

Investment & Precision Castings Limited

July 09, 2026

Facilities/Instruments	Amount (₹ crore)	Rating ¹	Rating Action
Long-term bank facilities	23.76 (Reduced from 24.24)	CARE BBB; Stable	Upgraded from CARE BBB-; Stable
Long-term / Short-term bank facilities	14.00 (Enhanced from 7.00)	CARE BBB; Stable / CARE A3+	Upgraded from CARE BBB-; Stable / CARE A3
Long-term / Short-term bank facilities	57.00	CARE BBB; Stable / CARE A3+	Upgraded from CARE BBB-; Stable / CARE A3

Details of facilities in Annexure -1

The list of facilities / instruments falling under the purview of various financial sector regulators (FSRs), along with the names of respective FSRs has been disclosed under Annexure-7.

Rationale and key rating drivers

Upward revision in ratings assigned to bank facilities of Investment & Precision Castings Limited (IPCL) is considering growth in its scale of operations supported by gradual diversification of end-user industry and improvement in profitability and debt coverage indicators.

Ratings continue to derive strength from vast experience of its promoters in the investment castings business, established manufacturing facilities, long standing relation with key customers, moderate capital structure and adequate liquidity. However, ratings continue to remain constrained considering its concentrated revenue profile in terms of its customer base and end-user industry, its profitability being susceptible to volatile raw material prices and close linkages of its demand prospects with the cyclical domestic automobile industry.

Rating sensitivities: Factors likely to lead to rating actions

Positive factors

- Diversification of revenue profile resulting in significant reduction in customer and end-user industry concentration, entailing greater stability to its revenue and profitability.
- Improvement in capacity utilisation with total operating income (TOI) of over ₹250 crore while maintaining healthy profit before interest, lease rentals, depreciation and taxation (PBILDT) margin.

Negative factors:

- Decline in scale of operations with total operating income (TOI) below ₹150 crore and significant moderation in PBILDT margin.
- Deterioration in total debt / PBILDT to above 4x on a sustained basis.
- Elongation in operating cycle beyond 150 days impacting its liquidity on a sustained basis.

Analytical approach: Standalone

Outlook: Stable

A 'Stable' outlook reflects CARE Ratings Limited's (CareEdge Ratings) expectation that the entity is likely to sustain its operating performance considering its established presence and long-standing relation with reputed clientele.

Detailed description of key rating drivers

Key strengths

Growing scale of operations with improvement in profitability

In FY26, IPCL's scale of operations marked by its TOI registered 14% Y-o-Y volume back growth from ₹165 crore in FY25 to ₹189 crore in FY26, while price realisation remained relatively stable. The company derived ~64% (PY: ~66%) of its TOI from automobile segment while balance ~36% was from non-automobile segment.

In tandem with growing scale of operations, the company's operating profitability marked by its PBILDT margin improved by 288 bps y-o-y to 16.80% in FY26 (PY: 13.92%), and subsequently, the profit after tax (PAT) margin of the company also improved

¹Complete definition of the ratings assigned are available at www.careedge.in and other CARE Ratings Ltd.'s publications

by 255 bps y-o-y to 6.22% in FY26 (PY: 3.67%). CareEdge Ratings expects the company to sustain its healthy operating margin on the back of precision component manufacturing and commissioning of its solar power plant.

Comfortable capital structure and improvement in debt coverage indicators

IPCL's capital structure as marked by its overall gearing ratio remained comfortable at 0.70x as on March 31, 2026 (PY: 0.71x). The company's tangible net worth (TNW) base augmented to ₹103 crore as on March 31, 2026 (PY: ₹91 crore) with accretion of profits into reserves.

The company's debt coverage indicators improved in tandem with profitability as marked by interest coverage of 5.04x (PY: 3.36x) and total debt to gross cash accruals (TD/GCA) of 3.40x (PY: 4.34x) in FY26.

CareEdge Rating expects IPCL to sustain its solvency position in the medium term in absence of planned major debt funded capex.

Improvement in end-user industry as well as customer concentration

IPCL's dependence on automobile industry gradually decreased from 78% in FY22 to 64% in FY26 (PY: ~66%), though the company still continues to derive majority total revenue from the auto industry, leading to end-user industry concentration risk. IPCL primarily operates in the domestic market, which constituted ~88% (PY: ~90%) of total sales in FY26, making it vulnerable to slowdown in demand from the cyclical domestic automobile industry. IPCL's top five customers constituted ~50% (PY: 47%) of its TOI in FY26, exhibiting moderate customer concentration risk, where IPCL has relatively lower bargaining power against its larger size customers.

