

**INDUSTRIAL & PRUDENTIAL INVESTMENT CO. LTD**

CIN No.: L65990WB1913PLC218486

01/08/2017

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

**Sub: Submission of Annual Report for the year ended 31.03.2017**

**Ref: BSE Code 501298**

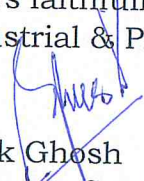
Dear Madam,

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 1<sup>st</sup> August 2017.

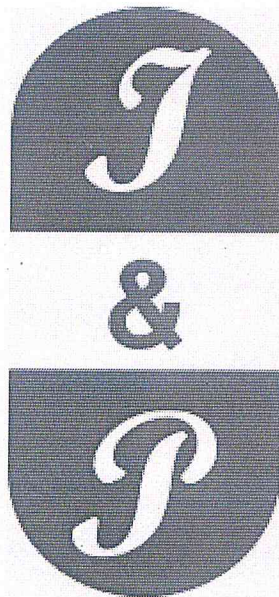
Thank you

Yours faithfully  
Industrial & Prudential Investment Co. Ltd.

  
Hirak Ghosh  
Company Secretary

Encl: as above

101<sup>st</sup>  
ANNUAL REPORT  
2016-2017



Certified True Copy  
For Industrial & Prudential Investment Co. Ltd.

Company Secretary

(Pages 1 to 109)

Industrial And 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** : **Paharpur House,**  
8/1/B Diamond Harbour Road,  
Kolkata 700 027.  
Tel No 40133000

**Mumbai Office** : 125, MAKER CHAMBERS III,  
NARIMAN POINT,  
MUMBAI - 400021.  
Email: indpru@vsnl.net  
Website: www.industrialprudential.com  
CIN: L65990WB1913PLC218486

**Registrars & Transfer Agents** : LINK INTIME INDIA PVT. LTD.  
C-101, 247 Park, L.B.S. Marg,  
Vikhroli (West), Mumbai 400083  
TEL.: 02249186000  
Email-Id: rnt.helpdesk@linkintime.co.in  
CIN: U67190MH1999PTC118368

**Notice to the Shareholders**

NOTICE is hereby given that the 101st Annual General Meeting of **INDUSTRIAL AND PRUDENTIAL INVESTMENT COMPANY LIMITED** will be held at Shripati Singhania Hall, Rotary Sadan, 94/2 Chowringhee Road, Kolkata 700020 on Tuesday, August 1, 2017 at 3.00 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, 2017, 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, 2017.
2. To declare a dividend.
3. To appoint a Director in place of Mr. Gaurav Swarup (DIN 00374298), who retires by rotation and, being eligible, offers himself for re-appointment.
4. To consider and, if thought fit, to pass with or without modification(s), the following resolution as an ORDINARY RESOLUTION:

**"RESOLVED that** in accordance with section 139(1) and (2) and any other applicable provisions, if any, of the Companies Act, 2013, Rules, Notifications. Circulars and Orders made/issued thereunder (hereinafter collectively referred to as "the Act"), in place of Messrs. V. S. Somani & Co., Chartered Accountants, (Registration no. 117589W) existing Statutory Auditors who retires by rotation on the conclusion of the ensuing Annual General Meeting in accordance with the Act, Messrs. Lodha & Co., Chartered Accountants (Registration no. 301051E) of Kolkata be and are hereby appointed as Statutory Auditors to Audit the Accounts for the Financial Years 2017-18 to 2021-22 (that is, from the conclusion of this Annual General Meeting till conclusion of the Sixth Annual General Meeting), to be ratified at every Annual General Meeting and the Managing Director be and is hereby authorised to fix their remuneration
5. To consider and if, thought fit, to pass with or without modification(s), the following resolution as an ORDINARY RESOLUTION:

**"RESOLVED that** pursuant to Section 203 and other applicable provisions, if any, of the Companies Act, 2013 read with Rule 8 of the Companies (Appointment & Remuneration) Rules, 2014 (the Act, the Company do re-appoint

  1. Mr. Gaurav Swarup, Managing Director of Paharpur Cooling Towers Limited (PCTL), Holding Company, as the Managing Director of the Company with effect from 9th February, 2017 to 31<sup>st</sup> January, 2022.
  2. Mr. Swarup will not draw any remuneration (except sitting fees for attending the Board Meetings and other Committee Meetings and all out of pocket expenses properly incurred by him to attend the meetings) from the Company as a Managing Director.
  3. The period of appointment of Mr. Swarup will be concurrent with his tenure as Managing Director of PCTL, i.e. upto 31<sup>st</sup> January, 2022.

**NOTES:**

- I. The relative Explanatory Statement pursuant to Section 102 of the Companies Act, 2013 and the Rules made; circulars, notifications and orders issued from time to time thereunder (collectively referred to as "the Act") in respect of business under Items Nos. 4 and 5 of the Notice, is annexed hereto. The relevant details as required under the SEBI (Listing Obligations and Disclosure Requirements) Regulation, 2015 (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 (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 Tuesday, July 25, 2017 to Tuesday August 1, 2017 (both days inclusive).
- IV. If dividend as recommended by the Board of Directors is approved at the Annual General Meeting, payment of such dividend will be made on or after Friday, August 11, 2017 as under:

## Notice to the Shareholders --- contd.

- (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 July 24, 2017;
- (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 July 24, 2017;

- V. Pursuant to Section 124 of the Act (as notified on 7<sup>th</sup> September 2016), and Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2016, all shares on which dividend has not been paid or claimed for seven consecutive years or more, shall be transferred to an IEPF Account established by the Central Government, within thirty days of such shares becoming due for transfer to the Fund. The Members whose shares / unclaimed dividend have been transferred to the Fund may claim the shares or apply for refund by making an application to IEPF Authority in Form IEPF 5 (available on [www.iepf.gov.in](http://www.iepf.gov.in)) alongwith requisite fee as decided by the Authority from time to time.

The details of the said unclaimed dividends are available on the Company's website at [www.industrialprudential.com](http://www.industrialprudential.com) and on the website of Ministry of Corporate Affairs at [www.mca.gov.in](http://www.mca.gov.in).

- VI. Pursuant to the provisions of Section 205C of the Companies Act, 1956 and Section 125 of the Companies Act 2013 (with effect from 7<sup>th</sup> September 2016), the Company has transferred on due dates, the unpaid or unclaimed dividend amount for the financial year ended March 31, 2009 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 8<sup>th</sup> July 2016 (date of the last Annual General Meeting) 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)). Other unpaid dividends that are due for transfer are detailed below:

| Sl. No. | Financial Year ended | Date of payment | Due for transfer on |
|---------|----------------------|-----------------|---------------------|
| 1       | 31.03.2010           | 01/09/2010      | 31/08/2017          |
| 2       | 31.03.2011           | 05/09/2011      | 04/09/2018          |
| 3       | 31.03.2012           | 13/08/2012      | 12/08/2019          |
| 4       | 31.03.2013           | 23/09/2013      | 22/09/2020          |
| 5       | 31.03.2014           | 01/10/2014      | 30/09/2021          |
| 6       | 31.03.2015           | 07/09/2015      | 06/09/2022          |
| 7       | 31.03.2016           | 18/07/2016      | 17/07/2023          |

- 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.
- IX. Members who have not yet encashed their dividend warrant(s) for the financial year ended 31<sup>st</sup> March, 2010 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 Registrars and Transfer Agents, Link Intime (India) Private Limited (Link Intime) to provide efficient and better services. Members holding shares in physical form are also requested to intimate such changes to Link Intime.

- 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 or Link Intime for assistance in this regard.
- XII. Members holding shares in physical form in identical order of names in more than one folio are requested to send to the Company or Link Intime, 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 2016-17 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 101<sup>st</sup> Annual General Meeting (hereinafter for brevity sake referred to as 101<sup>st</sup> AGM) of the Company inter alia indicating the process and manner of e-voting along with Attendance Slip and Proxy Form are being sent to all the members whose e-mail 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 101<sup>st</sup> AGM of the Company inter alia indicating the process and manner of 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 101<sup>st</sup> AGM and the Annual Report for 2016-17 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 Kolkata for inspection during normal business hours on working days and 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 e-mail 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 'remotee-voting' (e-voting from a place other than venue of the 101<sup>st</sup> AGM) to exercise their right to vote at the 101<sup>st</sup> 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 101<sup>st</sup> AGM shall also be made available at the venue of the 101<sup>st</sup> 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 101<sup>st</sup> AGM.
  - 3. The Company has appointed Mr. Monoj Banthia, partner of MKB & Associate, Company Secretaries as the Scrutinizer for conducting the remote e-voting and the voting process at the 101<sup>st</sup> AGM in a fair and transparent manner. Scrutinizer will submit his report to the Chairman of the meeting not later than Wednesday, August 2, 2017. 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

## Notice to the Shareholders --- contd.

website of BSE in accordance with the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (LODR).

4. The instructions to members for voting electronically are as under:-
- I. The voting period begins on **Saturday, July 29, 2017** at 9.00 a.m. and ends on **Monday, July 31, 2017** 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. **July 25, 2017**, may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting after 5.00 p.m. on July 31, 2017.
  - II. Members holding shares in physical or in demat form as on **July 25, 2017** 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-digital 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, if 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 Share holders 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 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  
**Hirak Ghosh**  
Company Secretary

**Mumbai Office:**  
125 Maker Chambers III  
Nariman Point  
Mumbai 400021

**Registered Office:**  
Paharpur House,  
8/1/B Diamond Harbour Road  
Kolkata 700027

Date: May 5, 2017

## Notice to the Shareholders --- contd.

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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 and 5 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 (1) and (2) of the Act, the Company at the annual general meeting held on September 24, 2014 appointed M/s. V. S. Somani & Co., Chartered Accountants, (Registration. No. 117589W), Mumbai, the existing statutory auditors (being a sole proprietary firm) for a period of three years. The term of his appointment ends at the conclusion of this Annual General Meeting. In accordance with the Section 139(1) and (2), the Company is required to rotate the Auditors. It is proposed to appoint Messrs. Lodha & Co., Chartered Accountants (Registration no. 301051E), Kolkata to Audit the Accounts for the Financial Years 2017-18 to 2021-22 ( that is, from the conclusion of this Annual General Meeting till conclusion of the Sixth Annual General Meeting), to be ratified at every Annual General Meeting.

In view of the above, it is proposed to appoint Messrs. Lodha & Co., Chartered Accountants, as statutory auditors in accordance with 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 31<sup>st</sup> March, 2018.

In accordance with provision 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. Messrs. Lodha & Co.

Based on the recommendation of the Audit Committee, the Board of Directors recommend to the members to appoint Messrs. Lodha & Co., Chartered Accountants as Statutory Auditors and fix their remuneration as mentioned in Item 4 of the Notice.

None of the Directors or relatives of directors or KMPs or their relatives is concerned or interested in the Resolution at Item 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.

#### **Item 5**

Mr. Gaurav Swarup was appointed as Managing Director of the Company from 30th March, 2015 in accordance with sections 203 of the Companies Act, 2013 by the members at the Annual General Meeting held on 31st August, 2015. Necessary returns were filed on the same. His tenure was concurrent with his tenure as Managing Director of Paharpur Cooling Towers Limited (PCTL), a holding company, up to 31st January, 2017.

In accordance with Section 203 of the Companies Act, 2013 read with Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 as amended, the Board of Directors re-appointed, Mr. Gaurav Swarup as Managing Director of the Company from February 9, 2017 to January 31, 2022.

Re-appointment of Mr. Swarup is governed by section 203(3) of the Act. According to the said section, a whole-time Key Managerial Personnel can hold office simultaneously in the holding as well as in a subsidiary company. The Company is subsidiary of PCTL pursuant to section 2(87)(i) read with Explanation (b) of the Act.

Terms of appointment of Mr. Swarup as Managing Director are as per the resolution set out at Item 5 of the Notice. Mr. Swarup will not draw any remuneration as Managing Director. His re-appointment will be concurrent with his tenure as Managing Director of PCTL, i.e. upto 31.01.2022. Necessary returns are being filed with the MCA 21 in accordance with the Act.

The Nomination and Remuneration Committee has recommended the re-appointment of Mr. Swarup as Managing Director.

Mr. Swarup holds 3600 number of equity shares (0.20%) in the Company.

The terms and conditions of re-appointment of Mr. Swarup shall be open for inspection by members at the Registered Office of the Company during normal business hours on any working day except Saturday.

Save as Mr. Swarup, none of the Directors or relatives of directors or KMP or their relatives is concerned or interested in the Resolution at Item 5 of the Notice.

## Notice to the Shareholders

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

### Brief Profile of Mr. Gaurav Swarup

Mr. Swarup is a B.E. (Mechanical) from Jadavpur University, Kolkata and MBA from Harvard University, USA. He has vast experience in engineering in particular and in business management in general.

He is Managing Director of Paharpur Cooling Towers Limited, the Company's holding Company, also he is the Chairman of KSB Pumps Limited, the Indian arm of KSB AG of Germany.

By Order of the Board of Directors  
**Hirak Ghosh**  
Company Secretary

### **Mumbai Office:**

125 Maker Chambers III  
Nariman Point, Mumbai 400021

### **Registered Office:**

Paharpur House,  
8/1/B Diamond Harbour Road,  
Kolkata 700027

Date: May 05, 2017

## ANNEXURE

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

| Sr, No. | Particulars                                                                                                                              | Mr. Gaurav Swarup                                                                                                                                                                                                                                                                                                                                                                                                                                  |
|---------|------------------------------------------------------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| 1.      | Date of Birth                                                                                                                            | 21 <sup>st</sup> November, 1956                                                                                                                                                                                                                                                                                                                                                                                                                    |
| 2.      | Date of Appointment                                                                                                                      | 17 <sup>th</sup> April, 1990                                                                                                                                                                                                                                                                                                                                                                                                                       |
| 3.      | Qualifications                                                                                                                           | B.E., MBA (Harvard)                                                                                                                                                                                                                                                                                                                                                                                                                                |
| 4.      | Expertise in specific functional areas                                                                                                   | Vast experience in engineering industry                                                                                                                                                                                                                                                                                                                                                                                                            |
| 5.      | Directorships held in other companies (excluding foreign companies)                                                                      | 1. Swadeshi Polytex Limited<br>2. Paharpur Cooling Towers Limited<br>3. KSB Pumps Limited<br>4. TIL Limited<br>5. Graphite India Limited<br>6. Avadh Sugar & Energy Limited<br>7. Medica Synergie Private Limited<br>8. Garima Private Limited<br>9. Paharpur Mauritius Limited<br>10. Paharpur USA Inc.<br>11. Safind Forest Products (Pty) Limited<br>12. Paharpur Singapore Technologies (Pte) Ltd.<br>13. The Plastic Export Promotion Council |
| 6.      | Memberships/Chairmanships of committees of other companies (includes only Audit Committee and Shareholders/Investor Grievance Committee) | Membership in 3 (three) Committees<br>Chairmanship of 2 (two) Committees                                                                                                                                                                                                                                                                                                                                                                           |
| 7.      | Number of Shares held in the Company                                                                                                     | 3600                                                                                                                                                                                                                                                                                                                                                                                                                                               |

# Industrial And Prudential Investment Company Limited

## Directors' Report for the Year Ended 31st March, 2017

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 March 31, 2017.

### FINANCIAL RESULTS

| ₹ in lakhs                                                   |                          |                          |
|--------------------------------------------------------------|--------------------------|--------------------------|
| Particulars                                                  | Year ended<br>31.03.2017 | Year ended<br>31.03.2016 |
| Income                                                       | 814.13                   | 757.13                   |
| Expenditure                                                  |                          |                          |
| (a) Expenses                                                 | 76.73                    | 69.98                    |
| (b) Provision for diminution in Long Term Investments        | -                        | 28.83                    |
| (c) Provision for Corporate Social Responsibility            | 11.00                    | 11.25                    |
| <b>Profit before taxation</b>                                | <b>726.40</b>            | <b>647.07</b>            |
| <b>Provision for taxation</b>                                |                          |                          |
| Current tax                                                  |                          |                          |
| —For the year                                                | 31.00                    | 12.00                    |
| — Relating to earlier years                                  | -                        | -                        |
|                                                              | <b>31.00</b>             | <b>12.00</b>             |
| Net Profit after taxation                                    | 695.40                   | 635.07                   |
| Add: Balance brought forward from Balance Sheet              | 925.33                   | 1118.48                  |
|                                                              | <b>1620.73</b>           | <b>1753.55</b>           |
| <b>Profit for appropriation</b>                              |                          |                          |
| <b>Appropriation</b>                                         |                          |                          |
| Dividend                                                     | 436.34                   | 581.78                   |
| Tax on Proposed Dividend                                     | 88.83                    | 118.44                   |
| Special Reserve (in terms of Section 45-IC of RBI Act, 1934) | 139.10                   | 128.00                   |
| Balance carried to Balance Sheet                             | 956.46                   | 925.33                   |
|                                                              | <b>1620.73</b>           | <b>1753.55</b>           |

### DIVIDEND

Board of Directors recommend dividend of Rs.25 per share on expanded capital of 17,45,340 shares (after issue of 11,63,560 bonus shares.) This dividend is equivalent to Rs.75 per share on the original capital of 5,81,780 shares before bonus issue which is more than the previous year dividend of Rs. 55 per share on the original capital of 5,81,780 shares.

### 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.

### SUBSIDIARY AND ASSOCIATE COMPANY

New Holding And Trading Company Limited is a wholly owned subsidiary of the Company. The Company holds 20.53% of share capital of KSB Pumps Limited, and, therefore, it is an Associate Company in terms of section 2(6) of the Act.

## Directors' Report for the Year Ended 31st March, 2017 --- contd.

### DIRECTORS

Mr. Gaurav Swarup (DIN 00374298) retires by rotation and being eligible offers himself for re-appointment. There has been no change in the Board of Directors during the year under review.

### KEY MANAGERIAL PERSONNEL

The Board of Directors has the following Key Managerial Personnel (KMP)

- a. Mr. Gaurav Swarup, Managing Director.
- b. Mr. A. K. Singhanian, Chief Financial Officer.
- c. Mr. Hirak Ghosh, Company Secretary.

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

Mr. Gaurav Swarup has been re-appointed as the Managing Director of the Company with effect from 9<sup>th</sup> February, 2017 for a period of five years upto 31<sup>st</sup> January, 2022.

In compliance with the Act and 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.      | Financial Summary/Highlights                                                                                                                                                             | C        |
| 4.      | Secretarial Audit Report                                                                                                                                                                 | D        |
| 5.      | 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 | E        |
| 6.      | Extract of Annual Report in Form MGT 9                                                                                                                                                   | F        |
| 7.      | Disclosure on related party as per LODR                                                                                                                                                  | G        |
| 8.      | Corporate Social Responsibility report in accordance with Section 135 of the Act read with the Rules                                                                                     | H        |
| 9.      | Consolidated Financial Statement                                                                                                                                                         | I        |

### BONUS ISSUE

During the year, after obtaining necessary approvals, the Company has issued and allotted 11,63,560 fully paid bonus shares of Rs.10 each aggregating Rs.1,16,35,600. Accordingly, the paid-up capital is increased from Rs.58,17,800 (5,81,780 shares) to Rs.1,74,53,400 (17,45,340 shares).

### SHIFTING OF REGISTERED OFFICE

During the year, after obtaining necessary approvals, the Registered Office of the Company has been shifted from 125 Maker Chambers III, Nariman Point, Mumbai 400021 to Paharpur House, 8/1/B Diamond Harbour Road, Kolkata 700027.

### NUMBER OF MEETINGS OF THE BOARD

During the financial year under review the Board of Directors met 4 (four) times. The details are given in the Corporate Governance Report (Annexure A). All suggestions of the Audit Committee have been accepted by the Board.

## Directors' Report for the Year Ended 31st March, 2017 --- contd.

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### 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, 2017 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, Mr. A.V. Setalvad and Ms. Binaisha Sundaram (date of appointment being 9<sup>th</sup> February 2017). 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 Ms. 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 sitting fees and commission to non-executive director. It also reviews criteria of independence of Directors.

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). Non-executive 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. In accordance with section 186(11) details are not required to be given. However Note 2.6 and 2.7 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, 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.

**Directors' Report for the Year Ended 31st March, 2017 --- contd.**

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**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 Corporation Social Responsibility Committee 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.

The Company had undertaken to support project of Jnana Prabodhini Shivapradesh, Pune for setting up a small hostel facility for girls at Velhe in the State of Maharashtra. The said project has been completed successfully.

As per the budget recommended by CSR Committee and approved by the Board of Directors, the Company has made provision of Rs.11.25 lakhs for the financial year ended 31.03.2016 and Rs.11 lakhs for the financial year ended 31.03.2017. The Company is looking at various projects for its CSR activities as prescribed in Schedule VII of the Companies Act, 2013. The accumulated unspent amount of Rs.22.25 lakhs could not be spent as there was no finalization of the project. This amount is expected to be spent in the financial year 2017-18 upon selection of the suitable 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**

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 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 (except sitting fees).

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

## Directors' Report for the Year Ended 31st March, 2017

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### UNCLAIMED SECURITIES

In accordance with Regulation 39 read with Schedule VI of SEBI (Listing Obligations and Disclosure Requirements) Regulation, 2015 (LODR), the Company has transferred unclaimed securities to "Industrial Prudential Unclaimed Securities Suspense Account" on 5<sup>th</sup> May, 2016. Aggregate number of shareholders is 330 holding 8703 shares. After Bonus issue as mentioned above the balance in the said suspense account is 26,109 shares. No shareholder has claimed during the year under review.

In accordance with the section 124(5) of the Companies Act, 2013 and Rules made thereunder and LODR, the shares lying in the suspense account, in respect of which unpaid or unclaimed dividend has been transferred, shall be transferred after following the due procedure as prescribed.

The voting rights on these shares shall remain frozen till the rightful owner of such shares claims the shares.

### TRANSFER OF UNCLAIMED DIVIDEND TO INVESTOR EDUCATION & PROTECTION FUND

During the year, in accordance with section 205C of the Companies Act, 1956, and Sections 124 and 125 of the Companies Act, 2013 ("the Act") and the Rules made thereunder an amount of Rs.2,06,388/- being unclaimed dividends upto the year 31<sup>st</sup> March, 2009, were transferred to the Investor Education & Protection Fund established by the Central Government.

### TRANSFER OF UNCLAIMED SHARES TO INVESTOR EDUCATION & PROTECTION FUND

Pursuant to Section 124 of the Act (as notified on 7<sup>th</sup> September 2016), and Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2016, all shares on which dividend has not been paid or claimed for seven consecutive years or more, shall be transferred to an IEPF Account established by the Central Government after following the due procedure as may be prescribed.

### AUDITORS' REPORT

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

### AUDITORS

In accordance with Section 139(1) and (2) of the Act, the Company at the Annual General Meeting held on 24<sup>th</sup> September, 2014 appointed M/s. V S Somani & Co., Chartered Accountants, (Registration No. 117589W), the existing Statutory Auditors (being a sole proprietary firm) for a period of three years. In accordance with section 139(2) of the Act the existing Statutory Auditors retire by rotation at the ensuing Annual General Meeting. It is proposed to appoint Messrs. Lodha & Co., Chartered Accountants (Registration no. 301051E), Kolkata in place of M/s. V S Somani & Co., Chartered Accountants to Audit the Accounts for the Financial Years 2017-18 to 2021-22 (that is, from the conclusion of this Annual General Meeting till conclusion of the Sixth Annual General Meeting), to be ratified at every Annual General Meeting.

In view of the above, it is proposed to appoint of Messrs. Lodha & Co., Chartered Accountants, as Statutory Auditors in accordance with section 139 (1) and (2) of the Companies Act, 2013 read with the Companies (Audit and Auditors) Rules, 2014 and to fix their remuneration for the financial year ending 31<sup>st</sup> March, 2018.

In accordance with provision 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. Messrs. Lodha & Co. Members are requested to appoint M/s. Lodha & Co. as Statutory Auditors at the ensuing Annual General Meeting.

