Regular Plan – Growth .....	10	211,874		18,960	10,000
2. Income Plan Growth .....	10	—		—	23,171
3. Regular Saving Fund Growth .....	10	—		—	9,671
IL & FS Milestone Fund - II .....	1000	6,798		6,798	20,000
IDFC Mutual Fund					
1. Super Saver-Income Plan-Investment Plan A - Growth... ..	10	525,249		14,625	14,625
2. Super Saver-Fixed Term Series - 62-Reg.- Plan Growth .....	10	—		—	7,000
3. Dynamic Equity Regular Plan-Growth .....	10	659,973		7,000	—
JM Mutual Fund					
1. G-Sec Fund-Regular Plan Growth .....	10	272,977		10,850	10,850
2. Money Manager Super Pl. Growth .....	10	256,832		5,000	5,000
Kotak Select Focus Fund - Growth .....	10	550,758		12,500	—
Reliance Regular Saving Fund-Debt Plan-Dividend	10	1,059,073		18,000	18,000
SBI Magnum Balanced Fund - Growth .....	10	154,514		15,000	—
Tata Balanced Fund - Growth .....	10	88,211		15,000	—
UTI Mutual Fund:					
1. BOND FUND -Growth .....	10	705,749		25,000	25,000
2. Bluechip Flexicap - Dividend Payout .....	10	166,857		3,325	3,325
3. Nifty Index Fund Growth .....	10	—		—	20,000
4. UTI BALANCED FUND - Growth .....	10	79,470		10,000	—
[Sub Total (b)] .....				233,214	217,518
[Total — B (a + b)] .....				236,295	220,599
<b>TOTAL — I (A + B)</b> .....				347,524	322,267
Less: Provision for Diminution in the value of Investments				4,998	2,115
<b>TOTAL — Net</b> .....				342,526	320,152
Aggregate Cost of Quoted Investments .....				111,229	101,668
Aggregate Cost of Unquoted Investments .....				236,295	220,599
Market Value of Quoted Investments .....				5,782,265	6,643,368
Provision for diminution in the value of Investments				4,998	2,115

\* Denotes balance less than Rs.500

**Notes Forming Part of the Financial Statements for the year ended 31st March, 2016**

Rs. in Thousand

**NOTE – 8 — LONG TERM LOANS AND ADVANCES**  
(Unsecured, Considered Good)

	As on 31-03-2016	As on 31-03-2015
Capital Advance .....	—	75
<b>TOTAL</b> .....	<b>—</b>	<b>75</b>

Rs. in Thousand

**NOTE – 9 — CURRENT INVESTMENTS**

Name of the Company	Face Value Rupees	Holding Nos.	As at 31-03-2016	As at 31-03-2015
<b>A. Current Quoted</b>				
<b>(a) Equity Shares (Fully Paid)</b>				
Titan Company Limited .....	1	28,500	1,910	1,910
Total — A .....			1,910	1,910
<b>B. Current Unquoted</b>				
<b>Mutual Fund</b>				
Reliance Pharma Fund-Div. Plan-Div. Payout .....	10	62,468	2,500	2,500
<b>TOTAL — B</b> .....			2,500	2,500
<b>TOTAL — (A + B)</b> .....			4,410	4,410
Aggregate Cost of Quoted Investments .....			1,910	1,910
Aggregate Cost of Unquoted Investments .....			2,500	2,500
Market Value of Quoted Investments .....			9,664	11,161
Provision for diminution in the value of Investments			—	—

Rs. in Thousand

**NOTE – 10 — CASH AND CASH EQUIVALENTS**

	As on 31-03-2016	As on 31-03-2015
Balance with banks in Current Account .....	12,380	9,479
Cash in hand .....	8	14
Earmarked balance with Banks in Dividend Accounts .....	4,896	4,091
<b>TOTAL</b> .....	<b>17,284</b>	<b>13,584</b>
Of the above, the balance that meet definition of Cash and Cash equivalents as per AS3 Cash Flow Statements .....	<b>12,388</b>	9,493

Notes Forming Part of the Financial Statements for the year ended 31st March, 2016

	Rs. in Thousand	
	As on 31-03-2016	As on 31-03-2015
<b>NOTE – 11 — SHORT TERM LOANS AND ADVANCES (Unsecured, Considered Good)</b>		
Advance Income Tax .....	6,183	4,988
MAT Credit Entitlement .....	882	882
<b>TOTAL .....</b>	<b>7,065</b>	<b>5,870</b>

	As on 31-03-2016	As on 31-03-2015
<b>NOTE – 12 — OTHER CURRENT ASSETS (Unsecured, Considered Good)</b>		
Interest receivable on Debentures .....	—	1
Dividend Receivable .....	26	26
<b>TOTAL .....</b>	<b>26</b>	<b>27</b>

	As on 31-03-2016	As on 31-03-2015
<b>NOTE – 13 — CONTINGENT LIABILITIES AND COMMITMENTS</b>		
Contingent liabilities not provided for fixed asset (Net of Advances):	—	90
Commitments:		
Other Commitments .....	—	—
<b>TOTAL .....</b>	<b>—</b>	<b>90</b>

**NOTE – 14 — PROPOSED DIVIDEND**

The Board of Directors for the current year recommend a Dividend of Rs. 100 per share including Rs.45 per share as jubilee dividend (Previous years Rs. 55 per share).

	As on 31-03-2016	As on 31-03-2015
<b>NOTE – 15 — OTHER INCOME</b>		
Dividend on Investments:		
Long Term .....	61,870	51,055
Current .....	566	506
	<b>62,436</b>	<b>51,561</b>
Income from Mutual Fund .....	3,759	700
Profit on Sale of Long Term Investments (Net) .....	9,496	15,377
Profit on Sale of Current Investments (Net) .....	—	9,659
Adjustments to the carrying amount of Current Investments (net)	—	731
<b>TOTAL .....</b>	<b>75,691</b>	<b>78,028</b>

**Notes Forming Part of the Financial Statements for the year ended 31st March, 2016**

	Rs. in Thousand	
	As on 31-03-2016	As on 31-03-2015
<b>NOTE – 16 — OTHER EXPENSES</b>		
Legal and Professional Fees .....	1,780	1,384
Rates and Taxes .....	171	111
Directors' Sitting Fees .....	352	121
Auditors' Remuneration:		
Audit Fees .....	90	60
Certification etc. ....	109	63
Reimbursement of Expenses (including Service Tax) .....	37	17
	236	140
Repairs and Maintenance .....	310	243
Commission to Directors .....	600	600
Provision for Diminution in Long Term Investments .....	2,883	398
Corporate Social Responsibility .....	1,125	1,000
Expense of Mutual Fund Scheme .....	336	—
Printing and Stationery .....	229	169
Miscellaneous Expenses	1,041	752
<b>TOTAL .....</b>	<b>9,063</b>	<b>4,918</b>

**NOTE – 17**

The investment activity is considered as a single segment in accordance with the Accounting Standard (AS-17) "Segment Reporting".

**NOTE – 18**

**Related Party Disclosures:**

**A. Name of the related party and nature of relationship where control exists:**

Name of the Party	Nature of Relationship
Paharpur Cooling Towers Ltd. (Refer Note No 2(c))	Holding Company
New Holding And Trading Company Limited	Subsidiary Company

Notes Forming Part of the Financial Statements for the year ended 31st March, 2016

**B. Related Party Transactions:**

**Rs. in Thousand**

Nature of Transactions	Holding Company	Subsidiary Company	Key Management Personnel	Relatives of Key Management Personnel	Associates Company	Enterprise over which Key Management Personnel having significant influence over the reporting enterprise exercise influence	TOTAL Amount
Directors' Sitting Fees		— (—)	10 (5)	— (2)	— (—)	— (—)	10 (7)
Commission		— (—)	— (130)	— (80)	— (—)	— (—)	— (210)
Dividend paid	13,693 (13,693)	— (—)	66 (66)	729 (729)	— (—)	6,350 (6,350)	20,838 (20,838)
Dividend Received		— (—)	— (—)	— (—)	39,270 (32,130)	— (—)	39,270 (32,130)
Reimbursement of Travelling expenses	— (20)	— (—)	— (—)	— (—)	— (—)	— (—)	— (20)
Amount outstanding at the end of the year – Payable		— (—)	— (130)	— (80)	— (—)	— (—)	— (210)

- NOTES:
- There is no provision for doubtful debts as at the end of the year in respect of related parties.
  - There are no amounts written off or written back during the year in respect of debts due from or to related parties.
  - Previous Year figures are shown within Brackets.
  - The related parties included in the various categories above, where transactions have taken place are given below:

Holding Company

Paharpur Cooling Towers Limited

Key Management Personnel

Mr. Gaurav Swarup – *Managing Director*  
Mr. A. Singhanian – *Chief Finance Officer*  
Mr. Hirak Ghosh – *Company Secretary*

Relatives of Key Management Personnel

Mrs. Bindu Swarup  
Mrs. Gyan Swarup  
Mrs. Parul Swarup  
Mr. Vikram Swarup

Associate Company

KSB Pumps Limited

Enterprises over which Key management personnel having significant influence over the reporting enterprise exercise significant influence.

Paharpur Corporation Limited  
Melvin Powell Vanaspati & Engineering Industries Limited



**Notes Forming Part of the Financial Statements for the year ended 31st March, 2016**

**NOTE – 19**

**Earnings per Share**

- (a) The amount used as the numerator in calculating basic and diluted earnings per share is the Net Profit for the year disclosed in the Profit and Loss Account.
- (b) The weighted average number of equity shares used as the denominator in calculating both basic and diluted earnings per share is 5,81,780 (Previous year 5,81,780).

**NOTE – 20**

Employee benefits expenses includes Rs.9,000 (Previous year Rs.9,000) incurred on staff welfare and provision for gratuity Rs. 4,91,000 (Previous year Rs. 18,46,000)

**NOTE – 21**

The Company has provided Rs. 11,25,000 (Previous year Rs. 10,00,000) towards expenditure on Corporate Social Responsibility Activities.

**NOTE – 22**

Previous year figures have been regrouped wherever necessary to conform current year classification.

**Signatures to Notes 1 to 22**

As per our report attached

**For V. S. SOMANI & CO.**  
*Chartered Accountants*

**CA. V. S. SOMANI**  
*Proprietor*

Mumbai, May 30, 2016.

**A. K. SINGHANIA**  
*Chief Financial Officer*

**HIRAK GHOSH**  
*Company Secretary*

For and on behalf of the Board of Directors

**A. V. SETALVAD** *Chairman*

**A. R. BROACHA** *Director*

Mumbai, May 30, 2016.