Experienced promoters with long track record of operations and established manufacturing set up

IPCL is one of the established manufacturers of investment castings in India with a long track record of operations of five decades. Piyush Tamboli, Chairman & Managing Director, has vast experience in the castings and auto components industry, which is evident from IPCL's satisfactory operations for five decades through economic cycles. IPCL has well-established manufacturing facility in Bhavnagar, Gujarat, with total casting capacity of 3,060 metric tonnes per annum (MTPA; including vacuum casting capacity up to 100 MTPA) as on June 30, 2026. IPCL uses state-of-the-art automated equipment to manufacture variety of castings for automobile, pumps, defence, aerospace, electrical and instrumentation, and other general engineering industries.

Established relations with key customers resulting in repeat orders

IPCL has long-standing business relations with established players in the automobile industry including Maruti Suzuki (India) Limited, Mahindra & Mahindra Limited (rated 'CARE AAA; Stable / CARE A1+'), Tata Motors Limited (rated 'CARE AA+; Stable / CARE A1+'), and Royal Enfield Motors. Due to its long-standing relationship with customers as an approved vendor for investment castings, IPCL has been able to secure repeat orders from its customers. The company also added new customers to its portfolio to diversify its customer base in the defense and aerospace segment.

Key weaknesses**Exposure to raw material price volatility and dependence on job work arrangement**

Iron scrap, steel scrap, and ferro alloys form key raw materials required for manufacturing castings. IPCL procures majority raw material requirement domestically, where it established sourcing arrangement with local suppliers. Being commodity items, prices of iron scrap, steel scrap and ferro alloys, are volatile in nature, which exposes IPCL's profitability to adverse movement in raw material prices. However, IPCL has an arrangement with most major customers, where sales price is adjusted for fluctuation in raw material prices on periodic basis, which reduces risk associated with raw material price volatility to a certain extent.

In FY26, of total cost of sales of IPCL, ~33% (PY: 31%) comprises job work charges, which reflects in IPCL's high dependence on job work arrangement, exposing it to disruption in its operations in case of problems with its arrangements, however, most of these vendors maintain exclusive arrangements with IPCL.

Exposure to cyclical automobile industry

The automobile industry is inherently susceptible to fluctuations in economic cycles, making it particularly sensitive to macroeconomic variables such as interest rates and fuel prices. These factors directly influence consumer purchasing behaviour, vehicle financing costs, and overall demand for automobiles. As a participant in the automobile ancillary sector, IPCL is exposed to considerable risks stemming from these industry dynamics. Downturn in the automotive market, whether due to rising interest rates, volatile fuel prices, or broader economic slowdowns can significantly impact the demand for components and systems

supplied by ancillary manufacturers. Consequently, IPCL must navigate these challenges with strategic agility, maintaining operational resilience and financial prudence to mitigate adverse effects of cyclical volatility in the automotive ecosystem.

Liquidity: Adequate

IPCL's liquidity position was adequate marked by its positive cash flow from operations (CFO), and moderate cash accruals which are sufficient to cover its long-term debt scheduled repayment obligations.

The company's CFO increased from ₹20 crore in FY25 to ₹28 crore (88% of PBILDT) in FY26 in tandem with increased operating profit and relatively stable working capital requirement. The company reported net cash accruals (NCA) to the tune of ₹21 crore in FY26 and expected to report NCA of ₹23-30 crore from FY27-FY29, which shall be adequate to cover gross loan repayment of ₹4-6 crore in the next three years. Unencumbered cash and bank balance with the company remained at ₹2.22 crore as on March 31, 2026.

IPCL needs to maintain high work-in-progress (WIP) inventory due to complex and lengthy production process of investment castings. Owing to funding IPCL's capex requirement, primarily from internal accruals, its working capital limit utilisation remained high marked by average utilisation of fund-based working capital facilities at ~90% for 12 months ended in April 2026. IPCL's operating cycle improved from 150 days in FY25 to 133 days in FY26 considering decrease in collection and inventory period.

