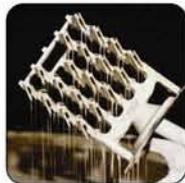


ISO 9001 : 2000
TS 16949 : 2002
ISO 14001 : 2004
OHSAS 18001 : 2007
AD 2000 Markblatt WD
PED 97/23/EC

Certified Company



37th ANNUAL REPORT 2011-2012

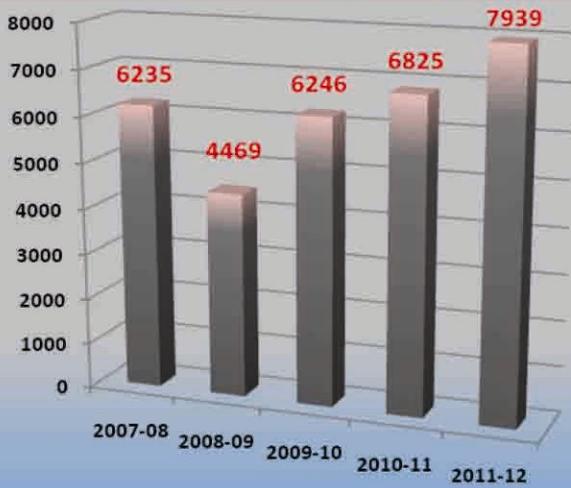


INVESTMENT & PRECISION CASTINGS LTD.

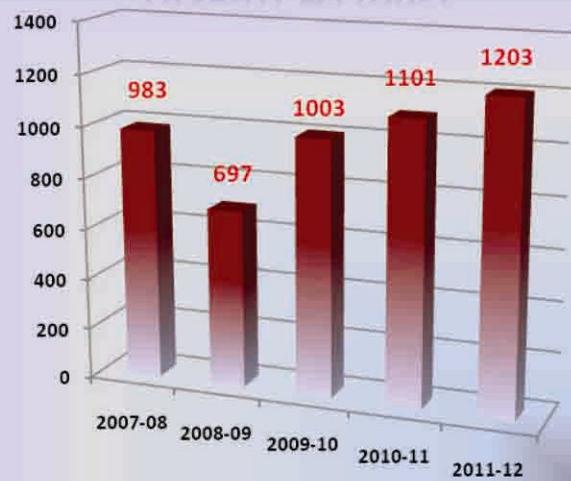
NARI ROAD, BHAVNAGAR, GUJARAT, INDIA-364 006.

Charts

SALES (Lacs)



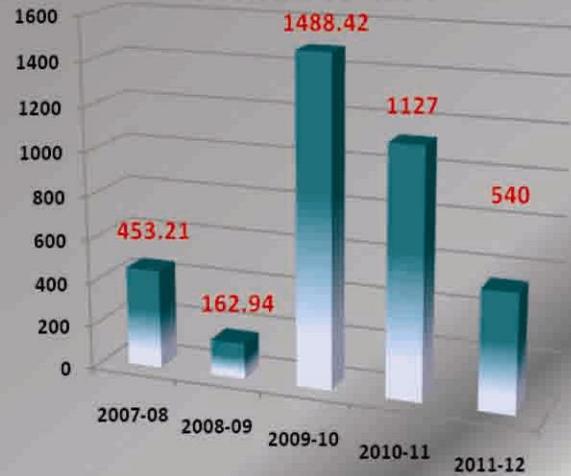
DISPATCH (Tons)



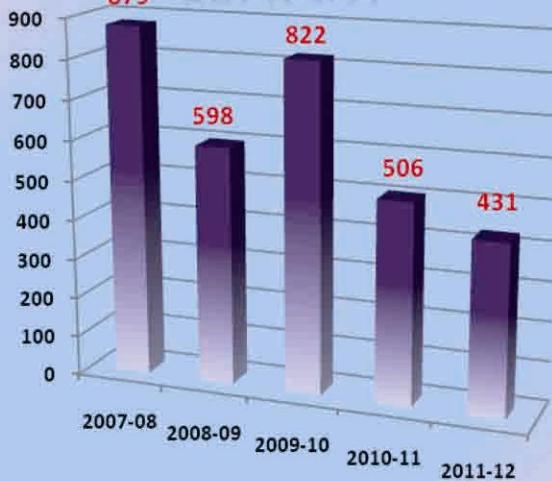
EBIDTA (Lacs)



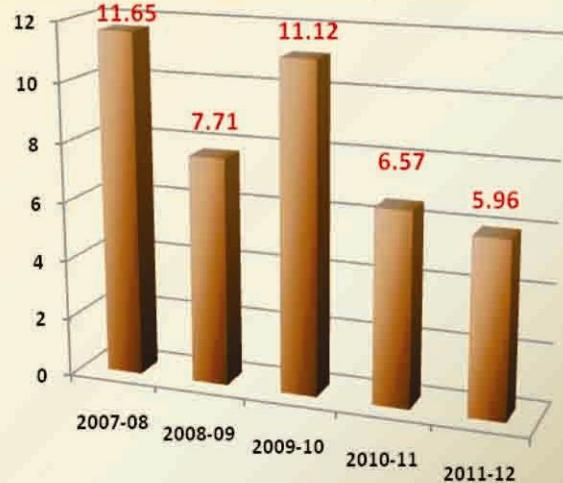
CAPEX (Lacs)



PBT (Lacs)



EPS (Rs.)



INVESTMENT & PRECISION CASTINGS LIMITED

BOARD OF DIRECTORS	:	Shri P. A. Subramanian	Chairman
		Shri Akshay R. Shah	
		Shri J. M. Mapgaonkar	
		Shri Girish C. Shah	
		Shri R. K. Menon	Executive Director
		Shri Piyush I. Tamboli	Vice Chairman & Managing Director
	Shri I. F. Tamboli	Chairman Emeritus	

BANKERS : Bank of Baroda
Lokhand Bazar, Main Branch,
Bhavnagar, Gujarat

AUDITORS : Sanghavi & Company
Chartered Accountants
Bhavnagar

**REGISTERED OFFICE &
WORKS** : Nari Road, Bhavnagar
Gujarat 364 006.
Telephone (91) (278) 2523300 to 304
Fax (91) (278) 2523500 to 502
E-Mail direct1@ipcl.in
Website www.ipcl.in

ISIN : INE155E01016

BSE Scrip Code : 504786

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INVESTMENT & PRECISION CASTINGS LTD

NOTICE

NOTICE IS HEREBY GIVEN THAT THE THIRTY-SEVENTH ANNUAL GENERAL MEETING OF INVESTMENT & PRECISION CASTINGS LIMITED WILL BE HELD ON 4TH DAY OF AUGUST 2012 AT HOTEL NILAMBAUG PALACE, BHAVNAGAR, AT 1630 HOURS, to transact the following business:

ORDINARY BUSINESS :

1. To consider and adopt the Balance Sheet as at March 31, 2012 and Profit & Loss Account for the period ending on that date and the report of the Board Of Directors and Auditors thereon, and to consider and adopt Compliance Certificate received from Practicing Company Secretary in pursuance of provision of section 383A (1) of the Companies Act, 1956, as amended.
2. To declare Dividend.
3. To appoint a Director in place of Shri P. A. Subramanian who retires by rotation and being eligible offers himself for re-appointment.
4. To appoint a Director in place of Shri Girish C. Shah who retires by rotation and being eligible offers himself for re-appointment.
5. To appoint Auditors to hold office from the conclusion of this meeting until the conclusion of the next Annual General Meeting and to authorise the Board of Directors to fix their remuneration.

Registered Office:
Nari Road
Bhavnagar
Gujarat 364 006
Dated: May 29, 2012

BY ORDER OF THE BOARD OF DIRECTORS
P. A. Subramanian
CHAIRMAN

Notes:

1. A member entitled to attend and vote at the above meeting is also entitled to appoint a proxy to attend and vote instead of himself and the proxy need not be a member. Proxies in order to be effective must be received by the Company not less than 48 hours before the meeting.
2. Register of Members shall remain closed from 30.7.2012 to 4.8.2012 (both days inclusive).
3. Members are requested to notify change of address, if any.
4. Members desiring any information pursuant to an item on the Agenda are requested to write sufficiently early so as to reach the Company at least 7 days prior to the AGM, to enable the Management to keep the information available at the meeting.
5. Members holding shares in dematerialised form are requested to bring their Client ID and DPID numbers and photo identity for easy identification of attendance at the meeting.
6. Under the provisions of Section 205-C of the Companies Act, 1956, dividends remaining unpaid/unclaimed for a period over 7 years will be transferred to the Investor Education & Protection Fund (IEPF) of the Central Government. The members may write to the Company for claiming the amount if any, relating to following years before it is transferred to the IEPF.

Financial year	Date of Declaration of Dividend	Last date for claiming unpaid Dividend	Due date for transfer to IEP fund
2004-2005	23.7.2005	22.7.2012	21.8.2012
2005-2006	21.7.2006	20.7.2013	20.8.2013
2006-2007	28.7.2007	27.7.2014	27.8.2014

INVESTMENT & PRECISION CASTINGS LTD

Financial year	Date of Declaration of Dividend	Last date for claiming unpaid Dividend	Due date for transfer to IEP fund
2007-2008	28.6.2008	27.6.2015	27.7.2015
2008-2009	17.8.2009	16.8.2016	16.9.2016
2009-2010	26.7.2010	25.8.2017	25.9.2017
2010-2011	12.8.2011	11.8.2018	11.9.2018

7. Dividend, if sanctioned at the meeting, will be payable to the members whose names appear on the Company's Register of Members on the Record Date 4.8.2012, and to those members who hold the shares in dematerialised form as per the record of Depositories, National Securities Depository Ltd. (NSDL) and Central Depository Services (India) Ltd. (CDSL), as on the close of the day before start of Book Closure date from 30.7.2012 to 4.8.2012, both days inclusive.
8. Members holding shares in dematerialised form may note that bank particulars registered against their respective depository accounts will be used by the Company for payment of dividend. The Company or its Registrars and Transfer Agents cannot act on any request received directly from the members holding shares in dematerialised form for any change of bank particulars or bank mandates. Such changes are to be advised only to the Depository Participant of the members.
9. The Securities and Exchange Board of India (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 the PAN to their Depository Participant with whom they are maintaining their dematerialised accounts. Members holding shares in physical form can submit their PAN details to the Company/Registrars and Transfer Agents, M/s. MCS Limited, 101, Shatdal Complex, 1st Floor, Opp. Bata Show Room, Ashram Road, Ahmedabad, Gujarat 380 009.
10. Payment of Dividend through Electronic Clearing Service (ECS) facility:
 - 10.1 Reserve Bank of India's Electronic Clearance Service (ECS) facility provides investors an option to collect dividend directly through their bank accounts rather than receiving the same by physical dividend warrant through post.
 - 10.2 The Company has already started making payment of Dividend to the members through the said Electronic Clearing Service (ECS) facility since F. Y. 2006-2007.
 - 10.3 Investors holding shares in physical form may send their ECS Mandate Form duly filled in, to the Company, R&TA. ECS Mandate Form is enclosed (Annexure A) for immediate use of investors. However, if shares are held in dematerialised form, ECS mandate has to be sent to the concerned Depository Participant (DP) directly in the format prescribed by the DP.
- 11.0 Members are requested to take note that copy of annual report will be sent to them as per their feedback given to the company in response to its letter dated 25.2.2012 regarding "**GREEN INITIATIVE**".

Registered Office:
Nari Road
Bhavnagar
Gujarat 364 006
Dated: May 29, 2012

BY ORDER OF THE BOARD OF DIRECTORS
P. A. Subramanian
CHAIRMAN

DIRECTORS' REPORT: 2011-2012

To
The Members

The Directors have pleasure in presenting the Directors' Report and audited statement of accounts of the Company for the period ended on March 31, 2012.

1. Financial Results:

	<u>2011-2012</u>	(Rs. in Lacs) <u>2010-2011</u>
Total Income	7938.60	6824.65
Profit Before Taxation	430.86	505.96
Less: Tax Expenses:		
1. Current	160.00	102.00
2. Deferred	(-) 24.00	80.60
3. Earlier Years' Tax	(-) 0.87	(-) 2.49
Profit After Taxation	295.73	325.85

Which has been appropriated as follows:

1. Proposed Dividend	49.60	62.00
2. Corporate Dividend Tax	8.05	10.06
3. General Reserve	238.08	253.79

2. Operations: The total Income during the year went up by over 16 % over the previous year. However, the profit before finance costs, depreciation and tax (EBITDA) increased marginally to Rs. 1312.35 Lacs from Rs. 1257.33 Lacs in the previous year.

3. Dividend: The Directors are pleased to recommend a Dividend for the period ended March 31, 2012 @ Rs. 1.00 per share on 49, 60,000 Equity Shares for financial year 2011-2012 amounting to Rs. 49.60 Lacs as against Rs. 1.25 per share, amounting to Rs. 62.00 Lacs for last financial year 2010-2011, subject to approval of the members at this Annual General Meeting.