**Schedule to the Balance Sheet of a Non-Banking Financial Company**

*as required in terms of Paragraph 9BB of*  
Non-Banking Financial Companies Prudential Norms (Reserve Bank) Directions, 1998

<b>Particulars</b>		<b>Rs. in Thousand</b>	
	<b>Liabilities side:</b>	<b>Amount Outstanding</b>	<b>Amount Overdue</b>
(1)	Loans and advances availed by the NBFCs inclusive of interest accrued thereon but not paid: (a) Debentures : Secured : Unsecured (other than falling within the meaning of public deposits*) (b) Deferred Credits (c) Term Loans (d) Inter-corporate loans and borrowing (e) Commercial Paper (f) Public Deposits* (g) Other Loans (specify nature) *Please see Note 1 below	<b>NIL</b>	<b>NIL</b>
(2)	Break-up of (1)(f) above (Outstanding public deposits inclusive of interest accrued thereon but net paid): (a) In the form of Unsecured debentures (b) In the form of partly secured debentures i.e. debentures where there is a shortfall in the value of security (c) Other public deposits *Please see Note 1 below	<b>NIL</b>	<b>NIL</b>
	<b>Assets side:</b>		
(3)	Break-up of Loans and Advances including bills receivables (other than those included in (4) below): (a) Secured (b) Unsecured	<b>NIL</b>	
(4)	Break-up of Leased Assets and stock on hire and hypothecation loans counting towards (i) Lease assets including lease rentals under sundry debtors: (a) Financial lease (b) Operating lease (ii) Stock on hire including hire charges under sundry debtors: (a) Assets on hire (b) Repossessed Assets (iii) Hypothecation loans counting towards EL/HP activities: (a) Loans where assets have been repossessed (b) Loans other than (a) above	<b>NIL</b>	
(5)	Break-up of investments: Current investments: 1. Quoted: (i) Shares: (a) Equity (b) Preference (ii) Debentures and Bonds (iii) Units of Mutual Funds (iv) Government Securities (v) Others (please specify) 2. Unquoted: (i) Shares: (a) Equity (b) Preference (ii) Debentures and Bonds (iii) Units of Mutual Funds (iv) Government Securities (v) Others (please specify)	<b>1,910</b> — — — — — — — <b>2,500</b> — —	

	Particulars	Rs. in Thousand		
	<b>Long Term Investments: (AT COST):</b>			
1.	Quoted:			
	(i) Shares: (a) Equity	<b>1,11,229</b>		
	(b) Preference	<b>—</b>		
	(ii) Debentures and Bonds	<b>980</b>		
	(iii) Units of Mutual Funds	<b>—</b>		
	(iv) Government Securities	<b>—</b>		
	(v) Others (please specify)	<b>—</b>		
2.	Unquoted:			
	(i) Shares: (a) Equity	<b>3,081</b>		
	(b) Preference	<b>—</b>		
	(ii) Debentures and Bonds	<b>—</b>		
	(iii) Units of Mutural Funds	<b>2,33,214</b>		
	liv) Goverment Securities	<b>—</b>		
	(v) Others (please speicify)	<b>—</b>		
(6)	Borrower group-wise classification of all leased assets, stock-on-hire and loans and advances: Please see Note 2 below			
		Amount net of provisions		
	Category	Secured	Unsecured	Total
1.	Related Parties**	—	—	—
	(a) Subsidiaries	—	—	—
	(b) Companies in the same group	—	<b>NIL</b>	—
	(c) Other related parties	—	—	—
2.	Other than related parties	—	—	—
	TOTAL	—	—	—
(7)	Investor group-wise classification of all investment (current and long term) in shares and securities (both quoted and unquoted): Please see Note 3 below			
	Category	Market Value/ Break up or fair Value or NAV	Book Value (Net of Provisions)	
1.	Related Parties**	—	—	
	(a) Subsidiaries	<b>42,678</b>	<b>3</b>	
	(b) Companies in the same group	—	—	
	(c) Other related parties	<b>45,22,833</b>	<b>17,401</b>	
2.	Other than related parties	<b>15,20,747</b>	<b>3,29,532</b>	
	TOTAL	<b>60,86,258</b>	<b>3,46,936</b>	
(8)	Other information			
	(i) Gross Non-Performing Assets	<b>NIL</b>		
	(a) Related parties			
	(b) Other than related parties			
	(ii) Gross Non-Performing Assets	<b>NIL</b>		
	(a) Related parties			
	(b) Other than related parties			
	(iii) Assets acquired in satisfaction of debt	<b>NIL</b>		

**Notes:**

- As defined in Paragraph 2(1)(xii) of the Non-Banking Financial Companies Acceptance of Public Deposits (Reserve Bank) Directions, 1998.
- Provisioning norms shall be applicable as prescribed in the Non-Banking Financial Companies Prudential Norms (Reserve Bank) Directions, 1998.
- All Accounting Standards and Guidance Notes issued by CAI are applicable including for valuation of investments and other assets as also assets acquired in satisfaction of debt. However, market value in respect of quoted investments and break unfair value/NAV in respect of unquoted investments should be disclosed in respective of whether they are classified as long term or current in column (5) above.

**STATEMENT OF NET OWNED FUNDS AS ON MARCH 31, 2016**

Rs. in thousand

	AMOUNT
i. Paid-up Equity Capital	5,821
ii. Free Reserves	156,934
iii. <b>Total (i + ii)</b>	<b>162,755</b>
iv. Accumulated balance of loss	—
v. Deferred Revenue Expenditure	—
vi. Other intangible assets	—
vii. <b>Total (iv + v + vi)</b>	<b>—</b>
viii. <b>Owned Funds (iii – vii)</b>	<b>162,755</b>
ix. Investment in shares of:	
a. Subsidiaries	3
b. Companies in the same Group	—
c. Other non-banking financial companies	—
x. The book value of debentures, bonds, outstanding loans and advances made to and deposits with:	
a. Subsidiaries	—
b. Companies in the same Group	—
xi. <b>Total {ix (a) + ix (b) + ix (c) + x (a) + (b)}</b>	<b>3</b>
xii. Amount of item xi in excess of 10% of item viii above	—
xiii. <b>Net Owned Funds (viii-xii)</b>	<b>162,755</b>

As per our report attached

**For V. S. SOMANI & CO.**  
*Chartered Accountants*

**CA. V. S. SOMANI**  
*Proprietor*

Mumbai, May 30, 2016.

**A. K. SINGHANIA**  
*Chief Financial Officer*

**HIRAK GHOSH**  
*Company Secretary*

For and on behalf of the Board of Directors

**A. V. SETALVAD** *Chairman*

**A. R. BROACHA** *Director*

Mumbai, May 30, 2016.

**ANNEXURE I      Independent Auditors' Report on the Consolidated Financial Statements**

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**To the Board of Directors of  
The Industrial & Prudential Investment Company Limited**

We have audited the accompanying consolidated financial statements of **THE INDUSTRIAL & PRUDENTIAL INVESTMENT COMPANY LIMITED** ("hereinafter referred to as the Holding Company"), and its subsidiaries (the Holding Company and its subsidiary referred together as "the Group") and associate which comprise the consolidated Balance Sheet as at 31st March, 2016, 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 and presentation 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 including its associates entities 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 Directors of the Companies included in the Group and of its associates are responsible for maintenance of adequate accounting records with the provision of the Act for safeguarding the assets of the Group and for preventing and detecting frauds and other regularities; the selection and application of appropriate accounting policies; making judgements and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatements, whether due to fraud or error which have been used for the purpose of preparation of consolidated financial statements by the Directors of the Holding Company, as aforesaid.

**AUDITOR'S RESPONSIBILITY**

Our responsibility is to express an opinion on these consolidated financial statements based on our audit. While conducting the audit, we have taken in to account the provisions of the Act, the accounting and auditing standards and matter 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 consolidated 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 auditor's 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 auditor considers internal financial control relevant to the Holding Company's preparation of the consolidated financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances but not for the purpose of expressing an opinion on whether the Holding Company has an adequate internal financial controls system over financial reporting in place and the operating effectiveness of such controls. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the 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 and the audit evidence obtained by the other auditors in terms of their reports referred to in other Matters paragraph below is sufficient and appropriate to provide a basis for our audit opinion on the consolidated financial statements.

## Independent Auditors' Report on the Consolidated Financial Statements

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### 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, its associates as at 31st March, 2016, and their consolidated statement of profit and loss and its consolidated cash flows for the year ended on that date.

### OTHER MATTERS

We did not audit the financial statements of the Subsidiary, New Holding and Trading Company Limited, whose financial statements reflect total assets of Rs.430 Lakhs as at 31st March 2016, total revenues of Rs. 49 Lakhs and cash inflow amounting to Rs. 34 Lakhs for the year ended on that date, as considered in the financial statements. The consolidated financial statements also include the Group's share on net profit of Rs.1461 lakhs for the year ended 31st December 2015, as considered in the consolidated financial statements, in respect of an associate, whose financial statements have not been audited by us. These financial statements have been audited by other auditors whose reports have been furnished to us by the Management and our opinion on the consolidated financial statements, in so far as it relates to the amounts and disclosures included in respect of the subsidiary and associates, and our report in terms of sub-sections (3) and(11) of Section 143 of the Act, in so far as it relates to the aforesaid subsidiaries and associates, is based solely on the reports of the other auditors.

Our opinion on the consolidated financial statements, and our report on Other Legal and Regulatory Requirements below, is not modified in respect of the above matters with respect to our reliance on the work done and the reports of the other auditors and the financial statements certified by the Management.

### REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

1. As required by Section 143(3) of the Act, we report, to the extent applicable, 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 purposes 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 and the reports of the other auditors.
- (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 of the Holding Company as on 31st March, 2016 taken on record by the Board of Directors of the Holding Company and the reports of the statutory auditors of its subsidiary company incorporated in India, none of the directors of the Group companies are disqualified as on 31st March, 2016 from being appointed as a director in terms of Section 164 (2) of the Act.
- (f) With respect to the adequacy of the internal financial control over financial reporting of the Group and the operating effectiveness of such controls, refer to our separate report in "Annexure I". In respect of

## Independent Auditors' Report on the Consolidated Financial Statements

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Associate Company the financial year ending was December 31, 2015, hence reporting of internal financial control over financial report was not applicable.

(g) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditor's) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:

- i. There are no pending litigations which would impact the consolidated financial position of the Group.
- ii. The Group did not have any material foreseeable losses on long-term contracts including derivative contracts.
- iii. There are no amounts which were required to be transferred to the Investor Education and Protection Fund by the Holding Company and its subsidiary company incorporated in India.

**For V. S. SOMANI & CO.**  
*Chartered Accountants*

Firm Registration No.: 117589W

**VIDYADHAR SOMANI**  
*Proprietor*

Membership No.: 102664

Place : Mumbai  
Date : May 30, 2016.

## Independent Auditors' Report on the Consolidated Financial Statements

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### Annexure – I to the Auditors' Report Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")

In conjunction with our audit of the consolidated financial statements of the Company as of and for the year ended March 31, 2016, we have audited the internal financial controls over financial reporting of **THE INDUSTRIAL & PRUDENTIAL INVESTMENT COMPANY LIMITED** ("the Holding Company") and its subsidiary company which is incorporated in India, as of that date.

#### MANAGEMENT'S RESPONSIBILITY FOR INTERNAL FINANCIAL CONTROLS

The Respective Board of Directors of the Holding Company and its subsidiary company, which is incorporated in India, are 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 ("ICAI"). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

#### 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") issued by ICAI 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 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 auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

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



## Independent Auditors' Report on the Consolidated Financial Statements

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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 Holding Company and its subsidiary company, which is 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, 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 ICAI.

**For V. S. SOMANI & CO.**  
*Chartered Accountants*

Firm Registration No.: 117589W

**VIDYADHAR SOMANI**  
*Proprietor*

Membership No.: 102664

Place : Mumbai  
Date : May 30, 2016.

# THE INDUSTRIAL & PRUDENTIAL INVESTMENT COMPANY LIMITED

## Consolidated Balance Sheet as at 31st March, 2016

		Rs. in Thousand	
PARTICULARS	NOTES	As at 31-03-2016	As at 31-03-2015
<b>I EQUITY AND LIABILITIES</b>			
(1) SHAREHOLDERS' FUNDS			
(a) Share Capital	2	5,821	5,821
(b) Reserves and Surplus	3	1,627,867	1,483,746
(c) Money received against Share Warrants		—	—
<b>Sub-Total- Shareholders Funds</b>		<b>1,633,688</b>	<b>1,489,567</b>
(2) SHARE APPLICATION MONEY			
Pending allotment		—	—
(3) NON-CURRENT LIABILITIES			
(a) Long-term borrowings		—	—
(b) Deferred tax Liabilities (Net)		—	—
(c) Other Long Term Liabilities		—	—
(d) Long-term Provisions		—	—
<b>Sub-Total- Non Current Liabilities</b>		<b>—</b>	<b>—</b>
(4) CURRENT LIABILITIES			
(a) Short-term borrowings		—	—
(b) Trade Payables		1,144	1,202
(c) Other Current Liabilities	4	5,115	4,295
(d) Short-term Provisions	5	80,084	46,763
<b>Sub-Total- Current Liabilities</b>		<b>86,343</b>	<b>52,260</b>
<b>TOTAL I</b>		<b>1,720,031</b>	<b>1,541,827</b>
<b>II ASSETS</b>			
(1) NON-CURRENT ASSETS			
(a) Fixed assets			
(i) Tangible assets	6	48	42
(ii) Intangible assets		106	—
(iii) Capital work in progress		—	—
(iv) Intangible assets under development		—	—
(b) Non-Current Investments	7	1,688,646	1,512,294
(c) Deferred Tax assets (net) assets		—	—
(d) Long Term loans and Advances	8	—	75
(e) Other non-current assets		7	7
<b>Sub-Total- Non Current Assets</b>		<b>1,688,807</b>	<b>1,512,418</b>
(2) CURRENT ASSETS			
(a) Current Investments	9	4,410	4,410
(b) Inventories		—	—
(c) Trade receivables		—	—
(d) Cash and Cash equivalents	10	19,450	19,102
(e) Short Term Loan and Advances	11	7,338	5,870
(f) Other Current assets	12	26	27
<b>Sub-Total- Current Assets</b>		<b>31,224</b>	<b>29,409</b>
<b>TOTAL II</b>		<b>1,720,031</b>	<b>1,541,827</b>
See accompanying notes to the financial statements	1		

As per our report attached

**For V. S. SOMANI & CO.**  
Chartered Accountants

**A. K. SINGHANIA**  
Chief Financial Officer

**CA. V. S. SOMANI**  
Proprietor

**HIRAK GHOSH**  
Company Secretary

Mumbai, May 30, 2016.