Assumptions/Covenants: Not applicable

Environment, social, and governance (ESG) risks: Not applicable

Applicable criteria:

[Definition of Default](#)

[Liquidity Analysis of Non-financial sector entities](#)

[Rating Outlook and Rating Watch](#)

[Manufacturing Companies](#)

[Financial Ratios – Non financial Sector](#)

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About the company and industry

Industry classification

Macroeconomic indicator	Sector	Industry	Basic industry
Consumer discretionary	Automobile and auto components	Auto components	Auto components and equipment

Incorporated in April 1975, IPCL (CIN: L27100GJ1975PLC002692) was promoted by Late IF Tamboli. IPCL is primarily engaged in manufacturing investment castings, which are largely used in the automobile industry. IPCL is an original equipment manufacturer (OEM) for some of the leading domestic automobile manufacturers. In FY18, IPCL also commenced manufacturing of vacuum castings, which find application across industries such as aerospace, defence, and medical implants. IPCL had an installed capacity of 3,060 MTPA for manufacturing investment and vacuum castings as on June 30, 2026, at its plant at Bhavnagar, Gujarat.

Particular	March 31, 2025 (A)	March 31, 2026 (A)
Total operating income	165.47	189.20
PBILDT	23.03	31.79
PAT	6.07	11.77
Overall gearing (times)	0.71	0.70
Interest coverage (times)	3.36	5.04

A: Audited; Note: these are latest available financial results

Status of non-cooperation with previous CRA: CRISIL suspended its ratings vide press release dated September 18, 2014, considering non-cooperation by IPCL with CRISIL's efforts to undertake a review of the outstanding ratings

Any other information: Not applicable

Rating history for last three years: Annexure-2

Detailed explanation of covenants of rated facility: Annexure-3

Complexity level of instruments rated: Annexure-4

Lender details: Annexure-5

Annexure-1: Details of instruments/facilities

Name of the Instrument	ISIN	Date of Issuance (DD-MM-YYYY)	Coupon Rate (%)	Maturity Date (DD-MM-YYYY)	Size of the Issue (₹ crore)	Rating Assigned and Rating Outlook
Fund-based - LT-Term Loan	-	-	-	31/03/2035	23.76	CARE BBB; Stable
Fund-based - LT/ST-Cash Credit	-	-	-	-	57.00	CARE BBB; Stable / CARE A3+
Non-fund-based - LT/ ST-BG/LC	-	-	-	-	14.00	CARE BBB; Stable / CARE A3+

Annexure-2: Rating history for last three years

Sr. No.	Name of the Instrument/Bank Facilities	Current Ratings			Rating History			
		Type	Amount Outstanding (₹ crore)	Rating	Date(s) and Rating(s) assigned in 2026-2027	Date(s) and Rating(s) assigned in 2025-2026	Date(s) and Rating(s) assigned in 2024-2025	Date(s) and Rating(s) assigned in 2023-2024
1	Fund-based - LT-Term Loan	LT	23.76	CARE BBB; Stable	-	1)CARE BBB-; Stable (04-Jul-25)	1)CARE BBB-; Stable (04-Jul-24)	1)CARE BBB-; Stable (22-Jun-23)
2	Fund-based - LT/ST-Cash Credit	LT/ST	57.00	CARE BBB; Stable / CARE A3+	-	1)CARE BBB-; Stable / CARE A3 (04-Jul-25)	1)CARE BBB-; Stable / CARE A3 (04-Jul-24)	1)CARE BBB-; Stable (22-Jun-23)
3	Non-fund-based - LT/ ST-BG/LC	LT/ST	14.00	CARE BBB; Stable / CARE A3+	-	1)CARE BBB- Stable / CARE A3 (04-Jul-25)	1)CARE BBB-; Stable / CARE A3 (04-Jul-24)	1)CARE A3 (22-Jun-23)

LT- Long term, LT/ST - Long term / Short term.