On behalf of the Board of Directors

**Gaurav Swarup**  
Managing Director

### Mumbai Office:

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

Mumbai, May 5, 2017

### Registered Office:

Paharpur House  
8/1/B Diamond Harbour Road  
Kolkata 700027

**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): -

| <b>Name of the Director</b> | <b>Category of Directorship</b> | <b>No. of Board Meetings attended</b> | <b>Attendance at the last AGM on 08.07.2016</b> |
|-----------------------------|---------------------------------|---------------------------------------|-------------------------------------------------|
| Mr. A V Setalvad            | Chairman<br>NED                 | 4                                     | Yes                                             |
| Mr. A R Broacha             | NED I                           | 4                                     | Yes                                             |
| Mr. G Swarup                | Managing Director               | 1                                     | Yes                                             |
| Mr. A K Modi                | NED I                           | 4                                     | -                                               |
| Ms. 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: -

| <b>Name of the Director</b> | <b>No. of Directorships in other Boards @</b> | <b>No. of Memberships in other Board Committees #</b> | <b>No. of Chairmanships in other Board Committees #</b> |
|-----------------------------|-----------------------------------------------|-------------------------------------------------------|---------------------------------------------------------|
| Mr. A V Setalvad            | 2                                             | None                                                  | None                                                    |
| Mr. A R Broacha             | 2                                             | 1                                                     | None                                                    |
| Mr. G Swarup                | 12                                            | 6                                                     | 2                                                       |
| Mr. A K Modi                | 5                                             | 0                                                     | 0                                                       |
| Mrs. Binaisha Sundaram      | 1                                             | 0                                                     | 0                                                       |

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

# Memberships in Committees other than Audit Committee/ Stakeholders' Relationship Committee / Nomination and 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.

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

| <b>Sr. No.</b> | <b>Date</b> |
|----------------|-------------|
| 1.             | 30.05.2016  |
| 2.             | 12.08.2016  |
| 3.             | 09.11.2016  |
| 4.             | 09.02.2017  |

## Report on Corporate Governance --- contd.

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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. Singhania - 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) read with Explanation (B) 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 Obligations and Disclosure Requirements) Regulations, 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.

Mr. G Swarup, Managing Director, has been re-appointed with effect from 09.2.2017 up to 31.01.2022, concurrent with his tenure as a Managing Director in the holding company.

### Independent Directors

#### i. Brief Description of Terms of Reference

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.

#### ii. Composition, name of members and Chairperson

| Names of the Members  | Composition |
|-----------------------|-------------|
| Mr. A.R. Broacha      | NED I       |
| Mr. A K Modi          | NED I       |
| Ms. Binaisha Sundaram | NED I       |

During the financial year under review, the Independent Directors met on 30<sup>th</sup> May, 2016 and 9<sup>th</sup> February, 2017 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 director 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

All the Independent Directors were present throughout the meeting held on 30<sup>th</sup> May, 2016. Ms. Binaisha Sundaram did not attend the meeting held on 9<sup>th</sup> February, 2017. 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.

| <b>Names of the Members</b>                        | <b>Composition</b> | <b>No. of Meetings attended</b> |
|----------------------------------------------------|--------------------|---------------------------------|
| Mr. A R Broacha, Chairman                          | NED I              | 4                               |
| Mr. A K Modi                                       | NED I              | 4                               |
| Mr. A V Setalvad                                   | NED                | 4                               |
| Ms. Binaisha Sundaram<br>(appointed on 09.02.2017) | NED I              | NA                              |

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.

Audit Committee was reconstituted on 9<sup>th</sup> February, 2017 by the Board of Directors. Ms. Binaisha Sundaram was inducted as a member.

iii. Details of Audit Committee Meetings held during the year under review: -

| <b>Sr. No.</b> | <b>Date</b> |
|----------------|-------------|
| 1.             | 30.05.2016  |
| 2.             | 12.08.2016  |
| 3.             | 09.11.2016  |
| 4.             | 09.02.2017  |

**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

| <b>Names of the Members</b>                               | <b>Composition</b> |
|-----------------------------------------------------------|--------------------|
| Mr. G. Swarup<br>(Up to 12 <sup>th</sup> August, 2016)    | ED                 |
| Mr. A K Modi                                              | NED I              |
| Mr. A R Broacha                                           | NED I              |
| Mr. A.V. Setalvad<br>(From 12 <sup>th</sup> August, 2016) | NED                |

iii. Attendance during the year

One meeting was held on 9<sup>th</sup> February, 2017, during the financial year ended 31<sup>st</sup> March, 2017 and the same was attended by all the members. The meeting was chaired by Mr. A R Broacha

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. At the Annual General Meeting

## Report on Corporate Governance --- contd.

held on 24<sup>th</sup> September, 2014, 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, as approved by members.

Payments made/payable for the period from 01.04.2016 to 31.03.2017 is as under:

| Name of the Directors | Sitting Fees - ₹ | Commission - ₹  |
|-----------------------|------------------|-----------------|
| Mr. A V Setalvad      | 1,20,000         | 1,50,000        |
| Mr. A R Broacha       | 1,25,000         | 1,50,000        |
| Mr. Anish Modi        | 35,000           | 1,50,000        |
| Ms. Binaisha Sundaram | 12,500           | 1,50,000        |
| Mr. G. Swarup         | 7,500            | 0               |
| <b>Total</b>          | <b>3,00,000</b>  | <b>6,00,000</b> |

The Managing Director, Chief Financial Officer and Company Secretary are not paid any remuneration from the Company.

## 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.

iii. One meeting was held on 9<sup>th</sup> February, 2017 which was attended by both the members.

iv. Complaints

11 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 31.03.2017.

## 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                                      |
|----------------|------------|---------|--------------------------------------------|
| 31.03.2014     | 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        |
| 31.03.2016     | 08.07.2016 | 2.00 pm | Indian Merchant Chambers' Building, Mumbai |

- ii. Special Resolution passed in the previous three Annual General Meetings: -

| Financial Year | Special Resolution Passed |
|----------------|---------------------------|
| 31.03.2014     | None                      |
| 31.03.2015     | None                      |
| 31.03.2016     | Yes (See Note)            |

**Note: -** Special Resolutions for increase in Authorised Share Capital from ₹ 1,00,00,000 to ₹ 2,00,00,000 and consequential amendment of the Capital Clause of the Memorandum of Association.

- iii. Postal Ballot: -

The following special resolutions were passed by means of a postal ballot on 9<sup>th</sup> July, 2016.

- a. For change of the situation of the registered office of the Company from the State of Maharashtra to the State of West Bengal.
- b. For consequential amendments to the Memorandum of Association, and
- c. For maintenance of records with the Registrar and Transfer Agents (RTA)

**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 2.17 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.
- 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 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. Insider trading
  - d. Code of conduct
  - e. Preservation of documents
  - f. Archival of documents

## Report on Corporate Governance --- contd.

- v. With regard to compliance with the non-mandatory requirements the same have been disclosed separately.
- vi. The financial statements of the Company are prepared in accordance with the relevant Accounting Standards.
- vii. 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                       | 1. Financial Express<br>2. Navshakti (Marathi)<br>3. Dainik Statesman (after shifting of Registered Office) |
| iii. Website, where results are displayed                               | www.industrialprudential.com                                                                                |
| 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                                 |

### 10. General Shareholder Information

|                                                                                        |                                                                                                                                                                                                                                                    |
|----------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| AGM: Date, Time and Venue                                                              | Tuesday, August 1, 2017 at 3.00 p.m.<br>Shripati Singhania Hall, Rotary Sadan, 94/2 Chowringhee Road, Kolkata 700020                                                                                                                               |
| Financial Year                                                                         | The financial year under review covers the period 1 <sup>st</sup> April, 2016 to 31 <sup>st</sup> March, 2017.                                                                                                                                     |
| Date of Book Closure                                                                   | From Tuesday, July 25, 2017 to Tuesday, August 1, 2017 (both days inclusive)                                                                                                                                                                       |
| Dividend Payment date                                                                  | 11 <sup>th</sup> August, 2017 onwards                                                                                                                                                                                                              |
| Listing on Stock Exchanges                                                             | 1. BSE Limited (BSE)<br>2. The Company has paid the listing fees for the period 1 <sup>st</sup> April 2017 to 31 <sup>st</sup> March 2018                                                                                                          |
| Stock Code and ISIN                                                                    | 1. BSE : 501298<br>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. With effect from 9 <sup>th</sup> February 2017, the Board of Directors has delegated to Mr. Hirak Ghosh, |

## Report on Corporate Governance --- contd.

|                                                                                                            |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                           |
|------------------------------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
|                                                                                                            | Company Secretary, authority to approve share transfers, transmission, sub-division and consolidation and rematerialisation of shares. Mr. Hirak Ghosh reports to the Board of Directors at every meeting for confirmation of transfers etc.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                              |
| Distribution of Shareholding and Shareholding pattern as on 31.03.2017                                     | Please see Annexure 'C'                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                   |
| Dematerialisation of shares and liquidity                                                                  | 15,86,906 shares were dematerialised as on 31.03.2017, representing 90.92% 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.<br>C101, 247 Park, L.B.S Marg, Vikhroli West, Mumbai - 400083<br>Tel: 022- 49186000<br>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". Pursuant to Section 124 of the Act (as notified on 7 <sup>th</sup> September, 2016), and Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2016, all shares on which dividend has not been paid or claimed for seven consecutive years or more, shall be transferred to an IEPF Account established by the Central Government, after following the procedure as may be prescribed.<br><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 |

**Report on Corporate Governance --- contd.**

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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 KMPs have affirmed compliance to the Code of Conduct for the financial year ended 31<sup>st</sup> March, 2017.

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

**Gaurav Swarup**  
*Managing Director*

Mumbai, May 5, 2017

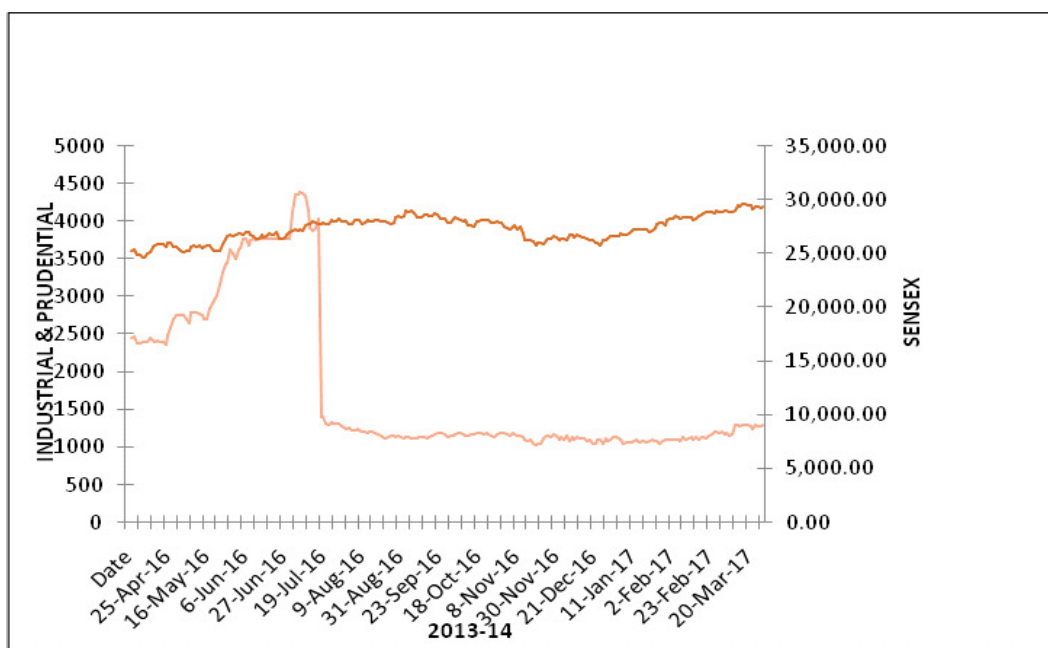
### ANNEXURE A

Price and volume of shares traded

| Month/Year  | BSE Ltd.  |          |               |
|-------------|-----------|----------|---------------|
|             | High(Rs.) | Low(Rs.) | Volume traded |
| <b>2016</b> |           |          |               |
| April       | 2845      | 2370     | 1215          |
| May         | 3758      | 2580     | 3990          |
| June        | 3760      | 3499     | 2822          |
| July        | 4449      | 1276     | 10092         |
| August      | 1320      | 1101     | 8195          |
| September   | 1240      | 1051     | 6855          |
| October     | 1361      | 1124     | 4649          |
| November    | 1200      | 1022     | 3851          |
| December    | 1199      | 1010     | 1517          |
| <b>2017</b> |           |          |               |
| January     | 1146      | 960      | 2192          |
| February    | 1249      | 1051     | 4239          |
| March       | 1371      | 1126     | 12139         |

The Company issued Bonus shares during July, 2016.

### ANNEXURE B



## Report on Corporate Governance

### ANNEXURE C

Distribution of Shareholding as on 31<sup>st</sup> March, 2017

| Number of Shares Held | Members     |               | Shares         |               |
|-----------------------|-------------|---------------|----------------|---------------|
|                       | Number      | %             | Number         | %             |
| 1-500                 | 1627        | 89.10         | 112438         | 6.44          |
| 501-1000              | 85          | 4.66          | 59075          | 3.38          |
| 1001-2000             | 49          | 2.68          | 68016          | 3.91          |
| 2001-3000             | 18          | 0.99          | 43815          | 2.51          |
| 3001-4000             | 11          | 0.60          | 39426          | 2.25          |
| 4001-5000             | 5           | 0.27          | 22807          | 1.31          |
| 5001-10000            | 16          | 0.88          | 112008         | 6.42          |
| 10001 and above       | 15          | 0.82          | 1287755        | 73.78         |
| <b>TOTAL</b>          | <b>1826</b> | <b>100.00</b> | <b>1745340</b> | <b>100.00</b> |

Shareholding pattern as on 31<sup>st</sup> March, 2017

| Category                                              | No. of Members | No. of Shares held | % to the Capital |
|-------------------------------------------------------|----------------|--------------------|------------------|
| Indian Promoters                                      | 8              | 1150065            | 65.89            |
| Foreign Promoters                                     | 0              | 0                  | 0.68             |
| Mutual Funds & UTI                                    | 0              | 0                  | 0.00             |
| Banks, Financial Institutions and Insurance Companies | 1              | 1200               | 0.07             |
| Central Government/State Government                   | 1              | 168                | 0.01             |
| Foreign Institutional Investors                       | 0              | 0                  | 0.00             |
| Private Corporate Bodies                              | 51             | 28851              | 1.65             |
| Indian Public/ Trust                                  | 1738           | 553363             | 31.03            |
| Foreign Nationals/ NRIs                               | 27             | 11693              | 0.67             |
| <b>Total</b>                                          | <b>1826</b>    | <b>1745340</b>     | <b>100.00</b>    |

**Corporate Governance Compliance Certificate**

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Registration No : L65990WB1913PLC218486

Nominal Capital : Rs 2,00,00,000

Paid up Capital : Rs 1,74,53,400

To,

The Members

**INDUSTRIAL AND PRUDENTIAL INVESTMENT COMPANY LIMITED**

I have examined all relevant records of Industrial And Prudential Investment Company Limited (the Company) for the purpose of certifying compliance of the conditions of Corporate Governance as per SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (LODR). for the financial year 1<sup>st</sup> April, 2016 to 31<sup>st</sup> March, 2017. 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 LODR.

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 31<sup>st</sup> March, 2017, against the Company.

**MAYUR MEHTA**

*Practising Company Secretary*

C.P. No 9952

Membership No. A3132

Mumbai, May 5, 2017

## ANNEXURE B

## Management Discussion & Analysis

### GLOBAL ECONOMY

Recently the World Bank has for the first time in the last few years indicated a growth in International Trade. This is in spite of Geo Political problems such as Brexit, ISIS, North Korea etc. The President of United States has just finished tumultuous 100 days in office. An increase in world trade as forecasts is obviously subject to these problems not creating major disruption.

### INDIAN ECONOMY

Some macros like inflation, GDP etc are steady for some time now. India is supposed to be the best performing economy in developing world. The FII appear to be returning. If, in the next two or three quarters companies results improve, that will further support a positive view.

### FINANCIAL PERFORMANCE

The activities of the Company comprise of investment mainly in equity shares and are 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 higher than 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

**GAURAV SWARUP**  
Managing Director

Mumbai, May 5, 2017

## ANNEXURE C

### FINANCIAL SUMMARY /HIGHLIGHTS

|                                 | Rs. in '000s |            |            |
|---------------------------------|--------------|------------|------------|
| Particulars                     | 31.03.2017   | 31.03.2016 | 31.03.2015 |
| <b>Balance Sheet Items</b>      |              |            |            |
| Paid-up Capital                 | 17456        | 5821       | 5821       |
| Reserves and Surplus            | 284985       | 279598     | 286113     |
| Non-current Investments         | 341617       | 342526     | 320152     |
| Current Investments             | -            | 4410       | 4410       |
| <b>Profit and Loss Accounts</b> |              |            |            |
| Revenue from Operations         | 81413        | 75713      | 78029      |
| Expenses                        | 8773         | 11006      | 7896       |
| Profit before tax               | 72640        | 64707      | 70163      |
| Dividend                        | 43634        | 58178      | 31998      |
| Retained earnings               | 95646        | 92533      | 111848     |
| Earnings per share              | 39.84*       | 109.16     | 112.79     |
| Dividend per share              | 25**         | 100        | 55         |

\* The Company has issued 1163560 bonus shares in the ratio of 2 bonus shares for 1 equity share of the company

\*\* Proposed

**Secretarial Audit Report for the Financial Year Ended 31st March, 2017**

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**ANNEXEURE D**

[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]

To,

The Members,

**INDUSTRIAL AND 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 Industrial And 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 Industrial And 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 31<sup>st</sup> March, 2017 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 Industrial And Prudential Investment Company Limited, ("the Company") for the financial year ended on 31<sup>st</sup> March, 2017 according to the provisions of :

- (i) The Companies Act, 2013 (the Act) and the rules made thereunder;
- (ii) The Securities Contracts (Regulation) Act, 1956 (SCRA) and the rules made thereunder;
- (iii) The Depositories Act, 1996 and the Regulations and Bye –laws framed thereunder;
- (iv) Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment, Overseas Investment and External Commercial Borrowings;
- (v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):-
  - a. The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
  - b. The Securities and Exchange Board of India (Prohibition of Insider Trading ) Regulations, 2015;
  - c. The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009;
  - d. The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999;
  - e. The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008;
  - f. The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;
  - g. The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations 2009; and
  - h. 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) SEBI Listing (Obligations and Disclosure Requirements) Regulations, 2015 with effect from 1<sup>st</sup> December, 2015, as amended from time to time.

During the period under review the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, etc. mentioned above.

I further report that during the Board of Directors of the Company is duly constituted with proper balance of executive directors, non- executive directors and independent directors. The changes in the composition of the Board of

## Secretarial Audit Report for the Financial Year Ended 31st March, 2017

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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 in advance in accordance with the applicable secretarial standards, 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.

During the year

- a. The Company increased its authorised share capital from ₹1,00,00,000 to ₹ 2,00,00,000
- b. Issued 11,63,560 fully paid bonus shares.
- c. Shifted registered office from the State of Maharashtra to the State of West Bengal.

Save as above, 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

Mumbai, May 5, 2017

**MAYUR MEHTA**  
*Practising Company Secretary*  
C.P. No 9952  
Membership No. A3132

To,

The Members

**INDUSTRIAL AND PRUDENTIAL INVESTMENT CO LTD**

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 my 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 my 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.

Mumbai, May 5, 2017

**MAYUR MEHTA**  
*Practising Company Secretary*  
C.P. No 9952  
Membership No. A3132

## ANNEXURE E

### 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**

(₹ in Thousands)

|    |                         | <b>New Holding &amp; Trading Co. Ltd</b> |
|----|-------------------------|------------------------------------------|
| 1  | Reporting period        | 31.03.2017                               |
| 2  | Share capital           | 5,02                                     |
| 3  | Reserves & surplus      | 4,39,84                                  |
| 4  | Total assets            | 4,48,29                                  |
| 5  | Total Liabilities       | 4,48,29                                  |
| 6  | Investments             | 4,05,29                                  |
| 7  | Revenue from operations | 20,56                                    |
| 8  | Profit before taxation  | 18,08                                    |
| 9  | Provision for tax       | 0                                        |
| 10 | Proposed Dividend       | 0                                        |
| 11 | % of shareholding       | 1,00                                     |

#### **Part "B" : Associates and Joint Ventures**

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

(₹ in Thousands)

| <b>Name of Associates</b>                                                      | <b>KSB Pumps Ltd</b>                  |
|--------------------------------------------------------------------------------|---------------------------------------|
| 1. Latest audited Balance Sheet Date                                           | 31.12.2016                            |
| 2. Shares of Associate/Joint Ventures held by the company on the year end      |                                       |
| No. ( Including Subsidiary Holding ) Holding                                   | 74,00,000                             |
| Amount of Investment in Associates/Joint Venture                               | 28,409                                |
| Extent 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 Share holding as per latest audited Balance Sheet | 1,65,863                              |
| 6. Profit/Loss for the year                                                    | 1,46,121                              |
| i. Considered in Consolidation                                                 | 1,46,121                              |
| i. Not Considered in Consolidation                                             | —                                     |

For and on behalf of the Board of Directors

A.K. SINGHANIA

HIRAK GHOSH

**A. R. Broacha**

**Director**

Chief Financial Officer

Company Secretary

**Gaurav Swarup Managing**

**Director**

Mumbai, May 5, 2017

**Form No. MGT-9  
EXTRACT OF ANNUAL RETURN**

**As on the financial year ended on 31<sup>st</sup> March, 2017**

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

### I. REGISTRATION AND OTHER DETAILS:

| Sr No | Particulars                                                               | Details                                                                                                                                                                                                             |
|-------|---------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| i.    | CIN                                                                       | L65990WB1913PLC218486                                                                                                                                                                                               |
| ii    | Registration Date                                                         | 01/12/2016 (After shifting of Registered Office)                                                                                                                                                                    |
| iii   | Name of the Company                                                       | Industrial And Prudential Investment Co. Ltd.                                                                                                                                                                       |
| iv    | Category/Sub-Category of the Company                                      | Company Limited by shares                                                                                                                                                                                           |
| v     | Address of the Registered Office and Contact Details                      | Paharpur House,<br>8/1/B Diamond Harbour Road,<br>Kolkata 700027                                                                                                                                                    |
| vi    | Whether Listed Company                                                    | YES                                                                                                                                                                                                                 |
| vii   | Name, Address and Contact details of Registrar and Transfer Agent, if any | Link Intime India Pvt. Ltd.<br>C-101, 247 Park<br>L.B.S. Marg, Vikhroli (West),<br>Mumbai 400 083<br>Phone 022-49186000<br>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<br>8/1/B Diamond Harbour Road,<br>Kolkata 700027         | U02005WB1949PLC018363 | Holding                        | 42.79            | 2(87)(i)<br>read with<br>explanation(b) |
| 2     | New Holding and Trading Co Ltd<br>125, Maker Chambers III<br>Nariman Point Mumbai 400021 | U65990WB1981PLC218505 | Wholly owned subsidiary        | 100              | 2(87)(ii)                               |
| 3     | KSB Pumps Limited<br>126, Maker Chambers III<br>Nariman Point Mumbai 400021              | L29120MH1960PLC011635 | Associate                      | 20.53            | 2(6) read with<br>explanation (b)       |

