



INVESTMENT & PRECISION CASTINGS LTD

You Design, We Cast

Corporate Identification No. (CIN) :
L27100GJ1975PLC002692

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

By E-filing on BSE On-line Portal on 22.10.2016

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October 22, 2016

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

Dear Sir,

Sub: Credit rating of Company's bank facilities by CARE RATINGS.


Ref: Scrip Code No. 504786.

With reference to the above, we wish to inform you that CARE Ratings has reaffirmed the ratings assigned to the company's bank facilities.

We enclose herewith copy of the Brief Rationale published by CARE Ratings.

Please take the above information on record.

Thanking you,
Yours faithfully,
For INVESTMENT & PRECISION CASTINGS LTD


(Girish Shah)
CHIEF FINANCIAL OFFICER

Encl: As above.

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OCTOBER 17, 2016

**CARE REAFFIRMS THE RATINGS ASSIGNED TO THE BANK FACILITIES OF
INVESTMENT & PRECISION CASTINGS LIMITED**

Rating

Bank Facilities	Amount (Rs. crore)	Ratings ¹	Remarks
Long-term bank facilities	55.52	CARE BBB- (Triple B Minus)	Reaffirmed
Short-term bank facilities	4.00	CARE A3 (A Three)	Reaffirmed
Total Facilities	59.52 (Rupees Fifty Nine Crore Fifty Two Lac Only)		

Rating Rationale

The ratings continue to derive strength from vast experience of the promoters of Investment & Precision Castings Ltd. (IPCL) in the investment castings business along with its established manufacturing facility and long-standing relationship with its key customers. The ratings also factor its comfortable leverage and moderate debt coverage indicators apart from addition of few new customers on the back of increase in its product portfolio.

The ratings, however, continue to remain constrained due to IPCL's relatively moderate scale of operations, susceptibility to volatile raw material prices, working capital intensive nature of operations, high customer concentration and linkages with the cyclical automobile industry. The ratings are further constrained by implementation and salability risks associated with its vacuum casting project.

Ability of IPCL to increase its scale of operations along-with improvement in profitability, ensuring greater customer and geographical diversification as well as retaining its key clientele and effectively managing its working capital requirement are the key rating sensitivities.

Background

IPCL, engaged in the business of manufacturing investment castings, was established in April 1975. In 2004, IPCL set up Tamboli Castings Ltd. (TCL) as an export oriented unit and its wholly owned subsidiary. In 2009, upon family partition, IPCL group was split into two independent companies - IPCL and Tamboli Capital Ltd. (TCap); with TCap becoming the holding company of TCL. IPCL has a total installed manufacturing capacity of 1500 Metric Tonne Per Annum (MTPA) of investment castings at its plant located at Bhavnagar which predominantly supplies to the domestic automobile industry.

During FY16 (refers to the period April 1 to March 31), IPCL reported a total operating income of Rs.85.05 crore (FY15: Rs.74.65 crore) with a PAT of Rs.2.86 crore (FY15: Rs.2.15 crore). As per unaudited results for Q1FY17 (refers to the period April 1 to September 30), IPCL reported a total operating income of Rs.23.00 crore with a PAT of Rs.1.08 crore.

Analyst Contact

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**For detailed Rationale Report and subscription information, please contact us at www.careratings.com

¹ Complete definition of the ratings assigned are available at www.careratings.com and other CARE publications

CARE has classified instruments rated by it on the basis of complexity. This classification is available at www.careratings.com. Investors/market intermediaries/regulators or others are welcome to write to care@careratings.com for any clarifications.

Disclaimer: CARE's ratings are opinions on credit quality and are not recommendations to sanction, renew, disburse or recall the concerned bank facilities or to buy, sell or hold any security. CARE has based its ratings on information obtained from sources believed by it to be accurate and reliable. CARE does not, however, guarantee the accuracy, adequacy or completeness of any information and is not responsible for any errors or omissions or for the results obtained from the use of such information. Most entities whose bank facilities/instruments are rated by CARE have paid a credit rating fee, based on the amount and type of bank facilities/instruments.

In case of partnership/proprietary concerns, the rating assigned by CARE is based on the capital deployed by the partners/proprietor and the financial strength of the firm at present. The rating may undergo change in case of withdrawal of capital or the unsecured loans brought in by the partners/proprietor in addition to the financial performance and other relevant factors.