For and on behalf of the Board of Directors

**A. V. SETALVAD** Chairman

**A. R. BROACHA** Director

Mumbai, May 30, 2016.

**Consolidated Statement of Profit and Loss for the year ended 31st March, 2016**

			Rs. in Thousand
		For the year ended 31-03-2016	For the year ended 31-03-2015
	NOTES		
<b>I Revenue from operations - Interest</b>		<b>22</b>	<b>1</b>
<b>II Other Income</b>	<b>14</b>	<b>78,093</b>	<b>80,040</b>
<b>III Total Revenue (I + II)</b>		<b>78,115</b>	<b>80,041</b>
<b>IV Expenses</b>			
Cost of Materials Consumed		—	—
Purchase of Stock in Trade		—	—
Changes in inventories of finished goods, work in progress and stock in Trade		—	—
Employee benefits Expenses		<b>1,810</b>	<b>2,909</b>
Finance Cost		—	—
Depreciation and amortisation Expenses		<b>133</b>	<b>39</b>
Other Expenses	<b>15</b>	<b>6,748</b>	<b>5,040</b>
<b>TOTAL EXPENSES</b>		<b>8,691</b>	<b>7,988</b>
<b>V Profit before exceptional and extraordinary items and tax (III-IV)</b>		<b>69,424</b>	<b>72,053</b>
<b>VI Exceptional items</b>		—	—
<b>VII Profit before extraordinary items and tax (V-VI)</b>		<b>69,424</b>	<b>72,053</b>
<b>VIII Extraordinary Items</b>		—	—
<b>IX Profit before Tax (VII - VIII)</b>		<b>69,424</b>	<b>72,053</b>
<b>X Tax Expenses</b>			
(1) Current Tax		<b>1,470</b>	<b>4,561</b>
(2) Minimum Alternate Tax credit		<b>(68)</b>	—
(3) Short/(Excess) provision of earlier year		—	<b>42</b>
(4) Deferred Tax		—	—
		<b>1,402</b>	<b>4,603</b>
<b>XI Profit for the year from continuing operations</b>		<b>68,022</b>	<b>67,450</b>
<b>XII Profit/(Loss) from discontinuing operations</b>		—	—
<b>XIII Tax Expenses of discontinuing operations</b>		—	—
<b>XIV Profit/(Loss) from discontinuing operations (after Tax) (XII-XIII)</b>		—	—
<b>XV Profit /(Loss) for the year</b>		<b>68,022</b>	<b>67,450</b>
Add: Share of profit in respect of investment in Associate Company		<b>146,121</b>	<b>145,466</b>
		<b>214,143</b>	<b>212,916</b>
<b>XVI Earning per equity Share</b>			
(1) Basic		<b>368.08</b>	<b>365.97</b>
(2) Diluted		<b>368.08</b>	<b>365.97</b>

See accompanying notes to the financial statements

1

As per our report attached

For and on behalf of the Board of Directors

**For V. S. SOMANI & CO.**  
Chartered Accountants

**A. K. SINGHANIA**  
Chief Financial Officer

**A. V. SETALVAD** *Chairman*

**CA. V. S. SOMANI**  
Proprietor

**HIRAK GHOSH**  
Company Secretary

**A. R. BROACHA** *Director*

Mumbai, May 30, 2016.

Mumbai, May 30, 2016.

# THE INDUSTRIAL & PRUDENTIAL INVESTMENT COMPANY LIMITED

## Consolidated Cash Flow for the year ended 31st March, 2016

	Rs. in Thousand	
	As at 31.03.2016	As at 31.03.2015
<b>A. CASH FLOW FROM OPERATING ACTIVITIES</b>		
Net Profit before tax .....	69,424	72,053
Adjusted for		
Depreciation .....	133	39
Investment income .....	(78,093)	(79,309)
Carrying amount of investments (net) .....	—	(731)
Provision for diminution in Long Term Investments .....	405	398
	(77,555)	(79,603)
Operating Profit/(Loss) before Working Capital Changes ..	(8,131)	(7,550)
Changes in		
Trade and Other Receivable .....	1	213
Trade and Other Payables .....	297	975
NET CASH USED IN OPERATING ACTIVITIES.....	(7,833)	(6,362)
<b>B. CASH FLOW FROM INVESTING ACTIVITIES</b>		
Purchase of Fixed Assets .....	(170)	(87)
Purchase of Investments .....	(219,591)	(213,959)
Sale of Investments .....	198,712	214,985
Dividend Received .....	64,577	53,253
Income from Mutual Fund ... ..	3,759	700
Cash Generated from Investing Activities. ....	47,287	54,892
Direct Taxes Paid .....	(1,400)	(4,684)
NET CASH FROM INVESTING ACTIVITIES .....	45,887	50,208
<b>C. CASH FLOW FROM FINANCIAL ACTIVITIES</b>		
Dividend Paid .....	(31,192)	(31,111)
Tax on Dividend .....	(6,514)	(5,438)
NET CASH USED IN FINANCIAL ACTIVITIES .....	(37,706)	(36,549)
NET CHANGES IN CASH AND CASH EQUIVALENTS (A+B+C) .	348	7,297
CASH AND CASH EQUIVALENTS – OPENING BALANCE .....	19,102	11,805
CASH AND CASH EQUIVALENTS – CLOSING BALANCE .....	19,450	19,102

- NOTES:** 1. All figures in brackets are outflows.  
2. Cash and Bank Balances includes balance lying with designated Banks in unclaimed dividend accounts Rs.4,896/- (Previous year Rs. 4,091/-).  
3. Previous year figures have been regrouped wherever necessary.

As per our report attached

**For V. S. SOMANI & CO.**  
Chartered Accountants

**CA. V. S. SOMANI**  
Proprietor

Mumbai, May 30, 2016.

**A. K. SINGHANIA**  
Chief Financial Officer

**HIRAK GHOSH**  
Company Secretary

For and on behalf of the Board of Directors

**A. V. SETALVAD** Chairman

**A. R. BROACHA** Director

Mumbai, May 30, 2016.

**Notes Forming Part of the Financial Statements For the year ended 31st March, 2016**

**NOTE – 1 — SIGNIFICANT ACCOUNTING POLICIES**

- (i) The consolidated Financial Statements are prepared in accordance with Principles of Consolidation prescribed in AS-21 and AS-23 Accounting Standards notified by Companies (Accounting Standards) Rules, 2006. The Consolidated Financial Statements comprise the financial statement of the Industrial & Prudential Investment Company Limited, its wholly owned subsidiary “New Holding and Trading Company Limited” and its Associate Company KSB Pumps Ltd. which are incorporated in India.
- (ii) The Accounting Policies have been consistently applied by the Company and are consistent with those used in the previous year.
- (iii) The financial statements of the Company and its subsidiary company have been consolidated on a line-by-line basis by adding together the book value of items of assets, liabilities, income and expenses after eliminating intra-group balances and intra-group transactions resulting in unrealised profits or unrealised cash losses.
- (iv) The financial statements of the Company and its associate Company have been consolidated in accordance with AS-23 “Accounting for Investments in Associates in Consolidated Financial Statements.”

Rs. in Thousand

**NOTE – 2 — SHARE CAPITAL**

**Authorised:**

10,00,000 Equity Shares of Rs. 10 each

**Issued, Subscribed and Paid-up:**

5,81,780 Equity Shares of Rs. 10 each  
Forefited Shares

As at 31-03-2016	As at 31-03-2015
<b>10,000</b>	10,000
<b>5,818</b>	5,818
<b>3</b>	3
<b>5,821</b>	5,821

- (a) Reconciliation of the number of shares:

Particulars	2015-16		2014-15	
	Equity Shares		Equity Shares	
	Numbers	Rupees	Numbers	Rupees
Shares outstanding at the beginning of the year	581,780	5,818	581,780	5,818
Shares Issued during the year	—	—	—	—
Shares bought back during the year	—	—	—	—
Shares outstanding at the end of the year	581,780	5,818	581,780	5,818

# CONSOLIDATED THE INDUSTRIAL & PRUDENTIAL INVESTMENT COMPANY LIMITED

## Notes Forming Part of the Financial Statements For the year ended 31st March, 2016

(b) Terms and Rights attached to equity shareholders:

The Company has only One class of Equity Shares having par value of Rs. 10/- per share. Each holder of equity shares is entitled to one vote per share. The dividend proposed by the Board of Directors is subject to the approval of the Shareholders in the ensuing Annual General Meeting, except in case of interim dividend. The Share holders have all other right as available to Equity Shareholders as per the provisions of the Companies Act, 2013, read together with the Memorandum and Articles of Association of the Company, as applicable.

(c) Holding Company:

In accordance with Section 2(87) (i) of the Companies Act, 2013 Paharpur Cooling Towers Limited is a Holding Company as it is deemed to control the Composition of the Board of Directors.

(d) Name of the Shareholder holding more than 5% Equity Shares:

Name of the Shareholder	31/03/2016		31/03/2015	
	No. of Shares	% of Holding	No. of Shares	% of Holding
1. Paharpur Cooling Towers Ltd.	248,967	42.79	248,967	42.79
2. Melvin Powell Vanaspati & Engineering Limited	51,600	8.87	51,600	8.87
3. Paharpur Corporation Limited	63,850	10.97	63,850	10.97

### NOTE – 3 — RESERVES AND SURPLUS

#### Capital Reserve

Balance as per last Balance Sheet .....

#### General Reserve

Balance as per last Balance Sheet .....

Add: Transferred from surplus .....

#### Special Reserve

(In terms of Section 45-IC of Reserve Bank of India Act, 1934)

Balance as per last Balance Sheet .....

Add: Transferred from surplus .....

#### Surplus

Balance as per last Balance Sheet .....

Add: Profit for the year as per Profit and Loss Statement ...

Adjustment on account of consolidation of accounts of Associate Company

Less: Appropriations:

Transferred to:

Special Reserve .....

General Reserve .....

Proposed Dividend .....

Depreciation as per Schedule II for earlier Years .....

Tax on Dividend .....

**TOTAL** .....

Rs. in Thousand

As at 31-03-2016	As at 31-03-2015
65	65
76,530	76,530
—	—
76,530	76,530
118,110	104,535
13,705	13,575
131,815	118,110
1,289,041	114,230
214,143	212,916
—	1,014,006
1,503,184	1,341,152
13,705	13,575
—	—
58,178	31,998
—	24
11,844	6,514
83,727	52,111
1,419,457	1,289,041
1,627,867	1,483,746

**Notes Forming Part of the Financial Statements For the year ended 31st March, 2016**

**NOTE – 4 — OTHER CURRENT LIABILITIES**

Rs. in Thousand

	As at 31-03-2016	As at 31-03-2015
Unclaimed Dividend .....	4,896	4,090
Tax Deducted at source .....	116	122
Service Tax .....	103	83
<b>TOTAL .....</b>	<b>5,115</b>	<b>4,295</b>

**NOTE – 5 — SHORT TERM PROVISIONS**

	As at 31-03-2016	As at 31-03-2015
Provision for Income Tax .....	6,875	5,405
Provision for Proposed Dividend .....	58,178	31,998
Tax on Proposed Dividend .....	11,844	6,514
Provision towards Corporate Social Responsibility .....	1,125	1,000
Retirement Benefits .....	2,062	1,846
<b>TOTAL .....</b>	<b>80,084</b>	<b>46,763</b>

**NOTE – 6 — TANGIBLE FIXED ASSETS**

Rs. in Thousand

PARTICULARS	GROSS BLOCK				DEPRECIATION				NET BLOCK	
	As at 01.04.2015	Additions during the year	Deductions/ Adjustments during the year	As at 31.03.2016	Upto 01.04.2015	For the year	Deductions/ Adjustments during the year	As at 31.03.2016	As at 31.03.2016	As at 31.03.2015
1 Office Premises	152	—	—	152	127	2	—	129	23	25
2 Furnitures and Fixtures	380	—	—	380	380	—	—	380	—	—
3 Office Equipments	117	—	—	117	116	1	—	117	—	1
4 Others Computers	510	43	—	553	494	34	—	528	25	16
<b>TOTAL</b>	<b>1,159</b>	<b>43</b>	<b>—</b>	<b>1,202</b>	<b>1,117</b>	<b>37</b>	<b>—</b>	<b>1,154</b>	<b>48</b>	<b>42</b>
<b>Previous year</b>	<b>1,147</b>	<b>12</b>	<b>—</b>	<b>1,159</b>	<b>1,054</b>	<b>39</b>	<b>24</b>	<b>1,117</b>	<b>42</b>	<b>93</b>

NOTE: Office Premises includes Rs. 250 (Previous year Rs. 250/-) being the cost of shares in Co-operative Society.