### IV. SHARE HOLDING PATTERN (Equity Share Capital Breakup 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 |                          |
| <b>A. Promoters</b>                                                                       |                                                 |              |               |                   |                                           |               |                |                   |                          |
| (1) Indian                                                                                |                                                 |              |               |                   |                                           |               |                |                   |                          |
| a) Individual/HUF                                                                         | 18938                                           | 0            | 18938         | 3.2552            | 56814                                     | 0             | 56814          | 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                                                                      | 364417                                          | 0            | 364417        | 62.6383           | 1093251                                   | 0             | 1093251        | 62.6383           | 0.0000                   |
| d) Bank/Fl                                                                                | 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>383355</b>                                   | <b>0</b>     | <b>383355</b> | <b>65.8935</b>    | <b>1150065</b>                            | <b>0</b>      | <b>1150065</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/Fl                                                                               | 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 Promoters and Promoters' Group</b>                               |                                                 |              |               |                   |                                           |               |                |                   |                          |
| <b>(A)= (A)(1)+(A)(2)</b>                                                                 | <b>383355</b>                                   | <b>0</b>     | <b>383355</b> | <b>65.8935</b>    | <b>1150065</b>                            | <b>0</b>      | <b>1150065</b> | <b>65.8935</b>    | <b>0.0000</b>            |
| <b>B. Public Shareholding</b>                                                             |                                                 |              |               |                   |                                           |               |                |                   |                          |
| (1) Institutions                                                                          |                                                 |              |               |                   |                                           |               |                |                   |                          |
| a) Mutual Funds/UTI                                                                       | 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 Investors                                                            | 0                                               | 0            | 0             | 0.0000            | 0                                         | 0             | 0              | 0.0000            | 0.0000                   |
| f) Financial Institutions/ Banks                                                          | 0                                               | 400          | 400           | 0.0688            | 0                                         | 1200          | 1200           | 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>1200</b>   | <b>1200</b>    | <b>0.0688</b>     | <b>0.0000</b>            |
| (2) Central Govt. / State Govt(s). / President of India                                   | 0                                               | 56           | 56            | 0.0096            | 0                                         | 168           | 168            | 0.0096            | 0.0000                   |
| <b>SUB TOTAL (B)(2):</b>                                                                  | <b>0</b>                                        | <b>56</b>    | <b>56</b>     | <b>0.0096</b>     | <b>0</b>                                  | <b>168</b>    | <b>168</b>     | <b>0.0096</b>     | <b>0.0000</b>            |
| <b>(3) Non Institutions</b>                                                               |                                                 |              |               |                   |                                           |               |                |                   |                          |
| (a) Individuals                                                                           |                                                 |              |               |                   |                                           |               |                |                   |                          |
| i) Individual shareholders holding nominal share capital up to Rs.1 lakh                  | 116103                                          | 57623        | 173726        | 29.8611           | 276668                                    | 105363        | 382031         | 21.8886           | -7.9725                  |
| ii) Individuals shareholders holding nominal share capital in excess of Rs. 1 lakh        | 0                                               | 0            | 0             | 0.0000            | 95063                                     | 47919         | 142982         | 8.1922            | 8.1922                   |
| (b) NBFC Registered with RBI                                                              | 0                                               | 0            | 0             | 0.0000            | 0                                         | 0             | 0              | 0.0000            | 0.0000                   |
| (c) Employees Trust                                                                       | 0                                               | 0            | 0             | 0.0000            | 0                                         | 0             | 0              | 0.0000            | 0.0000                   |
| (d) Overseas Depositors (Holding DRs) (Balancing figure)                                  | 0                                               | 0            | 0             | 0.0000            | 0                                         | 0             | 0              | 0.0000            | 0.0000                   |
| (e) Any other (specify)                                                                   |                                                 |              |               |                   |                                           |               |                |                   |                          |
| Trust                                                                                     | 200                                             | 0            | 200           | 0.0344            | 600                                       | 0             | 600            | 0.0344            | 0.0000                   |
| Foreign Nationals                                                                         | 0                                               | 0            | 0             | 0.0000            | 1524                                      | 0             | 1524           | 0.0873            | 0.0873                   |
| Hindu Undivided Family                                                                    | 6882                                            | 0            | 6822          | 1.1829            | 19615                                     | 0             | 19615          | 1.1238            | -0.5910                  |
| Non- Resident Indians (Non-repart)                                                        | 2495                                            | 0            | 2495          | 0.4289            | 7230                                      | 0             | 7230           | 0.4142            | -0.0147                  |
| Directors                                                                                 | 2050                                            | 0            | 2050          | 0.3524            | 5850                                      | 0             | 5850           | 0.3352            | -0.0172                  |
| Non- Resident Indians (Repart)                                                            | 474                                             | 1424         | 1898          | 0.3262            | 2003                                      | 2460          | 4463           | 0.2557            | -0.0705                  |
| Clearing Member                                                                           | 62                                              | 0            | 62            | 0.0107            | 761                                       | 0             | 761            | 0.0436            | +0.0329                  |
| Bodies Corporate                                                                          | 10216                                           | 440          | 10656         | 1.8316            | 27527                                     | 1324          | 28851          | 1.6530            | -0.1786                  |
| <b>SUB TOTAL (B)(3):</b>                                                                  | <b>138482</b>                                   | <b>59487</b> | <b>197969</b> | <b>34.0282</b>    | <b>436841</b>                             | <b>157066</b> | <b>593907</b>  | <b>34.0282</b>    | <b>0.0000</b>            |
| <b>Total Public Shareholding</b>                                                          | <b>138482</b>                                   | <b>59943</b> | <b>198425</b> | <b>34.1065</b>    | <b>436841</b>                             | <b>159434</b> | <b>595275</b>  | <b>34.1065</b>    | <b>0.0000</b>            |
| <b>(B)= (B)(1)+(B)(2)+B(3)</b>                                                            |                                                 |              |               |                   |                                           |               |                |                   |                          |
| <b>Total (A)+ (B)</b>                                                                     | <b>521837</b>                                   | <b>59943</b> | <b>581780</b> | <b>100.0000</b>   | <b>1586906</b>                            | <b>158434</b> | <b>1745340</b> | <b>100.0000</b>   | <b>0.0000</b>            |
| <b>(C) Non-promoter Non-public</b>                                                        |                                                 |              |               |                   |                                           |               |                |                   |                          |
| (1) Custodian/DR Holder                                                                   | 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>521837</b>                                   | <b>59943</b> | <b>581780</b> | <b>100.0000</b>   | <b>1586906</b>                            | <b>158434</b> | <b>1745340</b> | <b>100.0000</b>   | <b>521837</b>            |

## Extra of Annual Return Cont....

### (ii) Shareholding of Promoters

| Sr. No. | Shareholder's Name                                     | Shareholding at the beginning of the year |                                  |                                                 | Shareholding at the end of the year |                                  |                                                 | % of change in share holding during the year |
|---------|--------------------------------------------------------|-------------------------------------------|----------------------------------|-------------------------------------------------|-------------------------------------|----------------------------------|-------------------------------------------------|----------------------------------------------|
|         |                                                        | No. of Shares                             | % of total Shares of the company | % of Shares Pledged/ encumbered to total shares | No. of Shares                       | % of total Shares of the company | % of shares Pledged/ encumbered to total shares |                                              |
| 1       | Paharpur Cooling Towers Ltd.                           | 248967                                    | 42.7940                          | 0.0000                                          | 746901                              | 42.7940                          | 0.0000                                          | 0.0000                                       |
| 2       | Paharpur Corporation Limited                           | 63850                                     | 10.9749                          | 0.0000                                          | 191550                              | 10.9749                          | 0.0000                                          | 0.0000                                       |
| 3       | Melvin Powel Vanaspati & Engg. Industries Ltd.         | 51600                                     | 8.8693                           | 0.0000                                          | 154800                              | 8.8693                           | 0.0000                                          | 0.0000                                       |
| 4       | Anant Venkatrao Setalvad (jointly with Kevic Setalvad) | 4484                                      | 0.7707                           | 0.0000                                          | 13452                               | 0.7707                           | 0.0000                                          | 0.0000                                       |
| 5       | Bindu V. Swarup                                        | 3000                                      | 0.5157                           | 0.0000                                          | 9000                                | 0.5157                           | 0.0000                                          | 0.0000                                       |
| 6       | Gaurav Swarup                                          | 1200                                      | 0.2063                           | 0.0000                                          | 3600                                | 0.2063                           | 0.0000                                          | 0.0000                                       |
| 7       | Parul Swarup                                           | 1138                                      | 0.1956                           | 0.0000                                          | 3414                                | 0.1956                           | 0.0000                                          | 0.0000                                       |
| 8       | Vikram Swarup                                          | 9116                                      | 1.5669                           | 0.0000                                          | 24348                               | 1.5669                           | 0.0000                                          | 0.0000                                       |

### (ii) Change in Promoter's Shareholding (please specify, if there is no change)

| Sr. No. | Name & Type of Transaction                           | Shareholding at the beginning of the year 2016 |                                  | Transactions during the year |               | Cumulative Shareholding during the year 2017 |                                  |
|---------|------------------------------------------------------|------------------------------------------------|----------------------------------|------------------------------|---------------|----------------------------------------------|----------------------------------|
|         |                                                      | 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.                         |                                                |                                  |                              |               |                                              |                                  |
|         | At the beginning of the year                         | 248967                                         | 42.7940                          |                              |               | 746901                                       | 42.7940                          |
|         | At the End of the year                               |                                                |                                  |                              |               | 746901                                       | 42.7940                          |
| 2       | Paharpur Corporation Limited                         |                                                |                                  |                              |               |                                              |                                  |
|         | At the beginning of the year                         | 63850                                          | 10.9749                          |                              |               | 191550                                       | 10.974                           |
|         | At the End of the year                               |                                                |                                  |                              |               | 191550                                       | 10.9749                          |
| 3       | Melvin Powel Vanaspati & Engg. Industries Ltd.       |                                                |                                  |                              |               |                                              |                                  |
|         | At the beginning of the year                         | 51600                                          | 8.8693                           |                              |               | 154800                                       | 8.8693                           |
|         | At the End of the year                               |                                                |                                  |                              |               | 154800                                       | 8.8693                           |
| 4       | Anant Venkatrao Setalvad Jointly with Kevic Setalvad |                                                |                                  |                              |               |                                              |                                  |
|         | At the beginning of the year                         | 4484                                           | 0.7707                           |                              |               | 13452                                        | 0.7707                           |
|         | At the End of the year                               |                                                |                                  |                              |               | 13452                                        | 0.7707                           |
| 5       | Bindu V. Swarup                                      |                                                |                                  |                              |               |                                              |                                  |
|         | At the beginning of the year                         | 3000                                           | 0.5157                           |                              |               | 9000                                         | 0.5157                           |
|         | At the End of the year                               |                                                |                                  |                              |               | 9000                                         | 0.5157                           |

**Extra of Annual Return Cont....**

| Sr. No. | Name & Type of Transaction   | Shareholding at the beginning of the year 2016 |                                  | Transactions during the year |               | Cumulative Shareholding during the year 2017 |                                  |
|---------|------------------------------|------------------------------------------------|----------------------------------|------------------------------|---------------|----------------------------------------------|----------------------------------|
|         |                              | 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 |
| 6       | Gaurav Swarup                |                                                |                                  |                              |               |                                              |                                  |
|         | At the beginning of the year | 1200                                           | 0.2063                           |                              |               | 3600                                         | 0.2063                           |
|         | At the End of the year       |                                                |                                  |                              |               | 3600                                         | 0.2063                           |
| 7       | Parul Swarup                 |                                                |                                  |                              |               |                                              |                                  |
|         | At the beginning of the year | 1138                                           | 0.1956                           |                              |               | 3414                                         | 0.0000                           |
|         | At the End of the year       |                                                |                                  |                              |               | 3414                                         | 0.1956                           |
| 8       | Vikram Swarupm               |                                                |                                  |                              |               |                                              |                                  |
|         | At the beginning of the year | 9116                                           | 1.5669                           |                              |               | 27348                                        | 0.0000                           |
|         | At the End of the year       |                                                |                                  |                              |               | 27348                                        | 1.5669                           |

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

(other than Directors, Promoters and Holders of GDRs and ADRs):

| Sr. No. | Name & Type of Transaction     | Shareholding at the beginning of the year 2016 |                                  | Transactions during the year |               | Cumulative Shareholding during the year 2017 |                                  |
|---------|--------------------------------|------------------------------------------------|----------------------------------|------------------------------|---------------|----------------------------------------------|----------------------------------|
|         |                                | 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>Pavankumar Sanwarmal</b>    | <b>12520</b>                                   | <b>2.1520</b>                    |                              |               | <b>12520</b>                                 | <b>2.1520</b>                    |
|         | Market Purchase                |                                                |                                  | 08 Apr 2016                  | 1700          | 14220                                        | 2.4442                           |
|         | Market Purchase                |                                                |                                  | 22 Apr 2016                  | 300           | 14520                                        | 2.4958                           |
|         | Bonus Allotment                |                                                |                                  | 29 Jul 2016                  | 29040         | 43560                                        | 2.4958                           |
|         | <b>At The End Of The Year</b>  |                                                |                                  |                              |               | <b>43560</b>                                 | <b>2.4958</b>                    |
| 2       | <b>SitaAtul Setalvad</b>       | <b>6382</b>                                    | <b>1.0970</b>                    |                              |               | <b>6382</b>                                  | <b>1.0970</b>                    |
|         | Bonus Allotment                |                                                |                                  | 29 Jul 2016                  | 12764         | 19146                                        | 1.0970                           |
|         | <b>At The End Of The Year</b>  |                                                |                                  |                              |               | <b>19146</b>                                 | <b>1.0970</b>                    |
| 3       | <b>VipulRameshchandra Shah</b> | <b>5088</b>                                    | <b>0.8746</b>                    |                              |               | <b>5088</b>                                  | <b>0.8746</b>                    |
|         | Bonus Allotment                |                                                |                                  | 29 Jul 2016                  | 10176         | 15264                                        | 0.8746                           |
|         | <b>At The End Of The Year</b>  |                                                |                                  |                              |               | <b>15264</b>                                 | <b>0.8746</b>                    |
| 4       | <b>Dipak Kanayalal Shah</b>    | <b>4715</b>                                    | <b>0.8104</b>                    |                              |               | <b>4715</b>                                  | <b>0.8104</b>                    |
|         | Market Purchase                |                                                |                                  | 08 Jul 2016                  | 85            | 4800                                         | 0.8251                           |
|         | Market Purchase                |                                                |                                  | 15 Jul 2016                  | 200           | 5000                                         | 0.8594                           |
|         | Bonus Allotment                |                                                |                                  | 29 Jul 2016                  | 10000         | 15000                                        | 0.8594                           |
|         | <b>At The End Of The Year</b>  |                                                |                                  |                              |               | <b>15000</b>                                 | <b>0.8594</b>                    |
| 5       | <b>Sadhana Desai Ahuja</b>     | <b>4128</b>                                    | <b>0.7095</b>                    |                              |               | <b>4128</b>                                  | <b>0.7095</b>                    |
|         | Bonus Allotment                |                                                |                                  | 29 Jul 2016                  | 8256          | 12384                                        | 0.7095                           |
|         | <b>At The End Of The Year</b>  |                                                |                                  |                              |               | <b>12384</b>                                 | <b>0.7095</b>                    |
| 6       | <b>HemangRajnikant Maniar</b>  | <b>4000</b>                                    | <b>0.6875</b>                    |                              |               | <b>4000</b>                                  | <b>0.6875</b>                    |
|         | Bonus Allotment                |                                                |                                  | 29 Jul 2016                  | 8000          | 12000                                        | 0.6875                           |
|         | <b>At The End Of The Year</b>  |                                                |                                  |                              |               | <b>12000</b>                                 | <b>0.6875</b>                    |

## Extra of Annual Return Cont....

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

(other than Directors, Promoters and Holders of GDRs and ADRs):

| Sr. No. | Name & Type of Transaction             | Shareholding at the beginning of the year 2016 |                                  | Transactions during the year |               | Cumulative Shareholding during the year 2017 |                                  |
|---------|----------------------------------------|------------------------------------------------|----------------------------------|------------------------------|---------------|----------------------------------------------|----------------------------------|
|         |                                        | 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 |
| 7       | <b>Vinod Dadlani</b>                   | 2960                                           | 0.5088                           |                              |               | 2960                                         | 0.5088                           |
|         | Market Purchase                        |                                                |                                  | 8-Apr-16                     | 85            | 3045                                         | 0.5234                           |
|         | Market Purchase                        |                                                |                                  | 15-Apr-16                    | 30            | 3075                                         | 0.5286                           |
|         | Market Purchase                        |                                                |                                  | 22-Apr-16                    | 113           | 3188                                         | 0.5480                           |
|         | Market Purchase                        |                                                |                                  | 29-Apr-16                    | 112           | 3300                                         | 0.5672                           |
|         | Market Purchase                        |                                                |                                  | 30-Jun-16                    | 6             | 3306                                         | 0.5683                           |
|         | Market Purchase                        |                                                |                                  | 15-Jul-16                    | 20            | 3326                                         | 0.5717                           |
|         | Market Purchase                        |                                                |                                  | 22-Jul-16                    | 40            | 3366                                         | 0.5786                           |
|         | Market Purchase                        |                                                |                                  | 29-Jul-16                    | 6827          | 10193                                        | 0.5840                           |
|         | Market Purchase                        |                                                |                                  | 5-Aug-16                     | 90            | 10283                                        | 0.5892                           |
|         | Market Purchase                        |                                                |                                  | 12-Aug-16                    | 25            | 10308                                        | 0.5906                           |
|         | Market Purchase                        |                                                |                                  | 19-Aug-16                    | 59            | 10367                                        | 0.5940                           |
|         | Market Purchase                        |                                                |                                  | 26-Aug-16                    | 27            | 10394                                        | 0.5955                           |
|         | Market Purchase                        |                                                |                                  | 2-Sep-16                     | 1             | 10395                                        | 0.5956                           |
|         | Market Purchase                        |                                                |                                  | 9-Sep-16                     | 35            | 10430                                        | 0.5976                           |
|         | Market Purchase                        |                                                |                                  | 16-Sep-16                    | 20            | 10450                                        | 0.5987                           |
|         | Market Purchase                        |                                                |                                  | 23-Sep-16                    | 25            | 10475                                        | 0.6002                           |
|         | Market Purchase                        |                                                |                                  | 3-Mar-17                     | 489           | 10964                                        | 0.6282                           |
|         | Market Purchase                        |                                                |                                  | 10-Mar-17                    | 50            | 11014                                        | 0.6311                           |
|         | Market Purchase                        |                                                |                                  | 17-Mar-17                    | 30            | 11044                                        | 0.6328                           |
|         | Market Sell                            |                                                |                                  | 24-Mar-17                    | -431          | 10613                                        | 0.6081                           |
|         | Market Purchase                        |                                                |                                  | 31-Mar-17                    | 355           | 10968                                        | 0.6284                           |
|         | <b>At The End of The Year</b>          |                                                |                                  |                              |               | <b>10968</b>                                 | <b>0.6284</b>                    |
| 8       | <b>Yogesh Mathuradas</b>               | 3606                                           | 0.6198                           |                              |               | 3606                                         | 0.6198                           |
|         | Bonus Allotment                        |                                                |                                  | 29 Jul 2016                  | 7212          | 10818                                        | 0.6198                           |
|         | <b>At The End Of The Year</b>          |                                                |                                  |                              |               | <b>10818</b>                                 | <b>0.6198</b>                    |
| 9       | <b>Pravin Kantilal Vakil</b>           | 3574                                           | 0.6143                           |                              |               | 3574                                         | 0.6143                           |
|         | Bonus Allotment                        |                                                |                                  | 29 Jul 2016                  | 7148          | 10722                                        | 0.6143                           |
|         | <b>At The End Of The Year</b>          |                                                |                                  |                              |               | <b>10722</b>                                 | <b>0.6143</b>                    |
| 10      | <b>KokilaRajnikant Maniar</b>          | 3380                                           | 0.5810                           |                              |               | 3380                                         | 0.5810                           |
|         | Bonus Allotment                        |                                                |                                  | 29 Jul 2016                  | 6760          | 10140                                        | 0.5810                           |
|         | <b>At The End Of The Year</b>          |                                                |                                  |                              |               | <b>10140</b>                                 | <b>0.5810</b>                    |
| 11      | <b>Man Made Fibres Private Limited</b> | 5000                                           | 0.8594                           |                              |               | 5000                                         | 0.8594                           |
|         | Market Sell                            |                                                |                                  | 08 Apr 2016                  | -1700         | 3300                                         | 0.5672                           |
|         | Market Sell                            |                                                |                                  | 22 Apr 2016                  | -300          | 3000                                         | 0.5157                           |
|         | Bonus Allotment                        |                                                |                                  | 29 Jul 2016                  | 6000          | 9000                                         | 0.5157                           |
|         | <b>At The End Of The Year</b>          |                                                |                                  |                              |               | <b>9000</b>                                  | <b>0.5157</b>                    |

- Note:**
1. Paid-up Share Capital of the Company (Face Value Rs. 10.00) at the end of the year is 1745340 Shares.
  2. The details of holding has been clubbed based on PAN.
  3. % of total Shares of the Company is based on the paid-up Share Capital of the Company at the end of the year.

**Extra of Annual Return Cont....**

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

| Sr. No. | Name & Type of Transaction | Shareholding at the beginning of the year 2016 |                                  | Transactions during the year |               | Cumulative Shareholding during the year 2017 |                                  |
|---------|----------------------------|------------------------------------------------|----------------------------------|------------------------------|---------------|----------------------------------------------|----------------------------------|
|         |                            | 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       | Aspy Rustom Broacha        | 2050                                           | 0.3524                           |                              |               | 2050                                         | 0.3524                           |
|         | Market Sale                |                                                |                                  | 18 Jul 2016                  | 100           | 1950                                         | 0.3352                           |
|         | Bouns Allotment            |                                                |                                  | 23 Jul 2016                  | 3900          | 5850                                         | 0.3352                           |
|         |                            |                                                |                                  |                              |               | <b>5850</b>                                  | <b>0.3352</b>                    |

**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       | 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>         |

Extra of Annual Return Cont....

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

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

(₹ in Thousand)

| Sr. No. | Particulars of Remuneration                                                         | Name of Managing Director<br>G Swarup | 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/s 17(2) Income-tax Act, 1961                             | NIL                                   | NIL          |
|         | (c) Profits in lieu of salary under section 17(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                                               | 0,7                                   | 0,7          |
|         | <b>Total(A)</b>                                                                     | <b>0,7</b>                            | <b>0,7</b>   |
|         | <b>Ceiling as per the Act</b>                                                       | <b>6,58</b>                           | <b>6,58</b>  |

**B. Remuneration to other directors:**

(₹ in Thousand)

| Sr. No. | Particulars of Remuneration                                           | Name of Directors |             |                       |               | Total Amount |
|---------|-----------------------------------------------------------------------|-------------------|-------------|-----------------------|---------------|--------------|
|         |                                                                       | A R Broacha       | A K Modi    | Ms. Binaisha Sundaram | A V Setalvad  |              |
|         |                                                                       | Independent       | Independent | Independent           | Non-Executive |              |
| 1       | Independent Directors                                                 |                   |             |                       |               |              |
|         | Fee for attending board/ committee meetings                           | 1,25              | 35          | 0,12                  | -             | 1,72         |
|         | Commission                                                            | 1,50              | 1,50        | 1,50                  | -             | 4,50         |
|         | Others, please specify                                                | -                 | -           |                       |               | -            |
|         | <b>Total (1)</b>                                                      | <b>2,75</b>       | <b>1,85</b> | <b>1,62</b>           |               | <b>6,22</b>  |
| 2       | Other Non-executive directors                                         |                   |             |                       |               |              |
|         | Fee for attending board/ committee meetings                           |                   |             |                       | 1,20          | 1,20         |
|         | Commission                                                            |                   |             |                       | 1,50          | 1,50         |
|         | Others, please specify                                                |                   |             |                       |               |              |
|         | <b>Total (2)</b>                                                      |                   |             |                       | <b>2,70</b>   | <b>2,70</b>  |
|         | <b>Total (B) = (1+2)</b>                                              | <b>2,75</b>       | <b>1,85</b> | <b>1,62</b>           | <b>2,70</b>   | <b>8,92</b>  |
|         | Total Managerial Remuneration – Commission to non-executive directors |                   |             |                       |               | 6,00         |
|         | Over all Ceiling as per the Act                                       |                   |             |                       |               | 6,58         |

**Note :** Mr. G Swarup was appointed as a Managing Director w.e.f. 30.03.2015. He is paid only sitting fees.

**Extra of Annual Return**

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

| Sr. No.      | Particulars of Remuneration                                                          | Key Managerial Personnel |            |            | Total      |
|--------------|--------------------------------------------------------------------------------------|--------------------------|------------|------------|------------|
|              |                                                                                      | CEO                      | 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/s 17 (2) of the Income-tax Act, 1961                      | NIL                      | NIL        | NIL        | NIL        |
|              | (c) Profits in lieu of salary under section 17(3) of the 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 G**

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 31.03.2017 ₹ | 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                                             |

## Corporate Social Responsibility

### ANNEXURE H ANNUAL REPORT ON CSR ACTIVITIES FORMING PART OF THE BOARD'S REPORT 2016-17

| 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.<br>Members :<br>Mr. A V Setalvad<br>Mr. A R Broacha<br>Mr. Gaurav Swarup                                                                                                                                                                                                      |                                                   |                                                     |
| 3.      | Average net profits of the Company for last three financial years                                                                                                                                                           |                                        |                                                                                                                           |                                                 | Rs. 5.22 crores                                                                                                                                                                                                                                                                                          |                                                   |                                                     |
| 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<br>a. Total amount to be spent for the financial year ended 31.03.2017<br>b. Amount unspent, if any<br>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.<br><br>Rs 11.25 lakhs for the financial year 2016-17<br><br>During the year no amount has been spent. The Company is looking for various projects for CSR activities. It is expected that unspent amount will be utilized in FY 2017-18. |                                                   |                                                     |
| 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 heads1. Direct expenditure on projects or program 2. Overheads                                                                                                                                                                                               | Cumulative expenditure up to the reporting period | Amount spent: Direct or through implementing agency |
| 1       | Project being selected                                                                                                                                                                                                      | Education and Schedule VII             | Maharashtra                                                                                                               | Rs 22.25 lakhs                                  | Direct                                                                                                                                                                                                                                                                                                   | Direct Rs. 10 lakhs for last three years          | 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.