4. Research & Development: Product Development and Process Improvements continued actively during the year.

5. Wind Power Project: The Company's two Wind Turbine Generators are operating satisfactorily.

6. Issue of Equity Warrants to Promoter, Shri Piyush I. Tamboli:

The Company has, during the year, allotted 3,90,000 equity warrants convertible into equity shares of Rs. 10/- each at a price of Rs. 73/- (i.e. a premium of Rs. 63/- per share) to Promoter, Shri Piyush I. Tamboli on a preferential basis.

The above allotment has been made pursuant to the authority granted by the shareholders at the Extra Ordinary General Meeting held on 21.11.2011, and the 'In-principle' approval under clause 24(a) of the Listing Agreement received from the Bombay Stock Exchange Limited vide its letter No. DCS//PREF/SI/PRE/711/2011-12 dated 28.12.2011.

7. Disclosure by the Company on its Subsidiary in the Annual Report:

According to the general exemptions granted under section 212 by The Ministry of Corporate Affairs, the balance sheet of the Subsidiary Company as at end of 31.3.2012 is not required to be attached in this annual report. Further, the summary information on the balance sheet of the subsidiary company is given in this annual report on page No. 39 according to the aforesaid exemptions.

INVESTMENT & PRECISION CASTINGS LTD

The annual accounts of the subsidiary company will be furnished to members on request.

However, the Consolidated Financial Statements furnished in the report, include the details of Subsidiary Company.

8. Directors:

- a) Shri P. A. Subramanian retires by rotation as required by the Companies Act, 1956, and being eligible, offers himself for re-election.
- b) Shri Girish C. Shah retires by rotation as required by the Companies Act, 1956, and being eligible, offers himself for re-election.

9. Personnel: Industrial relations continued to be cordial during the year.

10. Particulars of Employees: Information in accordance with sub-section (2A) of Section 217 of the Companies Act, 1956, is annexed herewith.

11. Directors' Responsibility Statement: Pursuant to Section 217 (2AA) of the Companies Act, 1956, the Directors confirm that:

- a) in the preparation of the annual accounts, the applicable accounting standards have been followed;
- b) they have selected prudent accounting policies;
- c) they have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act 1956, for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- d) they have prepared the annual accounts on a going concern basis.

12. Segment Reporting: As all the manufacture is of one class of products, segment wise reporting of the results is not applicable to your Company.

13. Accounting for Taxes on Income: Deferred Tax Asset of Rs. 24.00 Lacs, resulting from application of the Accounting Standard AS-22, has been credited to the amount available for appropriation for the present Financial Year, 2011-2012.

14. Change in presentation of accounts: The audited accounts for the current financial year have been prepared according to the revised schedule VI of the Companies Act, 1956 implemented from F.Y. 2011-2012. Accordingly the figures of the balance sheet and profit loss account of the current and previous year have been regrouped.

15. Corporate Governance: The Company has complied with amended Clause 49 of listing agreement concerning strength of independent directors on the Board. Please see the enclosed Annexure for details.

16. Management Discussion & Analysis: The Management Discussion & Analysis is also enclosed.

17. Auditors: The members will be requested at the forthcoming Annual General Meeting to appoint Auditors and fix their remuneration. M/s. Sanghavi & Co., the existing Auditors, is eligible for re-appointment.

INVESTMENT & PRECISION CASTINGS LTD

- 18. Cost Audit:** Effective from current financial year 2011-2012, your Company carries out an audit of cost records relating to the product of the Company viz. "Unmachined and Machined, Ferrous and Non-Ferrous Alloys Investment Casting" according to the requirement of the Central Government and pursuant to Section 233B of the Companies Act, 1956. Your company has appointed M/s. S. K. Rajani & Company, Cost Accountants, Bhavnagar, as the Cost Auditors to audit the cost accounts of the company for the Financial Year 2011-2012.
- 19. Compliance Certificate:** A copy of the certificate is enclosed with this report.
- 20. Appreciation:** The Directors thank the Bankers, Bank of Baroda, and the concerned authorities of the Government for their co-operation, and also record their appreciation for the efforts put in by the employees.

Registered Office:
Nari Road
Bhavnagar
Gujarat 364 006
Dated: May 29, 2012

ON BEHALF OF THE BOARD OF DIRECTORS
P. A. Subramanian
CHAIRMAN

ANNEXURE TO DIRECTORS' REPORT

Particulars of Employee(s) as required u/s. 217(2A) of the Companies Act, 1956, forming part of the Directors' Report for the year ended on March 31, 2012

Employed throughout the financial year:

Sr. No.	Name	Age	Qualification	Designation	Experience (in years)	Remuneration Gross Rs.	Nature of Duties	Joining Date	Particulars of previous employment
1.	Shri Piyush I. Tamboli	45	B.Sc. MBA	Vice Chairman And Managing Director	22	3,671,087/-	As assigned by the Board from time to time	12.6.2003	Senior Executive (Operations) SteelCast Ltd.
2.	Shri R. K. Menon	76	B.Sc	Executive Director	54	732,000/-	As assigned by the Board from time to time	1.5.2011	Priya Blue Holdings Pvt. Ltd.

- Notes: 1. Gross remuneration includes Basic Salary, monthly allowances, commission and Company's contribution to Provident, Gratuity and Superannuation Funds, to the extent applicable.
2. The conditions of employment are contractual and terminable by three months' notice from either side.

Registered Office:
Nari Road
Bhavnagar
Gujarat 364 006
Dated: May 29, 2012

ON BEHALF OF THE BOARD OF DIRECTORS
P. A. Subramanian
CHAIRMAN

MANAGEMENT DISCUSSION & ANALYSIS

A INDUSTRY STRUCTURE & DEVELOPMENT:

The growth rate of Indian economy decelerated during the year. Growth of the Indian automotive industry was also lower compared to previous year.

B OPPORTUNITIES, THREATS, RISKS & CONCERNS:

1. Opportunities:

Although the Indian automotive sector's growth is projected to be lower during the next year, the strong loyalties and high market share will ensure more than adequate order position for the company in tonnage terms. In addition, with the opening up of export business, opportunities exist for high value orders. Depreciating Rupee is an opportunity for export business.

2. Threats:

The Free Trade Agreements with neighbouring countries pose some threat.

The financial crisis in Europe and the recessionary conditions there can affect business sentiments worldwide, including India.

3. Risks & Concerns:

The prevailing high inflation and increase in Interest rates have adverse impact on growth of the economy. Hike in fuel prices, especially petrol, may affect growth of automotive sector. The unprecedented increase in cost of inputs has put strain on the margins of the company.

C OUTLOOK:

The present economic scenario in the domestic sector does not look very positive. The company will therefore, slowdown Capital Investment and will go for need based CAPEX during the current financial year.

D INTERNAL CONTROL SYSTEMS AND THEIR ADEQUACY:

The Company has in place adequate systems of internal control and documented procedures covering all financial and operating functions. These have been designed to provide reasonable assurance with regard to maintaining proper accounting controls, monitoring economy and efficiency of operations, protecting assets from unauthorised use or losses, and ensuring reliability of financial and operational information.

An Audit Committee of the Board of Directors comprising of Independent Directors and Whole Time Directors, which is functional from 2005-06 Financial Year, has reviewed regularly the audit plans, significant audit findings, adequacy of internal controls as well as compliance with Accounting Standards.

E FINANCIAL PERFORMANCE:

Turnover (sales and other income from operations), net of Excise Duties, increased by over 16 % from Rs. 6824.65 Lacs to Rs. 7938.60 Lacs.

Expenditure increased by over 18 % from Rs. 6318.69 Lacs to Rs. 7507.74 Lacs, mainly on account of the unprecedented increase in cost of inputs. During the year finance costs and depreciation cost increased from Rs. 751.36 Lacs to Rs. 881.48 Lacs, an increase of over 17 %.

Profit before depreciation, finance costs and tax marginally increased from Rs. 1257.33 Lacs to Rs. 1312.35 Lacs. (4.37%)

INVESTMENT & PRECISION CASTINGS LTD

The Company's Profit Before Tax (PBT) decreased by over 14 % from Rs. 505.96 Lacs to Rs. 430.86 Lacs.

F HUMAN RESOURCES:

Industrial relations continued to be cordial during the year.

G CAUTIONARY STATEMENT:

Statement in the Management Discussion and Analysis describing the Company's objectives, projections, estimates, expectations may be "forward looking statements" within the meaning of applicable securities laws and regulations. Actual results could differ materially from those expressed or implied. Important factors that could make a difference to the Company's operations include, among others, economic conditions affecting demand/supply and price conditions in the domestic and overseas markets, change in the Government regulations, tax laws and other statutes and incidental factors.

INVESTMENT & PRECISION CASTINGS LTD

13. The Company has;
 - i) delivered all the certificates on lodgement thereof for transfer/transmission or any other purpose in accordance with the provisions of the Act;
 - ii) deposited the amount of declared dividend in a separate Bank Account on 16th August, 2011 which is within five days from the date of declaration and
 - iii) paid/posted warrants for dividends to all the members within a period of 30 (Thirty) days from the date of declaration and that all unclaimed/unpaid dividend has been transferred to unpaid dividend account of the company (Account No. 1372230000119) with HDFC Bank Limited, G 1-2, Ground Floor, Sterling Point Waghawadi Road, Bhavnagar.
 - iv) transferred the amounts in unpaid dividend account which have remained unclaimed or unpaid for a period of seven years as required to be transferred to Investor Education and Protection Fund.
 - v) duly complied with the requirements of section 217 of the Act.
14. The Board of Directors of the Company is duly constituted and the appointment of director has been duly made.
15. The company has not appointed any Managing Director/Whole-time Director/ Manager during the financial year.
16. No appointment of sole-selling agents was made during the financial year.
17. The Company was not required, during the financial year, to obtain any approvals of the Central Government, Company Law Board, Regional Director, Registrar or other authorities as may be prescribed under the various provisions of the Act.
18. The directors have disclosed their interest in other firms/companies to the Board of Directors pursuant to the provisions of the Act and the rules made thereunder.
19. The Company has not issued any shares/debentures/other securities during the financial year. The company has allotted 3,90,000 equity warrants convertible into equity shares of Rs. 10/- each at a price of Rs. 73/- (i.e. a premium of Rs. 63/- per share) to Promoter, Shri P. I. Tamboli on a preferential basis. The above allotment has been made pursuant to the authority granted by the shareholders at The Extra Ordinary General Meeting held on 21.11.2011.
20. The Company has not bought back any shares during the financial year ending 31st March, 2012.
21. The Company has not redeemed any preference shares/debentures during the financial year.
22. The Company was not required to keep in abeyance rights to dividend, rights shares and bonus shares pending registration of transfer of shares.
23. The Company has not invited/accepted any deposits including unsecured loans within the provisions of sections 58A during the financial year.
24. The amounts borrowed by the Company from financial institutions, banks and others during the financial year ending 31st March, 2012 are within the borrowing limits of the Company and that necessary resolution as per section 293(1)(d) of the Act has been passed in duly convened general meeting.
25. The Company has not made any loans and has not given guarantees or provided securities to other bodies corporate during the financial year under scrutiny and the Company has made investments in compliance with the provisions of the Act, but was not required to make any entries in the register pursuant to section 372A (8)(e) of the Act.

INVESTMENT & PRECISION CASTINGS LTD

26. The Company has not altered the provisions of the memorandum with respect to situation of the Company's registered office from one state to another during the year under scrutiny.
27. The Company has not altered the provisions of the memorandum with respect to the objects of the Company during the year under scrutiny.
28. The Company has not altered the provisions of the memorandum with respect to name of the Company during the year under scrutiny.
29. The Company has not altered the provisions of the memorandum with respect to share capital of the Company during the year under scrutiny.
30. The company has altered its articles of association after obtaining approval of members in the general meeting held on 21st November, 2011 but the amendments to the articles of association are yet to be registered with Registrar of Companies.
31. No prosecutions were initiated against and no show cause notices were received by the Company for alleged offences under the Act.
32. The Company has received Rs. 426422/ as security from its employees during the financial year under certification and the same has been kept in current account of the Company with Schedule Bank.
33. The company has deposited both employee's and employer's contribution towards Provident Fund with the prescribed authorities pursuant to section 418 of the Act.

Place: Rajkot
Date: 29th May, 2012

Signature: sd/-
Name of Company Secretary: Priti Doshi
C. P. No. 3394 FCS 4112

Annexure 'A'

Registers as maintained by the Company

1. Register of Charges under section 143
2. Register of Members under section 150
3. Register of Contracts under section 301
4. Register of Directors etc. under section 303
5. Register of Directors' Shareholdings under section 307

Annexure 'B'

Forms and Returns as filed by the Company with the Regional Director, Central Government or other authorities during the financial year ending on 31st March, 2012: NIL

Forms and Returns as filed by the Company with the Registrar of Companies during the financial year ending on 31st March, 2012.