**INTANGIBLE FIXED ASSETS**

Rs. in Thousand

PARTICULARS	GROSS BLOCK				DEPRECIATION				NET BLOCK	
	As at 01.04.2015	Additions during the year	Deductions/ Adjustments during the year	As at 31.03.2016	Upto 01.04.2015	For the year	Deductions/ Adjustments during the year	As at 31.03.2016	As at 31.03.2016	As at 31.03.2015
Computer Software	—	202	—	202	—	96	—	96	106	—
<b>Previous year</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>—</b>

**CONSOLIDATED**  
**THE INDUSTRIAL & PRUDENTIAL INVESTMENT COMPANY LIMITED**

**Notes Forming Part of the Financial Statements For the year ended 31st March, 2016**

			Rs. in Thousand	
<b>NOTE – 7 — NON CURRENT INVESTMENTS</b>		<b>Face</b>	<b>Holding</b>	<b>As at</b>
<b>(Fully Paid-up)</b>		<b>Value</b>	<b>Nos.</b>	<b>As at</b>
		<b>Rupees</b>		<b>31-03-2016</b>
<b>Name of the Company</b>				<b>31-03-2015</b>
<b>I. A. LONG TERM - QUOTED - (NON TRADE) (AT COST)</b>				
<b>(a) INVESTMENT IN EQUITY INSTRUMENTS</b>				
3i Infotech Limited .....	10	95,000	2,666	2,666
ACC Limited .....	10	7,000	438	438
Alstom T. & D. India Limited .....	2	50,000	788	788
Amara Raja Batteries Limited .....	1	105,000	1,004	1,004
Ashapura Minechem Limited .....	2	62,000	2,537	2,537
Ashok Leyland Limited .....	1	27,000	2,005	—
BASF India Limited .....	10	10,800	4,123	4,123
BEML Limited .....	10	8,500	1,877	1,877
Bharat Electronics Limited (6,000 Bonus Shares Received) .....	10	9,000	1,196	1,196
Bharat Forge Limited .....	2	16,000	1,383	1,383
Bharti Airtel Limited .....	5	17,500	2,274	2,274
Bosch Limited .....	10	2,000	11	11
Century Textile and Industries Limited .....	10	4,500	2,394	2,394
Cairn India Limited .....	10	4,400	1,484	1,484
Dr. Reddy's Laboratories Limited .....	5	4,000	2,029	2,029
GTL Limited .....	10	4,000	—	1,036
GTL Infrastructure Limited .....	10	8,000	—	182
Gail (India) Limited .....	10	28,500	4,322	4,322
Glaxo Smith Kline Pharmaceuticals Limited .....	10	1,000	—	1,100
HDFC Bank Limited .....	2	2,000	2,197	—
Heidelberg Cement India Limited .....	10	25,000	1,785	1,785
Hindustan Unilever Limited .....	1	73,000	191	191
ISMT Limited .....	5	43,750	—	738
IDBI Bank Limited .....	10	15,000	1,170	1,170
Infosys Technologies Limited (2,25,600 Bonus Shares received) .....	5	451,200	5,257	5,257
ITC Limited .....	1	18,000	1,127	1,127
India Cements Limited .....	10	26,000	2,195	—
Kokuyo Camlin Limited .....	1	20,000	2,059	—
Mahanagar Telephone Nigam Limited .....	10	7,000	—	1,435
Monsanto India Limited .....	10	1,600	673	673
Nestle India Limited .....	10	14,000	178	178
NTPC Limited .....	10	21,000	1,684	1,684
Orient Refractories Limited .....	1	90,000	401	401
Piramal Enterprises Ltd .....	2	20,500	1,557	1,557
Ranbaxy Laboratories Limited .....	5	10,000	—	3,224
Reliance Industries Limited .....	10	16,000	1,455	1,455
Schneider Electric Infrastructure Limited .....	2	50,000	237	237
Selan Exploration Technology Limited .....	10	11,000	805	805



**Notes Forming Part of the Financial Statements For the year ended 31st March, 2016**

			Rs. in Thousand	
<b>NOTE – 7 — NON CURRENT INVESTMENTS</b>	<b>Face</b>	<b>Holding</b>	<b>As at</b>	<b>As at</b>
<b>(Fully Paid-up) — contd.</b>	<b>Value</b>	<b>Nos.</b>	<b>31-03-2016</b>	<b>31-03-2015</b>
	<b>Rupees</b>			
<b>Name of the Company</b>				
Siemens Limited .....	2	25,000	195	195
State Bank of India .....	1	71,000	3,947	3,947
Sun Pharmaceutical Industries Ltd. ....	1	8,000	3,224	—
Tata Consultancy Services Limited .....	1	14,000	6,671	6,671
Tata Motors Limited .....	2	21,100	883	388
Tata Motors Limited (DVR) .....	2	41,500	4,005	3,395
Tata Steel Limited .....	10	17,686	3,743	3,743
Tech Mahindra Limited .....	5	12,000	1,943	1,943
The Great Eastern Shipping Company Limited .....	10	30,400	5,057	5,057
The Indian Hotels Company Limited .....	1	97,020	2,488	1,508
The Karur Vysya Bank Limited .....	10	38,000	3,591	3,591
The Tata Power Company Limited .....	1	270,000	2,884	2,884
Timken India Limited .....	10	7,000	1,433	1,433
Titan Industries Limited .....	1	282,000	3,084	3,084
Vikas W.S.P. Limited .....	1	80,000	3,216	3,216
Zee Entertainment Enterprises Limited .....	1	20,808	799	799
<b>Investments in Associates:</b>				
KSB Pumps Limited .....	10	7,400,000	1,334,002	1,187,881
Sub-Total – (a) .....			1,434,667	1,282,497
<b>(b) Investment in Preference Shares:</b>				
Zee Entertainment Enterprises Ltd. (6%) .....	10	43,696	—	—
(Redeemable on 14th March 2022)				
Sub-Total – (b) .....			—	—
<b>(c) Investment in Debentures:</b>				
NTPC Limited–SR–54- 8.49% – Non-Convertible ..	12.5	21,000	—	—
(Redeemable on 25th March 2025)				
The Indian Hotels Co. Ltd. – Compulsory Convertible	1	17,820	—	980
(Convertible to Equity Shares on 1st March 2016)				
Sub-Total – (c) .....			—	—
Total – A (a + b + c) .....			1,434,667	1,283,477
<b>I. B. Unquoted Long Term</b>				
<b>(a) Equity Shares (Fully Paid)</b>				
<b>(i) Others (Non-Trade)</b>				
BSE Limited .....	1	13,500	3,078	3,078
Niyuprene Plastics Company Limited .....	10	1,000	—	—
Siltronics (India) Limited .....	10	30	—	—
[Sub Total (i)] .....			3,078	3,078
[Sub Total (a) = (i)] ..			3,078	3,078

**CONSOLIDATED**  
**THE INDUSTRIAL & PRUDENTIAL INVESTMENT COMPANY LIMITED**

**Notes Forming Part of the Financial Statements For the year ended 31st March, 2016**

			Rs. in Thousand	
<b>NOTE – 7 — NON CURRENT INVESTMENTS</b>	<b>Face</b>	<b>Holding</b>	<b>As at</b>	<b>As at</b>
<b>(Fully Paid-up) — contd.</b>	<b>Value</b>	<b>Nos.</b>	<b>31-03-2016</b>	<b>31-03-2015</b>
	<b>Rupees</b>			
<b>Name of the Company</b>				
<b>(b) Investments In Mutual Fund (Non-Trade)</b>				
Birla Sunlife Mutual Fund:				
1. Income Plus Growth .....	10	197,594	10,000	10,000
2. Birla Short Term Opportunity Fund – Growth .	10	—	—	5,876
3. 95 Fund Growth .....	10	30,067	16,656	—
DSP BR Focus 25 Fund - Growth .....	10	732,837	12,500	—
Franklin India Balance Fund .....	10	108,369	10,000	—
Goldman Sachs Mutual Fund - Liquid Bees .....	1000	0.040	*0	—
HDFC Mutual Fund:				
1. Balance Fund Growth .....	10	150,742	15,000	10,000
2. Income Fund Growth .....	10	258,093	7,000	7,000
3. Index Fund – Nifty Plan .....	10	—	—	18,000
ICICI Prudential Mutual Fund:				
1. Balance Fund Regular Plan – Growth .....	10	211,874	18,960	10,000
2. Income Plan Growth .....	10	—	—	23,171
3. Regular Saving Fund Growth .....	10	—	—	9,671
IL & FS Milestone Fund - II .....	1000	6,798	6,798	20,000
IDFC Mutual Fund				
1. Super Saver-Income Plan-Investment Plan A - Growth... ..	10	525,249	14,625	14,625
2. Super Saver-Fixed Term Series - 62-Reg.- Plan Growth .....	10	—	—	7,000
3. Dynamic Equity Regular Plan-Growth .....	10	659,973	7,000	—
JM Mutual Fund				
1. G-Sec Fund-Regular Plan Growth .....	10	402,216	15,987	15,987
2. Money Manager Super Pl. Growth .....	10	256,832	5,000	5,000
Kotak Select Focus Fund - Growth .....	10	550,758	12,500	—
Reliance Regular Saving Fund-Debt Plan-Dividend	10	1,059,073	18,000	18,000
SBI Magnum Balanced Fund - Growth .....	10	154,514	15,000	—
Tata Balanced Fund - Growth .....	10	117,615	20,000	—
UTI Mutual Fund:				
1. BOND FUND -Growth .....	10	705,749	25,000	32,677
2. Bluechip Flexicap - Dividend Payout .....	10	166,857	3,325	3,325
3. UTI Nifty Index Fund Growth .....	10	—	—	20,000
4. UTI BALANCED FUND - Growth .....	10	179,877	22,547	—
[Sub Total (b)] .....			255,898	230,332
[Total — B (a + b)] .....			258,977	233,410
<b>TOTAL — I (A + B) .....</b>			<b>1,693,644</b>	<b>1,516,887</b>
Less: Provision for Diminution in the value of Investments			4,998	4,593
<b>TOTAL — Net .....</b>			<b>1,688,646</b>	<b>1,512,294</b>
Aggregate Cost of Quoted Investments .....			1,434,667	1,283,477
Aggregate Cost of Unquoted Investments .....			258,977	233,410
Market Value of Quoted Investments .....			5,979,667	6,875,018
Provision for diminution in the value of Investments			4,998	4,593

\* Denotes balance less than Rs.500

**Notes Forming Part of the Financial Statements For the year ended 31st March, 2016**

Rs. in Thousand

**NOTE – 8 — LONG TERM LOANS AND ADVANCES  
(Unsecured, Considered Good)**

	As on 31-03-2016	As on 31-03-2015
Capital Advance .....	—	75
<b>TOTAL .....</b>	<b>—</b>	<b>75</b>

Rs. in Thousand

**NOTE – 9 — CURRENT INVESTMENTS**

Name of the Company	Face Value Rupees	Holding Nos.	As at 31-03-2016	As at 31-03-2015
<b>A. Current Quoted</b>				
<b>(a) Equity Shares (Fully Paid)</b>				
Titan Company Limited .....	1	28,500	1,910	1,910
<b>TOTAL A .....</b>			<b>1,910</b>	<b>1,910</b>
<b>B. Current Unquoted</b>				
<b>Mutual Fund</b>				
Reliance Pharma Fund-Div. Plan-Div. Payout .....	10	62,468	2,500	2,500
<b>TOTAL B .....</b>			<b>2,500</b>	<b>2,500</b>
<b>TOTAL (A + B) .....</b>			<b>4,410</b>	<b>4,410</b>
Aggregate Cost of Quoted Investments .....			1,910	1,910
Aggregate Cost of Unquoted Investments .....			2,500	2,500
Market Value of Quoted Investments .....			9,664	11,161
Provision for diminution in the value of Investments .....			—	—