Mumbai, May 5, 2017

**Gaurav Swarup**  
Member of CSR Committee

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

**REPORT ON THE STANDALONE FINANCIAL STATEMENTS**

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

**Management's Responsibility for the 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 31<sup>st</sup> March, 2017, and its statement of Profit and its cash flows for the year ended on that date.

## Independent Auditors' Report .....Contd.

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### Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2017 ("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, 2017 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2017 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 31<sup>st</sup> March 2017.
    - 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 during the year ended on March 31, 2017.
    - iv. the Company had provided disclosures in note no. 2.22 in its financial statements as to holdings as well as dealings in Specified Bank Notes during the period the period from November 08, 2016 to December 30, 2016 are in accordance with the Books of Account maintained by the Company.

**For V.S. SOMANI & CO.**  
Chartered Accountants  
F. R. No.117589W

**CA Vidyadhar Somani**  
Proprietor  
Membership No.102664

Place: Mumbai  
Date : May 05, 2017

**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 to the Company)**

- 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 disclosed 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 the 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 2017 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.
- 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. The Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures.
- xii. 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 certified has been obtained.

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

*Chartered Accountants*

F. R. No.117589W

**CA.Vidyadhar Somani**

*Proprietor*

Membership No.102664

Place: Mumbai

Date: May 05,2017

**ANNEXURE 'B'**

We have audited the internal financial controls over financial reporting of **INDUSTRIAL AND PRUDENTIAL INVESTMENT COMPANY LIMITED** ("the Company") as of March 31, 2017 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

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

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

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**

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

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

*Chartered Accountants*

F. R. No.117589W

**CA. Vidyadhar Somani**

*Proprietor*

Membership No.102664

Place: Mumbai

Date: May 05,2017

# Industrial And Prudential Investment Company Limited

## Balance Sheet as at 31st March, 2017

| In ₹ Thousand                              |          |                  |          |                  |          |
|--------------------------------------------|----------|------------------|----------|------------------|----------|
| Particulars                                | Note No. | As at 31.03.2017 |          | As at 31.03.2016 |          |
| <b>I. EQUITY AND LIABILITIES</b>           |          |                  |          |                  |          |
| (1) <b>SHAREHOLDERS' FUNDS</b>             |          |                  |          |                  |          |
| (a) Share Capital                          | 2.1      | 1,74,56          |          | 58,21            |          |
| (b) Reserves and Surplus                   | 2.2      | 33,75,02         |          | 27,95,98         |          |
| (c) Money received against, Share warrants |          | -                |          |                  | -        |
|                                            |          | 35,49,58         |          | 28,54,19         |          |
| (2) <b>SHARE APPLICATION MONEY</b>         |          |                  |          |                  |          |
| Pending Allotment                          |          |                  | -        |                  | -        |
| (3) <b>NON CURRENT LIABILITIES</b>         |          |                  |          |                  |          |
| (a) Long Term Borrowings                   |          | -                |          | -                |          |
| (b) Deferred Tax Liabilities               |          | -                |          | -                |          |
| (c) Other Long Term Liabilities            |          | -                |          | -                |          |
| (d) Long Term Provision                    |          | -                |          | -                |          |
| (4) <b>CURRENT LIABILITIES</b>             |          |                  |          |                  |          |
| (a) Trade payables                         |          | 10,43            |          | 11,24            |          |
| (b) Other Current Liabilities              | 2.3      | 66,03            |          | 51,15            |          |
| (c) Short-term provisions                  | 2.4      | 62,74            |          | 7,36,31          |          |
|                                            |          |                  | 1,39,20  |                  | 7,98,70  |
|                                            |          |                  | 36,88,78 |                  | 36,52,89 |
| <b>II. ASSETS</b>                          |          |                  |          |                  |          |
| (1) <b>NON-CURRENT ASSETS</b>              |          |                  |          |                  |          |
| (a) Fixed assets                           |          |                  |          |                  |          |
| (i) Tangible assets                        | 2.5      | 26               |          | 48               |          |
| (ii) Intangible assets                     |          | -                |          | 1,06             |          |
| (iii) Capital work in progress             |          | -                |          | -                |          |
| (iv) Intangible assets under development   |          | -                |          | -                |          |
| (b) Non-Current Investments                | 2.6      | 34,16,17         |          | 34,25,26         |          |
| (c) Deferred Tax assets                    |          | -                |          | -                |          |
| (d) Long Term Loans and Advances           |          | -                |          | -                |          |
| (e) Other Non Current assets               |          | 7                |          | 7                |          |
|                                            |          | 34,16,50         |          | 34,26,87         |          |
| (2) <b>CURRENT ASSETS</b>                  |          |                  |          |                  |          |
| (a) Current investments                    | 2.7      | -                |          | 44,10            |          |
| (b) Inventories                            |          | -                |          | -                |          |
| (c) Trade Receivables                      |          | -                |          | -                |          |
| (d) Cash and Cash equivalents              | 2.8      | 2,49,72          |          | 1,72,84          |          |
| (e) Short-term loans and advances          | 2.9      | 21,07            |          | 8,82             |          |
| (f) Other Current assets                   | 2.10     | 1,49             |          | 26               |          |
|                                            |          |                  | 2,72,28  |                  | 2,26,02  |
|                                            |          |                  | 36,88,78 |                  | 36,52,89 |

Significant Accounting Policies (Note No. 1) and other Notes form an integral part of the Financial Statements

As per our report attached.

For and on behalf of the Board of Directors

For V S Somani & Co.,  
Chartered Accountants

Arun Kumar Singhania  
Chief Financial Officer

A R Broacha  
Director

CA V. S. Somani  
Proprietor

Hirak Ghosh  
Company Secretary

Gaurav Swarup  
Managing Director

Mumbai, May 5, 2017

Mumbai, May 5, 2017

# Industrial And Prudential Investment Company Limited

## Statement of Profit and Loss for the year ended 31st March, 2017

| In ₹ Thousand                                                                 |          |                               |                               |
|-------------------------------------------------------------------------------|----------|-------------------------------|-------------------------------|
| Particulars                                                                   | Note No. | For the year ended 31.03.2017 | For the year ended 31.03.2016 |
| <b>REVENUE</b>                                                                |          |                               |                               |
| Revenue from Operations                                                       | 2.11     | <b>5,96,72</b>                | 6,62,17                       |
| Other Income                                                                  | 2.12     | <b>2,17,41</b>                | 94,96                         |
| <b>(I) Total Revenue</b>                                                      |          | <b>8,14,13</b>                | 7,57,13                       |
| <b>EXPENSES</b>                                                               |          |                               |                               |
| Cost of Materials Consumed                                                    |          | -                             | -                             |
| Purchase of Stock in Trade                                                    |          | -                             | -                             |
| Change in inventories of finished goods, work in progress and stock in Trade  |          | -                             | -                             |
| Employee Benefit expenses                                                     |          | <b>14,94</b>                  | 18,10                         |
| Finance Cost                                                                  |          | <b>1,10</b>                   | -                             |
| Depreciation and amortisation expenses                                        | 2.5      | <b>1,29</b>                   | 1,33                          |
| Other expenses                                                                | 2.13     | <b>70,40</b>                  | 90,63                         |
| <b>(II) Total Expenses</b>                                                    |          | <b>87,73</b>                  | 1,10,06                       |
| <b>(III) Profit before exceptional and extraordinary items and tax (I-II)</b> |          | <b>7,26,40</b>                | 6,47,07                       |
| <b>(IV) Exceptional Item</b>                                                  |          | -                             | -                             |
| <b>(V) Profit before tax</b>                                                  |          | <b>7,26,40</b>                | 6,47,07                       |
| <b>(VI) Tax expenses:</b>                                                     |          |                               |                               |
| Current tax                                                                   |          | <b>31,00</b>                  | 12,00                         |
| <b>(VII) Profit for the year from continuing operations</b>                   |          | <b>6,95,40</b>                | 6,35,07                       |
| <b>(VIII) Profit/(Loss) from discontinuing operations</b>                     |          | -                             | -                             |
| <b>(IX) Tax Expenses from discontinuing operations</b>                        |          | -                             | -                             |
| <b>(X) Profit/(Loss) from discontinuing operations (after Tax) (VIII-IX)</b>  |          | -                             | -                             |
| <b>(XI) Profit/(Loss) for the year</b>                                        |          | <b>6,95,40</b>                | 6,35,07                       |
| <b>(XII) Earnings per equity share (in ₹) Basic and Diluted</b>               |          | <b>39.84</b>                  | 36.39                         |

Significant Accounting Policies (Note No. 1) and other Notes form an integral part of the Financial Statements

As per our report attached.

For and on behalf of the Board of Directors

For V S Somani & Co.,  
Chartered Accountants

Arun Kumar Singhania  
Chief Financial Officer

A R Broacha  
Director

CA V. S. Somani  
Proprietor

Hirak Ghosh  
Company Secretary

Gaurav Swarup  
Managing Director

Mumbai, May 5, 2017

Mumbai, May 5, 2017

**Cash Flow Statement for The Year Ended as at 31st March, 2017**

| In ₹ Thousand                                                        |                    |                |                  |
|----------------------------------------------------------------------|--------------------|----------------|------------------|
|                                                                      | For the year ended |                |                  |
|                                                                      | March 31, 2017     | March 31, 2016 |                  |
| <b>A) Cash Flow from operating activities:</b>                       |                    |                |                  |
| <b>Net Profit before tax</b>                                         | <b>7,26,40</b>     |                | <b>6,47,07</b>   |
| <b>Adjustments for:</b>                                              |                    |                |                  |
| Depreciation                                                         | 1,29               | 1,33           |                  |
| Investment Income                                                    | (2,11,45)          | (94,96)        |                  |
| Provision for diminution in value of investment                      | -                  | 28,83          |                  |
| <b>Operating profit before working capital changes</b>               | <b>(2,10,16)</b>   |                | <b>(64,80)</b>   |
|                                                                      | <b>5,16,23</b>     |                | <b>5,82,27</b>   |
| <b>Adjustments for changes in working capital</b>                    |                    |                |                  |
| (Increase)/Decrease in Trade & other receivables                     | (1,52)             | 1              |                  |
| Increase/(Decrease) in trade payables & other liabilities            | 12,29              | 3,04           | 3,05             |
|                                                                      | <b>5,27,01</b>     |                | <b>5,85,32</b>   |
| Less: Tax Paid                                                       | <b>31,00</b>       |                | <b>11,95</b>     |
| <b>Net Cash generated from operations</b>                            | <b>4,96,01</b>     |                | <b>5,73,37</b>   |
| <b>B) Cash flow from Investing activities</b>                        |                    |                |                  |
| Purchase of Fixed Assets (including Advances)                        | -                  | (1,70)         |                  |
| Purchase of Investments                                              | (7,30,00)          | (20,20,44)     |                  |
| Sale of Investments                                                  | 9,94,64            | 18,62,83       | (1,59,31)        |
| <b>Net cash generated from/used in investing activities</b>          | <b>2,64,64</b>     |                | <b>(1,59,31)</b> |
| <b>C) Cash flow from Financial activities</b>                        |                    |                |                  |
| Payment of Dividend                                                  | (5,65,33)          | (3,11,92)      |                  |
| Payment of Corporate Dividend Tax                                    | (1,18,44)          | (65,14)        | (3,77,06)        |
| <b>Net cash generated from/used in Financial activities</b>          | <b>(6,83,77)</b>   |                | <b>(3,77,06)</b> |
| <b>Net Increase/(decrease) in cash &amp; cash equivalents(A+B+C)</b> | <b>76,87</b>       |                | <b>37,00</b>     |
| <b>Opening Cash &amp; Cash Equivalents</b>                           | <b>1,72,84</b>     |                | <b>1,35,84</b>   |
| <b>Closing Cash &amp; Cash Equivalents</b>                           | <b>2,49,72</b>     |                | <b>1,72,84</b>   |
| <b>Net Increase/(decrease) in cash &amp; cash equivalents</b>        | <b>76,88</b>       |                | <b>37,00</b>     |

Note: 1. Cash and Bank Balances lying with designated banks in unclaimed dividend accounts ₹ 65,41 (Previous Year ₹ 48,96).

2. Previous year figures have been regrouped wherever necessary.

3. All figures in brackets are outflows.

As per our report attached.

For and on behalf of the Board of Directors

For V S Somani & Co.,  
Chartered Accountants

Arun Kumar Singhania  
Chief Financial Officer

A R Broacha  
Director

CA V. S. Somani  
Proprietor

Hirak Ghosh  
Company Secretary

Gaurav Swarup  
Managing Director

Mumbai, May 5, 2017

Mumbai, May 5, 2017

**Notes Forming Part of the Financial Statements for the year ended 31st March, 2017**

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**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 The 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 claims are being accounted on cash basis.

**(f) Retirement Benefits**

The Company has provided gratuity based on the assumption that the employee will retire as at 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.

# Industrial And Prudential Investment Company Limited

## Notes Forming Part of the Financial Statements for the year ended 31st March, 2017

### 2.1 SHARE CAPITAL

In ₹ Thousand

| Particulars                                                                | As at<br>31st March, 2017 | As at<br>31st March, 2016 |
|----------------------------------------------------------------------------|---------------------------|---------------------------|
| Authorised Capital                                                         |                           |                           |
| 20,00,000 (Previous Year 10,00,000) Equity Shares of ₹10 each              | 2,00,00                   | 1,00,00                   |
|                                                                            | 2,00,00                   | 1,00,00                   |
| <b>Issued, Subscribed and Paid-up</b>                                      |                           |                           |
| 17,45,340 (Previous Year 5,81,780) Equity shares of ₹10 each fully paid up | 1,74,53                   | 58,18                     |
| Forfeited Shares                                                           | 3                         | 3                         |
|                                                                            | <b>1,74,56</b>            | <b>58,21</b>              |

#### a) Reconciliation of the number of shares outstanding

| Particulars                                | 2016-17      |         | 2015-16      |        |
|--------------------------------------------|--------------|---------|--------------|--------|
|                                            | No of Shares | Amount  | No of Shares | Amount |
| As at the beginning of the year            | 5,81,780     | 58,18   | 5,81,780     | 58,18  |
| Add: Shares issued during the year (bonus) | 11,63,560    | 1,16,35 | -            | -      |
| Less: Shares bought back during the year   | -            | -       | -            | -      |
| As at the end of the year                  | 17,45,340    | 1,74,53 | 5,81,780     | 58,18  |

#### b) Terms and Rights attached to equity shareholders

The Company has only One class of Equity Shares having par value of ₹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 Shareholders have all other rights 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

| Names of Shareholders                                | March 31,2017 |       | March 31,2016 |       |
|------------------------------------------------------|---------------|-------|---------------|-------|
|                                                      | No of Shares  | In %  | No of Shares  | In %  |
| Paharpur Cooling Towers Ltd.                         | 7,46,901      | 42.79 | 2,48,967      | 42.79 |
| Melvin Powell Vanaspati & Engineering Industries Ltd | 1,54,800      | 8.87  | 51,600        | 8.87  |
| Paharpur Corporation Limited                         | 1,91,550      | 10.97 | 63,850        | 10.97 |

e) During the year, the Company has issued in the ratio of two bonus equity shares for every one equity share of ₹ 10 each by capitalising of ₹ 1,16,35,600 from General Reserve to Paid-up share capital.

**Notes Forming Part of the Financial Statements for the year ended 31st March, 2017**

**2.2 RESERVES AND SURPLUS**

In ₹ Thousand

|                                                                    | As at<br>31-03- 2017 | As at<br>31-03-2016 |
|--------------------------------------------------------------------|----------------------|---------------------|
| <b>Capital Reserve</b>                                             | <b>65</b>            | <b>65</b>           |
| <b>General Reserve</b>                                             |                      |                     |
| At the beginning of the year .....                                 | <b>6,44,00</b>       | 6,44,00             |
| Less: Issue of Bonus Shares .....                                  | <b>1,16,36</b>       | -                   |
| At the end of the year .....                                       | <b>5,27,64</b>       | 6,44,00             |
| <b>Special Reserve</b>                                             |                      |                     |
| (In terms of Section 45-IC of the Reserve Bank of India Act, 1934) |                      |                     |
| At the beginning of the year .....                                 | <b>12,26,00</b>      | 10,98,00            |
| Add: Transferred from Surplus .....                                | <b>1,39,10</b>       | 1,28,00             |
| At the end of the year .....                                       | <b>13,65,10</b>      | 12,26,00            |
| <b>Surplus.....</b>                                                |                      |                     |
| At the beginning of the year .....                                 | <b>9,25,33</b>       | 11,18,48            |
| Add: Profit for the year as per Statement of Profit and Loss ..... | <b>6,95,40</b>       | 6,35,07             |
| Less: Amount transferred to Special reserve .....                  | <b>1,39,10</b>       | 1,28,00             |
| Less: Proposed dividend .....                                      | -                    | 5,81,78             |
| Less: Tax on Proposed dividend .....                               | -                    | 1,18,44             |
| At the end of the year .....                                       | <b>14,81,63</b>      | 9,25,33             |
| <b>At the end of the year .....</b>                                | <b>33,75,02</b>      | 27,95,98            |
| <b>2.3 OTHER CURRENT LIABILITIES</b>                               |                      |                     |
| Unclaimed Dividend .....                                           | <b>65,41</b>         | 48,96               |
| Tax Deducted at Source .....                                       | <b>62</b>            | 1,16                |
| Service Tax .....                                                  | -                    | 1,03                |
|                                                                    | <b>66,03</b>         | 51,15               |
| <b>2.4 SHORT TERM PROVISIONS</b>                                   |                      |                     |
| Provision for Taxation (Net of Advance Tax) .....                  | <b>16,18</b>         | 4,22                |
| Provision for Proposed Dividend .....                              | -                    | 5,81,78             |
| Tax on Proposed Dividend .....                                     | -                    | 1,18,44             |
| Provision towards Corporate Social Responsibility .....            | <b>22,25</b>         | 11,25               |
| Retirement Benefits .....                                          | <b>24,31</b>         | 20,62               |
|                                                                    | <b>62,74</b>         | 7,36,31             |

## Notes Forming Part of the Financial Statements for the year ended 31st March, 2017

### 2.5 Fixed Assets

In ₹ Thousand

| DESCRIPTION<br>1         | GROSS BLOCK                   |                |                             |                               | DEPRECIATION / AMORTISATION |                      |                             |                         | NET BLOCK                 |                           |
|--------------------------|-------------------------------|----------------|-----------------------------|-------------------------------|-----------------------------|----------------------|-----------------------------|-------------------------|---------------------------|---------------------------|
|                          | COST AS ON<br>01.04.2016<br>2 | ADDITIONS<br>3 | SALES /<br>ADJUSTMENTS<br>4 | COST AS ON<br>31.03.2017<br>5 | UPTO<br>31.03.2016<br>6     | FOR THE<br>YEAR<br>7 | SALES /<br>ADJUSTMENTS<br>8 | UPTO<br>31.03.2017<br>9 | AS ON<br>31.03.2017<br>10 | AS ON<br>31.03.2016<br>11 |
| <b>Tangible Assets</b>   |                               |                |                             |                               |                             |                      |                             |                         |                           |                           |
| BUILDING                 | 1,52                          | -              | -                           | 1,52                          | 1,29                        | 2                    | -                           | 1,31                    | 21                        | 23                        |
| FURNITURE AND FIXTURES   | 3,80                          | -              | -                           | 3,80                          | 3,80                        | -                    | -                           | 3,80                    | -                         | -                         |
| OFFICE EQUIPMENTS        | 1,17                          | -              | -                           | 1,17                          | 1,17                        | -                    | -                           | 1,17                    | -                         | -                         |
| OTHERS - COMPUTERS       | 5,53                          | -              | -                           | 5,53                          | 5,28                        | 20                   | -                           | 5,48                    | 5                         | 25                        |
| Sub-total                | 12,02                         | -              | -                           | 12,02                         | 11,54                       | 22                   | -                           | 11,76                   | 26                        | 48                        |
| <b>Intangible Assets</b> |                               |                |                             |                               |                             |                      |                             |                         |                           |                           |
| COMPUTER SOFTWARE        | 2,02                          | -              | -                           | 2,02                          | 96                          | 1,06                 | -                           | 2,02                    | -                         | 1,06                      |
| Sub-total                | 2,02                          | -              | -                           | 2,02                          | 96                          | 1,06                 | -                           | 2,02                    | -                         | 1,06                      |
| Grand Total              | 14,04                         | -              | -                           | 14,04                         | 12,50                       | 1,29                 | -                           | 13,79                   | 26                        | 1,54                      |
| PREVIOUS YEAR            | 11,59                         | 245,00         | -                           | 14,04                         | 11,17                       | 1,33                 | -                           | 12,50                   | 1,54                      | 42                        |

Note : Building includes ₹ 250 (Previous year ₹ 250/-) being the cost of shares in Co-operative Society.

### 2.6 Non -Current Investments (Fully paid up except otherwise stated )

In ₹ Thousand

|                                          | Face<br>Value | As at 31st March, 2017 |         | As at 31st March, 2016 |         |
|------------------------------------------|---------------|------------------------|---------|------------------------|---------|
|                                          |               | Number                 | Value   | Number                 | Value   |
| (I) In Equity Shares                     |               |                        |         |                        |         |
| (a) Quoted - Associates                  |               |                        |         |                        |         |
| KSB PUMPS LIMITED                        | 10            | 71,40,000              | 1,74,01 | 71,40,000              | 1,74,01 |
| Total (a)                                |               |                        | 1,74,01 |                        | 1,74,01 |
| (b) Quoted - Others                      |               |                        |         |                        |         |
| 3I INFOTECH LIMITED                      | 10            | 95,000                 | 26,66   | 95,000                 | 26,66   |
| ACC LIMITED                              | 10            | 7,000                  | 4,38    | 7,000                  | 4,38    |
| AMARA RAJA BATTERIES LIMITED             | 1             | 1,05,000               | 10,04   | 1,05,000               | 10,04   |
| ASHAPURA MINECHEM LIMITED                | 2             | 62,000                 | 25,37   | 62,000                 | 25,37   |
| ASHOK LEYLAND LIMITED                    | 1             | 27,000                 | 20,05   | 27,000                 | 20,05   |
| BASF INDIA LIMITED                       | 10            | 10,000                 | 32,02   | 10,000                 | 32,02   |
| BEML LIMITED                             | 10            | 8,500                  | 18,77   | 8,500                  | 18,77   |
| BHARAT ELECTRONICS LIMITED               | 1             | 90,000                 | 11,96   | 9,000                  | 11,96   |
| BHARAT FORGE LIMITED                     | 2             | 16,000                 | 13,83   | 16,000                 | 13,83   |
| BHARTI AIRTEL LIMITED                    | 5             | 17,500                 | 22,74   | 17,500                 | 22,74   |
| BOSCH LIMITED                            | 10            | 2,000                  | 11      | 2,000                  | 11      |
| BSE LIMITED                              | 2             | 6,750                  | 30,78   | -                      | -       |
| CAIRN INDIA LIMITED                      | 10            | 4,400                  | 14,84   | 4,400                  | 14,84   |
| CENTURY TEXTILES &<br>INDUSTRIES LIMITED | 10            | 4,500                  | 23,94   | 4,500                  | 23,94   |
| DR REDDY'S LABORATORIES LIMITED          | 5             | 4,000                  | 20,29   | 4,000                  | 20,29   |
| GAIL (INDIA) LIMITED                     | 10            | 38,000                 | 43,22   | 28,500                 | 43,22   |
| GE T&D INDIA LIMITED                     | 2             | 50,000                 | 7,88    | 50,000                 | 7,88    |
| HDFC BANK LIMITED                        | 2             | 2,000                  | 21,97   | 2,000                  | 21,97   |
| HEIDELBERG CEMENT LIMITED                | 10            | 25,000                 | 17,85   | 25,000                 | 17,85   |
| HINDUSTAN UNILEVER LIMITED               | 1             | 73,000                 | 1,91    | 73,000                 | 1,91    |
| IDBI BANK LIMITED                        | 10            | 15,000                 | 11,70   | 15,000                 | 11,70   |
| INDIA CEMENTS LIMITED                    | 10            | 26,000                 | 21,95   | 26,000                 | 21,95   |
| INFOSYS LIMITED                          | 5             | 4,32,000               | 21,11   | 4,32,000               | 21,11   |