Sr. No.	Form Number	Filed under section	For	Filed on
1	e-Form 32	303	Notifying Appointment of Shri Girish. C. Shah as an Additional Director of the Company w.e.f. 11.2.2011 (filed late with additional fees)	08.04.11
2	e-Form1 (IEPF)	205(A)	Intimation regarding the payment of unpaid dividend of Rs. 49,260/- on 10.8.2011 for the financial year 2003-2004	06.09.11
3	e-Form 66 for Compliance Certificate	383A(1)	Certifying compliances of the statutory provisions under the Act during 2010-2011. (filed late with additional fees)	15.09.11

INVESTMENT & PRECISION CASTINGS LTD

Sr. No.	Form Number	Filed under section	For	Filed on
4	e-Form 32	303	notifying approval of members at 36th AGM to appointment of Shri G.C.Shah as a Director. (filed late with additional fees)	24.09.11
5.	e-Form 23AC & 23ACA for Annual Accounts & Reports for 2010-2011	220	adoption at annual general meeting on 12.8.2011 Balance sheet and Profit & Loss 2010-11 (Form filed In XBRL Form) (filed on 30.11.2011)	30.11.11
6.	e-Form 8	125; 127; 135	Notifying the particulars modification of Working Capital and Hypothecation charge from Rs. 51.00 Cr. to Rs. 58.39 Cr. in favor of Bank of Baroda.(Charge Identification No.: 10075924)	24.01.12
7.	e-Form 8	125; 127; 135	Notifying the particulars of Modification of Equitable Mortgage charge from Rs. 51.00 Cr. to Rs.58.39 Cr in favor of Bank of Baroda.(Charge identification No.10115503)	24.01.12
8.	e-Form 20B for Annual Return upto 12.8.2011	159	Annual General Meeting held on 12.8.2011. (filed late with additional fees)	11.12.11

Signatures to Annexures 'A' and 'B'

Place: Rajkot
Date: 29th May, 2012

Signature: sd/-

Name of Company Secretary: Priti Doshi
C. P. No. 3394 FCS 4112

CORPORATE GOVERNANCE

1.0 BOARD OF DIRECTORS:

The Board of Directors comprises six Directors out of which four are Non-Executive Directors as on the date of the accompanying Notice, May 29, 2012. The Company has a Non-executive and Non-Promoter Director as the Chairman. Out of the total strength of six directors more than fifty percent directors are independent directors. The company has complied with amended Clause 49 of listing agreement concerning strength of independent directors on the Board as on the date of the accompanying Notice, May 29, 2012. The day-to-day operations of the Company are being overseen by Shri Piyush I. Tamboli, Vice Chairman and Managing Director. None of the Directors on the Company's Board is a member on more than ten Committees and Chairman of more than five Committees across all the companies in which he is a Director. The composition of the Board, details of remuneration paid, attendance at the Board Meetings (BM) held during the financial year under review and at the last Annual General Meeting (AGM), number of Directorships memberships/chairmanships in public companies (including the Company) are annexed herewith.

Information on appointment or re-appointment of Directors as required under Listing Agreement is given below:

Sr. No.	Name	Date of Birth	Date of Appointment	Expertise In specific functional areas	No. of other Directorship
NIL					

During the year under review, six Board Meetings were held on dates 23.5.2011, 12.8.2011, 21.10.2011, 21.11.2011, 11.1.2012 and on date 3.2.2012.

2.0 Audit Committee: At present, the composition of the Audit Committee is as under:

1.	Chairman	:	Mr. Akshay R. Shah, (Independent Director)
2.	Members	:	Shri J. M. Mapgaonkar, (Independent Director)
		:	Shri P. A. Subramanian Chairman and Non-Whole Time Director
		:	Shri P. I. Tamboli, Vice chairman and Managing Director

During the year under review, the Audit Committee met four times on dates 23.5.2011, 12.8.2011, and 21.10.2011 and on date 3.2.2012.

3.0 Investors' Grievance Committee: At present, the composition of the Investors' Grievance Committee is as under:

1.	Chairman	:	Shri J. M. Mapgaonkar (Independent Director)
2.	Members	:	Shri Akshay R. Shah, (Independent Director)
		:	Shri P. A. Subramanian Chairman and Non-Whole Time Director
		:	Shri P. I. Tamboli, Vice Chairman and Managing Director

During the year under review, the Investors' Grievance Committee met four times on dates 23.5.2011, 12.8.2011, and 21.10.2011 and on date 3.2.2012.

The status on the total number of Complaints received during the year was as follows:

# Complaints pending at the beginning of the year	:	1
# Complaints received during the year	:	3
# Complaints redressed and replied during the year	:	3
# Complaints pending at the end of the year.	:	1

4.0 Remuneration Committee: Presently, the composition of the Remuneration Committee is as under:

1.	Chairman	:	Shri Akshay R. Shah (Independent Director)
2.	Members	:	Shri J. M. Mapgaonkar, (Independent Director)
		:	Shri P. A. Subramanian Chairman and Non-Whole Time Director

During the year under review, the Remuneration Committee met on date 23.5.2011.

INVESTMENT & PRECISION CASTINGS LTD

4.1 Scope of the Remuneration Committee: The Remuneration Committee recommends/reviews remuneration of Whole Time Directors.

5.0 As per the provision of Section 205 A read with Section 205 C of the Companies Act, the Company has transferred unpaid dividends to the Investor Education and Protection Fund (IEPF).

6.0 Means of communication:

Half-yearly reports sent to each household of shareholders	Yes
Quarterly and Half Yearly Results	Published in The Economic Times, Ahmedabad & Mumbai, Maharashtra Times, Mumbai and Financial Express, Ahmedabad
Any Website where displayed	www.ipcl.in
Whether it displays official news releases and presentations made to institutional investors or to the analysts.	No
Whether Management Discussion & Analysis is a part of the Annual Report	Yes

Details of last three Annual General Meetings:

Annual General Meeting for Financial Year	:	2010-2011	2009-2010	2008-2009
Date	:	12.8.2011	26.7.2010	17.8.2009
Time	:	4.30 P.M.	4.30 P.M.	4.30 P.M.
Venue	:	Hotel Nilambaug Palace, Bhavnagar		

7.0 Disclosures:

During the year under review, besides the transactions reported elsewhere in the Annual Report, there were no other related party transactions with its promoters, directors, management and subsidiaries that had a potential conflict with the interest of the Company.

The Company has complied with various rules and regulations prescribed by stock exchanges, SEBI or any other statutory authority relating to the capital markets during the last three years. No penalties or strictures have been imposed by them on the Company.

8.0 General Shareholder information:

8.1 Annual General Meeting:

Date & Time : 4.8.2012 at 4.30 p.m.
 Venue : Hotel Nilambaug Palace, Bhavnagar.

8.2 Registered Office : Nari Road, Bhavnagar, Gujarat 364 006.

8.3 Telephone Nos. : 2523300 to 04

8.4 Facsimile Nos. : 2523501 to 03

8.5 E-mail : direct1@ipcl.in

8.6 Financial Calendar:

Quarter ending	:	30th June 2011	30th September 2011	31st December 2011	31st March 2012
Reporting Month	:	July 2011	October 2011	January 2012	May 2012

8.7 The Company has paid annual listing fees to The Bombay Stock Exchange Limited (BSE) in respect of the financial year 2011-2012.

INVESTMENT & PRECISION CASTINGS LTD

8.8 Market Price Data: Market Price Data: High, Low during each month in last financial year:

Months	BSE High	BSE Low	Months	BSE High	BSE Low	Months	BSE High	BSE Low
April 11	104.15	80.40	August 11	76.80	50.25	Dec 11	64.70	48.00
May 11	84.60	63.50	Sept. 11	82.45	52.00	Jan 12	69.00	48.25
June 11	83.00	71.10	Oct 11	69.50	55.50	Feb 12	80.00	52.00
July 11	80.00	75.00	Nov 11	68.75	53.10	Mar 12	66.75	51.00

8.9 Registrar and Transfer Agent: MCS LIMITED
 101, Shatdal Complex, 1st Floor, Opp. Bata Show Room,
 Ashram Road, Ahmedabad, Gujarat 380 009.
 TELEPHONES: 079 26582878, 26584027
 Fax 079 26581296
 E-MAIL : mcsamd@reliancemail.net

8.10 Distribution of Shareholding as at end of 31st March 2012:

Category	No. of Shares held	Percentage (%) of Shareholding
Promoters	21,44,055	43.23
Nationalised Banks	0	0.00
Financial Institutions	0	0.00
Non Resident Indian	1,05,570	2.13
Others	27,10,375	54.64
Total	49,60,000	100.00

8.11 Distribution Schedule as on 31st March, 2012:

Number of Shares held	Shares held in				No. of Holders			
	Physical	%	Electronic	%	Physical	%	Electronic	%
Up to 250	3,519	2.11	287,288	5.99	36	21.30	3,468	72.60
251 to 500	4,800	2.87	205,416	4.29	12	7.10	527	11.03
501 to 1000	64,200	38.42	300,035	6.26	81	47.93	374	7.83
1001 to 2000	46,600	27.88	341,524	7.13	30	17.76	225	4.71
2001 to 3000	0	0	151,583	3.16	0	0	60	1.26
3001 to 4000	23,200	13.88	140,388	2.93	7	4.14	39	0.82
4001 to 5000	4,800	2.87	80,732	1.68	1	0.59	17	0.36
5001 to 10000	8,000	4.79	289,229	6.03	1	0.59	37	0.77
10001 and above	12,000	7.18	2,996,686	62.52	1	0.59	30	0.63
Total	167,119	100	4,792,881	100	169	100	4,777	100

CEO CERTIFICATION:

To
 The Board of Directors

(a) We have reviewed the attached financial statements and the cash flow statement for the year ended on 31 March 2012.

To the best of our knowledge and belief, we certify that:

- (i) these statements do not contain any materially un-true statement or omit any material fact or contain statements that might be misleading;
 - (ii) these statements together present a true and fair view of the Company's affairs and are in compliance with existing accounting standards, applicable laws and regulations.
- (b) There are, to the best of our knowledge and belief, no transactions entered into by the company during the year which are fraudulent, illegal or violative of the company's code of conduct.
- (c) We accept responsibility for establishing and maintaining internal controls and we have evaluated the effectiveness of the internal control systems of the company. We certify that no deficiencies in the design or operation of internal control were found.

INVESTMENT & PRECISION CASTINGS LTD

- (d) We have indicated to the auditors about;
- (i) no significant changes in internal control during the year:
 - (ii) no significant changes in accounting policies during the year.
 - (iii) no instances of any fraud during the year under review.

Place : Bhavnagar
Dated : 29.5.2012

(Piyush I Tamboli)
VICE CHAIRMAN AND MANAGING DIRECTOR

CERTIFICATE

To,
The members of
Investment & Precision Castings Ltd.

We have examined the compliance of conditions of Corporate Governance by Investment & Precision Castings Limited for the year ended 31st March, 2012 as stipulated in clause 49 of the Listing Agreement of the said Company with the Stock Exchange.

The compliance of the conditions of Corporate Governance is the responsibility of the management. Our examination was limited to procedures and implementation thereof, adopted by the Company for ensuring the compliance of the conditions of Corporate Governance. It is neither an Audit nor an expression of opinion on the financial statements of the Company.

In our opinion and to the best information and according to the explanations given to us, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in the above mentioned listing agreements.

We state that one investor's grievance is pending for a period more one month pending receipt of necessary documents from the investor.

We further state that such compliance is neither an assurance as to the future viability of the Company nor the efficiency or effectiveness with which the management has conducted the affairs of the Company.

Place: Bhavnagar
Date: 29.5.2012

For and on behalf of
Sanghavi & Company,
Chartered Accountants,
FRN : 109099W
Manoj Ganatra
Partner
Membership No. 043485
Bhavnagar

Board of Directors:

Name of the Director	Category	Remuneration paid , Rs. F.Y. 2011-2012				F.Y. 2011-12		As on 29.5.2012		
		Salary & Perks	Sitting Fees	Commis-ssion	Total	Attendance at		No. of Direc-torship	Committee Positions	
						BM	Last AGM		Mem-ber*	Chair-man
Mr. I. F. Tamboli	Non-Executive Chairman (Emeritus), Promoter	-	50,000	-	50,000	5	Yes	3	-	-
Mr. Akshay R. Shah	Non-Executive, Independent	-	90,800	-	90,800	5	Yes	3	1	2
Mr. J. M. Mapgaonkar	Non-Executive, Independent	-	90,800	-	90,800	5	Yes	2	2	2
Mr. Girish C. Shah	Non-Executive, Independent	-	50,000	-	50,000	5	Yes	3	-	-
Mr. P. A. Subramanian	Non-executive, Chairman Non-Promoter	-	1,00,800	-	1,00,800	6	Yes	3	3	-
Mr. R. K. Menon	Whole-Time Director Non-Promoter	7,32,000	-	-	7,32,000	6	Yes	3	-	-
Mr. P. I. Tamboli	Vice Chairman and Managing Director, Promoter	36,71,087	-	-	36,71,087	6	Yes	3	2	-
Total		44,03,087	3,82,400	-	47,85,487					

*Member does not include chairman

AUDITORS' REPORT

To
The Members of
Investment & Precision Castings Limited

We have audited the attached Balance Sheet of **Investment & Precision Castings Limited** as at 31st March 2012 and also the Profit & Loss Account and the Cash Flow Statement of the Company for the year ended on that date annexed thereto. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with the auditing standards generally accepted in India. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by the management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

1. As required by the Companies (Auditors' Report) Order, 2003 issued by the Central Government of India in terms of sub-section (4A) of section 227 of the Companies Act, 1956, we enclose in the annexure a statement on the matters specified in paragraphs 4 & 5 of the said order.
2. Further to our comments in the annexure referred to in paragraph (1) above, we report that:
 - (i) We have obtained all the information and explanations, which to the best of our knowledge and belief were necessary for the purpose of our audit;
 - (ii) In our opinion, proper books of accounts as required by the law have been kept by the company so far as appears from our examination of those books;
 - (iii) The Balance Sheet, Profit & Loss Account and Cash Flow Statement dealt with by this report are in agreement with the books of accounts;
 - (iv) In our opinion, the Balance Sheet, Profit & Loss account and Cash Flow Statements dealt with by this report comply with the Accounting Standards referred to in sub-section (3C) of section 211 of the Companies Act 1956, to the extent applicable;
 - (v) Based on the written representations made by the directors of the company and according to the information and explanations given to us, no director is disqualified as on 31st March 2012 from being appointed as director under clause (g) of sub-section (1) of section 274 of the Companies Act 1956;

INVESTMENT & PRECISION CASTINGS LTD

(vi) In our opinion and to the best of our information and according to the explanations given to us, the said accounts read with all the notes thereon give the information required by the Companies Act, 1956 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 31st March 2012;
- (b) In the case of the Profit & Loss Account, 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.