Annexure-3: Detailed explanation of covenants of rated instruments/facilities: Not applicable

Annexure-4: Complexity level of instruments rated

Sr. No.	Name of the Instrument	Complexity Level
1	Fund-based - LT-Term Loan	Simple
2	Fund-based - LT/ ST-Cash Credit	Simple
3	Non-fund-based - LT/ ST-BG/LC	Simple

Annexure-5: Lender details

To view lender-wise details of bank facilities please [click here](#)

Annexure-6: List of entities consolidated: Not applicable

Annexure-7: List of facilities/instruments and FSRs

As required by SEBI Circular dated February 10, 2026, to Credit Rating Agencies (CRAs), the list of activities or instruments falling under the purview of various FSRs, along with the names of respective FSRs, is disclosed below:

Sr. No.	Facilities/Instruments Name	Regulator of the Instruments ²
1.	Listed / Proposed to be Listed Bonds / Debentures / Preference Shares (All Securities)	SEBI
2.	Unlisted / Proposed to be Unlisted Bonds / Debentures / Preference Shares (All Securities)	MCA
3.	Listed PTCs / Securitisation Notes (Originated by Entities Regulated by RBI) *	SEBI
4.	Listed PTCs / Securitisation Notes (Originated by Entities Not Regulated by RBI) *	SEBI
5.	Unlisted PTCs / Securitisation Notes (Originated by Entities Regulated by RBI) *	RBI
6.	Listed Commercial Paper and NCDs with Original Maturity Less Than 1 Year	RBI
7.	Unlisted Commercial Paper and NCDs with Original Maturity Less Than 1 Year	RBI
8.	Loan Facilities (Fund / Non-Fund Based) From Banks / NBFCs / NHB / FIs ^	RBI
9.	External Commercial Borrowings and Other Similar Borrowings	RBI
10.	Certificates of Deposit	RBI
11.	Fixed Deposits Raised by Banks, NBFCs, HFCs, FIs	RBI
12.	Fixed Deposits Raised by Corporates Other Than Banks, NBFCs, HFCs, FIs	MCA
13.	Inter Corporate Deposits / Loans Extended by Corporates	MCA
14.	Borrowing Programme ~	-
15.	Issuer Ratings #	-
16.	Credit Ratings for Capital Protection Oriented Schemes (By Mutual Funds and AIFs)	SEBI
17.	Credit Quality Ratings (CQRs) for Mutual Fund Schemes and Schemes of AIFs	SEBI
18.	Listed Security Receipts	SEBI
19.	Unlisted Security Receipts	RBI
20.	Independent Credit Evaluation (ICE)	RBI
21.	Expected Loss Ratings (For Loan Facilities (Fund / Non-Fund Based) from Banks / NBFCs / NHB / FIs)	RBI
22.	Expected Loss Ratings (Listed / Proposed to be Listed Bonds / Debentures / Preference Shares (All Securities))	SEBI
23.	Expected Loss Ratings (Unlisted / Proposed to be Unlisted Bonds / Debentures / Preference Shares (All Securities))	MCA
24.	Unlisted PTCs / Securitisation Notes (Originated by Entities Not Regulated by RBI) *	Investor-side regulator such as IRDAI, PFRDA @

* Includes securitisation transactions involving assignee payout, acquirer's payout.

~ The rated instrument may involve issuance of different instruments such as debt securities (listed or otherwise), bank loans, commercial paper (listed or otherwise), among others. The regulator of the instrument may accordingly be SEBI, RBI or MCA and can only be determined upon issuance. In the press releases subsequent to issuance(s), CareEdge Ratings shall separately capture the rated quantum details along with names of respective regulators.

^ Includes bank facilities such as liquidity facility, second loss facility that are part of securitisation transactions.

There is no instrument being rated and hence, Regulator of the Instrument is not applicable. The rating scale and definitions are being followed as stipulated in SEBI Master Circular for CRAs.

@ These ratings were assigned in regulatory regime prior to introduction of SEBI CRA Circular dated February 10, 2026, and the investor side regulators have accordingly been included.

Note: For facilities / instruments falling under the purview of FSRs other than SEBI, the grievance / dispute redressal mechanisms and investor protection mechanisms provided by SEBI shall not be available.

²SEBI: Securities and Exchange Board of India; RBI: Reserve Bank of India; MCA: Ministry of Corporate Affairs; IRDAI: Insurance Regulatory and Development Authority of India; PFRDA: Pension Fund Regulatory and Development Authority

Note on complexity levels of rated instruments: CareEdge Ratings has classified instruments rated by it based on complexity. Investors/market intermediaries/regulators or others are welcome to write to care@careedge.in for clarifications.

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