**Notes Forming Part of the Financial Statements for the year ended 31st March, 2017**

| In ₹ Thousand                                                 |            |                        |                |                        |                |
|---------------------------------------------------------------|------------|------------------------|----------------|------------------------|----------------|
|                                                               | Face Value | As at 31st March, 2017 |                | As at 31st March, 2016 |                |
|                                                               |            | Number                 | Value          | Number                 | Value          |
| ITC LIMITED                                                   | 1          | 27,000                 | 11,27          | 18,000                 | 11,27          |
| KOKUYO CAMLIN LIMITED                                         | 1          | 20,000                 | 20,59          | 20,000                 | 20,59          |
| MONSANTO INDIA LIMITED                                        | 10         | 1,600                  | 6,73           | 1,600                  | 6,73           |
| NESTLE INDIA LIMITED                                          | 10         | 14,000                 | 1,78           | 14,000                 | 1,78           |
| NTPC LIMITED                                                  | 10         | 21,000                 | 16,84          | 21,000                 | 16,84          |
| ORIENT REFRACTORIES LIMITED                                   | 10         | 90,000                 | 4,01           | 90,000                 | 4,01           |
| PIRAMAL ENTERPRISE LIMITED                                    | 2          | 20,500                 | 15,57          | 20,500                 | 15,57          |
| RELIANCE INDUSTRIES LIMITED                                   | 10         | 16,000                 | 14,55          | 16,000                 | 14,55          |
| SCHNEIDER ELECTRIC INFRASTRUCTURE LIMITED                     | 2          | 50,000                 | 2,37           | 50,000                 | 2,37           |
| SELAN EXPLORATION TECHNOLOGY LIMITED                          | 10         | 11,000                 | 8,05           | 11,000                 | 8,05           |
| SIEMENS LIMITED                                               | 2          | 25,000                 | 1,95           | 25,000                 | 1,95           |
| STATE BANK OF INDIA                                           | 1          | 38,000                 | 21,56          | 38,000                 | 21,56          |
| SUN PHARMACEUTICAL INDUSTRIES LTD.                            | 1          | 8,000                  | 32,24          | 8,000                  | 32,24          |
| TATA CONSULTANCY SERVICES LIMITED                             | 1          | 14,000                 | 66,71          | 14,000                 | 66,71          |
| TATA MOTORS LIMITED                                           | 2          | 21,100                 | 8,83           | 21,100                 | 8,83           |
| TATA MOTORS LIMITED -NEW NPP                                  | 2          | 41,500                 | 40,05          | 41,500                 | 40,05          |
| TATA STEELS LIMITED                                           | 10         | 10,800                 | 27,64          | 10,800                 | 27,64          |
| TECH MAHINDRA LIMITED                                         | 5          | 12,000                 | 19,43          | 12,000                 | 19,43          |
| THE GREAT EASTERN SHIPPING COMPANY LIMITED                    | 10         | 30,400                 | 50,57          | 30,400                 | 50,57          |
| THE INDIAN HOTELS COMPANY LIMITED                             | 1          | 97,020                 | 24,88          | 97,020                 | 24,88          |
| THE KARUR VYSYA BANK LIMITED                                  | 2          | 1,90,000               | 35,91          | 1,90,000               | 35,91          |
| THE TATA POWER COMPANY LIMITED                                | 1          | 2,70,000               | 28,84          | 2,70,000               | 28,84          |
| TIMKEN INDIA LIMITED                                          | 10         | 7,000                  | 14,33          | 7,000                  | 14,33          |
| TITAN COMPANY LIMITED*                                        | 1          | 3,10,500               | 49,94          | 2,82,000               | 30,84          |
| VIKAS W.S.P LIMITED                                           | 1          | 80,000                 | 32,16          | 80,000                 | 32,16          |
| ZEE ENTERTAINMENT ENTERPRISES LIMITED                         | 1          | 20,808                 | 7,99           | 20,808                 | 7,99           |
| <b>Total</b>                                                  |            |                        | <b>9,88,16</b> |                        | <b>9,38,28</b> |
| <b>Less: Provision for Dimlnution in value of Investments</b> |            |                        | <b>49,98</b>   |                        | <b>49,98</b>   |
| <b>Total (b)</b>                                              |            |                        | <b>9,38,18</b> |                        | <b>8,88,30</b> |

\*28,500 transferred from current investment at cost.

**(c) Unquoted**

**(CI) In Subsidiary**

|                                         |     |       |          |       |          |
|-----------------------------------------|-----|-------|----------|-------|----------|
| New Holding and Trading Company Limited | 100 | 5,025 | 3        | 5,025 | 3        |
|                                         |     |       | <b>3</b> |       | <b>3</b> |

**(CII) In Others**

|                                           |    |       |   |        |       |
|-------------------------------------------|----|-------|---|--------|-------|
| BSE LIMITED                               | 1  | -     | - | 13,500 | 30,78 |
| Niyuprene Plastics Company Limited        | 10 | 1,000 | - | 1,000  | -     |
| Siltronics India Limited (In liquidation) | 10 | 30    | - | 30     | -     |
|                                           |    |       | - |        | 30,78 |

|                  |  |  |                 |  |                 |
|------------------|--|--|-----------------|--|-----------------|
| <b>Total (c)</b> |  |  | <b>3</b>        |  | <b>30,81</b>    |
| <b>Total (I)</b> |  |  | <b>11,12,22</b> |  | <b>10,93,12</b> |

## Notes Forming Part of the Financial Statements for the year ended 31st March, 2017

| In ₹ Thousand                                                                    |            |                        |         |                        |         |
|----------------------------------------------------------------------------------|------------|------------------------|---------|------------------------|---------|
|                                                                                  |            | As at 31st March, 2017 |         | As at 31st March, 2016 |         |
|                                                                                  | Face Value | Number                 | Value   | Number                 | Value   |
| <b>(II) In Preference Shares</b>                                                 |            |                        |         |                        |         |
| ZEE ENTERTAINMENT ENTERPRISES LIMITED (6%)<br>(Redeemable on 14th March 2022)    | 10         | 43,696                 | -       | 43,696                 |         |
| <b>Total (II)</b>                                                                |            |                        | -       |                        | -       |
| <b>(III) In Debentures</b>                                                       |            |                        |         |                        |         |
| NTPC Limited - SR-54 8.49%<br>Non Convertible<br>(Redeemable on 25th March 2025) | 12.5       | 21,000                 | -       | 21,000                 | -       |
| <b>Total (III)</b>                                                               |            |                        | -       |                        | -       |
| <b>(IV) In Mutual Fund</b>                                                       |            |                        |         |                        |         |
| Birla Sunlife Mutual Fund -<br>Income Plus Growth                                | 10         | -                      | -       | 1,97,594               | 1,00,00 |
| Birla Sunlife Mutual Fund Balance<br>95 Fund - Growth - Regular Plan             | 10         | 30,067                 | 1,66,56 | 30,067                 | 1,66,56 |
| DSP BR Focus 25 Fund -<br>Regular Plan - Growth                                  | 10         | 7,32,837               | 1,25,00 | 7,32,837               | 1,25,00 |
| DSP BR Balanced Fund -<br>Regular Plan - Growth                                  | 10         | 1,18,760               | 1,40,00 | -                      | -       |
| Franklin India Balance Fund                                                      | 10         | 1,08,369               | 1,00,00 | 1,08,369               | 1,00,00 |
| Reliance Mutual Fund ETF - Liquid Bees                                           | 1000       | 0.04                   | -       | 0.04                   | -       |
| HDFC Mutual Fund -<br>Balance Fund Growth -Regular Plan                          | 10         | 1,92,536               | 2,00,00 | 1,50,742               | 1,50,00 |
| HDFC Mutual Fund -<br>Income Fund Growth- Regular Plan                           | 10         | -                      | -       | 2,58,093               | 70,00   |
| ICICI Prudential Mutual Fund -<br>Balance Fund Regular Plan - Growth             | 10         | 2,11,874               | 1,89,60 | 2,11,874               | 1,89,60 |
| IL & FS Milestone Fund - II                                                      | 10         | 104                    | 1,04    | 6,798                  | 67,98   |
| IDFC Super Saver-<br>Income Plan-Investment Plan A-Growth                        | 10         | -                      | -       | 5,25,249               | 1,46,25 |
| IDFC Dynamic Equity Fund Regular<br>Plan-Growth                                  | 10         | 13,97,436              | 1,50,00 | 6,59,973               | 70,00   |
| JM Mutual Fund - G-Sec Fund-<br>Regular Plan Growth                              | 10         | 2,72,977               | 1,08,50 | 2,72,977               | 1,08,50 |
| JM Mutual Fund -Money Manager<br>Super Plan Growth                               | 10         | -                      | -       | 2,56,832               | 50,00   |
| Kotak Select Focus Fund - Growth                                                 | 10         | 5,50,758               | 1,25,00 | 5,50,758               | 1,25,00 |
| L&T India Prudence Fund - Growth                                                 | 10         | 4,82,393               | 1,00,00 | -                      | -       |
| Reliance Regular Saving<br>Fund-Balanced Plan-Dividend                           | 10         | 10,59,073              | 1,80,00 | 10,59,073              | 1,80,00 |

**Notes Forming Part of the Financial Statements for the year ended 31st March, 2017**

| In ₹ Thousand                                            |            |                        |                  |                        |           |
|----------------------------------------------------------|------------|------------------------|------------------|------------------------|-----------|
|                                                          | Face Value | As at 31st March, 2017 |                  | As at 31st March, 2016 |           |
|                                                          |            | Number                 | Value            | Number                 | Value     |
| Reliance Pharma Fund - Dividend Plan Dividend Payout*    | 10         | 62,468                 | 25,00            | -                      | -         |
| SBI Magnum Balanced Fund - Growth                        | 10         | 2,92,634               | 2,90,00          | 1,54,514               | 1,50,00   |
| Tata Balanced Fund - Growth                              | 10         | 1,16,481               | 2,00,00          | 88,211                 | 1,50,00   |
| UTI BOND FUND -Growth                                    | 10         | -                      | -                | 7,05,749               | 2,50,00   |
| UTI BOND FUND - Bluechip Flexicap - Dividend Payout Plan | 10         | 1,66,857               | 33,25            | 1,66,857               | 33,25     |
| UTI BALANCED FUND - Growth                               | 10         | 1,30,507               | 1,70,00          | 79,470                 | 1,00,00   |
| <b>Total (IV)</b>                                        |            |                        | <b>23,03,95</b>  |                        | 23,32,14  |
| <b>Total (I+II+III+IV)</b>                               |            |                        | <b>34,16,17</b>  |                        | 34,25,26  |
| *Transfer from Current Investment.                       |            |                        |                  |                        |           |
| Aggregate amount of Quoted Investments                   |            |                        | 9,38,18          |                        | 8,88,30   |
|                                                          |            |                        | <b>9,38,18</b>   |                        | 8,88,30   |
| Aggregate amount of Unquoted Investments                 |            |                        | 23,03,98         |                        | 23,62,95  |
|                                                          |            |                        | <b>23,03,98</b>  |                        | 23,62,95  |
| Aggregate amount of Market value of Quoted Investments   |            |                        | <b>651,57,67</b> |                        | 578,22,65 |

**2.7 CURRENT INVESTMENTS**

| In ₹ Thousand                                         |            |                        |          |                        |              |
|-------------------------------------------------------|------------|------------------------|----------|------------------------|--------------|
|                                                       | Face Value | As at 31st March, 2017 |          | As at 31st March, 2016 |              |
|                                                       |            | Number                 | Value    | Number                 | Value        |
| <b>(I) In Equity Shares Quoted</b>                    |            |                        |          |                        |              |
| TITAN COMPANY LIMITED*                                | 1          | -                      | -        | 28,500                 | 19,10        |
| <b>Sub Total (I)</b>                                  |            |                        | <b>-</b> |                        | <b>19,10</b> |
| <b>(II) In Mutual Fund</b>                            |            |                        |          |                        |              |
| Reliance Pharma Fund - Dividend Plan Dividend Payout* | 10         | -                      | -        | 62,468                 | 25,00        |
| <b>Sub Total (II)</b>                                 |            |                        | <b>-</b> |                        | <b>25,00</b> |
| <b>Total (I+II)</b>                                   |            |                        | <b>-</b> |                        | <b>44,10</b> |
| * Transfer to Non Current Investment                  |            |                        |          |                        |              |

|                                                        |   |       |
|--------------------------------------------------------|---|-------|
| Aggregate amount of Quoted Investments                 | - | 19,10 |
| Aggregate amount of Unquoted Investments               | - | 25,00 |
| Aggregate amount of Market value of Quoted Investments | - | 96,64 |

**Notes Forming Part of the Financial Statements for the year ended 31st March, 2017**

**2.8 CASH AND CASH EQUIVALENTS**

**In ₹ Thousand**

| Particulars                                       | As at            |                  |
|---------------------------------------------------|------------------|------------------|
|                                                   | 31st March, 2017 | 31st March, 2016 |
| <b>Cash and Cash Equivalents</b>                  |                  |                  |
| In current account with Banks                     | 1,84,31          | 1,23,80          |
| Cash on Hand*                                     | 0                | 8                |
| *denotes balance less than ₹500                   |                  |                  |
| Earmarked balance with Banks in Dividend Accounts | 65,41            | 48,96            |
|                                                   | <b>2,49,72</b>   | <b>1,72,84</b>   |

**2.9 SHORT TERM LOANS AND ADVANCES**

**In ₹ Thousand**

| Particulars                          | As at            |                  |
|--------------------------------------|------------------|------------------|
|                                      | 31st March, 2017 | 31st March, 2016 |
| <b>UNSECURED (CONSIDERED GOOD)</b>   |                  |                  |
| Mat Credit Entitlement               | 20,78            | 8,82             |
| Balances with Government Authorities | 29               | -                |
|                                      | <b>21,07</b>     | <b>8,82</b>      |

**2.10 OTHER CURRENT ASSETS**

**In ₹ Thousand**

| Particulars                        | As at            |                  |
|------------------------------------|------------------|------------------|
|                                    | 31st March, 2017 | 31st March, 2016 |
| <b>UNSECURED (CONSIDERED GOOD)</b> |                  |                  |
| Dividend Receivable                | 1,49             | 26               |
|                                    | <b>1,49</b>      | <b>26</b>        |

**2.11 REVENUE FROM OPERATIONS**

**In ₹ Thousand**

| Particulars                  | For the year ended |                  |
|------------------------------|--------------------|------------------|
|                              | 31st March, 2017   | 31st March, 2016 |
| Dividend Income              |                    |                  |
| - Long Term                  | 5,91,53            | 6,18,70          |
| - Short Term                 | -                  | 5,66             |
| Income from Mutual Fund      | 4,97               | 37,59            |
| Interest Income on debenture | 22                 | 22               |
|                              | <b>5,96,72</b>     | <b>6,62,17</b>   |

**Notes Forming Part of the Financial Statements for the year ended 31st March, 2017**

**2.12 OTHER INCOME**

| Particulars                             | In ₹ Thousand      |                  |
|-----------------------------------------|--------------------|------------------|
|                                         | For the year ended |                  |
|                                         | 31st March, 2017   | 31st March, 2016 |
| Profit on sale of Long Term Investments | 2,11,45            | 94,96            |
| Miscellaneous Income                    | 5,96               | -                |
|                                         | <b>2,17,41</b>     | <b>94,96</b>     |

**2.13 OTHER EXPENSES**

| Particulars                                       | In ₹ Thousand      |                  |
|---------------------------------------------------|--------------------|------------------|
|                                                   | For the year ended |                  |
|                                                   | 31st March, 2017   | 31st March, 2016 |
| Legal & Professional Fees                         | 16,11              | 17,80            |
| Rates & Taxes                                     | 48                 | 1,71             |
| Directors' Fees                                   | 3,00               | 3,52             |
| Repair & Maintenance                              | 2,44               | 3,10             |
| Commission to Directors                           | 6,00               | 6,00             |
| Provision for Diminution in Long Term Investments | -                  | 28,83            |
| Corporate Social Responsibility                   | 11,00              | 11,25            |
| Expenses of Mutual Fund Scheme                    | 8,20               | 3,36             |
| Printing & Stationery                             | 3,25               | 2,29             |
| Miscellaneous expenses                            | 19,92              | 12,77            |
|                                                   | <b>70,40</b>       | <b>90,63</b>     |

**Note No 2.14: Contingent Liabilities and commitments (to the extent not provided for)**

Claim against the Company not acknowledged as debt: NIL

**Note No 2.15: Proposed Dividend**

The Board of Directors, for the current year has recommend a Dividend of ₹25 per share.

**Note No 2.16: Segment Reporting**

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

**Note No 2.17: Related Party Disclosure**

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

| Name of the Related Party             | Nature of Relationship                                                                                                 |
|---------------------------------------|------------------------------------------------------------------------------------------------------------------------|
| Paharpur Cooling Towers Limited       | Holding Company                                                                                                        |
| New Holding & Trading Company Limited | Subsidiary Company                                                                                                     |
| Key Management Personnel              | Mr Gaurav Swarup – Managing Director<br>Mr A K Singhania – Chief Finance Officer<br>Mr Hirak Ghosh – Company Secretary |

## Notes Forming Part of the Financial Statements for the year ended 31st March, 2017

|                                       |                                             |
|---------------------------------------|---------------------------------------------|
| Mrs.Gyan Mahendra Swarup              | Relatives of Key Management Personnel       |
| Mrs Bindu Swarup                      |                                             |
| Mrs Parul Swarup                      |                                             |
| Mr Vikram Swarup                      |                                             |
| KSB Pumps Limited                     | Associate Company                           |
| Paharpur Corporation Limited          | Enterprise over which Key Management        |
| Melvin Powell Vanaspati & Engineering | Personnel having significant influence over |
| Industries Limited.                   | the reporting enterprise exercise influence |

### B. Related Party Transactions:

| In ₹ Thousand         |                 |                    |                          |                                       |                   |                                                                                                                              |           |
|-----------------------|-----------------|--------------------|--------------------------|---------------------------------------|-------------------|------------------------------------------------------------------------------------------------------------------------------|-----------|
| Nature of Transaction | Holding Company | Subsidiary Company | Key Management Personnel | Relatives of Key Management Personnel | Associate Company | Enterprise over which Key Management Personnel having significant influence over the reporting enterprise exercise influence | Total     |
| Dividend Paid         | 2,48,97         | -                  | 12                       | 13,25                                 | -                 | 1,15,45                                                                                                                      | 3,77,79   |
|                       | (1,36,93)       | (-)                | (66)                     | (7,29)                                | (-)               | (63,50)                                                                                                                      | (2,08,38) |
| Dividend Received     | -               | -                  | -                        | -                                     | 3,92,70           | -                                                                                                                            | 3,92,70   |
|                       | (-)             | (-)                | (-)                      | (-)                                   | (3,92,70)         | (-)                                                                                                                          | (3,92,70) |

### 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.

### Note No 2.18 : Earning per Share

- 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.
- The weighted average number of equity shares used as denominator in calculating both basic and diluted earnings per share is 17,45,340 (Previous Year 5,81,780)

### Note No 2.19 : Employee Benefits

Employee Benefits expenses includes provision for gratuity ₹ 3,68.80 (Previous Year ₹ 4,91.00)

### Note No 2.20:Corporate Social Responsibility

The Company had provided ₹ 11,00 (Previous Year ₹ 11,25) towards expenditure on Corporate Social Responsibility Activities.

**Notes Forming Part of the Financial Statements for the year ended 31st March, 2017**

**Note No 2.21: Auditors' remuneration includes:**

**In ₹ Thousand**

| <b>Particulars</b>                              | <b>2016-17</b> | <b>2015-16</b> |
|-------------------------------------------------|----------------|----------------|
| Audit Fees                                      | 1,20           | 90             |
| Certification Fees                              | 30             | 1,09           |
| Reimbursement of Expenses including service tax | -              | 37             |
| <b>Total</b>                                    | <b>1,50</b>    | <b>2,36</b>    |

**Note No 2.22**

Details of Specified Bank Notes (SBN) held and transacted during the period from 8th November, 2016 to 30th December, 2016 as provided in the Table below:

| <b>Particulars</b>                    | <b>SBNs ₹</b> | <b>Other Denomination ₹</b> | <b>Total ₹</b> |
|---------------------------------------|---------------|-----------------------------|----------------|
| Closing cash in hand as on 08.11.2016 | 51,000        | 40,166                      | 91,166         |
| (+) Permitted receipts*               | -             | 20,000                      | 20,000         |
| (-) Permitted payments                | -             | 44,385                      | 44,385         |
| (-) Amount deposited in Banks         | 51,000        | -                           | 51,000         |
| Closing cash in hand as on 30.12.2016 | -             | 15,781                      | 15,781         |

\*Cash withdrawn from Bank.

**Note No 2.23**

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

As per our report attached.

For and on behalf of the Board of Directors

For V S Somani & Co.,  
Chartered Accountants

Arun Kumar Singhania  
Chief Financial Officer

A R Broacha  
Director

CA V. S. Somani  
Proprietor

Hirak Ghosh  
Company Secretary

Gaurav Swarup  
Managing Director

Mumbai, May 5, 2017

Mumbai, May 5, 2017

**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.**

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

|  | Particulars                                                                                              | (In ₹ Thousands) |  |  |
|--|----------------------------------------------------------------------------------------------------------|------------------|--|--|
|  | <b>Long Term Investments: (AT COST)</b><br>1. Quoted:<br>(i) Shares:                      (a) Equity<br> |                  |  |  |

**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, 2017**

In ₹ Thousands

|      |                                                                                                |                 |
|------|------------------------------------------------------------------------------------------------|-----------------|
| i    | Paid-up Equity Capital                                                                         | 1,74,56         |
| ii   | Free Reserves                                                                                  | 20,09,27        |
| iii  | <b>Total (i + ii)</b>                                                                          | <b>21,83,83</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>21,83,83</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>21,83,80</b> |

As per our report attached.

For and on behalf of the Board of Directors

For V S Somani & Co.,  
Chartered Accountants

Arun Kumar Singhania  
Chief Financial Officer

A R Broacha  
Director

CA V. S. Somani  
Proprietor

Hirak Ghosh  
Company Secretary

Gaurav Swarup  
Managing Director

Mumbai, May 5, 2017

Mumbai, May 5, 2017

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

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**To the Board of Directors of**

**INDUSTRIAL AND PRUDENTIAL INVESTMENT COMPANY LIMITED**

We have audited the accompanying consolidated financial statements of **INDUSTRIAL AND PRUDENTIAL INVESTMENT COMPANY LIMITED** ("hereinafter referred to as the Holding Company"), and its subsidiary (the Holding Company and its subsidiary referred together as "the Group") and associate which comprise the consolidated Balance Sheet as at 31<sup>st</sup> March, 2017, the consolidated Statement of Profit and Loss, the consolidated Cash Flow Statement for the year then ended, and a summary of the significant accounting policies and other explanatory information (hereinafter referred to as "the Consolidated financial statements")

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

The Holding Company's Board of Directors is responsible for the preparation 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

## **Independent Auditors' Report on the Consolidated Financial Statements.....Contd.**

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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.

### **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 31<sup>st</sup> March, 2017, 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 ₹.445.66 Lacs as at 31<sup>st</sup> March 2017, total revenues of ₹. 20.56 Lacs and cash inflow amounting to ₹. 18.03 Lacs 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 ₹. 1388.22 lakhs for the year ended 31<sup>st</sup> December 2016, 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, insofar 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.

**Independent Auditors' Report on the Consolidated Financial Statements.....Contd.**

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- (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, 2017 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 31<sup>st</sup> March, 2017 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 holding Company, subsidiary Company and Associate Company the operating effectiveness of such controls, refer to our separate report in "Annexure I".
- (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 Group.
  - iv. the Company had provided disclosures in note no. 2.22 in its financial statements as to holdings as well as dealings in Specified Bank Notes during the period the period from November 08, 2016 to December 30, 2016 are in accordance with the Books of Account maintained by the Company.

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

Chartered Accountants

F. R. No.117589W

Place: Mumbai

Date: May 05, 2017

**CA Vidyadhar Somani**

Membership No.102664

## **Independent Auditors' Report on the Consolidated Financial Statements.....Contd.**

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### **Annexure - I to the Auditors' Report on the Consolidated Financial Statements of Industrial and Prudential Investment Company Limited**

#### **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 31 March 2017, we have audited the internal financial controls over financial reporting of **INDUSTRIAL AND 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, its subsidiary Company and Associate 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.