Rs. in Thousand

**NOTE – 10 — CASH AND CASH EQUIVALENTS**

	As on 31-03-2016	As on 31-03-2015
Balance with banks in Current Account .....	14,537	14,988
Cash in hand .....	17	23
Earmarked balance with Banks in Dividend Accounts .....	4,896	4,091
<b>TOTAL .....</b>	<b>19,450</b>	<b>19,102</b>

**CONSOLIDATED**  
**THE INDUSTRIAL & PRUDENTIAL INVESTMENT COMPANY LIMITED**

**Notes Forming Part of the Financial Statements For the year ended 31st March, 2016**

Rs. in Thousand

	As on 31-03-2016	As on 31-03-2015
<b>NOTE – 11 — SHORT TERM LOANS AND ADVANCES</b> <b>(Unsecured, Considered Good)</b>		
Advance Income Tax .....	6,388	4,988
MAT Credit entitlement .....	950	882
<b>TOTAL .....</b>	<b>7,338</b>	<b>5,870</b>

	As on 31-03-2016	As on 31-03-2015
<b>NOTE – 12 — OTHER CURRENT ASSETS</b> <b>(Unsecured, Considered Good)</b>		
Dividend Receivable .....	26	26
Interest Receivable .....	—	1
<b>TOTAL .....</b>	<b>26</b>	<b>27</b>

	As on 31-03-2016	As on 31-03-2015
<b>NOTE – 13 — CONTINGENT LIABILITIES AND COMMITMENTS</b>		
Contingent liabilities not provided for fixed assets [net of Advances]:	—	90
Commitments:		
Other Commitments .....	—	—
<b>TOTAL .....</b>	<b>—</b>	<b>90</b>

**NOTE – 14 — PROPOSED DIVIDEND**

The Board of Directors for the current year recommend a Dividend of Rs.100 per share including Rs. 45 per share as jubilee dividend (Previous year Rs. 55 per share).

	As on 31-03-2016	As on 31-03-2015
<b>NOTE – 15 — OTHER INCOME</b>		
Dividend on Investments		
Long Term .....	64,011	52,747
Current .....	566	506
	<b>64,577</b>	<b>53,253</b>
Income from Mutual Funds (Net) .....	3,759	700
Profit on Sale of Long Term Investments (Net) .....	9,757	15,697
Profit on Sale of Current Investments (Net) .....	—	9,659
Adjustment to the carrying amount of Current Investments (Net)	—	731
<b>TOTAL .....</b>	<b>78,093</b>	<b>80,040</b>

**Notes Forming Part of the Financial Statements For the year ended 31st March, 2016**

Rs. in Thousand

**As on**                      **As on**  
**31-03-2016**                      **31-03-2015**

**NOTE – 16 — OTHER EXPENSES**

Legal and Professional Fees .....	<b>1,780</b>	1,384
Rates and Taxes .....	<b>171</b>	111
Directors' Sitting Fees .....	<b>379</b>	126
Auditors' Remuneration:		
Audit Fees .....	<b>100</b>	70
Certification etc. ....	<b>109</b>	63
Reimbursement of Expenses (including Service Tax) .....	<b>39</b>	18
	<b>248</b>	151
Commission to Directors .....	<b>600</b>	600
Provision for Diminution in the Value of Long Term Investments (Net) .....	<b>405</b>	398
Repairs and Maintenance .....	<b>310</b>	243
Corporate Social Responsibility .....	<b>1,125</b>	1,000
Expense of Mutual Fund Scheme .....	<b>336</b>	—
Printing and Stationery .....	<b>229</b>	169
Miscellaneous Expenses .....	<b>1,165</b>	858
<b>TOTAL .....</b>	<b>6,748</b>	5,040

**NOTE – 17**

The investment activity is considered as a single segment in accordance with the Accounting Standard (AS-17) "Segment Reporting".

**NOTE – 18**

**Related Party Disclosures:**

**A. Name of the related party and nature of relationship where control exists:**

<u>Name of the Party</u>	<u>Nature of Relationship</u>
Paharpur Cooling Towers Ltd. (Refer Note No 2(c))	Holding Company
New Holding and Trading Company Limited	Subsidiary Company

# CONSOLIDATED THE INDUSTRIAL & PRUDENTIAL INVESTMENT COMPANY LIMITED

## Notes Forming Part of the Financial Statements For the year ended 31st March, 2016

### B. Related Party Transactions:

Rs. in Thousand

Nature of Transactions	Holding Company	Subsidiary Company	Key Management Personnel	Relatives of Key Management Personnel	Associates Company	Enterprise over which Key Management Personnel having significant influence over the reporting enterprise exercise influence	TOTAL Amount
Directors' Sitting Fees		— (—)	10 (5)	— (2)	— (—)	— (—)	10 (7)
Commission		— (—)	— (130)	— (80)	— (—)	— (—)	— (210)
Dividend paid	13,693 (13,693)	— (—)	66 (66)	729 (729)	— (—)	6,350 (6,350)	20,838 (20,838)
Dividend Received		— (—)	— (—)	— (—)	39,270 (32,130)	— (—)	39,270 (32,130)
Reimbursement of Travelling expenses	— (20)	— (—)	— (—)	— (—)	— (—)	— (—)	— (20)
Amount outstanding at the end of the year – Payable		— (—)	— (130)	— (80)	— (—)	— (—)	— (210)

- NOTES:
- There is no provision for doubtful debts as at the end of the year in respect of related parties.
  - There are no amounts written off or written back during the year in respect of debts due from or to related parties.
  - Previous Year figures are shown within Brackets.
  - The related parties included in the various categories above, where transactions have taken place are given below:

Holding Company

Paharpur Cooling Towers Limited

Key Management Personnel

Mr. Gaurav Swarup – *Managing Director*  
Mr. A. Singhanian – *Chief Finance Officer*  
Mr. Hirak Ghosh – *Company Secretary*

Relatives of Key Management Personnel

Mrs. Bindu Swarup  
Mrs. Gyan Swarup  
Mrs. Parul Swarup  
Mr. Vikram Swarup

Associate Company

KSB Pumps Limited

Enterprises over which Key management personnel having significant influence over the reporting enterprise exercise significant influence.

Paharpur Corporation Limited  
Melvin Powell Vanaspati & Engineering Industries Limited

**Notes Forming Part of the Financial Statements For the year ended 31st March, 2016**

**NOTE – 19**

Employee benefits expenses includes Rs. 9,000 (Previous year Rs. 9,000) Incurred on staff welfare and provision for gratuity Rs. 4,91,000 (Previous Year Rs.18,46,000)

**NOTE – 20**

The Consolidated Financial Statements have been prepared in accordance with the Accounting Standard (AS-21) on “Consolidated Financial Statements”. The subsidiary considered in the Consolidated Financial Statement is:

Name of the Company	Country of Incorporation	% of voting power held	
		As at 31.03.2016	As at 31.03.2015
New Holding And Trading Company Limited .....	India	100	100

**NOTE – 21**

- (a) In accordance with provisions of Section 2(6) of the Companies Act 2013 KSB Pumps Limited is an Associate Company, hence Company's Share of the profits of Investments in associates is given below. In drawing Consolidated Financial Statements, financial statements on 31st December 2015 of the associate Company are considered. There are no significant events or transactions between the Company and its associate that have occurred between the date of the associates financial statements and 31st March, 2016 which require any adjustments.
- (b) The Investment in associate is accounted for in accordance with AS-23 “Accounting for Investment in Associates in Consolidated Financial Statements”. The details of associates ownership interest etc is given below:

	Rs. in Thousand	
	As at 31.03.2016	As at 31.03.2015
Name of Associate and Country of Incorporation .....	KSB Pumps Limited, India.	
Ownership Interest (including of Subsidiary) .....	21.26%	21.26%
Original Cost of investment and Amount of Goodwill .....	28,409	28,409
Share of accumulated profit as at year end .....	1,256,750	1,159,472
Carrying Cost of Investments (Net of dividend) .....	1,285,159	1,187,881

- (c) The Associate Company follows a different accounting policy in respect of fixed assets. Some of the fixed assets are depreciated on straight line method while others are depreciated on written down value method. No adjustments have been made for the said differences in accounting policies to arrive at the share of profits of associate Company, etc. as the said differences are not expected to have material impact on the accounts of the Group.

# CONSOLIDATED THE INDUSTRIAL & PRUDENTIAL INVESTMENT COMPANY LIMITED

## Notes Forming Part of the Financial Statements For the year ended 31st March, 2016

### NOTE – 22

#### Earnings per Share

- (a) The amount used as the numerator in calculating basic and diluted earnings per share is the Net Profit for the year disclosed in the Statement of Profit and Loss.
- (b) The weighted average number of equity shares used as the denominator in calculating both basic and diluted earnings per share is 581,780.

### NOTE – 23

Additional information as required under Schedule III to the Companies Act, 2013, of enterprises consolidated as Subsidiary/ Associates/ Joint Ventures

Particulars	Net Assets i.e. total assets minus total liabilities		Share in profit or loss	
	As % of consolidated net assets	Amount (Rs. in thousands)	As % of consolidated profit or loss	Amount (Rs. in thousands)
<b>Parent</b>				
The Industrial & Prudential Investment Company Limited .....	19.20	327,030	29.65	63,507
<b>Sudsiary – Indian</b>				
New Holding And Trading Company Limited ....	2.50	42,678	2.11	4,515
<b>Associate – Indian</b>				
(Investment as per equity method)				
KSB Pumps Limited .....	78.30	1,334,002	68.24	146,121
<b>TOTAL .....</b>	<u>100.00</u>	<u>1,703,710</u>	<u>100.00</u>	<u>214,143</u>

### NOTE – 24

Previous year figures have been regrouped wherever necessary to conform current year classification.

#### Signatures to Notes 1 to 24

As per our report attached

**For V. S. SOMANI & CO.**  
*Chartered Accountants*

**CA. V. S. SOMANI**  
*Proprietor*

Mumbai, May 30, 2016.

**A. K. SINGHANIA**  
*Chief Financial Officer*

**HIRAK GHOSH**  
*Company Secretary*

For and on behalf of the Board of Directors

**A. V. SETALVAD** *Chairman*

**A. R. BROACHA** *Director*

Mumbai, May 30, 2016.



## Company Information

**Directors :** A. V. SETALVAD (DIN: 00056124)  
A. R. BROACHA (DIN: 00056291)  
DEVINA SWARUP (DIN: 06831620)

**Bankers :** DEUTSCHE BANK

**Auditors :** C. M. GABHAWALA & CO.  
Chartered Accountants

**Registered Office :** 125, MAKER CHAMBERS III,  
NARIMAN POINT,  
MUMBAI - 400 021.  
TEL.: 22854243  
Email: indpru@vsnl.net  
Website: www.industrialprudential.com  
CIN: U65990MH1981PLC025981

## Director's Report for the year ended 31st March, 2016

To,

The Shareholders,

Your directors have pleasure in submitting the ANNUAL REPORT relating to the affairs of the Company together with Audited Financial Statements of the Company for the year ended 31st March, 2016.

### FINANCIAL RESULTS

Particulars	Rs. in Lacs	
	Year ended 31.03.2016	Year ended 31.03.2015
	Amount – Rs	Amount – Rs
Income .....	48.80	20.12
Expenditure		
(a) Expenses .....	1.63	1.22
Profit before taxation .....	47.17	18.90
Provision for taxation .....	2.02	0.61
Net Profit after taxation .....	45.15	18.29
Add: Balance brought forward from Balance Sheet .....	177.21	162.67
Profit for appropriation .....	222.36	180.96
<b>Appropriation</b>		
Special Reserve (in terms of Section 45-IC of RBI Act, 1934) .....	9.05	3.75
Balance carried to Balance Sheet .....	213.31	177.21
Total .....	222.36	180.96

### HOLDING COMPANY

The Company is wholly owned subsidiary of The Industrial & Prudential Investment Co. Ltd.

### DIRECTORS

Mr. A.R. Broacha (DIN 00056291) retire by rotation and being eligible offers himself for re-appointment.

### EXTRACT OF ANNUAL RETURN

The extract of annual return as at 31st March, 2016 in Form MGT 9 is attached (Annexure A).