Bhavnagar
May 29, 2012

For SANGHAVI & COMPANY
Chartered Accountants
FRN: 109099W
MANOJ GANATRA
Partner
Membership No. 043485

ANNEXURE TO AUDITORS' REPORT

Annexure referred to in paragraph 1 of the report of even date of the Auditors to the members of **INVESTMENT & PRECISION CASTINGS LIMITED** on the accounts for the year ended 31st March 2012.

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

- 1 In respect of fixed assets:
 - a. The company has maintained proper records showing full particulars including quantitative details and situation of fixed assets.
 - b. As explained to us, fixed assets are physically verified by the management at reasonable intervals in a phased manner in accordance with a programme of physical verification. No material discrepancies were noticed on physical verification.
 - c. There was no substantial disposal of fixed assets during the year.
- 2 In respect of inventories:
 - a. The inventories were physically verified by the management at reasonable intervals during the year.
 - b. In our opinion and according to the information and explanations given to us, the procedures of physical verification of inventories followed by the management are reasonable and adequate in relation to the size of the Company and the nature of its business.
 - c. The Company has maintained proper records of its inventories and no material discrepancies were noticed on physical verification.
- 3 In respect of loans granted or taken to/from companies, firms or other parties in the register maintained under section 301 of the Companies Act, 1956:
 - a. The Company has granted unsecured loans to the companies covered in the register maintained under section 301 of the companies Act, 1956. The numbers of companies to which loans are granted, is one (a wholly owned subsidiary company) and the amount involved in the transactions and the year-end balance is ` Nil and ` 26.79 Lacs respectively.
 - b. The rate of interest and other terms and conditions of loans given by the company, are *prima facie* not prejudicial to the interest of the company except that no interest is charged on such loans being a wholly-owned subsidiary.
 - c. Since no terms and conditions of the loan granted are stipulated, we can not offer any comments as to the repayment of principal amount or overdue amounts, if any.
 - d. The Company has not taken any loans, secured or unsecured, from the parties covered in the register maintained under section 301 of the Companies Act, 1956.
- 4 In our opinion and according to the information and explanations given to us, there are adequate internal control procedures commensurate with the size of the company and the nature of its business with regard to purchase of inventory and fixed assets and for the sale of goods and services. During the course of our audit, no major weakness has been noticed in the internal controls.
- 5 In respect of transactions entered in the register maintained in pursuance of section 301 of the Companies Act 1956:

INVESTMENT & PRECISION CASTINGS LTD

- a. Based on the audit procedures applied by us and according to the information and explanations given to us, the particulars of contracts or arrangements referred to in section 301 of the Act have been entered in the register maintained under that section.
 - b. According to the information and explanations given to us, the transactions made in pursuance of such contracts or arrangements have been made at the prices which are *prima facie* reasonable having regard to the prevailing market prices at the relevant time, wherever such comparison is possible.
- 6 The company has not accepted any deposits within the meaning of section 58A and 58AA of the Companies Act 1956 and the rules framed there under.
 - 7 In our opinion, the company has an internal audit system commensurate with its size and the nature of its business.
 - 8 The Companies (Cost Accounting Records) Rules 2011 have been applicable to the Company w.e.f. the financial year 2011-2012. The company has appointed a Cost Accountant and is in the process of compliance with the said rules.
 - 9 In respect of statutory and other dues:
 - a. The Company has generally been regular in depositing undisputed statutory dues, including Provident Fund, Investor Education & Protection Fund, Employees' State Insurance, Income Tax, Sales Tax, Wealth Tax, Service Tax, Custom Duty, Excise Duty, Cess and other statutory dues, to the extent applicable, with the appropriate authorities during the year.
 - b. The following are the amounts which are not deposited on account of dispute:

Nature of Payment	Rs.	Forum where dispute is pending
Income Tax	10,694,000	Commissioner of Income Tax (Appeals); AY 2009-10
Income Tax	4,856,000	Commissioner of Income Tax (Appeals); AY 2005-06
Income Tax	312,000	Income Tax Appellate Tribunal; AY 2003-04
Sales Tax	894,939	Commissioner of Sales Tax; FY 2002-03

- 10 The Company does not have any accumulated losses as at the end of the financial year. The Company has not incurred cash losses during the current or the immediately preceding financial year.
- 11 Based on our audit procedures and the information and explanations given to us, the Company has not defaulted in repayment of dues to banks. The Company has not obtained any borrowings from any financial institutions or by way of debentures.
- 12 The Company has not granted loans or advances on the basis of security by way of pledge of shares, debentures and other securities.
- 13 In our opinion, the company is not a chit fund or a *nidhi*/mutual benefit fund/society. Therefore, the provisions of clause 4 (xiii) are not applicable to the company.
- 14 The Company is not dealing in or trading in shares, securities, debentures and other investments. Accordingly the provisions of clause 4(xiv) of the Order are not applicable to the Company.
- 15 According to the information and explanations given to us, the Company has not given any guarantees for loans taken by others from banks and financial institutions.
- 16 Terms loans obtained have been applied for the purpose for which they were obtained.
- 17 According to the information and explanations given to us and on an overall examination of the balance sheet of the Company, funds raised on short-term basis, *prima facie*, have not been used during the year for long-term investment.

INVESTMENT & PRECISION CASTINGS LTD

- 18 The Company has not made any preferential allotment of shares to parties or companies covered in the register maintained under section 301 of the Companies Act 1956.
- 19 The Company did not have any outstanding debentures during the year.
- 20 The Company has not raised any money through a public issue during the year.
- 21 To the best of our knowledge and belief and according to the information and explanations given to us, no fraud on or by the Company was noticed or reported during the year.

Bhavnagar
May 29, 2012

For SANGHAVI & COMPANY
Chartered Accountants
FRN: 109099W
MANOJ GANATRA
Partner
Membership No. 043485

INVESTMENT & PRECISION CASTINGS LTD

BALANCE SHEET as at March 31, 2012

(Amounts in Indian Rupees)

		31st March 2012	31st March 2011
EQUITY AND LIABILITIES::			
Shareholders' Funds:			
Share Capital	2	49,600,000	49,600,000
Reserves & Surplus	3	395,836,361	372,027,643
Money Received against Share Warrants	4	<u>7,117,500</u>	<u>0</u>
		452,553,861	421,627,643
Non-Current Liabilities			
Long-term Borrowings	5	58,917,805	85,283,512
Deferred Tax (Net)		31,600,000	34,000,000
Other Long Term Liabilities	6	2,226,642	2,421,764
Long Term Provisions	7	<u>2,720,511</u>	<u>2,551,825</u>
		95,464,958	124,257,101
Current Liabilities			
Short-term Borrowing	8	257,736,018	151,979,465
Trade Payables		87,995,067	64,851,106
Other Current Liabilities	9	87,545,903	65,737,055
Short-term Provisions	10	<u>10,075,028</u>	<u>11,491,680</u>
		443,352,016	294,059,306
TOTAL		<u><u>991,370,835</u></u>	<u><u>839,944,050</u></u>
ASSETS::			
Non-Current Assets			
Fixed Assets	11		
Tangible Assets		337,933,769	332,706,717
Intangible Assets		0	0
Capital Work-in-Progress		<u>40,590,193</u>	<u>34,112,047</u>
		378,523,962	366,818,764
Non-current Investments	12	2,500,000	2,500,000
Long-term Loans and Advances	13	35,448,840	18,028,988
Other Non-current Assets		<u>0</u>	<u>0</u>
		37,948,840	20,528,988
Current Assets			
Current Investment			
Inventories	14	193,143,613	145,689,481
Trade Receivables	15	261,534,521	194,531,590
Cash & Bank Balances	16	16,619,694	3,199,451
Short-term Loans and Advances	17	103,600,205	109,175,776
Other Current Assets		<u>0</u>	<u>0</u>
		574,898,033	452,596,298
TOTAL		<u><u>991,370,835</u></u>	<u><u>839,944,050</u></u>
The accompanying Notes 1 to 36 are an integral part of these Financial Statements.			

As per our Report of even Date
For SANGHAVI & COMPANY
Chartered Accountants
FRN: 109099W
MANOJ GANATRA
Partner
Membership No. 043485
Bhavnagar
Dated: May 29, 2012

FOR AND ON BEHALF OF THE BOARD
P. A. Subramanian
CHAIRMAN
Bhavnagar
Dated: May 29, 2012

Piyush I Tamboli
VICE CHAIRMAN
& MANAGING DIRECTOR

INVESTMENT & PRECISION CASTINGS LTD

PROFIT & LOSS STATEMENT FOR THE YEAR ENDED MARCH 31, 2012

		2011-12	2010-2011
REVENUE:			
Revenue from Operations	18	791,677,917	675,417,793
Other Income	19	2,182,577	7,047,700
Total Revenue		<u>793,860,494</u>	<u>682,465,493</u>
EXPENSES:			
Cost of Materials Consumed	20	81,503,351	73,063,349
Purchase of Stock-in-Trade		0	0
Change in Inventories	21	-28,503,416	-42,059,313
Employee Benefits Expense	22	71,742,054	64,242,255
Finance Costs	23	39,778,629	29,050,913
Depreciation and Amortization		48,369,691	46,085,558
Other Expenses	24	537,883,957	461,486,330
TOTAL		<u>750,774,266</u>	<u>631,869,092</u>
Profit Before exceptional and extraordinary items and tax		43,086,228	50,596,401
Exceptional Items		0	0
Extraordinary Items		0	0
Profit Before Tax		43,086,228	50,596,401
Tax Expenses:			
Current Tax		16,000,000	10,200,000
Deferred Tax		-2,400,000	8,060,000
Earlier Years' Tax		<u>-87,127</u>	<u>-249,397</u>
Net Profit for the year		<u>29,573,355</u>	<u>32,585,798</u>
Face Value per Equity Share		10	10
Earning Per Equity Share Basic/Diluted		5.96	6.57
The accompanying Notes 1 to 36 are an integral part of these Financial Statements.			

As per our Report of even Date
For SANGHAVI & COMPANY
Chartered Accountants
FRN: 109099W
MANOJ GANATRA
Partner
Membership No. 043485
Bhavnagar
Dated: May 29, 2012

FOR AND ON BEHALF OF THE BOARD
P. A. Subramanian
CHAIRMAN
Bhavnagar
Dated: May 29, 2012

Piyush I Tamboli
VICE CHAIRMAN
& MANAGING DIRECTOR

CASH FLOW STATEMENT FOR THE YEAR ENDED MARCH 31, 2012

(Rs. In Lacs)

	2011-2012	2010-2011
A CASH FLOW FROM OPERATING ACTIVITIES :		
Net Profit Before Tax And Extraordinary Items	430.86	505.96
Adjustments for -		
Depreciation	483.70	460.86
Loss (Profit) on sale of fixed assets	0.28	(0.01)
Interest	366.54	264.21
Operating Profit Before Working Capital Changes	1,281.38	1,231.02
Adjustments for -		
Trade and Other Receivables	(861.71)	250.36
Inventories	(474.55)	(479.84)
Trade and Other Payables	449.50	190.07
Cash Generated From Operations	394.62	1,191.61
Direct Taxes Paid	(130.64)	(94.52)
NET CASH FROM OPERATING ACTIVITIES	263.98	1,097.09
B CASH FLOW FROM INVESTING ACTIVITIES :		
Purchase of Fixed Assets	(604.31)	(1,434.77)
Sale of Fixed Assets	3.29	0.31
Purchase of Investments	-	(25.00)
Interest Received	13.77	17.53
Dividend Received	-	-
NET CASH USED IN INVESTING ACTIVITIES	(587.25)	(1,441.93)
C CASH FLOW FROM FINANCING ACTIVITIES :		
Proceeds from Long Term Borrowings (net)	(263.66)	328.93
Proceeds from Short Term Borrowings (net)	1,057.56	391.67
Proceeds from issue of Share Warrants	71.18	-
Loans Lent	5.88	(32.66)
Interest Paid	(380.31)	(281.74)
Dividend Paid	(61.99)	(98.08)
NET CASH USED IN FINANCING ACTIVITIES	428.66	308.12
Net Increase in Cash and Cash Equivalents	105.39	(36.72)
Cash and Cash Equivalents as at beginning of the year	23.22	59.94
Cash and Cash Equivalents as at end of the year	128.61	23.22
Cash and Cash Equivalents:		
Cash and Bank Balances	166.20	31.99
Statutory restricted accounts	(37.59)	(8.77)
	128.61	23.22