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

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**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 Holding Company, subsidiary Company and Associate Company, which are incorporated in India, have, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2017 whereas for associate Company for the year ended on December 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

F. R. No.117589W

**CA Vidyadhar Somani**

Proprietor

Membership No.102664

Place: Mumbai

Date: May 05, 2017

# Industrial And Prudential Investment Company Limited

## Consolidated Balance Sheet as at 31st March, 2017

| In ₹ Thousand                             |          |                  |           |                  |           |
|-------------------------------------------|----------|------------------|-----------|------------------|-----------|
| Particulars                               | Note No. | As at 31.03.2017 |           | As at 31.03.2016 |           |
| <b>I. EQUITY AND LIABILITIES</b>          |          |                  |           |                  |           |
| <b>(1) SHAREHOLDERS' FUNDS</b>            |          |                  |           |                  |           |
| (a) Share Capital                         | 2.1      | 1,74,56          |           | 58,21            |           |
| (b) Reserves and Surplus                  | 2.2      | 182,64,01        |           | 162,78,67        |           |
| (c) Money received against Share warrants |          | -                |           | -                |           |
|                                           |          |                  | 184,38,57 |                  | 163,36,88 |
| <b>(2) SHARE APPLICATION MONEY</b>        |          |                  |           |                  |           |
| Pending Allotment                         |          |                  | -         |                  | -         |
| <b>(3) NON CURRENT LIABILITIES</b>        |          |                  |           |                  |           |
| (a) Long Term Borrowings                  |          | -                |           | -                |           |
| (b) Deferred Tax Liabilities              |          | -                |           | -                |           |
| (c) Other Long Term Liabilities           |          | -                |           | -                |           |
| (d) Long Term Provision                   |          | -                |           | -                |           |
| <b>(4) CURRENT LIABILITIES</b>            |          |                  |           |                  |           |
| (a) Trade payables                        |          | 10,52            |           | 11,44            |           |
| (b) Other Current Liabilities             | 2.3      | 66,03            |           | 51,15            |           |
| (c) Short-term provisions                 | 2.4      | 63,43            |           | 7,36,96          |           |
|                                           |          |                  | 1,39,98   |                  | 7,99,55   |
|                                           |          |                  | 185,78,55 |                  | 171,36,43 |
| <b>II. ASSETS</b>                         |          |                  |           |                  |           |
| <b>(1) NON-CURRENT ASSETS</b>             |          |                  |           |                  |           |
| (a) Fixed assets                          |          |                  |           |                  |           |
| (i) Tangible assets                       | 2.5      | 26               |           | 48               |           |
| (ii) Intangible assets                    |          | -                |           | 1,06             |           |
| (iii) Capital work in progress            |          | -                |           | -                |           |
| (iv) Intangible assets under development  |          | -                |           | -                |           |
| (b) Non-Current Investments               | 2.6      | 182,65,58        |           | 168,86,46        |           |
| (c) Deferred Tax assets                   |          | -                |           | -                |           |
| (d) Long Term Loans and Advances          |          | -                |           | -                |           |
| (e) Other Non Current assets              |          | 7                |           | 7                |           |
|                                           |          |                  | 182,65,91 |                  | 168,88,07 |
| <b>(2) CURRENT ASSETS</b>                 |          |                  |           |                  |           |
| (a) Current investments                   | 2.7      | -                |           | 44,10            |           |
| (b) Inventories                           |          | -                |           | -                |           |
| (c) Trade Receivables                     |          | -                |           | -                |           |
| (d) Cash and Cash equivalents             | 2.8      | 2,89,41          |           | 1,94,50          |           |
| (e) Short-term loans and advances         | 2.9      | 21,74            |           | 9,50             |           |
| (f) Other Current assets                  | 2.10     | 1,49             |           | 26               |           |
|                                           |          |                  | 3,12,64   |                  | 2,48,36   |
|                                           |          |                  | 185,78,55 |                  | 171,36,43 |

Significant Accounting Policies (Note No. 1) and other Notes form an integral part of the Financial Statements

As per our report attached.

For and on behalf of the Board of Directors

For V S Somani & Co.,  
Chartered Accountants

Arun Kumar Singhania  
Chief Financial Officer

A R Broacha  
Director

CA V. S. Somani  
Proprietor

Hirak Ghosh  
Company Secretary

Gaurav Swarup  
Managing Director

Mumbai, May 5, 2017

Mumbai, May 5, 2017

# Industrial And Prudential Investment Company Limited

## Consolidated Statement of Profit and Loss for the year ended 31st March, 2017

| In ₹ Thousand                                                                 |          |                               |                               |
|-------------------------------------------------------------------------------|----------|-------------------------------|-------------------------------|
| Particulars                                                                   | Note No. | For the year ended 31.03.2017 | For the year ended 31.03.2016 |
| <b>REVENUE</b>                                                                |          |                               |                               |
| Revenue from Operations                                                       | 2.11     | <b>6,17,28</b>                | 6,83,58                       |
| Other Income                                                                  | 2.12     | <b>2,17,41</b>                | 97,57                         |
| <b>(I) Total Revenue</b>                                                      |          | <b>8,34,69</b>                | 7,81,15                       |
| <b>EXPENSES</b>                                                               |          |                               |                               |
| Cost of Materials Consumed                                                    |          | -                             | -                             |
| Purchase of Stock in Trade                                                    |          | -                             | -                             |
| Change in inventories of finished goods, work in progress and stock in Trade  |          | -                             | -                             |
| Employee Benefit expenses                                                     |          | <b>14,94</b>                  | 18,10                         |
| Finance Cost                                                                  |          | <b>1,10</b>                   | -                             |
| Depreciation and amortisation expenses                                        | 2.5      | <b>1,29</b>                   | 1,33                          |
| Other expenses                                                                | 2.13     | <b>72,88</b>                  | 67,48                         |
| <b>(II) Total Expenses</b>                                                    |          | <b>90,21</b>                  | 86,91                         |
| <b>(III) Profit before exceptional and extraordinary items and tax (I-II)</b> |          | <b>7,44,48</b>                | 6,29,44                       |
| <b>(IV) Exceptional Item</b>                                                  |          | -                             | -                             |
| <b>(V) Profit before tax</b>                                                  |          | <b>7,44,48</b>                | 6,94,24                       |
| <b>(VI) Tax expenses:</b>                                                     |          |                               |                               |
| Current tax                                                                   |          | <b>31,00</b>                  | 14,70                         |
| Mat Alternative Tax Credit                                                    |          | -                             | (68)                          |
| <b>(VII) Profit for the year from continuing operations</b>                   |          | <b>7,13,48</b>                | 6,80,22                       |
| <b>(VIII) Profit/(Loss) from discontinuing operations</b>                     |          | -                             | -                             |
| <b>(IX) Tax Expenses from discontinuing operations</b>                        |          | -                             | -                             |
| <b>(X) Profit/(Loss) from discontinuing operations (after Tax) (VIII-IX)</b>  |          | -                             | -                             |
| <b>(XI) Profit/(Loss) for the year</b>                                        |          | <b>7,13,48</b>                | 6,80,22                       |
| <b>Add: Share of Profit in respect of investment in Associate Company</b>     |          | <b>13,88,22</b>               | 14,61,21                      |
|                                                                               |          | <b>21,01,70</b>               | 21,41,43                      |
| <b>(XII) Earnings per equity share (in ₹) Basic and Diluted</b>               |          | <b>120.42</b>                 | 122.69                        |

Significant Accounting Policies (Note No. 1) and other Notes form an integral part of the Financial Statements

As per our report attached.

For and on behalf of the Board of Directors

For V S Somani & Co.,  
Chartered Accountants

Arun Kumar Singhania  
Chief Financial Officer

A R Broacha  
Director

CA V. S. Somani  
Proprietor

Hirak Ghosh  
Company Secretary

Gaurav Swarup  
Managing Director

Mumbai, May 5, 2017

Mumbai, May 5, 2017

## Consolidated Cash Flow Statement for The Year Ended as at 31st March, 2017

| In ₹ Thousand                                             |                    |                |           |
|-----------------------------------------------------------|--------------------|----------------|-----------|
|                                                           | For the year ended |                |           |
|                                                           | March 31, 2017     | March 31, 2016 |           |
| <b>A) Cash Flow from operating activities:</b>            |                    |                |           |
| Net Profit before tax                                     | 7,44,48            |                | 6,94,24   |
| Adjustments for:                                          |                    |                |           |
| Depreciation                                              | 1,29               | 1,33           |           |
| Investment Income                                         | (2,11,45)          | (97,57)        |           |
| Provision for diminution in value of investment           | -                  | 4,05           |           |
|                                                           | (2,10,16)          |                | (92,19)   |
| Operating profit before working capital changes           | 5,34,32            |                | 6,02,05   |
| Adjustments for changes in working capital                |                    |                |           |
| (Increase)/Decrease in Trade & other receivables          | (1,52)             | 1              |           |
| Increase/(Decrease) in trade payables & other liabilities | 12,24              | 2,97           | 2,98      |
|                                                           | 5,45,04            |                | 6,05,03   |
| Less: Tax Paid                                            | 31,00              |                | 14,00     |
| Net Cash generated from operations                        | 5,14,04            |                | 5,91,03   |
| <b>B) Cash flow from Investing activities</b>             |                    |                |           |
| Purchase of Fixed Assets (including Advances)             | -                  | (1,70)         |           |
| Purchase of Investments                                   | (7,30,00)          | (21,95,91)     |           |
| Sale of Investments                                       | 9,94,64            | 19,87,12       | (2,10,49) |
| Net cash generated from/used in investing activities      | 2,64,64            |                | (2,10,49) |
| <b>C) Cash flow from Financial activities</b>             |                    |                |           |
| Payment of Dividend                                       | (5,65,33)          | (3,11,92)      |           |
| Payment of Corporate Dividend Tax                         | (1,18,44)          | (65,14)        | (3,77,06) |
| Net cash generated from/used in Financial activities      | (6,83,77)          |                | (3,77,06) |
| Net Increase/(decrease) in cash & cash equivalents(A+B+C) | 94,91              |                | 3,48      |
| Opening Cash & Cash Equivalents                           | 1,94,50            |                | 1,91,02   |
| Closing Cash & Cash Equivalents                           | 2,89,41            |                | 1,94,50   |
| Net Increase/(decrease) in cash & cash equivalents        | 94,91              |                | 3,48      |

Note: 1. Cash and Bank Balances lying with designated banks in unclaimed dividend accounts ₹ 65,41 (Previous Year ₹ 48,96).

2. Previous year's figures have been regrouped wherever necessary.

3. All figures in brackets are outflows.

As per our report attached.

For and on behalf of the Board of Directors

For V S Somani & Co.,  
Chartered Accountants

Arun Kumar Singhania  
Chief Financial Officer

A R Broacha  
Director

CA V. S. Somani  
Proprietor

Hirak Ghosh  
Company Secretary

Gaurav Swarup  
Managing Director

Mumbai, May 5, 2017

Mumbai, May 5, 2017

**CONSOLIDATED**

**Industrial And Prudential Investment Company Limited**

**Notes Forming Part of the Financial Statements for the Year Ended 31st March, 2017**

**Note 1**

**SIGNIFICANT ACCOUNTING POLICIES**

- (a) The Consolidated Financial Statements are prepared in accordance with Principles of Consolidation prescribed in AS-21 and AS-23 Accounting Standards notified by the Companies (Accounting Standards) Rules, 2006. The Consolidated Financial Statements comprise the financial statement of Industrial And 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.
- (b) The Accounting Policies have been consistently applied by the Company and are consistent with those used in the previous year.
- (c) 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.
- (d) 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."

**2.1 SHARE CAPITAL**

In ₹ Thousand

| Particulars                                                                | As at<br>31st March, 2017 | As at<br>31st March, 2016 |
|----------------------------------------------------------------------------|---------------------------|---------------------------|
| Authorised Capital                                                         |                           |                           |
| 20,00,000 (Previous Year 10,00,000) Equity Shares of ₹10 each              | 2,00,00                   | 1,00,00                   |
|                                                                            | <b>2,00,00</b>            | <b>1,00,00</b>            |
| <b>Issued, Subscribed and Paid-up</b>                                      |                           |                           |
| 17,45,340 (Previous Year 5,81,780) Equity shares of ₹10 each fully paid-up | 1,74,53                   | 58,18                     |
| Forfeited Shares                                                           | 3                         | 3                         |
|                                                                            | <b>1,74,56</b>            | <b>58,21</b>              |

**a) Reconciliation of the number of shares outstanding**

| Particulars                                | 2016-17      |         | 2015-16      |        |
|--------------------------------------------|--------------|---------|--------------|--------|
|                                            | No of Shares | Amount  | No of Shares | Amount |
| As at the beginning of the year            | 5,81,780     | 58,18   | 5,81,780     | 58,18  |
| Add: Shares issued during the year (bonus) | 11,63,560    | 1,16,35 | -            | -      |
| Less: Shares bought back during the year   | -            | -       | -            | -      |
| As at the end of the year                  | 17,45,340    | 1,74,53 | 5,81,780     | 58,18  |

**b) Terms and Rights attached to equity shareholders**

The Company has only One class of Equity Shares having par value of ₹ 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 Shareholders 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.

# CONSOLIDATED Industrial And Prudential Investment Company Limited

## Notes Forming Part of the Financial Statements for the Year Ended 31st March, 2017

### 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) Names of the Shareholders holding more than 5% Equity Shares

| Names of Shareholders                                | March 31,2017 |       | March 31,2016 |       |
|------------------------------------------------------|---------------|-------|---------------|-------|
|                                                      | No of Shares  | In %  | No of Shares  | In %  |
| Paharpur Cooling Towers Ltd.                         | 7,46,901      | 42.79 | 2,48,967      | 42.79 |
| Melvin Powell Vanaspati & Engineering Industries Ltd | 1,54,800      | 8.87  | 51,600        | 8.87  |
| Paharpur Corporation Limited                         | 1,91,550      | 10.97 | 63,850        | 10.97 |

e) During the year, the Company has issued in the ratio of two bonus equity shares for every one equity share of ₹ 10 each by capitalising of ₹ 1,16,35,600 from General Reserve to Paid-up share capital.

### 2.2 RESERVES AND SURPLUS

In ₹ Thousand

|                                                                    | As at<br>31-03- 2017 | As at<br>31-03-2016 |
|--------------------------------------------------------------------|----------------------|---------------------|
| <b>Capital Reserve</b>                                             | <b>65</b>            | <b>65</b>           |
| <b>General Reserve</b>                                             |                      |                     |
| At the beginning of the year .....                                 | <b>7,65,30</b>       | 7,65,30             |
| Less: Issue of Bonus of Share's .....                              | <b>1,16,36</b>       | -                   |
| At the end of the year .....                                       | <b>6,48,94</b>       | 7,65,30             |
| <b>Special Reserve</b>                                             |                      |                     |
| (In terms of Section 45-IC of the Reserve Bank of India Act, 1934) |                      |                     |
| At the beginning of the year .....                                 | <b>13,18,15</b>      | 11,81,10            |
| Add: Transferred from Surplus .....                                | <b>1,42,72</b>       | 1,37,05             |
| At the end of the year .....                                       | <b>14,60,87</b>      | 13,18,15            |
| <b>Surplus.....</b>                                                |                      |                     |
| At the beginning of the year .....                                 | <b>141,94,57</b>     | 128,90,41           |
| Add: Profit for the year as per Statement of Profit and Loss ..... | <b>21,01,17</b>      | 21,41,43            |
| Less: Amount transferred to Special reserve .....                  | <b>1,42,72</b>       | 1,37,05             |
| Less: Proposed dividend .....                                      | -                    | 5,81,78             |
| Less: Tax on Proposed dividend .....                               | -                    | 1,18,44             |
| At the end of the year .....                                       | <b>161,53,55</b>     | 141,94,57           |
| <b>At the end of the year .....</b>                                | <b>182,64,01</b>     | 162,78,67           |

**CONSOLIDATED**

**Industrial And Prudential Investment Company Limited**

**Notes Forming Part of the Financial Statements for the Year Ended 31st March, 2017**

In ₹ Thousand

**2.3 OTHER CURRENT LIABILITIES**

|                              | As at<br>31-03- 2017 | As at<br>31-03-2016 |
|------------------------------|----------------------|---------------------|
| Unclaimed Dividend .....     | 65,41                | 48,96               |
| Tax Deducted at Source ..... | 62                   | 1,16                |
| Service Tax .....            | -                    | 1,03                |
|                              | <u>66,03</u>         | <u>51,15</u>        |

**2.4 SHORT TERM PROVISIONS**

|                                                         | As at<br>31-03- 2017 | As at<br>31-03-2016 |
|---------------------------------------------------------|----------------------|---------------------|
| Provision for Taxation (Net of Advance Tax) .....       | 16,87                | 4,87                |
| Provision for Proposed Dividend .....                   | -                    | 5,81,78             |
| Tax on Proposed Dividend .....                          | -                    | 1,18,44             |
| Provision towards Corporate Social Responsibility ..... | 22,25                | 11,25               |
| Retirement Benefits .....                               | 24,31                | 20,62               |
|                                                         | <u>63,43</u>         | <u>7,36,96</u>      |

**2.5 Fixed Assets**

In ₹ Thousand

| DESCRIPTION<br>1         | GROSS BLOCK                   |                |                             |                               | DEPRECIATION / AMORTISATION |                      |                             |                         | NET BLOCK                 |                           |
|--------------------------|-------------------------------|----------------|-----------------------------|-------------------------------|-----------------------------|----------------------|-----------------------------|-------------------------|---------------------------|---------------------------|
|                          | COST AS ON<br>01.04.2016<br>2 | ADDITIONS<br>3 | SALES /<br>ADJUSTMENTS<br>4 | COST AS ON<br>31.03.2017<br>5 | UPTO<br>31.03.2016<br>6     | FOR THE<br>YEAR<br>7 | SALES /<br>ADJUSTMENTS<br>8 | UPTO<br>31.03.2017<br>9 | AS ON<br>31.03.2017<br>10 | AS ON<br>31.03.2016<br>11 |
| <b>Tangible Assets</b>   |                               |                |                             |                               |                             |                      |                             |                         |                           |                           |
| BUILDING                 | 1,52                          | -              | -                           | 1,52                          | 1,29                        | 2                    | -                           | 1,31                    | 21                        | 23                        |
| FURNITURE AND FIXTURES   | 3,80                          | -              | -                           | 3,80                          | 3,80                        | -                    | -                           | 3,80                    | -                         | -                         |
| OFFICE EQUIPMENTS        | 1,17                          | -              | -                           | 1,17                          | 1,17                        | -                    | -                           | 1,17                    | -                         | -                         |
| OTHERS - COMPUTERS       | 5,53                          | -              | -                           | 5,53                          | 5,28                        | 20                   | -                           | 5,48                    | 5                         | 25                        |
| Sub-total                | 12,02                         | -              | -                           | 12,02                         | 11,54                       | 22                   | -                           | 11,76                   | 26                        | 48                        |
| <b>Intangible Assets</b> |                               |                |                             |                               |                             |                      |                             |                         |                           |                           |
| COMPUTER SOFTWARE        | 2,02                          | -              | -                           | 2,02                          | 96                          | 1,06                 | -                           | 2,02                    | -                         | 1,06                      |
| Sub-total                | 2,02                          | -              | -                           | 2,02                          | 96                          | 1,06                 | -                           | 2,02                    | -                         | 1,06                      |
| Grand Total              | 14,04                         | -              | -                           | 14,04                         | 12,50                       | 1,29                 | -                           | 13,79                   | 26                        | 1,54                      |
| PREVIOUS YEAR            | 11,59                         | 245.00         | -                           | 14,04                         | 11,17                       | 1,33                 | -                           | 12,50                   | 1,54                      | 42                        |

Note : Building includes ₹ 250 (Previous year ₹ 250/-) being the cost of shares in Co-operative Society.

**2.6 Non -Current Investments  
(Fully paid up except otherwise stated )**

₹ In thousand

|                               | Face<br>Value | As at 31st March, 2017 |           | As at 31st March, 2016 |           |
|-------------------------------|---------------|------------------------|-----------|------------------------|-----------|
|                               |               | Number                 | Value     | Number                 | Value     |
| <b>(I) In Equity Shares</b>   |               |                        |           |                        |           |
| <b>(a) Quoted - Associate</b> |               |                        |           |                        |           |
| KSB PUMPS LIMITED             | 10            | 74,00,000              | 147,28,24 | 74,00,000              | 133,40,02 |
| <b>Total (a)</b>              |               |                        | 147,28,24 |                        | 133,40,02 |
| <b>(b) Quoted - Others</b>    |               |                        |           |                        |           |
| 3I INFOTECH LIMITED           | 10            | 95,000                 | 26,66     | 95,000                 | 26,66     |
| ACC LIMITED                   | 10            | 7,000                  | 4,38      | 7,000                  | 4,38      |
| AMARA RAJA BATTERIES LIMITED  | 1             | 1,05,000               | 10,04     | 1,05,000               | 10,04     |

**CONSOLIDATED**  
**Industrial And Prudential Investment Company Limited**

**Notes Forming Part of the Financial Statements for the Year Ended 31st March, 2017**

|                                            |            | In ₹ Thousand          |       |                        |       |
|--------------------------------------------|------------|------------------------|-------|------------------------|-------|
|                                            |            | As at 31st March, 2017 |       | As at 31st March, 2016 |       |
|                                            | Face Value | Number                 | Value | Number                 | Value |
| ASHAPURA MINECHEM LIMITED                  | 2          | 62,000                 | 25,37 | 62,000                 | 25,37 |
| ASHOK LEYLAND LIMITED                      | 1          | 27,000                 | 20,05 | 27,000                 | 20,05 |
| BASF INDIA LIMITED                         | 10         | 10,800                 | 41,23 | 10,800                 | 41,23 |
| BEML LIMITED                               | 10         | 8,500                  | 18,77 | 8,500                  | 18,77 |
| BHARAT ELECTRONICS LIMITED                 | 1          | 90,000                 | 11,96 | 9,000                  | 11,96 |
| BHARAT FORGE LIMITED                       | 2          | 16,000                 | 13,83 | 16,000                 | 13,83 |
| BHARTI AIRTEL LIMITED                      | 5          | 17,500                 | 22,74 | 17,500                 | 22,74 |
| BOSCH LIMITED                              | 10         | 2,000                  | 11    | 2,000                  | 11    |
| BSE LIMITED                                | 2          | 6,750                  | 30,78 | -                      | -     |
| CAIRN INDIA LIMITED                        | 10         | 4,400                  | 14,84 | 4,400                  | 14,84 |
| CENTURY TEXTILES & INDUSTRIES LIMITED      | 10         | 4,500                  | 23,94 | 4,500                  | 23,94 |
| DR REDDY'S LABORATORIES LIMITED            | 5          | 4,000                  | 20,29 | 4,000                  | 20,29 |
| GAIL (INDIA) LIMITED                       | 10         | 38,000                 | 43,22 | 28,500                 | 43,22 |
| GE T&D INDIA LIMITED                       | 2          | 50,000                 | 7,88  | 50,000                 | 7,88  |
| HDFC BANK LIMITED                          | 2          | 2,000                  | 21,97 | 2,000                  | 21,97 |
| HEIDELBERG CEMENT LIMITED                  | 10         | 25,000                 | 17,85 | 25,000                 | 17,85 |
| HINDUSTAN UNILEVER LIMITED                 | 1          | 73,000                 | 1,91  | 73,000                 | 1,91  |
| IDBI BANK LIMITED                          | 10         | 15,000                 | 11,70 | 15,000                 | 11,70 |
| INDIA CEMENTS LIMITED                      | 10         | 26,000                 | 21,95 | 26,000                 | 21,95 |
| INFOSYS LIMITED                            | 5          | 4,51,200               | 52,57 | 4,51,200               | 52,57 |
| ITC LIMITED                                | 1          | 27,000                 | 11,27 | 18,000                 | 11,27 |
| KOKUYO CAMLIN LIMITED                      | 1          | 20,000                 | 20,59 | 20,000                 | 20,59 |
| MONSANTO INDIA LIMITED                     | 10         | 1,600                  | 6,73  | 1,600                  | 6,73  |
| NESTLE INDIA LIMITED                       | 10         | 14,000                 | 1,78  | 14,000                 | 1,78  |
| NTPC LIMITED                               | 10         | 21,000                 | 16,84 | 21,000                 | 16,84 |
| ORIENT REFRACTORIES LIMITED                | 10         | 90,000                 | 4,01  | 90,000                 | 4,01  |
| PIRAMAL ENTERPRISE LIMITED                 | 2          | 20,500                 | 15,57 | 20,500                 | 15,57 |
| RELIANCE INDUSTRIES LIMITED                | 10         | 16,000                 | 14,55 | 16,000                 | 14,55 |
| SCHNEIDER ELECTRIC INFRASTRUCTURE LIMITED  | 2          | 50,000                 | 2,37  | 50,000                 | 2,37  |
| SELAN EXPLORATION TECHNOLOGY LIMITED       | 10         | 11,000                 | 8,05  | 11,000                 | 8,05  |
| SIEMENS LIMITED                            | 2          | 25,000                 | 1,95  | 25,000                 | 1,95  |
| STATE BANK OF INDIA                        | 1          | 71,000                 | 39,47 | 71,000                 | 39,47 |
| SUN PHARMACEUTICAL LIMITED                 | 1          | 8,000                  | 32,24 | 8,000                  | 32,24 |
| TATA CONSULTANCY SERVICES LIMITED          | 1          | 14,000                 | 66,71 | 14,000                 | 66,71 |
| TATA MOTORS LIMITED                        | 2          | 21,100                 | 8,83  | 21,100                 | 8,83  |
| TATA MOTORS LIMITED -NEW NPP               | 2          | 41,500                 | 40,05 | 41,500                 | 40,05 |
| TATA STEELS LIMITED                        | 10         | 17,686                 | 37,43 | 17,686                 | 37,43 |
| TECH MAHINDRA LIMITED                      | 5          | 12,000                 | 19,43 | 12,000                 | 19,43 |
| THE GREAT EASTERN SHIPPING COMPANY LIMITED | 10         | 30,400                 | 50,57 | 30,400                 | 50,57 |
| THE INDIAN HOTELS COMPANY LIMITED          | 1          | 97,020                 | 24,88 | 97,020                 | 24,88 |

**CONSOLIDATED**

**Industrial And Prudential Investment Company Limited**

**Notes Forming Part of the Financial Statements for the Year Ended 31st March, 2017**

|                                                               |            | In ₹ Thousand          |                 |                        |                 |
|---------------------------------------------------------------|------------|------------------------|-----------------|------------------------|-----------------|
|                                                               |            | As at 31st March, 2017 |                 | As at 31st March, 2016 |                 |
|                                                               | Face Value | Number                 | Value           | Number                 | Value           |
| THE KARUR VYSYA BANK LIMITED                                  | 2          | 1,90,000               | 35,91           | 1,90,000               | 35,91           |
| THE TATA POWER COMPANY LIMITED                                | 1          | 2,70,000               | 28,84           | 2,70,000               | 28,84           |
| TIMKEN INDIA LIMITED                                          | 10         | 7,000                  | 14,33           | 7,000                  | 14,33           |
| TITAN COMPANY LIMITED*                                        | 1          | 3,10,500               | 49,94           | 2,82,000               | 30,84           |
| VIKAS W.S.P LIMITED                                           | 1          | 80,000                 | 32,16           | 80,000                 | 32,16           |
| ZEE ENTERTAINMENT ENTERPRISES LIMITED                         | 1          | 20,808                 | 7,99            | 20,808                 | 7,99            |
| <b>Total</b>                                                  |            |                        | <b>10,56,53</b> |                        | <b>10,06,65</b> |
| <b>Less: Provision for Diminution in value of Investments</b> |            |                        | <b>49,98</b>    |                        | <b>49,98</b>    |
| <b>Total (b)</b>                                              |            |                        | <b>10,06,55</b> |                        | <b>9,56,67</b>  |

\*28,500 Shares are transferred from Current to Non-current investment.