### NUMBER OF MEETINGS OF THE BOARD

During the financial year under review the Board of Directors met four times.

### DIRECTORS' RESPONSIBILITY STATEMENT

Pursuant to Section 134(3)(c) and sub section (5) of the Act, your Directors confirm that:

- In the preparation of the annual accounts, the applicable accounting standards have been followed along with proper explanation relating to material departures, if any.
- Appropriate accounting policies have been selected and applied consistently and that the judgements and estimates made are reasonable and prudent so as to give a true and fair view of the affairs of the Company for the year ended March 31, 2016 and of the profit for the year under review.

**Director's Report for the year ended 31st March, 2016 — contd.**

- (c) proper and sufficient care have been taken for the maintenance of adequate accounting records in accordance with the provisions of the Act, for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities; and
- (d) the annual accounts have been prepared on a 'going concern' basis.
- (e) there is proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

**POLICY ON DIRECTORS' APPOINTMENT, REMUNERATION AND CRITERIA OF INDEPENDENCE OF DIRECTORS**

All the Directors are non- executive directors. Directors are paid sitting fees. It is proposed to pay commission based on the net profits of the Company in accordance with the Act. The members are requested to approve payment of commission within the limit laid down in the Act.

**AUDITORS' REPORT**

The same is attached to the financial statement. There are no qualifications, reservations or adverse remarks in the Auditors' Report.

**PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS**

The Company's principal business is the acquisition of securities and it is registered as NBFC with the Reserve Bank of India. As nothing in section 186 except sub section (1) of the Act applies in accordance with section 186(11) details are not required to be given. However Note 7 and 9 of the attached financial statement gives details of the same.

**PARTICULARS OF CONTRACTS OR ARRANGEMENTS WITH RELATED PARTIES**

There are no material related party transactions during the year under review with the promoters, directors, and their relatives. Therefore no details are required to be disclosed the Form AOC 2.

**MATERIAL CHANGES AND FINANCIAL COMMITMENTS, IF ANY,**

No material changes and financial commitments have occurred between the end of the financial year of the Company to which the balance sheet relates and the date of this Report.

**CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS AND OUTGOINGS**

There are no particulars to be disclosed with regard to

- conservation of energy,
- technology absorption and
- foreign exchange earnings and outgoings

**RISK MANAGEMENT**

The principal business of the company is dealing in investments and securities which are subject to market risks. The Board of Directors takes policy decision on deployment of funds of the Company in securities market based on investment climate and economic conditions in the country and movement in the stock markets. The investment portfolio is periodically reviewed by the Board of Directors and cautious approach is a key note of the policy to mitigate the risks.

**FINANCIAL SUMMARY /HIGHLIGHTS**

Financial Summary/ highlights for the last three years is enclosed. (Annexure)

**CHANGE IN BUSINESS**

There has been no change in the nature of business of the Company.

**Director's Report for the year ended 31st March, 2016 — contd.****DEPOSITS**

The Company had no deposits at the beginning of the Financial Year. It has not accepted any deposits from its members/directors. The Company does not have any outstanding deposits at the end of the Financial Year.

**SIGNIFICANT MATERIAL ORDERS**

Save as mentioned under the Para Secretarial Audit, no significant and material orders have been passed by the regulators or courts or tribunals impacting the going concern status and the Company's operations in future.

**INTERNAL FINANCIAL CONTROL**

The quality of internal financial procedure and control observed by the management and its officials are commensurate with the size of the operations of the Company.

**DISCLOSURE OF REMUNERATION VIS A VIS EMPLOYEES**

No disclosure is required to be made pursuant to Rule 5 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 as there are no employees of the Company.

**AUDITORS**

In accordance with Section 139 of the said Act read with rules made thereunder, the Company at the annual general meeting held on 24th September, 2014 appointed Messrs. C. M. Gabhawala & Co., Chartered Accountants, the existing statutory auditors for a period of five years. The appointment is to be ratified at by members at every annual general meeting thereafter.

In accordance with provisions of Section 139 of the Act, the Board of Directors has received consent and certificates of eligibility and compliance of criteria under Section 141 of the said Act from Messrs C. M. Gabhawala & Co., Chartered Accountants, Mumbai. Members are requested to ratify the appointment of the existing statutory auditors Messrs. C. M. Gabhawala & Co., Chartered Accountants, and fix their remuneration.

For and on behalf of the Board of Directors

**A. V. SETALVAD**

*Chairman*

Mumbai, May 27, 2016

**ANNEXURE****FINANCIAL SUMMARY/HIGHLIGHTS**

Rs. in '000s

<b>PARTICULARS</b>	<b>31.03.2016</b>	<b>31.03.2015</b>	<b>31.03.2014</b>
<b>Balance Sheet Items</b>			
Paid-up Capital	502	502	502
Reserves and Surplus	42176	37661	35832
Non-Current Investments	40529	32672	32360
<b>Profit and Loss Accounts</b>			
Revenue from Operations	4880	2012	1111
Expenses	163	122	215
Profit before tax	4717	1890	896
Retained earnings	4515	1890	896
Earnings per Shares	898.46	363.98	178.31

## Independent Auditors' Report to the Members

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To the Members of,

**NEW HOLDING AND TRADING COMPANY LIMITED**

### REPORT ON THE FINANCIAL STATEMENTS

We have audited the accompanying financial statements of **New Holding And Trading Company Limited** ("the Company"), which comprise the Balance Sheet as at March 31, 2016, the Statement of Profit and Loss and Cash Flow Statement for the year then ended, and a summary of 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 in section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014. This responsibility also includes the maintenance of adequate accounting records in accordance with the provision of the Act for safeguarding of the assets of the Company and for preventing and detecting the 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 internal financial control, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

### AUDITOR'S RESPONSIBILITY

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 Rules made thereunder.

We conducted our audit in accordance with the Standards on Auditing specified under 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 disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Company's preparation and fair presentation of the financial statements 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 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 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:

- (a) In the case of the Balance Sheet, of the state of affairs of the Company as at March 31, 2016;
- (b) In the case of the Statement of Profit and Loss, of the profit for the year ended on that date; and
- (c) In the case of the Cash Flow Statement, of the cash flows for the year ended on that date.

## Independent Auditors' Report to the Members

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### REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

1. As required by the Companies (Auditor's Report) Order, 2015 ("the Order") issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in the "Annexure A", a statement on the matters specified in the paragraph 3 and 4 of the Order, to the extent applicable.
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 purposes of our audit.
  - (b) In our opinion proper books of account as required by law have been kept by the Company so far as appears from our examination of those books.
  - (c) The Balance Sheet and the Statement of Profit and Loss and 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 March, 2016, taken on record by the Board of Directors, none of the directors is disqualified as on 31 March, 2016, from being appointed as a director in terms of Section 164(2) of the Act.
  - (f) With respect to the adequacy of the internal financial control over financial reporting of the company and the operating effectiveness of such controls, refer to our separate report in "Annexure B"; and
  - (g) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
    - i. The Company does not have any pending litigations which would impact its financial position
    - ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses
    - iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.

**For C. M. GABHAWALA & CO.**

*Chartered Accountants*

FRN: 102870W

**BIREN C. GABHAWALA**

*Partner*

M. NO. 40496

Mumbai, May 27, 2016.

**Annexure A to the Independent Auditor's Report**

**The Annexure 'A' referred to in our Independent Auditors' Report of even date to the members of New Holding & Trading Company Ltd ('the Company') for the year ended 31 March 2016.**

On the basis of such checks as we considered appropriate and according to the information and explanation given to us during the course of audit, we report that:

1. The Company does not have any fixed assets. Accordingly paragraphs 3(i)(a), (b) and (c) are not applicable to the company.
2. The Company is in the business of rendering services. Accordingly, it does not hold any physical inventories. Thus paragraph 3(ii) of the Order is not applicable.
3. The Company has not granted any loans, secured or unsecured to companies, firms or other parties covered in the register maintained under section 189 of the Companies Act, 2013 ('the Act'). Thus, paragraph 3(iii) of the Order is not applicable.
4. In our opinion and according to the information and explanation given to us, there are no loans, investment, guarantees, and security in accordance with section 185 & 186 of Companies Act, 2013. Thus paragraph 3(iv) of the Order is not applicable.
5. In our opinion and according to the information and explanations given to us, the Company has not accepted any deposit within the meaning of section 73 to 76 of the Act or any other provision of the Companies Act, 2013 and the rules framed there under, hence paragraph 3(v) of the order is not applicable to the Company.
6. The Central Government of India has not prescribed the maintenance of cost records under sub-section (1) of Section 148 of the Act for any of the services rendered by the Company.
7. (a) According to the information and explanations given to us and on the basis of our examination of the records of the Company, amounts deducted/ accrued in the books of account in respect of undisputed statutory dues including income tax, service tax, cess and other material statutory dues have been regularly deposited during the year by the Company with the appropriate authorities.  
  
According to the information and explanations given to us, no undisputed amounts payable in respect of including income tax, service tax, cess and other material statutory dues were in arrears as at year end for a period of more than six months from the date they became payable.
- (b) As explained to us, the Company did not have any disputed dues on account of income tax or service tax.
- (c) The Company did not have any money liable to be transferred to Investor Education and Protection Fund.
8. The Company has not taken any loans from financial Institutions, banks and nor has it issued any debentures, thus the paragraph 3 (viii) of the order is not applicable.
9. The Company has not raised any money by way of initial public offer or further public offer (including debt instrument), thus paragraph 3(iv) of the Order is not applicable.
10. In our opinion and according to information and explanation given to us no fraud by Company or fraud on Company by its officers or employees has been noticed or reported during the year.
11. In our opinion and according to the information and explanation given to us, the managerial remuneration has been paid in accordance with the requisite approvals mandated by the provisions of section 197 read with rule Schedule V of Companies Act, 2013.

**Annexure A to the Independent Auditor's Report**

12. The Company is not a Nidhi Company, thus the paragraph 3(xii) of the Order is not applicable.
13. In our opinion and according to information and explanation given to us transaction with related party are in compliance with section 177 & 188 of Companies Act, 2013 where applicable and details have been disclosed in 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. Thus paragraph 3(xiv) of the Order is not applicable.
15. In our opinion and according to information and explanation given to us the Company has not entered into any non-cash transactions with directors or persons connected with him.
16. The Company is required to be registered under section 45-IA of the Reserve Bank of India Act, 1934 and the registration has been obtained.

**For C. M. GABHAWALA & CO.**

*Chartered Accountants*

FRN: 102870W

**BIREN C. GABHAWALA**

*Partner*

M. NO. 40496

Mumbai, May 27, 2016.

**Annexure 'B' to the Independent Auditor's Report**

**Report on the Internal Financial Controls over Financial Reporting under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")**

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

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

The Company's management is responsible for establishing and maintaining internal financial controls based on the internal 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 ("ICAI"). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to Company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

**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 specified under section 143(10) of the Act to the extent applicable to an audit of internal financial controls, both issued by the ICAI. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform



## Annexure B to the Independent Auditor's Report

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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 auditor's 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 ICAI.

**For C. M. GABHAWALA & CO.**  
*Chartered Accountants*  
FRN: 102870W

**BIREN C. GABHAWALA**  
*Partner*  
M. NO. 40496

Mumbai, May 27, 2016.