As per our Report of even Date
For SANGHAVI & COMPANY
Chartered Accountants
FRN: 109099W
MANOJ GANATRA
Partner
Membership No. 043485
Bhavnagar
Dated: May 29, 2012

FOR AND ON BEHALF OF THE BOARD
P. A. Subramanian **Piyush I Tamboli**
CHAIRMAN VICE CHAIRMAN
& MANAGING DIRECTOR
Bhavnagar
Dated: May 29, 2012

1.0 Significant Accounting Policies:

- 1.1 Basis of Accounting:** The Financial Statements have been prepared in accordance with Generally Accepted Accounting Principles (GAAP) in India, the Accounting Standards prescribed under the Companies (Accounting Standards) Rules 2006 and the relevant provisions of the Companies Act, 1956 and are based on the historical cost convention on accrual basis.
- 1.2 Use of Estimates:** The preparation of financial statements in conformity with GAAP requires the management to make estimates and assumptions that affect the reported amounts of assets and liabilities, disclosure of contingent assets and liabilities at the date of financial statements and the reported amount of revenues and expenses during the reporting period. Actual results could differ from these estimates. Any revision to accounting estimates is recognised prospectively in current and future periods.
- 1.3 Fixed Assets:** Fixed Assets are stated at cost less depreciation. Depreciation is provided on Straight Line Method on the basis of the useful life of the respective assets as determined by the management on the basis of technological evaluation of the assets and depreciation thereon is provided accordingly at the rates which are equal to or higher than the rates specified in the schedule XIV of The Companies Act, 1956.
- 1.4 Inventories:** Raw materials and Stores & Spares are valued at cost on weighted average basis. Semi finished goods are valued at estimated cost. Finished goods are valued at lower of the cost or net realisable value.
- 1.5 Sales:** Sales comprise sale of goods and other related charges.
- 1.6 Excise and Custom Duty:** Excise Duty in respect of goods manufactured by the company is, according to the method consistently followed by the company, accounted for at the time of removal of goods from the factory for sale.

However, excise duty payable on the closing stock of finished goods is provided for in the accounts. Purchases of goods and fixed assets are accounted for net of excise credit availed. Custom duty paid on import of materials is dealt with in respective materials accounts.

1.7 Employee Benefits:**Post-employment benefit plans:**

- i) **Defined Contribution Plan:** Contribution for provident fund are accrued in accordance with applicable statutes and deposited with the Regional Provident Fund Commissioner. Contribution for Superannuation in respect of certain employees of the company is made in accordance with the scheme with Life Insurance Corporation of India.
- ii) **Defined Benefit Plan:** The liabilities in respect of gratuity and leave encashment are determined using Projected Unit Credit Method with actuarial valuation carried out as at balance sheet date. Actuarial gains are recognised in full in the profit and loss account for the period in which they occur.

Contribution in respect of gratuity is made to the Group Gratuity Scheme with Life Insurance Corporation of India. Employee benefits recognised in the balance sheet represents the present value of the defined benefit obligation as adjusted for unrecognised past service cost and as reduced by the fair value of respective fund.

Short-term employee benefits: The undiscounted amount of short-term benefits expected to be paid in exchange for services rendered by employee is recognised during the period when the employee renders the service.

- 1.8 Research and Development:** Revenue expenditure on Research and Development is charged against the profit for the year in which it is incurred. Capital expenditure on Research and Development is shown as an addition to the fixed assets and is depreciated on the same basis as other fixed assets.

INVESTMENT & PRECISION CASTINGS LTD

- 1.9 Borrowing Costs:** Net cost of borrowed funds for the projects till completion are capitalised and included in the cost of fixed assets. Other borrowing costs are recognised as expenses in the period in which they are incurred.
- 1.10 Foreign Currencies Transactions:** Foreign currency transactions are accounted for at the rates prevailing on the date of transaction. Differences arising out of foreign exchange rates are dealt with in the profit & loss account. Current assets and current liabilities relating to foreign currency transactions remaining unsettled at the end of the year are translated at the closing rates and profit or loss arising there from is dealt with in the profit & loss account.
- 1.11 Taxation:** Provisions are made for current tax based on tax liability computed in accordance with relevant tax rates and tax laws.
- Deferred tax is recognised, subject to the consideration of prudence, on timing difference, being the difference between taxable income and accounting income that originate in one period and are capable of reversal in one or more subsequent periods.
- 1.12 Earning per Share:** Basic earning per Share is computed by dividing the net profit attributable to equity shareholders for the year by weighted average number of equity shares outstanding during the year. Diluted earning per share is computed by using the weighted average number of equity and dilutive equity equivalent shares outstanding at the year end.
- 1.13 Provision and Contingencies:** The Company creates a provision when there is present obligation as a result of past event that probably requires an outflow of resources and a reliable estimate can be made of the amount of obligation. A disclosure for a contingent liability is made when there is a possible obligation or a present obligation that probably will not require an outflow or where a realisable estimate of the obligation can not be made.

INVESTMENT & PRECISION CASTINGS LTD

Note No. 2

2.1 Share Capital

	31st March 2012	31st March 2011
Authorised:		
10,400,000	104,000,000	104,000,000
'Equity Shares of Rs. 10 each		
10,000 11 % Redeemable Cumulative	1,000,000	1,000,000
Preference Shares of Rs. 100 each		
TOTAL	<u>105,000,000</u>	<u>105,000,000</u>
Issued, Subscribed and Paid up:		
4960000	49,600,000	49,600,000
Equity Shares of Rs.10 each		
TOTAL	<u>49,600,000</u>	<u>49,600,000</u>

a) Of the total share capital, 4,650,000 equity shares were issued as fully paid up equity shares.

b) Equity shares issued as fully paid up bonus shares or otherwise than by cash during the preceding five years Nil.

2.2 Share Capital Reconciliation:

Particulars	Equity Shares		Preference Shares	
	No. of Shares	Rs.	No. of Shares	Rs.
Shares outstanding at the beginning of the year	4,960,000	49,600,000	--	--
Shares issued during the year	--	--	--	--
Shares bought back during the year	--	--	--	--
Shares outstanding at the end of the year	4,960,000	49,600,000	--	--

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

Name of Shareholder	31st March 2012		31st March 2011	
	No. of Shares	% of holding	No. of Shares	% of holding
MECHE PRIVATE LIMITED	809,728	16.33	809,728	16.33
PIYUSH I TAMBOLI	558,908	11.27	521,408	10.51
REKHA N SHAH	500,000	10.08	500,000	10.08
VISHAKHA P TAMBOLI	313,200	6.31	313,200	6.31
JAINAM P TAMBOLI	296,000	5.97	296,000	5.97

Note No. 3

Reserves and Surplus

	31st March 2012	31st March 2011
a. General Reserve		
Balance at the beginning of the year	371,027,643	345,647,640
Transfer from surplus	23,808,719	25,380,003
Balance at the end of the year	<u>394,836,362</u>	<u>371,027,643</u>
b. Surplus		
Balance at the beginning of the year	1,000,000	1,000,000
Net Profit for the year	29,573,355	32,585,798
Transfer to general reserve	-23,808,719	-25,380,003
Proposed dividend	-4,960,000	-6,200,000
Corporate dividend tax	-804,636	-1,005,795
Balance at the end of the year	<u>1,000,000</u>	<u>1,000,000</u>
	395,836,362	372,027,643

Note No. 4
Money Received Against Share Warrants

	31st March 2012	31st March 2011
<p>The Company has, during the financial year 2011-12, issued 390,000 convertible equity share warrants of Rs.10/- each to one of the promoters of the company on preferential basis at a premium of Rs. 63/- per warrant. These warrants are convertible within 18 months from the date of issue.</p>		
The amount received in respect of these convertible equity warrants	7,117,500	0
	<u>7,117,500</u>	<u>0</u>

Note No. 5
Long Term Borrowings

	31st March 2012	31st March 2011
a. Secured		
Term loans from Bank	58,917,805	85,283,512
	<u>58,917,805</u>	<u>85,283,512</u>
<p>Note: Term loans from Bank of Baroda are secured by hypothecation of plant and equipment and mortgage of land, buildings and vehicle and further secured by personal guarantee of one of the directors.</p> <p>Period of default : Not applicable Amount : Nil</p>		
b. Unsecured		
	--	--
	<u>0</u>	<u>0</u>
	<u>58,917,805</u>	<u>85,283,512</u>

Note No. 6
Other Long Term Liabilities

	31st March 2012	31st March 2011
Gujarat State Development Corporation	1,902,721	2,378,401
Staff Security Deposit	323,921	43,363
	<u>2,226,642</u>	<u>2,421,764</u>

INVESTMENT & PRECISION CASTINGS LTD

Note No. 7

Long Term Provisions

	31st March 2012	31st March 2011
Provision for leave encashment	2,720,511	2,551,825
	<u>2,720,511</u>	<u>2,551,825</u>

Note No. 8

Short Term Borrowings

	31st March 2012	31st March 2011
a. Secured		
Working capital finance from banks	257,736,018	151,979,465
	<u>257,736,018</u>	<u>151,979,465</u>
Note:		
Working Capital from Bank of Baroda are secured by hypothecation of inventories, book debts, and all movable properties and mortgage of all immovable properties and further secured by personal guarantee of one of the directors.		
Period of default : Not applicable		
Amount : Nil		
b. Unsecured	--	--
	<u>257,736,018</u>	<u>151,979,465</u>

Note No. 9

Other Current Liabilities

	31st March 2012	31st March 2011
Current maturities of long-term debt	68,184,000	50,670,495
Interest accrued but not due on borrowings	1,471,644	0
Advances from customers	1,083,792	100,921
Statutory liabilities	6,171,500	4,703,954
Unclaimed Dividends	833,865	833,203
Group Gratuity Premium payable	178,126	0
Other Liabilities	9,622,976	9,428,482
	<u>87,545,903</u>	<u>65,737,055</u>

Note No. 10

Short Term Provisions

	31st March 2012	31st March 2011
Provision for bonus	3,975,000	3,934,000
Provision for leave encashment	335,392	351,885
Proposed dividend	4,960,000	6,200,000
Corporate dividend tax	804,636	1,005,795
	<u>10,075,028</u>	<u>11,491,680</u>

NOTE NO. 11 Fixed Assets

INVESTMENT & PRECISION CASTINGS LTD

(Amount in Rupees)

ASSETS	GROSS BLOCK				ACCUMULATED DEPRECIATION				NET BLOCK	
	As on 1.4.2011	Additions during the Year	Sales or Adjustments	As on 31.3.2012	As on 1.4.2011	For the Year	On Deductions/ Adjustments	Up to 31.3.2012	As at 31.3.2012	As at 31.3.2011
TANGIBLE ASSETS										
LAND (FREE HOLD)	11,701,357	0	0	11,701,357	0	0	0	0	11,701,357	11,701,357
LAND (LEASE HOLD)	5,562,718	0	0	5,562,718	112,378	56,189	0	168,567	5,394,151	5,450,340
BUILDINGS	106,756,018	23,457,838	0	130,213,856	14,832,661	4,952,922	0	19,785,583	110,428,273	91,923,357
PLANT & EQUIPMENT	390,146,240	23,402,071	2,567,271	410,981,040	173,813,303	40,730,308	2,438,908	212,104,703	198,876,337	216,332,937
OFFICE EQUIPMENT	11,759,221	514,499	75,000	12,198,720	9,092,554	671,629	33,330	9,730,853	2,467,867	2,666,667
FURNITURE & FIXTURES	3,081,487	56,233	0	3,137,720	2,115,373	185,195		2,300,568	837,152	966,114
VEHICLES	8,308,702	6,522,773	1,196,866	13,634,609	4,642,756	1,773,448	1,010,227	5,405,977	8,228,632	3,665,945
TOTAL	537,315,743	53,953,414	3,839,137	587,430,020	204,609,025	48,369,691	3,482,465	249,496,251	337,933,769	332,706,717
INTANGIBLE ASSETS				0				0	0	
Total	537,315,743	53,953,414	3,839,137	587,430,020	204,609,025	48,369,691	3,482,465	249,496,251	337,933,769	332,706,717
Capital work-in-progress	34,112,047	6,478,146	0	40,590,193				0	40,590,193	34,112,047

INVESTMENT & PRECISION CASTINGS LTD

Note No. 12

Non-Current Investments

	31st March 2012	31st March 2011
<u>Trade Investments:</u>		
Unquoted; at cost:		
a. Investment in Subsidiary Companies:		
250,000 equity shares of I&PCL Vacuum Cast Limited of Rs. 10 each (A Wholly owned subsidiary)	2,500,000	2,500,000
	<u>2,500,000</u>	<u>2,500,000</u>