**(c) Unquoted**

|                                           |    |       |                  |        |                  |
|-------------------------------------------|----|-------|------------------|--------|------------------|
| BSE LIMITED                               | 1  | -     | -                | 13,500 | 30,78            |
| Niyuprene Plastics Company Limited        | 10 | 1,000 | -                | 1,000  | -                |
| Siltronics India Limited (In liquidation) | 10 | 30    | -                | 30     | -                |
| <b>Total (c)</b>                          |    |       | -                |        | <b>30,78</b>     |
| <b>Total (I)</b>                          |    |       | <b>157,34,79</b> |        | <b>143,27,47</b> |

**(II) In Preference Shares**

|                                                                               |    |        |   |        |   |
|-------------------------------------------------------------------------------|----|--------|---|--------|---|
| ZEE ENTERTAINMENT ENTERPRISES LIMITED (6%)<br>(Redeemable on 14th March 2022) | 10 | 43,696 | - | 43,696 | - |
| <b>Total (II)</b>                                                             |    | -      |   | -      |   |

**(III) In Debentures**

|                                                                                  |      |        |   |        |   |
|----------------------------------------------------------------------------------|------|--------|---|--------|---|
| NTPC Limited - SR-54 8.49%<br>Non Convertible<br>(Redeemable on 25th March 2025) | 12.5 | 21,000 | - | 21,000 | - |
| <b>Total (III)</b>                                                               |      | -      |   | -      |   |

**(IV) In Mutual Fund**

|                                                                      |      |          |         |          |         |
|----------------------------------------------------------------------|------|----------|---------|----------|---------|
| Birla Sunlife Mutual Fund - Income Plus Growth                       | 10   | -        | -       | 1,97,594 | 1,00,00 |
| Birla Sunlife Mutual Fund Balance 95<br>Fund - Growth - Regular Plan | 10   | 30,067   | 1,66,56 | 30,067   | 1,66,56 |
| DSP BR Focus 25 Fund -Regular Plan - Growth                          | 10   | 7,32,837 | 1,25,00 | 7,32,837 | 1,25,00 |
| DSP BR Balanced Fund - Regular Plan - Growth                         | 10   | 1,18,760 | 1,40,00 | -        | -       |
| Franklin India Balance Fund                                          | 10   | 1,08,369 | 1,00,00 | 1,08,369 | 1,00,00 |
| Reliance Mutual Fund ETF - Liquid Bees                               | 1000 | 0.04     | -       | 0.04     | -       |
| HDFC Mutual Fund - Balance Fund Growth -<br>Regular Plan             | 10   | 1,92,536 | 2,00,00 | 1,50,742 | 1,50,00 |

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**Industrial And Prudential Investment Company Limited**

**Notes Forming Part of the Financial Statements for the Year Ended 31st March, 2017**

|                                                                   |            | In ₹ Thousand          |                  |                        |                  |
|-------------------------------------------------------------------|------------|------------------------|------------------|------------------------|------------------|
|                                                                   |            | As at 31st March, 2017 |                  | As at 31st March, 2016 |                  |
|                                                                   | Face Value | Number                 | Value            | Number                 | Value            |
| HDFC Mutual Fund - Income Fund Growth- Regular Plan               | 10         | -                      | -                | 2,58,093               | 70,00            |
| ICICI Prudential Mutual Fund - Balance Fund Regular Plan - Growth | 10         | 2,11,87                | 41,89,60         | 2,11,874               | 1,89,60          |
| IL & FS Milestone Fund - II                                       | 10         | 104                    | 1,04             | 6,798                  | 67,98            |
| IDFC Super Saver-Income Plan-Investment Plan A-Growth             | 10         | -                      | -                | 5,25,249               | 1,46,25          |
| IDFC Dynamic Equity Fund Regular Plan-Growth                      | 10         | 13,97,436              | 1,50,00          | 6,59,973               | 70,00            |
| JM Mutual Fund - G-Sec Fund- Regular Plan Growth                  | 10         | 4,02,216               | 1,59,87          | 4,02,216               | 1,59,87          |
| JM Mutual Fund -Money Manager Super Plan Growth                   | 10         | -                      | -                | 2,56,832               | 50,00            |
| Kotak Select Focus Fund - Growth                                  | 10         | 5,50,758               | 1,25,00          | 5,50,758               | 1,25,00          |
| L&T India Prudence Fund - Growth                                  | 10         | 4,82,393               | 1,00,00          | -                      | -                |
| Reliance Regular Saving Fund- Balanced Plan-Dividend              | 10         | 10,59,073              | 1,80,00          | 10,59,073              | 1,80,00          |
| Reliance Pharma Fund - Dividend Plan Dividend Payout*             | 10         | 62,468                 | 25,00            | -                      | -                |
| SBI Magnum Balanced Fund - Growth                                 | 10         | 2,92,634               | 2,90,00          | 1,54,514               | 1,50,00          |
| Tata Balanced Fund - Growth                                       | 10         | 1,45,885               | 2,50,00          | 1,17,615               | 2,00,00          |
| UTI BOND FUND -Growth                                             | 10         | -                      | -                | 7,05,749               | 2,50,00          |
| UTI BOND FUND - Bluechip Flexicap - Dividend Payout Plan          | 10         | 1,66,857               | 33,25            | 1,66,857               | 33,25            |
| UTI BALANCED FUND - Growth                                        | 10         | 2,30,934               | 2,95,47          | 1,79,897               | 2,25,47          |
| <b>Total (IV)</b>                                                 |            |                        | <b>25,30,79</b>  |                        | <b>25,58,98</b>  |
| <b>Total (I+II+III+IV)</b>                                        |            |                        | <b>182,65,58</b> |                        | <b>168,86,46</b> |
| * Transfer from Current Investment to Non-current Investment.     |            |                        |                  |                        |                  |
| Aggregate amount of Quoted Investments                            |            |                        | <b>157,84,77</b> |                        | <b>143,46,67</b> |
|                                                                   |            |                        | <b>157,84,77</b> |                        | <b>143,46,67</b> |
| Aggregate amount of Unquoted Investments                          |            |                        | <b>25,30,79</b>  |                        | <b>25,89,76</b>  |
|                                                                   |            |                        | <b>25,30,79</b>  |                        | <b>25,89,76</b>  |
| Aggregate amount of Market value of Quoted Investments            |            |                        | <b>673,83,74</b> |                        | <b>597,96,67</b> |

**CONSOLIDATED**

**Industrial And Prudential Investment Company Limited**

**Notes Forming Part of the Financial Statements for the Year Ended 31st March, 2017**

**2.7 CURRENT INVESTMENTS**

In ₹ Thousand

|                                                        | Face Value | As at 31st March, 2017 |       | As at 31st March, 2016 |              |
|--------------------------------------------------------|------------|------------------------|-------|------------------------|--------------|
|                                                        |            | Number                 | Value | Number                 | Value        |
| <b>(I) In Equity Shares Quoted</b>                     |            |                        |       |                        |              |
| TITAN COMPANY LIMITED*                                 | 1          | -                      | -     | 28,500                 | 19,10        |
| <b>Sub Total (I)</b>                                   |            |                        | -     |                        | <b>19,10</b> |
| <b>(II) In Mutual Fund</b>                             |            |                        |       |                        |              |
| Reliance Pharma Fund - Dividend Plan Dividend Payout*  | 10         | -                      | -     | 62,468                 | 25,00        |
| <b>Sub Total (II)</b>                                  |            | -                      | -     |                        | <b>25,00</b> |
| <b>Total (I+II)</b>                                    |            |                        | -     |                        | <b>44,10</b> |
| * Transfer to Non Current Investment                   |            |                        |       |                        |              |
| Aggregate amount of Quoted Investments                 |            |                        | -     |                        | 19,10        |
| Aggregate amount of Unquoted Investments               |            |                        | -     |                        | 25,00        |
| Aggregate amount of Market value of Quoted Investments |            |                        | -     |                        | 96,64        |

**2.8 CASH AND CASH EQUIVALENTS**

In ₹ Thousand

| Particulars                                       | As at            |                  |
|---------------------------------------------------|------------------|------------------|
|                                                   | 31st March, 2017 | 31st March, 2016 |
| <b>Cash and Cash Equivalents</b>                  |                  |                  |
| In current account with Banks                     | 2,23,98          | 1,45,37          |
| Cash on Hand                                      | 2                | 17               |
| Earmarked balance with Banks in Dividend Accounts | 65,41            | 48,96            |
|                                                   | <b>2,89,41</b>   | <b>1,94,50</b>   |

**2.9 SHORT TERM LOANS AND ADVANCES**

In ₹ Thousand

| Particulars                          | As at            |                  |
|--------------------------------------|------------------|------------------|
|                                      | 31st March, 2017 | 31st March, 2016 |
| <b>UNSECURED (CONSIDERED GOOD)</b>   |                  |                  |
| Mat Credit Entitlement               | 21,45            | 9,50             |
| Balances with Government Authorities | 29               | -                |
|                                      | <b>21,74</b>     | <b>9,50</b>      |

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**Industrial And Prudential Investment Company Limited**

**Notes Forming Part of the Financial Statements for the Year Ended 31st March, 2017**

**2.10 OTHER CURRENT ASSETS**

**In ₹ Thousand**

| Particulars                        | As at            |                  |
|------------------------------------|------------------|------------------|
|                                    | 31st March, 2017 | 31st March, 2016 |
| <b>UNSECURED (CONSIDERED GOOD)</b> |                  |                  |
| Dividend Receivable                | 1,49             | 26               |
|                                    | <b>1,49</b>      | <b>26</b>        |

**2.11 REVENUE FROM OPERATIONS**

**In ₹ Thousand**

| Particulars                  | For the year ended |                  |
|------------------------------|--------------------|------------------|
|                              | 31st March, 2017   | 31st March, 2016 |
| Dividend Income              |                    |                  |
| - Long Term                  | 6,12,09            | 6,40,11          |
| - Short Term                 | -                  | 5,66             |
| Income from Mutual Fund      | 4,97               | 37,59            |
| Interest Income on debenture | 22                 | 22               |
|                              | <b>6,17,28</b>     | <b>6,83,58</b>   |

**2.12 OTHER INCOME**

**In ₹ Thousand**

| Particulars                             | For the year ended |                  |
|-----------------------------------------|--------------------|------------------|
|                                         | 31st March, 2017   | 31st March, 2016 |
| Profit on sale of Long Term Investments | 2,11,45            | 97,57            |
| Miscellaneous Income                    | 5,96               | -                |
|                                         | <b>2,17,41</b>     | <b>97,57</b>     |

**2.13 OTHER EXPENSES**

**In ₹ Thousand**

| Particulars                                             | For the year ended |                  |
|---------------------------------------------------------|--------------------|------------------|
|                                                         | 31st March, 2017   | 31st March, 2016 |
| Legal & Professional Fees                               | 17,43              | 17,80            |
| Rates & Taxes                                           | 49                 | 1,71             |
| Directors' Fees                                         | 3,25               | 3,79             |
| Repairs & Maintainences                                 | 2,44               | 3,10             |
| Commission to Directors                                 | 6,00               | 6,00             |
| Provision for Diminution in Long Term Investments (Net) | -                  | 4,05             |
| Corporate Social Responsibility                         | 11,00              | 11,25            |
| Expenses of Mutual Fund Scheme                          | 8,20               | 3,36             |
| Printing & Stationery                                   | 3,25               | 2,29             |
| Miscellaneous expenses                                  | 20,82              | 14,13            |
|                                                         | <b>72,88</b>       | <b>67,48</b>     |

**Note No 2.14:Contingent Liabilities and commitments (to the extent not provided for)**

Claim against the Company not acknowledged as debt: NIL

**Note No 2.15: Proposed Dividend**

The Board of Directors, for the current year has recommend a Dividend of ₹ 25 per share.

**Note No 2.16: Segment Reporting**

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

**Note No 2.17 Related Party Disclosure**

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

| <b>Name of the Related Party</b>                                                                          | <b>Nature of Relationship</b>                                                                                                |
|-----------------------------------------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------|
| Paharpur Cooling Towers Limited                                                                           | Holding Company                                                                                                              |
| New Holding & Trading Company Limited                                                                     | Subsidiary Company                                                                                                           |
| Key Management Personnel                                                                                  | Mr Gaurav Swarup – Managing Director<br>Mr A K Singhania – Chief Finance Officer<br>Mr Hirak Ghosh – Company Secretary       |
| Mrs. Gyan Mahendra Swarup<br>Mrs Bindu Swarup<br>Mrs Parul Swarup<br>Mr Vikram Swarup<br>Ms Devina Swarup | Relatives of Key Management Personnel                                                                                        |
| KSB Pumps Limited                                                                                         | Associate Company                                                                                                            |
| Paharpur Corporation Limited<br>Melvin Powell Vanaspati & Engineering Industries Limited.                 | Enterprise over which Key Management Personnel having significant influence over the reporting enterprise exercise influence |

# CONSOLIDATED Industrial And Prudential Investment Company Limited

## Notes Forming Part of the Financial Statements for the Year Ended 31st March, 2017

### B. Related Party Transactions:

In ₹ Thousand

| Nature of Transaction | 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     |
|-----------------------|-----------------|--------------------|--------------------------|---------------------------------------|--------------------|------------------------------------------------------------------------------------------------------------------------------|-----------|
| Dividend Paid         | 2,48,97         | -                  | 12                       | 13,27                                 | -                  | 1,15,45                                                                                                                      | 3,77,79   |
|                       | (1,36,93)       | (-)                | (66)                     | (7,29)                                | (-)                | (63,50)                                                                                                                      | (2,08,38) |
| Dividend Received     | -               | -                  | -                        | -                                     | 3,92,70            | -                                                                                                                            | 3,92,70   |
|                       | (-)             | (-)                | (-)                      | (-)                                   | (3,92,70)          | (-)                                                                                                                          | (3,92,70) |

#### 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.

#### Note No 2.18:Earning per Share

- 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.
- The weighted average number of equity shares used as denominator in calculating both basic and diluted earnings per share is 17,45,340 (Previous Year 5,81,780)

#### Note No 2.19:Employee Benefits

Employee Benefits expenses includes provision for gratuity ₹ 3,68.80 (Previous Year ₹ 4,91.00)

#### Note No 2.20:Corporate Social Responsibility

The Company had provided ₹ 11,00 (Previous Year ₹ 11,25) towards expenditure on Corporate Social Responsibility Activities.

#### Note No 2.21: Auditors' remuneration includes:

In ₹ Thousand

| Particulars                                     | 2016-17     | 2015-16     |
|-------------------------------------------------|-------------|-------------|
| Audit Fees                                      | 1,33        | 1,02        |
| Certification Fees                              | 30          | 1,09        |
| Reimbursement of Expenses including service tax | -           | 37          |
| <b>Total</b>                                    | <b>1,63</b> | <b>2,48</b> |

**CONSOLIDATED**

**Industrial And Prudential Investment Company Limited**

**Notes Forming Part of the Financial Statements for the Year Ended 31st March, 2017**

**Note No 2.22**

Details of Specified Bank Notes (SBN) held and transacted during the period from 8th November, 2016 to 30th December, 2016 as provided in the Table below: **In ₹ Thousand**

| Particulars                           | SBNs - ₹ | Other Denomination - ₹ | Total - ₹ |
|---------------------------------------|----------|------------------------|-----------|
| Closing cash in hand as on 08.11.2016 | 56,000   | 40,625                 | 91,125    |
| (+) Permitted receipts*               | -        | 25,000                 | 25,000    |
| (-) Permitted payments                | -        | 44,385                 | 44,385    |
| (-) Amount deposited in Banks         | 56,000   | -                      | 51,500    |
| Closing cash in hand as on 30.12.2016 | -        | 21,240                 | 21,240    |

\*Cash withdrawn from bank.

**Note No 2.23**

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 <sup>st</sup> March, 2017 | As at 31 <sup>st</sup> March, 2016 |
| New Holding And Trading Company Limited | India                    | 100                                | 100                                |

**Note No 2.24**

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<br>minus total liabilities |                               | Share in<br>profit or loss                |                               |
|---------------------------------------------------------------|---------------------------------------------------------|-------------------------------|-------------------------------------------|-------------------------------|
|                                                               | As % of<br>consolidated<br>net assets                   | Amount<br>(₹ in<br>thousands) | As % of<br>consolidated<br>profit or loss | Amount<br>(₹ in<br>thousands) |
| <b>Parent</b>                                                 |                                                         |                               |                                           |                               |
| Industrial And Prudential Investment Company Limited .....    | 15.30                                                   | 27,40,30                      | 33.06                                     | 6,94,40                       |
| <b>Subsidiary – Indian</b>                                    |                                                         |                               |                                           |                               |
| New Holding And Trading Company Limited .....                 | 2.48                                                    | 4,44,86                       | 0.86                                      | 18,08                         |
| <b>Associate- Indian</b><br>(Investment as per equity method) |                                                         |                               |                                           |                               |
| KSB Pumps Limited .....                                       | 82.22                                                   | 147,28,24                     | 66.08                                     | 13,88,22                      |
| <b>Total .....</b>                                            | <b>100.00</b>                                           | <b>179,13,40</b>              | <b>100.00</b>                             | <b>21,00,70</b>               |

**CONSOLIDATED**  
**Industrial And Prudential Investment Company Limited**

**Notes Forming Part of the Financial Statements for the Year Ended 31st March, 2017**

**Note No 2.25**

- 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 2016 of the associate Company are considered. There are no significant events or transactions between the Company and its associate that have occurred between the dates 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:

In ₹ Thousands

| Particulars                                        | As at 31 <sup>st</sup><br>March, 2017 | As at 31 <sup>st</sup><br>March, 2016 |
|----------------------------------------------------|---------------------------------------|---------------------------------------|
| 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 | 2,84,09                               | 2,84,09                               |
| Share of accumulated profit as at year end.        | 144,44,15                             | 125,67,50                             |
| Carrying Cost of Investments                       | 147,28,24                             | 128,51,59                             |

**Note No 2.26**

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

As per our report attached.

For and on behalf of the Board of Directors

For V S Somani & Co.,  
Chartered Accountants

Arun Kumar Singhania  
Chief Financial Officer

A R Broacha  
Director

CA V. S. Somani  
Proprietor

Hirak Ghosh  
Company Secretary

Gaurav Swarup  
Managing Director

Mumbai, May 5, 2017

Mumbai, May 5, 2017

## Company Information

|                          |                                                                                                                                                                                              |
|--------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <b>Directors</b>         | : A. V. SETALVAD (DIN:00056124)<br>A. R. BROACHA (DIN:00056291)<br>DEVINA SWARUP (DIN:06831620)                                                                                              |
| <b>Bankers</b>           | : DEUTSCHE BANK                                                                                                                                                                              |
| <b>Auditors</b>          | : C.M.GABHAWALA&CO.<br>Chartered Accountants                                                                                                                                                 |
| <b>Registered Office</b> | : <b>Paharpur House,</b><br>8/1/B Diamond Harbour Road,<br>Kolkata 700 027.<br>Tel No 40133000<br>Email:indpru@vsnl.net<br>Website:www.industrialprudential.com<br>CIN:U65990WB1981PLC218505 |

## Directors' Report for the year ended 31st March, 2017

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 31<sup>st</sup> March, 2017.

### FINANCIAL RESULTS

| Particulars                                                        | In ₹ lakhs               |                          |
|--------------------------------------------------------------------|--------------------------|--------------------------|
|                                                                    | Year ended<br>31.03.2017 | Year ended<br>31.03.2016 |
|                                                                    | Amount - ₹               | Amount - ₹               |
| Income .....                                                       | 20.56                    | 48.80                    |
| Expenditure .....                                                  |                          |                          |
| Expenses .....                                                     | 2.48                     | 1.63                     |
| Profit before taxation .....                                       | 18.08                    | 47.17                    |
| Provision for taxation .....                                       | -                        | 2.02                     |
| Net Profit after taxation .....                                    | 18.08                    | 45.15                    |
| Add: Balance brought forward from Balance Sheet .....              | 213.31                   | 177.21                   |
| <b>Profit for appropriation .....</b>                              | <b>231.39</b>            | <b>222.36</b>            |
| <b>Appropriation .....</b>                                         |                          |                          |
| Special Reserve (in terms of Section 45-IC of RBI Act, 1934) ..... | 3.62                     | 9.05                     |
| Balance carried to Balance Sheet .....                             | 227.77                   | 213.31                   |
| <b>Total .....</b>                                                 | <b>231.39</b>            | <b>222.36</b>            |

### HOLDING COMPANY

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

### DIRECTORS

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

### EXTRACT OF ANNUAL RETURN

The extract of annual return as at 31<sup>st</sup> March, 2017 in Form MGT 9 is available for inspection at the Registered Office of the Company.

### SHIFTING OF REGISTERED OFFICE

During the year, after obtaining necessary approvals, the Registered Office of the Company has been shifted from 125 Maker Chambers III, Nariman Point, Mumbai 400021 to Paharpur House, 8/1/B Diamond Harbour Road, Kolkata 700027.

### 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.

**Directors' Report for the year ended 31st March, 2017 .....Contd.**

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- (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, 2017 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 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) 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, for attending meetings of the Board and Committees thereof.

**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 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 2.5 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 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 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.

**Directors' Report for the year ended 31st March, 2017**

**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**

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 24<sup>th</sup> September, 2014 appointed Messrs. C. M. Gabhawala & Co., Chartered Accountants, (FRN: 102870W) the existing statutory auditors for a period of five 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 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.