## Balance Sheet as at 31st March, 2016

		Rs. in Thousand	
PARTICULARS	NOTES	As at 31-03-2016	As at 31-03-2015
<b>I EQUITY AND LIABILITIES</b>			
(1) SHAREHOLDERS' FUNDS			
(a) Share Capital	1	502	502
(b) Reserves and Surplus	2	42,176	37,661
(c) Money received against Share Warrants		—	—
<b>Sub-Total- Shareholders Funds</b>		<b>42,678</b>	<b>38,163</b>
(2) SHARE APPLICATION MONEY			
Pending allotment		—	—
(3) NON-CURRENT LIABILITIES			
(a) Long-term borrowings		—	—
(b) Deferred tax Liabilities (Net)		—	—
(c) Other Long Term Liabilities		—	—
(d) Long-term Provisions		—	—
<b>Sub-Total- Non Current Liabilities</b>		<b>—</b>	<b>—</b>
(4) CURRENT LIABILITIES			
(a) Short-term borrowings		—	—
(b) Trade Payables		20	27
(c) Other Current Liabilities		—	—
(d) Short-term Provisions	3	270	—
<b>Sub-Total- Current Liabilities</b>		<b>290</b>	<b>27</b>
<b>TOTAL I</b>		<b>42,968</b>	<b>38,190</b>
<b>II ASSETS</b>			
(1) NON-CURRENT ASSETS			
(a) Fixed assets			
(i) Tangible assets		—	—
(ii) Intangible assets		—	—
(iii) Capital work in progress		—	—
(iv) Intangible assets under development		—	—
(b) Non-Current Investments	4	40,529	32,672
(c) Deferred Tax assets (net)		—	—
(d) Long Term loans and Advances		—	—
(e) Other non-current assets		—	—
<b>Sub-Total- Non Current Assets</b>		<b>40,529</b>	<b>32,672</b>
(2) CURRENT ASSETS			
(a) Current Investments		—	—
(b) Inventories		—	—
(c) Trade receivables		—	—
(d) Cash and Cash equivalents	5	2,166	5,518
(e) Short Term Loan and Advances	6	273	—
(f) Other Current assets	7	—	—
<b>Sub-Total- Current Assets</b>		<b>2,439</b>	<b>5,518</b>
<b>TOTAL II</b>		<b>42,968</b>	<b>38,190</b>
NOTES FORMING PART OF THE ACCOUNTS	10		

As per our report attached

**For C. M. GABHAWALA & CO.**

Chartered Accountants

FR. NO. 102870W

**BIREN C. GABHAWALA**

Partner

Membership No. 40496

Mumbai, May 27, 2016.

For and on behalf of the Board of Directors

**A. V. SETALVAD**

Chairman

**A. R. BROACHA**

Director

Mumbai, May 27, 2016.

## Statement of Profit and Loss for the year ended 31st March, 2016

		Rs. in Thousand	
	NOTES	For the year ended 31-03-2016	For the year ended 31-03-2015
<b>I Revenue from operations</b>		—	—
<b>II Other Income</b>	<b>8</b>	<b>4,880</b>	<b>2,012</b>
<b>III Total Revenue (I + II)</b>		<b>4,880</b>	<b>2,012</b>
<b>IV Expenses</b>			
Cost of Materials Consumed		—	—
Purchase of Stock in Trade		—	—
Changes in inventories of finished goods, work in progress and stock in Trade		—	—
Employee benefits Expenses		—	—
Finance Cost		—	—
Depreciation and amortisation Expenses		—	—
Other Expenses	<b>9</b>	<b>163</b>	<b>122</b>
<b>TOTAL EXPENSES</b>		<b>163</b>	<b>122</b>
<b>V Profit before exceptional and extraordinary items and tax (III-IV)</b>		<b>4,717</b>	<b>1,890</b>
<b>VI Exceptional items</b>		—	—
<b>VII Profit before extraordinary items and tax (V-VI)</b>		<b>4,717</b>	<b>1,890</b>
<b>VIII Extraordinary Items</b>		—	—
<b>IX Profit before Tax (VII - VIII)</b>		<b>4,717</b>	<b>1,890</b>
<b>X Tax Expenses</b>			
(1) Current Tax		<b>270</b>	<b>61</b>
(2) MAT Credit Entitlement		<b>(68)</b>	—
		<b>202</b>	<b>61</b>
<b>XI Profit for the year from continuing operations</b>		<b>4,515</b>	<b>1,829</b>
<b>XII Profit/(Loss) from discontinuing operations</b>		—	—
<b>XIII Tax Expenses of discontinuing operations</b>		—	—
<b>XIV Profit/(Loss) from discontinuing operations (after tax) (XII-XIII)</b>		—	—
<b>XV Profit /(Loss) for the year</b>		<b>4,515</b>	<b>1,829</b>
<b>XVI Earning per equity Share</b>			
(1) Basic		<b>898.46</b>	<b>363.98</b>
(2) Diluted		<b>898.46</b>	<b>363.98</b>
NOTES FORMING PART OF THE ACCOUNTS	<b>10</b>		

As per our report attached

**For C. M. GABHAWALA & CO.**  
Chartered Accountants  
FR. NO. 102870W

**BIREN C. GABHAWALA**  
Partner  
Membership No. 40496

Mumbai, May 27, 2016.

For and on behalf of the Board of Directors

**A. V. SETALVAD** *Chairman*

**A. R. BROACHA** *Director*

Mumbai, May 27, 2016.

**Cash Flow for the year ended 31st March, 2016**

	Rs. in Thousand	
	As at 31.03.2016	As at 31.03.2015
<b>A. CASH FLOW FROM OPERATING ACTIVITIES</b>		
Net Profit before tax and extra ordinary items .....	4,717	1,890
Adjusted for		
Investment income .....	(2,402)	(2,012)
Provision for diminution in value of investment.....	(2,478)	—
	<u>(4,880)</u>	<u>(2,012)</u>
Operating Profit/(Loss) before Working Capital Changes ...	(163)	(122)
Changes in		
Trade & Other Receivable .....	—	51
Trade Payables.....	(7)	—
Cash Generated from Operations .....	<u>(170)</u>	<u>(71)</u>
Direct Tax Paid (Net) .....	—	—
NET CASH FROM OPERATING ACTIVITIES .....	<u>(170)</u>	<u>(71)</u>
<b>B. CASH FLOW FROM INVESTING ACTIVITIES</b>		
Purchase of Investments .....	(17,547)	(12,814)
Sale of Investments .....	12,429	12,822
Interest Received .....	—	—
Dividend Received .....	2,141	1,692
Direct Taxes Paid .....	<u>(205)</u>	<u>(61)</u>
NET CASH FROM INVESTING ACTIVITIES .....	<u>(3,182)</u>	<u>1,639</u>
<b>C. CASH FLOW FROM FINANCIAL ACTIVITIES</b>		
Loan Taken .....	—	—
Loan Repaid .....	—	—
NET CASH USED IN FINANCIAL ACTIVITIES .....	<u>—</u>	<u>—</u>
NET CHANGES IN CASH & CASH EQUIVALENTS (A+B+C) .....	<b>(3,352)</b>	1,568
CASH AND CASH EQUIVALENTS – OPENING BALANCE .....	<b>5,518</b>	3,950
CASH AND CASH EQUIVALENTS – CLOSING BALANCE .....	<b>2,166</b>	5,518

As per our report attached

**For C. M. GABHAWALA & CO.**

Chartered Accountants

FR. NO. 102870W

**BIREN C. GABHAWALA**

Partner

Membership No. 40496

Mumbai, May 27, 2016.

For and on behalf of the Board of Directors

**A. V. SETALVAD**

Chairman

**A. R. BROACHA**

Director

Mumbai, May 27, 2016.

Notes Forming Part of the Financial Statements for the year ended 31st March, 2016

		Rs. in Thousand	
		As at 31-03-2015	As at 31-03-2014
<b>NOTE – 1 — SHARE CAPITAL</b>			
<b>Authorised:</b>			
840 Non-Cumulative Redeemable Preference Shares of Rs. 100 each		84	84
9035 Equity Shares of Rs. 100 each		903	903
125 Unclassified Shares of Rs. 100 each		13	13
		<u>1,000</u>	<u>1,000</u>
<b>Issued, Subscribed and Paid-up:</b>			
5025 Equity Shares of Rs. 100 each fully paid-up		502	502
		<u>502</u>	<u>502</u>
The entire Share capital is held by The Industrial & Prudential Investment Company Limited and its nominees.			
		As at 31-03-2016	As at 31-03-2015
<b>NOTE – 2 — RESERVES AND SURPLUS</b>			
General Reserve			
Balance as per last Balance Sheet .....		11,630	11,630
Add: Transferred from Statement of Profit and Loss .....		—	—
		<u>11,630</u>	<u>11,630</u>
Special Reserve			
Balance as per last Balance Sheet .....		8,310	7,935
Add: Transferred from Statement of Profit and Loss .....		905	375
		<u>9,215</u>	<u>8,310</u>
Statement of Profit and Loss			
Balance as per last Balance Sheet .....		17,721	16,267
Add: Profit for the year as per Statement of Profit and Loss .....		4,515	1,829
		<u>22,236</u>	<u>18,096</u>
Less: Appropriations:			
Transferred to			
Special Reserve .....		905	375
General Reserve .....		—	—
		<u>905</u>	<u>375</u>
		<u>21,331</u>	<u>17,721</u>
<b>TOTAL .....</b>		<u><b>42,176</b></u>	<u><b>37,661</b></u>
		As at 31-03-2016	As at 31-03-2015
<b>NOTE – 3 — SHORT TERM PROVISIONS</b>			
Provision for Taxation .....		270	—
<b>TOTAL .....</b>		<u><b>270</b></u>	<u><b>—</b></u>

Notes Forming Part of the Financial Statements for the year ended 31st March, 2016

				Rs. in Thousand	
NOTE – 4 — NON-CURRENT INVESTMENTS				As at 31-03-2016	As at 31-03-2015
Name of the Company	Face Value Rupees	Holding As on 31-03-2016			
<b>Other Investments (At Cost)</b>					
<b>A. Quoted Investments</b>					
<b>Equity Shares (Fully Paid)</b>					
BASF India Limited .....	10	800	921	921	
Glaxo Smith Kline Pharmaceuticals Limited .....	10	—	—	1,100	
GTL Limited .....	10	—	—	1,036	
GTL Infrastructure Limited .....	10	—	—	182	
Infosys Technologies Limited .....	5	19,200	3,146	3,146	
ISMT .....	5	—	—	738	
KSB Pumps Limited .....	10	260,000	11,008	11,008	
Mahanagar Telephone Nigam Limited .....	10	—	—	1,435	
State Bank of India .....	1	33,000	1,791	1,791	
Tata Steel Limited .....	10	6,886	979	979	
Sub-Total — A .....			17,845	22,336	
<b>B. Unquoted Investments</b>					
<b>Mutual Fund</b>					
JM G-Sec Fund - Growth Option .....	10	129,239	5,137	5,137	
Tata Balanced Fund Growth .....	10	29,404	5,000	—	
UTI Balanced Fund - Growth .....	10	100,427	12,547	—	
UTI MF- Fund Growth .....	10	—	—	7,677	
Total — B .....			22,684	12,814	
Total — (A + B) .....			40,529	35,150	
Less: Provision for diminution in the Value of Investments			—	2,478	
<b>TOTAL</b> .....			40,529	32,672	
Aggregate Cost of Quoted Investments .....			17,845	22,336	
Aggregate Cost of Unquoted Investments .....			22,684	12,814	
Market Value of Quoted Investments .....			197,402	231,650	
Aggregate Provision for diminution in the value of Investments			—	2,478	

Notes Forming Part of the Financial Statements for the year ended 31st March, 2016

	Rs. in Thousand	
	As at 31-03-2016	As at 31-03-2015
<b>NOTE – 5 — CASH AND CASH EQUIVALENTS</b>		
Balance with bank .....	2,157	5,509
Cash on hand .....	9	9
<b>TOTAL .....</b>	<b>2,166</b>	<b>5,518</b>
<b>NOTE – 6 — SHORT TERM LOANS AND ADVANCES (Unsecured, Considered Good)</b>		
Advance Income Tax .....	205	—
MAT Credit Entitlement .....	68	—
<b>TOTAL .....</b>	<b>273</b>	<b>—</b>
<b>NOTE – 7 — OTHER CURRENT ASSETS (Unsecured, Considered Good)</b>		
Dividend Receivable .....	—	—
<b>TOTAL .....</b>	<b>—</b>	<b>—</b>
<b>NOTE – 8 — OTHER INCOME</b>		
Dividend Income .....	2,141	1,692
Profit on Sale of Long Term Investments .....	261	320
Provision for Diminution in the value of Long Term Investments no longer required written back .....	2,478	—
<b>TOTAL .....</b>	<b>4,880</b>	<b>2,012</b>
<b>NOTE – 9 — OTHER EXPENSES</b>		
Directors Fees .....	27	5
Auditors' Remuneration:		
Audit Fees .....	10	10
Service Tax on Audit Fees .....	2	1
	12	11
Miscellaneous expenses .....	124	106
<b>TOTAL .....</b>	<b>163</b>	<b>122</b>

**Notes Forming Part of the Financial Statements for the year ended 31st March, 2016**

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**NOTE – 10**

**1. Significant Accounting Policies**

- (i) Fixed Assets  
The Company does not have Fixed Assets.
- (ii) Depreciation  
There are no fixed asset hence no depreciation has been provided.
- (iii) Investments  
Investments are valued of cost of acquisition plus brokerage and stamp charges. The Company in accordance with Accounting Standard 13 has made a provision for permanent diminution in the value of investments to account for a decline in value of long term investments.
- (iv) Inventories  
There are no inventories
- (v) System of Accounting  
The Company generally adopts accrual system of accounting on a going concern basis. Dividend income from investments is recognised on accrual basis, as and when the owner gets the right to receive payment.
- (vi) Miscellaneous expenditure  
There are no Preliminary Expenses.
- (vii) Gratuity  
Payment of Gratuity Act does not apply.
- (viii) Earning Per Share  
Earnings per share has been calculated and disclosed as per the Accounting Standard 20 "Earnings Per Share" issued by The Institute of Chartered Accountants of India.
- (ix) System of Accounting Taxes on Income:
  - (a) Current Tax  
Provisions for Income Tax is determined in accordance with the provision of Income Tax Act, 1961.
  - (b) Deferred Tax  
Deferred tax is recognised on timing differences being the differences between taxable income and accounting income that originate in one period and are capable of reversal in one or more subsequent period(s).
- (x) Provisions and Contingent Liabilities:
  - (a) A provision is recognised when there is present obligation as a result of past event and it is probable that an outflow of resources will be required to settle the obligation, in respect of which a reliable estimate can be made. These are reviewed at each Balance Sheet date and adjusted to reflect the current best estimate.
  - (b) A disclosure for a contingent liability is made when there is a possible or present obligation that may but probably will not require an outflow of resources. When there is a possible obligation in respect likelihood of resources is remote, no provision or disclosure is made.