Note No. 13

Long-term Loans and Advances

	31st March 2012	31st March 2011
Unsecured (considered good, unless otherwise stated)		
Capital Advances	24,435,487	8,817,120
Security deposits	273,533	291,133
Loans to a subsidiary company	2,679,026	3,266,843
Loans to staff (including officers of the company Rs. 468,923 (392,123))	2,503,368	431,566
Loans to Ancillary units	5,557,426	5,222,326
	<u>35,448,840</u>	<u>18,028,988</u>

Note No. 14

Inventories

	31st March 2012	31st March 2011
(as taken, certified and valued by management)		
Raw materials (at cost)	19,468,351	10,368,479
Work-in-progress (at estimated cost)	106,497,932	83,042,224
Finished goods (at lower of cost or market value)	20,020,446	14,972,737
Stores & Spares (at cost)	47,156,884	37,306,041
	<u>193,143,613</u>	<u>145,689,481</u>

Note No. 15

Trade Receivables

	31st March 2012	31st March 2011
Unsecured (considered good, unless otherwise stated)		
Over six months	21,190,225	12,228,226
Others	240,344,296	182,303,364
	<u>261,534,521</u>	<u>194,531,590</u>
includes- due from a subsidiary company	--	--

INVESTMENT & PRECISION CASTINGS LTD

Note No. 16

Cash and Bank Balances

	31st March 2012		31st March 2011	
I. Cash and Cash Equivalent				
a. Balances with Banks				
Current accounts	12,529,413		2,098,551	
Short term deposits	<u>0</u>	12,529,413	<u>0</u>	2,098,551
b. Cash on Hand		331,136		223,853
II. Other Bank Balances				
Dividend accounts	865,308		877,047	
Terms deposits with more than 12 months maturity	--		--	
Other terms deposits	<u>2,893,837</u>	3,759,145	<u>0</u>	877,047
		<u>16,619,694</u>		<u>3,199,451</u>
Term deposits of Rs. 2,893,837(Nil) are under lien with banks against bank guarantees)				

Note No. 17

Short-term Loans and Advances

	31st March 2012		31st March 2011	
Unsecured (considered good, unless otherwise stated)				
Trade advances to suppliers (including to companies in which some of the directors are interested Rs. 6,000,000)		81,452,357		84,142,730
Loans and advances to staff (including officers of the company Rs. 847,781 (254,110))		1,393,389		715,617
Input credits receivable		2,987,309		9,698,450
Prepaid expenses		3,211,376		1,301,930
Loans to ancillary units		2,627,743		2,319,915
Advance payment of taxes (net of provisions)		2,319,460		6,174,029
Other Loans and advances		9,608,571		4,823,105
		<u>103,600,205</u>		<u>109,175,776</u>

INVESTMENT & PRECISION CASTINGS LTD

Note No. 18

Revenue from Operations

	2011-2012		2010-2011	
Sale of Products				
Export sales	6,534,247		2,120,809	
Domestic Sales	<u>867,670,838</u>		<u>738,625,261</u>	
	874,205,085		740,746,070	
Less Excise duty	<u>83,556,106</u>	790,648,979	<u>65,434,008</u>	675,312,062
Other Operating Revenue				
Export incentive and credits	201,352		37,922	
Foreign currency fluctuation gain/(loss)	189,629		67,809	
Other operational income	<u>637,957</u>	1,028,938	<u>0</u>	105,731
		<u>791,677,917</u>		<u>675,417,793</u>

Note No. 19

Other Income

	2011-2012		2010-2011	
Interest receipts	1,377,268		1,752,918	
Profit on sale of assets	0		1,153	
Sundry balances written back (net)	0		5,103,674	
Miscellaneous income	<u>805,309</u>		<u>189,955</u>	
	<u>2,182,577</u>		<u>7,047,700</u>	

Note No. 20

Cost of Materials Consumed

	2011-2012		2010-2011	
Raw Materials Consumed				
Opening Stock	10,368,479		11,996,037	
Purchase and direct expenses	<u>90,603,223</u>		<u>71,435,791</u>	
	100,971,702		83,431,828	
Closing Stock	<u>19,468,351</u>		<u>10,368,479</u>	
		<u>81,503,351</u>		<u>73,063,349</u>

Note No. 21

Change in Inventories

	2011-2012		2010-2011	
Opening Stock				
Finished Goods	14,972,737		15,899,816	
Work-in-progress	<u>83,042,224</u>	98,014,961	<u>40,055,832</u>	55,955,648
Closing Stock				
Finished Goods	20,020,446		14,972,737	
Work-in-progress	<u>106,497,931</u>	126,518,377	<u>83,042,224</u>	98,014,961
		<u>-28,503,416</u>		<u>-42,059,313</u>

INVESTMENT & PRECISION CASTINGS LTD

Note No. 22

Employee Benefit Expenses

	2011-2012	2010-2011
Salaries, Wages, allowances and bonus	61,122,301	56,008,046
Contribution to employee benefits funds	8,934,285	6,926,881
Staff welfare expenses	1,685,468	1,307,328
	<u>71,742,054</u>	<u>64,242,255</u>
includes directors' remunerations	4,403,087	5,648,622

Note No. 23

Finance Costs

	2011-2012	2010-2011
Interest		
Working Capital Finance	23,169,754	14,917,177
Term loans	15,537,068	13,232,962
Others	796,049	300,000
	<u>39,502,871</u>	<u>28,450,139</u>
Other borrowing costs	275,758	600,774
	<u>39,778,629</u>	<u>29,050,913</u>

Note No. 24

Other Expenses

	2011-2012	2010-2011
Manufacturing Expenses		
Power & Fuel	129,502,242	109,396,197
Machinery repairs and maintenance	4,708,028	3,369,572
Fettling and other external processing charges	129,656,724	99,332,633
Stores & spares	218,084,470	193,200,304
Other expenses	14,096,485	12,941,797
	<u>496,047,949</u>	<u>418,240,503</u>
Selling and Distribution Expenses		
Sales Commission	2,151,882	2,602,279
Export freight and insurance	79,711	324,983
Other selling expenses	16,511,191	17,482,312
	<u>18,742,784</u>	<u>20,409,574</u>
Administration and Other Expenses		
Travelling expenses	3,668,187	3,707,214
Rent	139,445	154,350
Rates and taxes	455,567	444,382
Insurance premiums	548,927	644,805
Building and other repairs	2,970,092	4,451,888
Advertisement expenses	506,957	337,709
Directors' sitting fees	382,400	282,400
Legal and professional fees	1,455,866	2,425,970
Payment to auditors	208,000	211,328
Bank discount, commission and other charges	780,276	576,177
Loss on sale of assets	28,337	0
Donations	638,222	7,100
Sundry balances written off (net)	18,554	0
Prior period expenses	209,000	281,553
General expenses	11,083,394	9,311,377
	<u>23,093,224</u>	<u>22,836,253</u>
	<u>537,883,957</u>	<u>461,486,330</u>

INVESTMENT & PRECISION CASTINGS LTD

- 25 Balances with Sundry Debtors, Sundry Creditors and for Advances are subject to confirmations from the respective parties. In absence of such confirmations, balances as per books have been relied upon by the Auditors.
- 26 The Company has not received information from its vendors regarding their status under Micro, Small and Medium Enterprises Development Act, 2006 and hence disclosures relating to amounts unpaid as at the year end together with interests paid/payable under this act have not been given.
- 27 Deferred tax asset of Rs. 24.00 Lacs arising during the year, a major component of which is due to timing difference related to depreciation charged in the accounts and as claimed under the Income Tax Act, is credited to the profit & loss account. Details of the balance of Rs. 31,600,000 are as under:

Particulars	Rs.
Depreciation	31,969,332
Disallowance u/s 43B of the Income Tax Act	(369,332)
Total	31,600,000

- 28 The management of the Company has, during the year, carried out technological evaluation for identification of impairment of assets, if any, in accordance with the Accounting Standard AS-28 issued by the Institute of Chartered Accountants of India. Based on the judgement of the management and as certified by the Directors, no provision for impairment is found to be necessary in respect of any of the assets.
- 29 As the company's business activity, in the opinion of the management, falls within a single primary segment subject to the same risks and returns, the disclosure requirements of Accounting Standard AS-17 "Segment Reporting" issued by the Institute of Chartered Accountants of India are not applicable.
- 30 In the opinion of the Directors, the current assets, loans and advances are approximately of the value as stated in the balance sheet, if realised in the ordinary course of the business. The provision of all known liabilities is adequate and not in excess of the amount reasonably required.

31 Contingent Liabilities:

- (i) In respect of Central Sales Tax for which 'C' forms are pending for collection Rs. 92,098,000(35,250,000)
- (iii) In respect of disputed Value Added Tax liabilities Rs. 1,193,604 (2,886,053).
- (iv) In respect of disputed Income Tax liabilities Rs. 15,862,000 (312,169)

32 Payments to Auditors:

	2011-2012 (Rs.)	2010-2011 (Rs.)
Audit Fees including Quarterly Review	140,000	135,000
Taxation Matters	35,000	30,000
For certification and other matters.	33,000	46,328

33 Disclosure as per AS-15 (Revised) on "Employee Benefit" for the year ended 31st March 2012:

Particulars	(Amount, Rs.)	
	2011-2012	2010-2011
Gratuity Plan:		
A. Change in the defined benefit obligations:		
Defined benefit obligations as at beginning of the year:	13,677,487	13,545,452
Service cost	828,954	864,834
Interest cost	1,094,199	1,083,636
Actuarial loss / (Gain)	1,261,786	147,952
Benefits paid	(1,491,098)	(1,964,387)
Defined benefit obligations as at close of the year (a)	1,53,71,328	13,677,487

INVESTMENT & PRECISION CASTINGS LTD

B. Change in plan assets:

Fair value of plan assets as at beginning of the year:	14,553,242	13,878,750
Expected return on plan assets	1,460,357	1,254,701
Contributions by employer	2,199,179	1,384,178
Actuarial loss / (Gain)	--	--
Benefits paid	(1,491,098)	(1,964,387)
Fair value of plan assets as at close of the year (b)	16,721,680	14,553,242
Present Value of unfunded obligations (a-b)	--	--
The net amount recognized in the statement of profit and loss for the year ended 31st March is as follows:		
Current service cost	828,954	864,834
Interest cost	1,094,199	1,083,636
Expected return on plan assets	(1,460,357)	(1,254,701)
Net actuarial loss / (gain) recognized	1,261,786	147,952
Net amount recognized	1,724,582	841,721

Actual Return on Plan Assets

The principal actuarial assumptions used as at end of financial year are as follows:

Discount Rate	8.00%	8.00%
Expected rate of return on plan assets	8.50%	9.25%
Rate of increase in compensation levels	7.00	7.00%

34 Related Party Disclosures:

34.1 Subsidiary: I&PCL Vacuum Cast Limited:

Nature of Transactions		2011-2012	2010-2011
Subsidiary:		Amount, Rs.	Amount, Rs.
1.	Advance granted/(recovered)	(587,817)	3,266,843
2.	Outstanding balance: Advance Recoverable	2,679,026	3,266,843

**34.2 Associates: a) Tamboli Foundry Supplies and Services Ltd.
b) Tamboli Castings Limited.**

Nature of Transactions		2011-2012	2010-2011
Associates:		Amount, Rs.	Amount, Rs.
1.	Purchases of Materials and Services	1,639,480	3,480,571
2.	Sale of Materials	415,953	824,252
3.	Outstanding balance: Trade payable	244,857	--
	Trade receivable	(2,395)	--
	Trade Advance to suppliers	6,017,942	782,387

**34.3 Key Management Personnel: a) Shri Piyush I. Tamboli, b) Shri P. A. Subramanian,
c) Shri R. K. Menon**

Key Management Personnel:	2011-2012	2010-2011
Remuneration	4,403,087	5,648,622

35 Additional Information (as certified by the management):

A. Details of Sales and Stocks of Castings (Finished Goods):

Product	Opening Stock		Sales		Closing Stock	
	2011-2012	2010-2011	2011-2012	2010-2011	2011-2012	2010-2011
Investment Casting	14,972,738	15,899,816	790,648,979	675,312,062	20,020,446	14,972,738
work-in process	83,042,224	40,055,832	--	--	106,497,931	83,042,224

INVESTMENT & PRECISION CASTINGS LTD

B. Consumption of Raw Materials:

Item	2011-2012	2010-2011
	Rs.	Rs.
a) Scrap	47,002,545	41,609,701
b) Ferro Alloys	34,500,806	31,453,648
c) Total	81,503,351	73,063,349

C. Percentage of Consumption:

Item	2011-2012		2010-2011	
	%	Rs.	%	Rs.
Raw Materials:				
a) Imported	8.07	6,576,694	11.02	8,054,757
b) Indigenous	91.93	74,926,657	88.98	65,008,592
c) Total	100.00	81,503,351	100.00	73,063,349

D. Imports on CIF Basis: (accrual basis):

Item	2011-2012 (Rs.)	2010-2011 (Rs.)
Raw materials	7,783,484	5,396,005
Stores & Spares	2,750,968	3,034,598
Capital Goods	2,421,204	37,569,031

E. Earnings and Expenditure (accrual basis) in Foreign Currency:

Item		2011-2012 (Rs.)	2010-2011 (Rs.)
Earnings	Exports of Goods (FOB)	6,477,178	1,795,826
Expenditure	Travelling Expenses	66,678	352,246
	Others	22,348	301,918

F. Payment of Dividend to Non-resident shareholders:

Number of Shareholders	51
Amount of Dividend Rs.	1,01,571
Year to which dividend relates	2010-2011

- 36.** Figures in the brackets are the figures for the previous year, unless otherwise stated.
All the amounts are stated in Indian Rupees, unless otherwise stated.