On behalf of the Board of Directors  
A R Broacha  
Director

Mumbai, May 05, 2017

**ANNEXURE**

**FINANCIAL SUMMARY/HIGHLIGHTS**

In ₹ Thousand

| PARTICULARS                     | 31.03.2017 | 31.03.2016 | 31.03.2015 |
|---------------------------------|------------|------------|------------|
| <b>Balance Sheet items</b>      |            |            |            |
| Paid-up Capital                 | 502        | 502        | 502        |
| Reserves and Surplus            | 43984      | 42176      | 37661      |
| Non-Current Investments         | 40529      | 40529      | 32672      |
| <b>Profit and Loss Accounts</b> |            |            |            |
| Revenue from Operations         | 2056       | 4880       | 2012       |
| Expenses                        | 248        | 163        | 122        |
| Profit before tax               | 1808       | 4717       | 1890       |
| Retained earnings               | 1808       | 4515       | 1890       |
| Earnings per Shares             | 359.78     | 898.46     | 363.98     |

## Independent Auditor's Report

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To the Members of,  
**NEW HOLDING AND TRADING COMPANY PRIVATE 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, 2017, 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 stated in section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014. 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 adequate 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.

### AUDITORS' RESPONSIBILITY

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

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

We conducted our audit in accordance with the Standards on Auditing issued by The Institute of Chartered Accountants of India, as 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 of the financial statements that give a true 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, 2017;
- (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 .....Contd.**

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**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, 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, 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, 2017, taken on record by the Board of Directors, none of the directors is disqualified as on 31 March, 2017, 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" to this report; 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.
    - iv. The Company had provided requisite disclosures in its financial statements as to holdings as well as dealings in Specified Bank Notes during the period from 8th November, 2016 to 30th December, 2016 and are in accordance with the books of accounts maintained by the company.

**FOR, C. M. GABHAWALA & CO.**

FRN: 102870W

*Chartered Accountants*

**DEVEN GABHAWALA**

Partner

M. No. 100275

Place: Mumbai

Date: May 5, 2017

## ANNEXURE A

**The Annexure referred to in paragraph [1] under Report on Legal and Other Regulatory Requirements of our report of even date.**

Re: New Holding & Trading Company Ltd ('the Company').

- 1) The Company does not have any fixed assets. Accordingly paragraphs 3(i)(a), (b) and (c) are not applicable to the Company and not commented upon.
- 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 and not commented upon.
- 3) According to the information and explanations given to us, the Company has not granted any loans, secured or unsecured to companies, firms, limited liability partnerships or other parties covered in the register maintained under section 189 of the Companies Act, 2013 ('the Act'). Accordingly, the provisions of clause 3(iii) (a), (b) and (c) of the Order is not applicable to the Company and hence not commented upon.
- 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 to the Company and not commented upon.
- 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 and not commented upon.
- 6) To the best of our knowledge & as explained, the Central Government of India has not specified 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) According to the information and explanations given to us, the Company did not have any disputed dues on account of income tax, service tax or cess.
- 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 to the Company and not commented upon.
- 9) According to the information and explanations given by the management, the Company have not raised any money by way of initial public offer or further public offer (including debt instrument), thus reporting under paragraph 3(ix) of the Order is not applicable to the Company and not commented upon.
- 10) Based upon the audit procedures performed for the purpose of reporting the true and fair view of the financial statements and according to information and explanation given by the management, we report that no fraud by the company or fraud on the company by the officers and employees of the Company 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/ provided in accordance with the requisite approvals mandated by the provisions of section 197 read with Schedule V of the Act.

**Independent Auditors' Report .....Contd.**

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- 12) The company is not a Nidhi Company, thus the paragraph 3(xii) of the Order is not applicable to the Company & hence not commented upon.
- 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 the Act, where applicable and details have been disclosed in the notes to the financial statements as required by the applicable accounting standards.
- 14) The company has not made any preferential allotment or private placement of shares or fully or partly convertible debenture during the year under review. Thus paragraph 3(xiv) of the Order is not applicable to the Company and not commented upon.
- 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 as referred to in Section 192 of the Act.
- 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.**

FRN: 102870W

*Chartered Accountants*

**Deven Gabhawala**

Partner

M. No. 100275

Place: Mumbai

Date: May 5, 2017

**ANNEXURE B**

**Independent Auditors' Report of even date on the financial statements of New Holding and Trading Company Limited**

**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, 2017 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 Act.

**Auditors' Responsibility**

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") and the Standards on Auditing 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 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.

## Independent Auditors' Report

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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, 2017 based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the ICAI.

**For, C. M. Gabhawala & Co.**  
FRN: 102870W  
*Chartered Accountants*

**Deven Gabhawala**  
Partner  
M. No. 100275

Place: Mumbai  
Date: May 5, 2017

**Balance Sheet as at 31st March, 2017**

| In ₹ Thousand                     |          |                  |         |                  |         |
|-----------------------------------|----------|------------------|---------|------------------|---------|
| Particulars                       | Note No. | As at 31.03.2017 |         | As at 31.03.2016 |         |
| <b>I. EQUITY AND LIABILITIES</b>  |          |                  |         |                  |         |
| <b>(1) SHAREHOLDERS' FUNDS</b>    |          |                  |         |                  |         |
| (a) Share Capital                 | 2.1      | 5,02             |         | 5,02             |         |
| (b) Reserves and Surplus          | 2.2      | 4,39,84          |         | 4,21,76          |         |
|                                   |          |                  | 4,44,86 |                  | 4,26,78 |
| <b>(2) CURRENT LIABILITIES</b>    |          |                  |         |                  |         |
| (a) Trade payables                | 2.3      | 12               |         | 20               |         |
| (b) Short-term provisions         | 2.4      | 68               |         | 65               |         |
|                                   |          |                  | 80      |                  | 85      |
| <b>TOTAL</b>                      |          |                  | 4,45,66 |                  | 4,27,66 |
| <b>II. ASSETS</b>                 |          |                  |         |                  |         |
| <b>(1) NON-CURRENT ASSETS</b>     |          |                  |         |                  |         |
| Non-Current Investments           | 2.5      |                  | 4,05,29 |                  | 4,05,29 |
|                                   |          |                  | 4,05,29 |                  | 4,05,29 |
| <b>(2) CURRENT ASSETS</b>         |          |                  |         |                  |         |
| (a) Cash and Cash equivalents     | 2.6      | 39,69            |         | 21,66            |         |
| (b) Short-term loans and advances | 2.7      | 68               |         | 68               |         |
|                                   |          |                  | 40,37   |                  | 22,32   |
|                                   |          |                  | 4,45,66 |                  | 4,27,66 |

Significant Accounting Policies (Note No. 1) and other Notes form an integral part of the Financial Statements

As per our report attached.

For and on behalf of the Board of Directors

For C. M. Gabhawala & Co.  
Chartered Accountants  
F. R. No. 102870W

A R Broacha                      Director

Deven Gabhawala  
Partner  
Membership No. 100275

Devina Swarup                      Director

Mumbai, May 5, 2017

Mumbai, May 5, 2017

## Statement of Profit and Loss for the Year ended 31st March, 2017

| In ₹ Thousand                           |          |                               |                               |
|-----------------------------------------|----------|-------------------------------|-------------------------------|
| Particulars                             | Note No. | For the year ended 31.03.2017 | For the year ended 31.03.2016 |
| <b>REVENUE</b>                          |          |                               |                               |
| Revenue from Operations                 | 2.8      | 20,56                         | 21,41                         |
| Other Income                            | 2.9      | -                             | 27,39                         |
| <b>Total Revenue (I)</b>                |          | <b>20,56</b>                  | <b>48,80</b>                  |
| <b>EXPENSES</b>                         |          |                               |                               |
| Other expenses                          | 2.10     | 2,48                          | 1,63                          |
| <b>Total Expenses (II)</b>              |          | <b>2,48</b>                   | <b>1,63</b>                   |
| <b>Profit before tax (I-II)</b>         |          | <b>18,08</b>                  | <b>47,17</b>                  |
| <b>Tax expenses:</b>                    |          |                               |                               |
| Current tax                             |          | -                             | 2,70                          |
| for the Year                            |          | -                             | (68)                          |
| Mat Credit Entitlement                  |          |                               |                               |
| <b>Profit for the year</b>              |          | <b>18,08</b>                  | <b>45,15</b>                  |
| <b>Earnings per equity share (in ₹)</b> |          |                               |                               |
| <b>Basic and Diluted</b>                | 2.14     | <b>359,78</b>                 | <b>898,46</b>                 |

As per our report attached.

For C. M. Gabhawala & Co.  
Chartered Accountants  
F. R. No. 102870W

Deven Gabhawala  
Partner  
Membership No. 100275

Mumbai, May 5, 2017

For and on behalf of the Board of Directors

A R Broacha Director

Devina Swarup Director

Mumbai, May 5, 2017

**Cash Flow Statement for The Year Ended as at 31st March, 2017**

| In ₹ Thousand                                                        |                    |                |         |
|----------------------------------------------------------------------|--------------------|----------------|---------|
|                                                                      | For the year ended |                |         |
|                                                                      | March 31, 2017     | March 31, 2016 |         |
| <b>A) Cash Flow from operating activities:</b>                       |                    |                |         |
| <b>Net Profit before tax</b>                                         | <b>18,08</b>       |                | 47,17   |
| <b>Adjustments for:</b>                                              |                    |                |         |
| Investment Income                                                    | -                  | (2,61)         |         |
| Provision for dimuntion in value of investment                       | -                  | (24,78)        |         |
|                                                                      | -                  |                | (27,39) |
| <b>Operating profit before working capital changes</b>               | <b>18,08</b>       |                | 19,78   |
| <b>Adjustments for changes in working capital</b>                    |                    |                |         |
| (Increase)/Decrease in Trade & other receivables                     | -                  | -              |         |
| Increase/(Decrease) in trade payables & other liabilities            | (5)                | (7)            | (7)     |
|                                                                      | <b>18,03</b>       |                | 19,71   |
| Less: Tax Paid                                                       | -                  |                | 2,05    |
| <b>Net Cash generated from operations</b>                            | <b>18,03</b>       |                | 17,66   |
| <b>B) Cash flow from Investing activities</b>                        |                    |                |         |
| Purchase of Investments                                              | -                  | (1,75,47)      |         |
| Sale of Investments                                                  | -                  | 1,24,29        | -       |
| Dividend Received                                                    |                    |                | (51,18) |
| <b>Net cash generated from/used in investing activities</b>          | -                  |                | (51,18) |
| <b>C) Cash flow from Financial activities</b>                        |                    |                |         |
| Finance Cost                                                         | -                  | -              |         |
| Payment of Dividend                                                  | -                  | -              |         |
| Payment of Corporate Dividend Tax                                    | -                  | -              |         |
| Increase/(Repayment) of Borrowing                                    | -                  | -              |         |
| <b>Net cash generated from/used in Financial activities</b>          | -                  |                | -       |
| <b>Net Increase/(decrease) in cash &amp; cash equivalents(A+B+C)</b> | <b>18,03</b>       |                | (33,52) |
| <b>Opening Cash &amp; Cash Equivalents</b>                           | <b>21,66</b>       |                | 55,18   |
| <b>Closing Cash &amp; Cash Equivalents (Refer Note 2.6)</b>          | <b>39,69</b>       |                | 21,66   |
| <b>Net Increase/(decrease) in cash &amp; cash equivalents</b>        | <b>18,03</b>       |                | (33,52) |

Note: The Cash Flow Statement has been prepared under the 'Indirect Method' set out in Accounting Standard 3 (AS-3) "Cash Flow Statement" as prescribed by the Companies (Accounting Standard) Rules, 2006, issued by the Central Government.

This is the Cash Flow Statement referred to in our report of even date

As per our report attached.

For and on behalf of the Board of Directors

For C. M. Gabhawala & Co.  
Chartered Accountants  
F. R. No. 102870W

A R Broacha Director

Deven Gabhawala  
Partner  
Membership No. 100275

Devina Swarup Director

Mumbai, May 5, 2017

Mumbai, May 5, 2017

**Notes forming Part of the Financial Statements for the year ended 31st March, 2017**

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**1 SIGNIFICANT ACCOUNTING POLICY STATEMENT**

**a) Fixed Assets**

The Company does not have Fixed Assets.

**(b) Depreciation**

There are no fixed asset hence no depreciation has been provided.

**(c) Investments**

Investments are valued at 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.

**(d) Inventories**

There are no inventories.

**(e) 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.

**(f) Miscellaneous expenditure**

There are no Preliminary Expenses.

**(g) Gratuity**

Payment of Gratuity Act does not apply.

**(h) Earnings 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.

**(i) System of Accounting Taxes on Income**

**(i) Current Tax**

Provision for current income tax is made on taxable income using the applicable tax rates and tax laws.

**(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 periods.

**(j) Provisions and Contingent Liabilities**

(i) 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.

(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 likelihood of resources is remote, no provision or disclosure is made.

**Notes forming Part of the Financial Statements for the year ended 31st March, 2017**

**2.1 SHARE CAPITAL**

In ₹ Thousand

| Particulars                                                             | As at            |                  |
|-------------------------------------------------------------------------|------------------|------------------|
|                                                                         | 31st March, 2017 | 31st March, 2016 |
| Authorised Capital                                                      |                  |                  |
| 840 Non-Cumulative Redeemable Preference Shares of ₹ 100 each           | 84               | 84               |
| 9,035 Equity Shares of Rs 100 each                                      | 9,03             | 9,03             |
| 125 Unclassified Equity Shares of Rs 100 each                           | 13               | 13               |
|                                                                         | <u>10,00</u>     | <u>10,00</u>     |
| Issued, Subscribed and Paid-up                                          |                  |                  |
| 5,025 (Previous Year 5,025) Equity shares of ₹ 100/- each fully paid-up | 5,02             | 5,02             |
|                                                                         | <u>5,02</u>      | <u>5,02</u>      |

The entire share capital is held by Industrial And Prudential Investment Company Limited and its nominees.

**2.2 RESERVES AND SURPLUS**

In ₹ Thousand

| Particulars                                                        | As at                 |                       |
|--------------------------------------------------------------------|-----------------------|-----------------------|
|                                                                    | 31st March, 2017      | 31st March, 2016      |
| General Reserve                                                    |                       |                       |
| At the beginning of the year                                       | 1,16,30               | 1,16,30               |
| Add: Transferred from Surplus                                      | -                     | -                     |
| At the end of the year                                             | <u>1,16,30</u>        | <u>1,16,30</u>        |
| Special Reserve                                                    |                       |                       |
| (In terms of Section 45-IC of the Reserve Bank of India Act, 1934) |                       |                       |
| At the beginning of the year                                       | 92,15                 | 83,10                 |
| Add: Transferred from Surplus                                      | <u>3,62</u>           | <u>9,05</u>           |
| At the end of the year                                             | <u>95,77</u>          | <u>92,15</u>          |
| Surplus                                                            |                       |                       |
| At the beginning of the year                                       | 2,13,31               | 1,77,21               |
| Add: Profit for the year as per Statement of Profit and Loss       | 18,08                 | 45,15                 |
| Less: Amount transferred to Special reserve                        | 3,62                  | 9,05                  |
| At the end of the year                                             | <u>2,27,77</u>        | <u>2,13,31</u>        |
| At the end of the year                                             | <u><b>4,39,84</b></u> | <u><b>4,21,76</b></u> |

**Notes forming Part of the Financial Statements for the year ended 31st March, 2017**

**2.3 TRADE PAYABLES**

In ₹ Thousand

| Particulars  | As at            |                  |
|--------------|------------------|------------------|
|              | 31st March, 2017 | 31st March, 2016 |
| For services | 12               | 20               |
|              | <u>12</u>        | <u>20</u>        |

**2.4 SHORT TERM PROVISIONS**

In ₹ Thousand

| Particulars                                 | As at            |                  |
|---------------------------------------------|------------------|------------------|
|                                             | 31st March, 2017 | 31st March, 2016 |
| Provision for Taxation (Net of Advance Tax) | 68               | 65               |
|                                             | <u>68</u>        | <u>65</u>        |

**2.5 Non -Current Investments**

(Fully paid up except otherwise stated )

In ₹ Thousand

|                                                                        | Face Value | As at 31st March, 2017 |                 | As at 31st March, 2016 |                 |
|------------------------------------------------------------------------|------------|------------------------|-----------------|------------------------|-----------------|
|                                                                        |            | Number                 | Value           | Number                 | Value           |
| <b>(A) In Equity Shares Quoted</b>                                     |            |                        |                 |                        |                 |
| BASF INDIA LIMITED                                                     | 10         | 800                    | 9,21            | 800                    | 9,21            |
| INFOSYS LIMITED                                                        | 5          | 19,200                 | 31,46           | 19,200                 | 31,46           |
| KSB PUMPS LIMITED                                                      | 10         | 2,60,000               | 1,10,08         | 2,60,000               | 1,10,08         |
| STATE BANK OF INDIA                                                    | 1          | 33,000                 | 17,91           | 33,000                 | 17,91           |
| TATA STEELS LIMITED                                                    | 10         | 6,886                  | 9,79            | 6,886                  | 9,79            |
| <b>Total (Quoted)</b>                                                  |            |                        | <u>1,78,45</u>  |                        | <u>1,78,45</u>  |
| <b>(B) Mutual Funds Unquoted</b>                                       |            |                        |                 |                        |                 |
| JM G SEC FUND - GROWTH OPTION                                          | 10         | 1,29,239               | 51,37           | 1,29,239               | 51,37           |
| TATA BALANCED FUND GROWTH                                              | 10         | 29,404                 | 50,00           | 29,404                 | 50,00           |
| UTI BALANCED FUND GROWTH                                               | 10         | 1,00,427               | 1,25,47         | 1,00,427               | 1,25,47         |
| <b>Total (b)</b>                                                       |            |                        | <u>2,26,84</u>  |                        | <u>2,26,84</u>  |
| <b>Total (a+b)</b>                                                     |            |                        | <u>4,05,29</u>  |                        | <u>4,05,29</u>  |
| Aggregate amount of Quoted Investments - Equity Shares                 |            |                        | <u>1,78,45</u>  |                        | <u>1,78,45</u>  |
| Aggregate amount of Unquoted Investments - In Mutual Funds             |            |                        | <u>2,26,84</u>  |                        | <u>2,26,84</u>  |
| Aggregate amount of Market value of Quoted Investments - Equity Shares |            |                        | <u>22,26,07</u> |                        | <u>19,74,02</u> |
|                                                                        |            |                        | <u>22,26,07</u> |                        | <u>19,74,02</u> |

**Notes forming Part of the Financial Statements for the year ended 31st March, 2017**

**2.6 CASH AND CASH EQUIVALENTS**

In ₹ Thousand

| Particulars                      | As at            |                  |
|----------------------------------|------------------|------------------|
|                                  | 31st March, 2017 | 31st March, 2016 |
| <b>Cash and Cash Equivalents</b> |                  |                  |
| Balance with Banks               | 39,67            | 21,57            |
| Cash on Hand                     | 2                | 9                |
|                                  | <u>39,69</u>     | <u>21,66</u>     |

**2.7 SHORT TERM LOANS AND ADVANCES**

| Particulars                        | As at            |                  |
|------------------------------------|------------------|------------------|
|                                    | 31st March, 2017 | 31st March, 2016 |
| <b>UNSECURED (CONSIDERED GOOD)</b> |                  |                  |
| Mat Credit Entitlement             | 68               | 68               |
|                                    | <u>68</u>        | <u>68</u>        |

**2.8 REVENUE FROM OPERATIONS**

| Particulars     | As at            |                  |
|-----------------|------------------|------------------|
|                 | 31st March, 2017 | 31st March, 2016 |
| Dividend Income | 20,56            | 21,41            |
|                 | <u>20,56</u>     | <u>21,41</u>     |

**2.9 OTHER INCOME**

| Particulars                                        | As at            |                  |
|----------------------------------------------------|------------------|------------------|
|                                                    | 31st March, 2017 | 31st March, 2016 |
| Profit on sale of Long Term Investments            | -                | 2,61             |
| Provision for Dimunition in the value of Long Term |                  |                  |
| Investments no longer required written back        | -                | 24,78            |
|                                                    | <u>-</u>         | <u>27,39</u>     |

**Notes forming Part of the Financial Statements for the year ended 31st March, 2017**

**2.10 OTHER EXPENSES**

In ₹ Thousand

| Particulars                            | As at            |                  |
|----------------------------------------|------------------|------------------|
|                                        | 31st March, 2017 | 31st March, 2016 |
| Directors' Sitting Fees                | 26               | 27               |
| Auditors Remunerations<br>- Audit Fees | 13               | 12               |
| Professional Fees                      | 1,32             | -                |
| Miscellaneous expenses                 | 77               | 1,24             |
|                                        | <b>2,48</b>      | <b>1,63</b>      |

**Other Notes forming the part of Financial Statement**

- 2.11 Contingent liability not provided in respect of shares partly paid-up NIL (Previous year Nil)
- 2.12 The Company has no activities other than those of an investment company and accordingly the segment reporting accounting standard is considered not applicable.
- 2.13 Related Party Disclosures:

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

**Name of the Related Party**

Industrial And Prudential Investment Company Limited  
Devina Swarup

**Nature of Relationship**

Holding Company  
Director

**Related Party Transaction**

Director Sitting Fees of ₹ 1,500 (Previous Year NIL) to Ms Devina Swarup

- 2.14 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.

**2.15 Earning per shares**

| Particulars                                 | March 31,2017 | March 31,2016 |
|---------------------------------------------|---------------|---------------|
| Profit after tax ( In ₹ thousand)           | 18,08         | 45,15         |
| Weighted Average Number of Equity Shares    | 5,025         | 5,025         |
| Earnings Per Share Basic and Diluted (in ₹) | 359.78        | 898.46        |
| Face value per Equity Share (in ₹ )         | 100           | 100           |

**Notes forming Part of the Financial Statements for the year ended 31st March, 2017**

2.16 Details of Specified Bank Notes (SBN) held and transacted during the period from 8th November, 2016 to 30th December, 2016 as provided in the Table below:

| Particulars                           | SBNs - ₹ | Other denomination - ₹ | Total - ₹ |
|---------------------------------------|----------|------------------------|-----------|
| Closing cash in hand as on 08.11.2016 | 5,500.00 | 459.00                 | 5,959.00  |
| (+) Permitted receipts                | -        | 5,000.00               | 5,000.00  |
| (-) Permitted payments                | -        | -                      | -         |
| (-) Amount deposited in Banks         | 5,500.00 | -                      | 5,500.00  |
| Closing cash in hand as on 30.12.2016 | -        | 5,459.00               | 5,459.00  |

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

As per our report attached.

For C. M. Gabhawala & Co.  
Chartered Accountants  
F. R. No. 102870W

Deven Gabhawala  
Partner  
Membership No. 100275

Mumbai, May 5, 2017

For and on behalf of the Board of Directors

A R Broacha Director

Devina Swarup Director

Mumbai, May 5, 2017

**NEW HOLDING AND TRADING COMPANY LIMITED**

**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.

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

|  | Particulars                                                                                              | (In ₹ Thousands) |  |  |
|--|----------------------------------------------------------------------------------------------------------|------------------|--|--|
|  | <b>Long Term Investments: (AT COST)</b><br>1. Quoted:<br>(i) Shares:                      (a) Equity<br> |                  |  |  |

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, 2017

In ₹ Thousands

|      |                                                                                                |                |
|------|------------------------------------------------------------------------------------------------|----------------|
| i    | Paid-up Equity Capital                                                                         | 5,02           |
| ii   | Free Reserves                                                                                  | 3,44,07        |
| iii  | <b>Total (i + ii)</b>                                                                          | <b>3,49,09</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>3,49,09</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) + (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>3,49,09</b> |

As per our report attached.

For C. M. Gabhawala & Co.  
Chartered Accountants  
F. R. No. 102870W

Deven Gabhawala  
Partner  
Membership No. 100275

Mumbai, May 5, 2017

For and on behalf of the Board of Directors

A R Broacha Director

Devina Swarup Director

Mumbai, May 5, 2017

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Industrial And Prudential Investment Company Limited

CIN: L65990WB1913PLC218486

**Paharpur House,**  
8/1/B Diamond Harbour Road,  
Kolkata 700 027.  
Tel No 40133000

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-101, 247 Park, L.B.S. Marg, Vikhroli (West), Mumbai 400083 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,  
HIRAK GHOSH  
*Company Secretary*

Mumbai, May 5, 2017.

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## E-COMMUNICATION REGISTRATION FORM

To,  
Link Intime India Private Limited,  
Unit: Industrial And Prudential Investment Co. Ltd.  
C-101, 247 Park, L.B.S. Marg,  
Vikhroli (West), Mumbai 400083

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:

1. Shareholders are requested to 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 notices/documents to you on the above mentioned e-mail ID.
2. If shares are held electronic mode, kindly register your e-mail ID with your DP.

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## NOTES

NOTES