**2. Contingent liability not provided in respect of Shares partly paid-up Rs. NIL. (Previous year Rs. Nil.)**



**Notes Forming Part of the Financial Statements for the year ended 31st March, 2016**

3. The Company has no activities other than those of an investment company and accordingly the segment reporting Accounting Standard is considered not applicable.

4. Related Party Disclosures:

(A) Name of the related party and nature of relationship where control exists:

<i>Name of the Related Party</i>	<i>Nature of Relationship</i>
(a) The Industrial & Prudential Investment Company Limited	Holding Company

(B) Related Party Transaction:

There are no related party transactions.

5. Break-up of deferred tax asset as at March 31, 2016:

Nature of timing Difference  
Carry Forward Loss Rs. Nil (Previous Year Rs. Nil).

6. In the opinion of the Board, the Current Assets, Loans & Advances have a value on realisation in ordinary course of business and at least equal to the amount stated in the Balance Sheet and provision for all known liabilities have been made and are adequate.

7. Earning per share:

	<b>Current Year</b>	Previous Year
Profit after tax	<b>4,515</b>	1,829
Weighted Avg. No. of Shares at the beginning of the Year	<b>5,025</b>	5,025
Weighted Avg. No. of Shares at the end of the Year	<b>5,025</b>	5,025
Face value of each Equity Shares	<b>100</b>	100
Basic/Diluted earning per share	<b>898.46</b>	363.98

8. Previous years figures have been regrouped and rearranged wherever necessary.

SIGNATURES TO NOTES 1 TO 10

As per our report attached

**For C. M. GABHAWALA & CO.**  
*Chartered Accountants*  
FR. NO. 102870W

**BIREN C. GABHAWALA**  
*Partner*  
Membership No. 40496

Mumbai, May 27, 2016.

For and on behalf of the Board of Directors

**A. V. SETALVAD** *Chairman*

**A. R. BROACHA** *Director*

Mumbai, May 27, 2016.

**Schedule to the Balance Sheet of a Non-Banking Financial Company**

*as required in terms of Paragraph 9BB of*  
Non-Banking Financial Companies Prudential Norms (Reserve Bank) Directions, 1998

<b>Particulars</b>		<b>Rs. in Thousand</b>	
	<b>Liabilities side:</b>	<b>Amount Outstanding</b>	<b>Amount Overdue</b>
(1)	Loans and advances availed by the NBFCs inclusive of interest accrued thereon but not paid: (a) Debentures : Secured : Unsecured (other than falling within the meaning of public deposits*) (b) Deferred Credits (c) Term Loans (d) Inter-corporate loans and borrowing (e) Commercial Paper (f) Public Deposits* (g) Other Loans (specify nature) *Please see Note 1 below	<b>NIL</b>	<b>NIL</b>
(2)	Break-up of (1)(f) above (Outstanding public deposits inclusive of interest accrued thereon but not paid): (a) In the form of Unsecured debentures (b) In the form of partly secured debentures i.e. debentures where there is a shortfall in the value of security (c) Other public deposits *Please see Note 1 below	<b>NIL</b>	<b>NIL</b>
(3)	<b>Assets side:</b> Break-up of Loans and Advances including bills receivables (other than those included in (4) below): (a) Secured (b) Unsecured	<b>NIL</b>	
(4)	Break-up of Leased Assets and stock on hire and hypothecation loans counting towards (i) Lease assets including lease rentals under sundry debtors: (a) Financial lease (b) Operating lease (ii) Stock on hire including hire charges under sundry debtors: (a) Assets on hire (b) Repossessed Assets (iii) Hypothecation loans counting towards EL/HP activities: (a) Loans where assets have been repossessed (b) Loans other than (a) above	<b>NIL</b>	
(5)	Break-up of Investments: Current Investments: 1. Quoted: (i) Shares: (a) Equity (b) Preference (ii) Debentures and Bonds (iii) Units of Mutual Funds (iv) Government Securities (v) Others (please specify) 2. Unquoted: (i) Shares: (a) Equity (b) Preference (ii) Debentures and Bonds (iii) Units of Mutual Funds (iv) Government Securities (v) Others (please specify)	<b>NIL</b>	

	Particulars	Rs. in Thousand			
	<b>Long Term Investments: (AT COST):</b>				
	1. Quoted:				
	(i) Shares: (a) Equity	<b>17,845</b>			
	(b) Preference	—			
	(ii) Debentures and Bonds	—			
	(iii) Units of Mutual Funds	—			
	(iv) Government Securities	—			
	(v) Others (please specify)	—			
	2. Unquoted:				
	(i) Shares: (a) Equity	—			
	(b) Preference	—			
	(ii) Debentures and Bonds	—			
	(iii) Units of Mutural Funds	<b>22,684</b>			
	(iv) Goverment Securities	—			
	(v) Others (please speicify)	—			
(6)	Borrower group-wise classification of all leased assets, stock-on-hire and loans and advances: Please see Note 2 below				
		Amount net of provisions			
	Category	Secured	Unsecured	Total	
	1. Related Parties**	—	—	—	
	(a) Subsidiaries	—	—	—	
	(b) Companies in the same group	—	—	—	
	(c) Other related parties	—	—	—	
	2. Other than related parties	—	—	—	
	TOTAL	—	—	—	
(7)	Investor group-wise classification of all investment (current and long term) in shares and securities (both quoted and unquoted): Please see Note 3 below				
	Category	Market Value/ Break up or fair Value or NAV	Book Value (Net of Provisions)		
	1. Related Parties**	—	—		
	(a) Subsidiaries	—	—		
	(b) Companies in the same group	—	—		
	(c) Other related parties	<b>1,64,697</b>	<b>11,008</b>		
	2. Other than related parties	<b>55,814</b>	<b>29,521</b>		
	TOTAL	<b>2,20,511</b>	<b>40,529</b>		
(8)	Other information				
	(i) Gross Non-Performing Assets	<b>NIL</b>			
	(a) Related parties				
	(b) Other than related parties				
	(ii) Gross Non-Performing Assets	<b>NIL</b>			
	(a) Related parties				
	(b) Other than related parties				
	(iii) Assets acquired in satisfaction of debt	<b>NIL</b>			

Notes:

- As defined in Paragraph 2(1)(xii) of the Non-Banking Financial Companies Acceptance of Public Deposits (Reserve Bank) Directions, 1998.
- Provisioning norms shall be applicable as prescribed in the Non-Banking Financial Companies Prudential Norms (Reserve Bank) Directions, 1998.
- All Accounting Standards and Guidance Notes issued by CAI are applicable including for valuation of investments and other assets as also assets acquired in satisfaction of debt. However, market value in respect of quoted investments and break unfair value/NAV in respect of unquoted investments should be disclosed in respective of whether they are classified as Long Term or current in column (5) above.

**STATEMENT OF NET OWNED FUNDS AS ON MARCH 31, 2016**

Rs. in thousand

	AMOUNT
i. Paid-up Equity Capital	502
ii. Free Reserves	32,961
iii. <b>Total (i + ii)</b>	<b>33,463</b>
iv. Accumulated balance of loss	—
v. Deferred Revenue Expenditure	—
vi. Other intangible assets	—
vii. <b>Total (iv + v + vi)</b>	<b>—</b>
viii. <b>Owned Funds (iii - vii)</b>	<b>33,463</b>
ix. Investment in shares of:	
a. Subsidiaries	—
b. Companies in the same Group	—
c. Other non-banking financial companies	—
x. The book value of debentures, bonds, outstanding loans and advances made to and deposits with:	
a. Subsidiaries	—
b. Companies in the same Group	—
xi. <b>Total {ix (a) + ix (b) + ix (c) + x (a) + x (b)}</b>	<b>—</b>
xii. Amount of item xi in excess of 10% of item viii above.	—
xiii. <b>Net Owned Funds (viii-xii)</b>	<b>33,463</b>

As per our report attached

**For C. M. GABHAWALA & CO.**

*Chartered Accountants*

FR. NO. 102870W

**BIREN C. GABHAWALA**

*Partner*

Membership No. 40496

Mumbai, May 27, 2016.

For and on behalf of the Board of Directors

**A. V. SETALVAD**

*Chairman*

**A. R. BROACHA**

*Director*

Mumbai, May 27, 2016.

# THE INDUSTRIAL & PRUDENTIAL INVESTMENT COMPANY LIMITED

CIN: L65990MH1913PLC000374

125, MAKER CHAMBERS III,

NARIMAN POINT,

MUMBAI - 400 021

Tel.: 22854243

Dear Sir/Madam

Pursuant to the Green Initiative in the Corporate Governance initiated by the Ministry of Corporate Affairs (MCA) vide Circular dated 21/04/2011 we proposed to send the Notice/Annual Report/documents through electronic mode to our shareholders.

This, you will appreciate, would facilitate fast, secured communication and contribute towards improved environment.

To Support this green initiative in full measure, shareholders who have not registered their e-mail addresses, so far, are requested to do so in respect of electronic holding with the Depository through their concerned Participants. Shareholders who hold shares in physical form are requested to fill and send the 'e-Communication Registration Form' to the Company at its Registered Office or to its Registrar & Transfer Agent: Link Intime India Pvt. Ltd., C-13 Pannalal Silk Mills Compound, L.B.S. Marg, Bandup (W), Mumbai - 400 078. Email ID: [rnt.helpdesk@linkintime.co.in](mailto:rnt.helpdesk@linkintime.co.in) for sending the future communication through Email.

Please note that, even if you subscribe to the e-mail option, the Company shall furnish, without charge, copy of Notice-Annual Report and other documents upon receipt of a requisition from you, at anytime, as a Shareholder of the Company.

We are sure you would join the Company in making the "Green Initiative" of MCA a grand success.

Thanking You,

For and on behalf of the Company,

**A. V. Setalvad**  
*Chairman*

Mumbai, May 30, 2016.



## E-COMMUNICATION REGISTRATION FORM



Link Intime India Private Limited,

Unit: The Industrial & Prudential Investment Co. Ltd.

C-13 Pannalal Silk Mills Compound,

LBS Marg, Bahndup (West),

Mumbai - 400 078.

Dear Sir/Madam,

Re.: Green initiative in Corporate Governance

I agree to receive all documents like notices, annual reports etc. from the Company in electronic mode. Please register my e-mail Id in your records for sending all the notices/documents etc. through e-mail.

Folio No./DPID & Client ID : .....



Name of 1st Registered Holder : .....

Name of Joint Holder(s) : .....

Registered Address : .....

.....

.....

E-Mail ID : .....

Date: ..... Signature of the 1st Shareholder .....

### Note:



- Shareholders are requested to keep Company informed as and when there are any changes in the e-mail address. Unless the e-mail Id given is changed by you, by sending another communication in writing, the Company will continue to send the notices/documents to you on the above mentioned e-mail ID.
- If shares are held electronic mode, kindly register your e-mail ID with your DP.