Signatures to Note No. 1 to 36

As per our Report of even Date
For SANGHAVI & COMPANY
Chartered Accountants
FRN: 109099W

FOR AND ON BEHALF OF THE BOARD
P. A. Subramanian
CHAIRMAN
Piyush I Tamboli
VICE CHAIRMAN &
MANAGING DIRECTOR

MANOJ GANATRA
Partner
Membership No. 043485
Bhavnagar
Dated: May 29,2012

Bhavnagar
Dated: May 29, 2012

ANNEXURE TO BALANCE SHEET FOR THE YEAR ENDED 31ST MARCH, 2012

STATEMENT PURSUANT TO SECTION 212 OF THE COMPANIES ACT, 1956

1. Name of the Subsidiary Company : I&PCL VACUUM CAST LIMITED
2. Financial Year of the Subsidiary Company : 31 March, 2012
3. Date from which it became subsidiary : 30 August, 2010
4. Extent of the Holding Company's interest in the : 100 %
Subsidiary Company at the end of the financial
year of the Subsidiary Company
5. Net aggregate amount of the profit/(loss) of the :
Subsidiary Company not dealt with in the Holding
Company's Account (concerning the members of
the Holding Company)
 - i) For the Current Year : Nil
 - ii) For the previous years since it become a : Nil
Subsidiary
6. Net aggregate amount of the profit of the :
Subsidiary Company dealt with in the Holding
Company's Accounts.
 - i) i) For the Current Year : (728,364)
 - ii) ii) For the previous year since it became a : (711,217)
Subsidiary

FOR AND ON BEHALF OF THE BOARD

P. A. Subramanian
CHAIRMAN

Piyush I Tamboli
VICE CHAIRMAN &
MANAGING DIRECTOR

Bhavnagar
Dated: May 29, 2012

DISCLOSURE ON BALANCE SHEET OF THE SUBSIDIARY COMPANY I&PCL VACUUM CAST LIMITED as at 31.3.2012

No.	Item	As at 31.3.2012 Amount, Rs.	As at 31.3.2011 Amount, Rs.
1.	Capital	2,500,000	2,500,000
2.	Reserves	(1,431,081)	(711,217)
3.	Total Assets	3,826,729	5,266,284
4.	Total Liabilities	3,826,729	5,266,284
5.	Investments	60,000	--
6.	Turnover	--	--
7.	Profit Before Taxation	(728,364)	(702,717)
8.	Provision for Taxation	--	(8,500)
9.	Profit After Taxation	(728,364)	(711,217)
10.	Proposed Dividend	--	--

AUDITORS' REPORT ON CONSOLIDATED FINANCIAL STATEMENTS

To

The Board of Directors of

INVESTMENT & PRECISION CASTINGS LIMITED

- 1 We have audited the attached Consolidated Balance Sheet of Investment & Precision Castings Limited (the Company) and its subsidiary (collectively hereinafter referred as "the I&PCL Group") as at 31st March 2012 and also the Consolidated Profit and Loss Account and the Consolidated Cash Flow Statement for the year ended on that date annexed thereto.
- 2 These consolidated financial statements are the responsibility of the Company's management and have been prepared by the management on the basis of separate financial statements and other financial information regarding components. Our responsibility is to express an opinion on these consolidated financial statements based on our audit.
- 3 We conducted our audit in accordance with the auditing standards generally accepted in India. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are prepared, in all material respects, in accordance with an identified financial reporting framework and are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by the management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.
- 4 We report that the Consolidated Financial Statements have been prepared by the Company in accordance with the requirement of Accounting Standard (AS) – 21 "Consolidated Financial Statements" as notified under the Companies (Accounting Standards) Rules 2006.
- 5 Based on our audit and on consideration of separate financial statements and other financial information of the components, and to the best of our information and according to the explanations given to us, we are of the opinion that the Consolidated Financial Statements read with all the notes thereon give a true and fair view in conformity with the accounting principles generally accepted in India:
 - (a) In the case of the Consolidated Balance Sheet, of the consolidated affairs of I&PCL Group as at 31st March 2012;
 - (b) In the case of the Consolidated Profit & Loss Account, of the **PROFIT** of I&PCL Group for the year ended on that date; and
 - (c) In the case of the Consolidated Cash Flow Statement, of the consolidated cash flows of I&PCL Group for the year ended on that date.

Bhavnagar
May 29, 2012

For SANGHAVI & COMPANY
Chartered Accountants
FRN: 109099W
MANOJ GANATRA,
Partner
Membership No. 043485

CONSOLIDATED BALANCE SHEET as at March 31, 2012

(Amounts in Indian Rupees)

		31st March 2012		31st March 2011	
EQUITY AND LIABILITIES::					
Shareholders' Funds:					
Share Capital	2	49,600,000		49,600,000	
Reserves & Surplus	3	394,405,280		371,316,426	
Money Received against Share Warrants	4	<u>7,117,500</u>	451,122,780	<u>0</u>	420,916,426
Non-Current Liabilities					
Long-term Borrowings	5	58,917,805		85,283,512	
Deferred Tax (Net)		31,600,000		34,000,000	
Other Long Term Liabilities	6	2,226,642		2,421,764	
Long Term Provisions	7	<u>2,720,511</u>	95,464,958	<u>2,551,825</u>	124,257,101
Current Liabilities					
Short-term Borrowing	8	257,736,018		151,979,465	
Trade Payables		88,069,935		65,054,882	
Other Current Liabilities	9	87,549,819		65,737,882	
Short-term Provisions	10	<u>10,075,028</u>	443,430,800	<u>11,491,680</u>	294,263,909
TOTAL			<u>990,018,538</u>		<u>839,437,436</u>
ASSETS::					
Non-Current Assets					
Fixed Assets	11				
Tangible Assets		337,933,769		332,706,716	
Intangible Assets		0		0	
Capital Work-in-Progress		41,989,646		34,465,016	
Pre-operative Expenses (pending capitalisation)		<u>566,563</u>	380,489,978	<u>149,402</u>	367,321,134
Non-current Investments	12	60,000		0	
Long-term Loans and Advances	13	34,265,758		16,435,089	
Other Non-current Assets		<u>0</u>	34,325,758	<u>0</u>	16,435,089
Current Assets					
Current Investment					
Inventories	14	193,143,613		145,689,481	
Trade Receivables	15	261,534,521		194,531,590	
Cash & Bank Balances	16	16,772,201		5,596,582	
Short-term Loans and Advances	17	103,752,467		109,863,560	
Other Current Assets		<u>0</u>	575,202,802	<u>0</u>	455,681,213
TOTAL			<u>990,018,538</u>		<u>839,437,436</u>
The accompanying Notes 1 to 35 are an integral part of these Financial Statements.					

As per our Report of even Date
For SANGHAVI & COMPANY
Chartered Accountants
FRN: 109099W
MANOJ GANATRA
Partner
Membership No. 043485
Bhavnagar
Dated: May 29, 2012

FOR AND ON BEHALF OF THE BOARD
P. A. Subramanian
CHAIRMAN
Bhavnagar
Dated: May 29, 2012

Piyush I Tamboli
VICE CHAIRMAN
& MANAGING DIRECTOR

CONSOLIDATED PROFIT & LOSS STATEMENT FOR THE YEAR ENDED MARCH 31, 2012

		2011-12	2010-2011
REVENUE:			
Revenue from Operations	18	791,677,917	675,417,793
Other Income	19	2,284,776	7,072,150
Total Revenue		<u>793,962,693</u>	<u>682,489,943</u>
EXPENSES:			
Cost of Materials Consumed	20	81,503,351	73,063,349
Purchase of Stock-in-Trade		0	0
Change in Inventories	21	-28,503,416	-42,059,313
Employee Benefits Expense	22	71,742,054	64,242,255
Finance Costs	23	39,778,629	29,050,913
Depreciation and Amortization		48,369,691	46,085,558
Other Expenses	24	<u>538,706,020</u>	<u>462,213,497</u>
TOTAL		<u>751,596,329</u>	<u>632,596,259</u>
Profit Before exceptional and extraordinary items and tax		42,366,364	49,893,684
Exceptional Items		0	0
Extraordinary Items		0	0
Profit Before Tax		42,366,364	49,893,684
Tax Expenses:			
Current Tax		16,000,000	10,208,500
Deferred Tax		-2,400,000	8,060,000
Earlier Years' Tax		<u>-87,127</u>	<u>-249,397</u>
Net Profit for the year		<u>28,853,491</u>	<u>31,874,581</u>
Face Value per Equity Share		10	10
Earning Per Equity Share Basic/Diluted		5.82	6.43
The accompanying Notes 1 to 35 are an integral part of these Financial Statements.			

As per our Report of even Date
For SANGHAVI & COMPANY
Chartered Accountants
FRN: 109099W
MANOJ GANATRA
Partner
Membership No. 043485
Bhavnagar
Dated: May 29, 2012

FOR AND ON BEHALF OF THE BOARD
P. A. Subramanian
CHAIRMAN
Bhavnagar
Dated: May 29, 2012
Piyush I Tamboli
VICE CHAIRMAN
& MANAGING DIRECTOR

CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED MARCH 31, 2012

(Rs.in Lacs)

	2011-2012	2010-2011
A CASH FLOW FROM OPERATING ACTIVITIES :		
Net Profit Before Tax And Extraordinary Items	423.66	498.94
Adjustments for -		
Depreciation	483.70	460.86
Loss (Profit) on sale of fixed assets	0.28	(0.01)
Interest	365.52	263.97
Operating Profit Before Working Capital Changes	1,273.16	1,223.76
Adjustments for -		
Trade and Other Receivables	(854.52)	226.72
Inventories	(474.55)	(479.84)
Trade and Other Payables	448.24	192.12
Cash Generated From Operations	392.33	1,162.76
Direct Taxes Paid	(130.70)	(94.56)
NET CASH FROM OPERATING ACTIVITIES	261.63	1,068.20
B CASH FLOW FROM INVESTING ACTIVITIES :		
Purchase of Fixed Assets	(618.96)	(1,439.80)
Sale of Fixed Assets	3.29	0.31
Purchase of Investments	(0.60)	-
Interest Received	14.79	17.77
Dividend Received	-	-
NET CASH USED IN INVESTING ACTIVITIES	(601.48)	(1,421.72)
C CASH FLOW FROM FINANCING ACTIVITIES :		
Proceeds from Long Term Borrowings (net)	(263.66)	328.93
Proceeds from Short Term Borrowings (net)	1,057.56	391.67
Proceeds from issue of Share Warrants	71.18	-
Loans Lent	-	-
Interest Paid	(380.31)	(281.74)
Dividend Paid	(61.99)	(98.08)
NET CASH USED IN FINANCING ACTIVITIES	422.78	340.78
Net Increase in Cash and Cash Equivalents	82.93	(12.74)
Cash and Cash Equivalents as at beginning of the year	47.20	59.94
Cash and Cash Equivalents as at end of the year	130.13	47.20
Cash and Cash Equivalents:		
Cash and Bank Balances	167.72	55.97
Statutory restricted accounts	(37.59)	(8.77)
	130.13	47.20

As per our Report of even Date
For SANGHAVI & COMPANY
Chartered Accountants
FRN: 109099W
MANOJ GANATRA
Partner
Membership No. 043485
Bhavnagar
Dated: May 29, 2012

FOR AND ON BEHALF OF THE BOARD
P. A. Subramanian Piyush I Tamboli
CHAIRMAN VICE CHAIRMAN
& MANAGING DIRECTOR
Bhavnagar
Dated: May 29, 2012

INVESTMENT & PRECISION CASTINGS LTD

CONSOLIDATED ACCOUNTS

1.0 Significant Accounting Policies:

- 1.1 Use of Estimates:** The preparation of financial statements in conformity with GAAP requires the management to make estimates and assumptions that affect the reported amounts of assets and liabilities, disclosures of contingent assets and liabilities at the date of financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from these estimates. Any revision to accounting estimates is recognised prospectively in current and future periods.
- 1.2 Fixed Assets:** Fixed Assets are stated at cost less depreciation. Depreciation is provided on Straight Line Method on the basis of the useful life of the respective assets as determined by the management on the basis of technological evaluation of the assets and depreciation thereon is provided accordingly at the rates which are equal to or higher than the rates specified in the schedule XIV of The Companies Act, 1956.
- 1.3 Inventories:** Raw materials and Stores & Spares are valued at cost on weighted average basis. Semi finished goods are valued at estimated cost. Finished goods are valued at lower of the cost or net realisable value.
- 1.4 Sales:** Sales comprise sale of goods and other related charges.
- 1.5 Excise and Custom Duty:** Excise Duty in respect of goods manufactured by the company is, according to the method consistently followed by the company, accounted for at the time of removal of goods from the factory for sale.

However, excise duty payable on the closing stock of finished goods is provided for in the accounts. Purchases of goods and fixed assets are accounted for net of excise credit availed. Custom duty paid on import of materials is dealt with in respective materials accounts.

1.6 Employee Benefits:

Post-employment benefit plans:

- i) **Defined Contribution Plan:** Contribution for provident fund are accrued in accordance with applicable statutes and deposited with the Regional Provident Fund Commissioner. Contribution for Superannuation in respect of certain employees of the company is made in accordance with the scheme with Life Insurance Corporation of India.
- ii) **Defined Benefit Plan:** The liabilities in respect of gratuity and leave encashment are determined using Projected Unit Credit Method with actuarial valuation carried out as at balance sheet date. Actuarial gains are recognised in full in the profit and loss account for the period in which they occur.

Contribution in respect of gratuity is made to the Group Gratuity Scheme with Life Insurance Corporation of India. Employee benefits recognised in the balance sheet represents the present value of the defined benefit obligation as adjusted for unrecognised past service cost and as reduced by the fair value of respective fund.

Short-term employee benefits: The undiscounted amount of short-term benefits expected to be paid in exchange for services rendered by employee is recognised during the period when the employee renders the service.

- 1.7 Research and Development:** Revenue expenditure on Research and Development is charged against the profit for the year in which it is incurred. Capital expenditure on Research and Development is shown as an addition to the fixed assets and is depreciated on the same basis as other fixed assets.

INVESTMENT & PRECISION CASTINGS LTD

- 1.8 Borrowing Costs:** Net cost of borrowed funds for the projects till completion are capitalised and included in the cost of fixed assets. Other borrowing costs are recognised as expenses in the period in which they are incurred.
- 1.9 Foreign Currencies Transactions:** Foreign currency transactions are accounted for at the rates prevailing on the date of transaction. Differences arising out of foreign exchange rates are dealt with in the profit & loss account. Current assets and current liabilities relating to foreign currency transactions remaining unsettled at the end of the year are translated at the closing rates and profit or loss arising there from is dealt with in the profit & loss account.
- 1.10 Taxation:** Provisions are made for current tax based on tax liability computed in accordance with relevant tax rates and tax laws.

Deferred tax is recognised, subject to the consideration of prudence, on timing difference, being the difference between taxable income and accounting income that originate in one period and are capable of reversal in one or more subsequent periods.

- 1.11 Earning per Share:** Basic earning per Share is computed by dividing the net profit attributable to equity shareholders for the year by weighted average number of equity shares outstanding during the year. Diluted earning per share is computed by using the weighted average number of equity and dilutive equity equivalent shares outstanding at the year end.
- 1.12 Provision and Contingencies:** The Company creates a provision when there is present obligation as a result of past event that probably requires an outflow of resources and a reliable estimate can be made of the amount of obligation. A disclosure for a contingent liability is made when there is a possible obligation or a present obligation that probably will not require an outflow or where a realisable estimate of the obligation can not be made.
- 2.0** The Company has disclosed only such policies and notes from the individual financial statements, which fairly present the needed disclosures. Lack of homogeneity and other similar considerations made it desirable to exclude some of them, which in the opinion the management, could be better viewed, when referred from the individual financial statements.

Note No. 2

2.1 Share Capital

	31st March 2012	31st March 2011
Authorised:		
10,400,000	104,000,000	104,000,000
Equity Shares of Rs.10 each		
10,000 11 % Redeemable Cumulative	1,000,000	1,000,000
Preference Shares of Rs. 100 each		
TOTAL	<u>105,000,000</u>	<u>105,000,000</u>
Issued, Subscribed and Paid up:		
4,960,000	49,600,000	49,600,000
Equity Shares of Rs.10 each		
TOTAL	<u>49,600,000</u>	<u>49,600,000</u>

- a) Of the total share capital, 4,650,000 equity shares were issued as fully paid up equity shares.
 b) Equity shares issued as fully paid up bonus shares or otherwise than by cash during the preceding five years Nil.

2.2 Share Capital Reconciliation:

Particulars	Equity Shares		Preference Shares	
	No. of Shares	Rs.	No. of Shares	Rs.
Shares outstanding at the beginning of the year	4,960,000	49,600,000	--	--
Shares issued during the year	--	--	--	--
Shares bought back during the year	--	--	--	--
Shares outstanding at the end of the year	4,960,000	49,600,000	--	--

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

Name of Shareholder	31.3.2012		31.3.2011	
	No. of Shares	% of holding	No. of Shares	% of holding
MECHE PRIVATE LIMITED	809,728	16.33	809,728	16.33
PIYUSH I TAMBOLI	558,908	11.27	521,408	10.51
REKHA N SHAH	500,000	10.08	500,000	10.08
VISHAKHA P TAMBOLI	313,200	6.31	313,200	6.31
JAINAM P TAMBOLI	296,000	5.97	296,000	5.97

Note No. 3

Reserves and Surplus

	31st March 2012	31st March 2011
a. General Reserve		
Balance at the beginning of the year	371,027,643	345,647,640
Transfer from surplus	23,088,855	25,380,003
Balance at the end of the year	<u>394,116,498</u>	<u>371,027,643</u>
b. Surplus		
Balance at the beginning of the year	288,783	1,000,000
Net Profit for the year	28,853,491	31,874,581
Transfer to general reserve	-23,088,855	-25,380,003
Proposed dividend	-4,960,000	-6,200,000
Corporate dividend tax	-804,636	-1,005,795
Balance at the end of the year	<u>288,783</u>	<u>288,783</u>
	394,405,281	371,316,426

Note No. 4**Money Received Against Share Warrants**

	31st March 2012	31st March 2011
The Company has, during the financial year 2011-12, issued 390,000 convertible equity share warrants of Rs. 10/- each to one of the promoters of the company on preferential basis at a premium of Rs. 63/- per warrant. These warrants are convertible within 18 months from the date of issue.		
The amount received in respect of these convertible equity warrants	7,117,500	0
	<u>7,117,500</u>	<u>0</u>

Note No. 5**Long Term Borrowings**

	31st March 2012	31st March 2011
a. Secured		
Term loans from Bank	58,917,805	85,283,512
	<u>58,917,805</u>	<u>85,283,512</u>
Note: Term loans from Bank of Baroda are secured by hypothecation of plant and equipment and mortgage of land, buildings and vehicle and further secured by personal guarantee of one of the directors. Period of default : Not applicable Amount : Nil		
b. Unsecured	--	--
	<u>0</u>	<u>0</u>
Period of default : Not applicable Amount : Nil		

Note No. 6**Other Long Term Liabilities**

	31st March 2012	31st March 2011
Gujarat State Development Corporation	1,902,721	2,378,401
Staff Security Deposit	323,921	43,363
	<u>2,226,642</u>	<u>2,421,764</u>

Note No. 7**Long Term Provisions**

	31st March 2012	31st March 2011
Provision for leave encashment	2,720,511	2,551,825
	<u>2,720,511</u>	<u>2,551,825</u>

Note No. 8

Short Term Borrowings

	31st March 2012	31st March 2011
a. Secured		
Working capital finance from banks	257,736,018	151,979,465
	<u>257,736,018</u>	<u>151,979,465</u>
<p>Note: Working Capital from Bank of Baroda are secured by hypothecation of inventories, book debts, and all properties and mortgage of all immovable properties and further secured by movable personal guarantee of one of the directors.</p> <p>Period of default : Not applicable Amount : Nil</p>		
b. Unsecured	<u> --</u>	<u> --</u>

Note No. 9

Other Current Liabilities

	31st March 2012	31st March 2011
Current maturities of long-term debt	68,184,000	50,670,495
Interest accrued but not due on borrowings	1,471,644	0
Advances from customers	1,083,792	100,921
Statutory liabilities	6,175,416	4,704,781
Unclaimed Dividends	833,865	833,203
Group Gratuity Premium payable	178,126	0
Other Liabilities	<u>9,622,976</u>	<u>9,428,482</u>
	<u>87,549,819</u>	<u>65,737,882</u>

Note No. 10

Short Term Provisions

	31st March 2012	31st March 2011
Provision for bonus	3,975,000	3,934,000
Provision for leave encashment	335,392	351,885
Proposed dividend	4,960,000	6,200,000
Corporate dividend tax	<u>804,636</u>	<u>1,005,795</u>
	<u>10,075,028</u>	<u>11,491,680</u>

NOTE NO. 11 Fixed Assets

INVESTMENT & PRECISION CASTINGS LTD

(Amount in Rupees)

ASSETS	GROSS BLOCK				ACCUMULATED DEPRECIATION				NET BLOCK	
	As on 1.4.2011	Additions during the Year	Sales or Adjustments	As on 31.3.2012	As on 1.4.2011	For the Year	On Deductions/ Adjustments	Up to 31.3.2012	As at 31.3.2012	As at 31.3.2011
TANGIBLE ASSETS										
LAND (FREE HOLD)	11,701,357	0	0	11,701,357	0	0	0	0	11,701,357	11,701,357
LAND (LEASE HOLD)	5,562,718	0	0	5,562,718	112,378	56,189	0	168,567	5,394,151	5,450,340
BUILDINGS	106,756,018	23,457,838	0	130,213,856	14,832,661	4,952,922	0	19,785,583	110,428,273	91,923,357
PLANT & EQUIPMENT	390,146,240	23,402,071	2,567,271	410,981,040	173,813,303	40,730,308	2,438,908	212,104,703	198,876,337	216,332,937
OFFICE EQUIPMENT	11,759,221	514,499	75,000	12,198,720	9,092,554	671,629	33,330	9,730,853	2,467,867	2,666,667
FURNITURE & FIXTURES	3,081,487	56,233	0	3,137,720	2,115,373	185,195		2,300,568	837,152	966,114
VEHICLES	8,308,702	6,522,773	1,196,866	13,634,609	4,642,756	1,773,448	1,010,227	5,405,977	8,228,632	3,665,945
TOTAL	537,315,743	53,953,414	3,839,137	587,430,020	204,609,025	48,369,691	3,482,465	249,496,251	337,933,769	332,706,717
INTANGIBLE ASSETS	0	0	0	0	0	0	0	0	0	0
Total	537,315,743	53,953,414	3,839,137	587,430,020	204,609,025	48,369,691	3,482,465	249,496,251	337,933,769	331,706,717
Capital work-in-progress	34,465,016	7,524,630	0	41,989,646	0	0	0	0	41,989,646	34,465,016

Note No. 12

Non-Current Investments

	31st March 2012	31st March 2011
Investment in Government Securities (pledged with sales tax authorities)	60,000	
	<u>60,000</u>	<u>0</u>

Note No. 13

Long-term Loans and Advances

	31st March 2012	31st March 2011
Unsecured (considered good, unless otherwise stated)		
Capital Advances	24,630,487	9,214,120
Security deposits	1,574,477	1,567,077
Loans to a subsidiary company	0	0
Loans to staff	2,503,368	431,566
(including officers of the company Rs. 468,923 (392,123))		
Loans to Ancillary units	5,557,426	5,222,326
	<u>34,265,758</u>	<u>16,435,089</u>

Note No. 14

Inventories

	31st March 2012	31st March 2011
(as taken, certified and valued by management)		
Raw materials (at cost)	19,468,351	10,368,479
Work-in-progress (at estimated cost)	106,497,932	83,042,224
Finished goods (at lower of cost or market value)	20,020,446	14,972,737
Stores & Spares (at cost)	47,156,884	37,306,041
	<u>193,143,613</u>	<u>145,689,481</u>

Note No. 15

Trade Receivables

	31st March 2012	31st March 2011
Unsecured (considered good, unless otherwise stated)		
Over six months	21,190,225	12,228,226
Others	240,344,296	182,303,364
	<u>261,534,521</u>	<u>194,531,590</u>
includes- due from a subsidiary company	--	--

Note No. 16

Cash and Bank Balances

	31st March 2012		31st March 2011	
I. Cash and Cash Equivalent				
a. Balances with Banks				
Current accounts	12,681,920		4,495,682	
Short term deposits	<u>0</u>	12,681,920	<u>0</u>	4,495,682
b. Cash on Hand		331,136		223,853
II. Other Bank Balances				
Dividend accounts	865,308		877,047	
Term deposits with more than 12 months maturity	--		--	
Other term deposits	<u>2,893,837</u>	3,759,145	<u>0</u>	877,047
		<u>16,772,201</u>		<u>5,596,582</u>
Term deposits of Rs. 2,893,837(Nil) are under lien with bank against bank guarantees)				

Note No. 17

Short-term Loans and Advances

	31st March 2012		31st March 2011	
Unsecured (considered good, unless otherwise stated)				
Trade advances to suppliers (including to companies in which some of the directors are interested Rs. 6,000,000)		81,452,357		84,142,730
Loans and advances to staff (including officers of the company Rs. 847,781 (254,110))		1,393,389		715,617
Input credits receivable		3,031,896		9,698,450
Prepaid expenses		3,216,976		1,973,764
Loans to ancillary units		2,627,743		2,319,915
Advance payment of taxes(net of provisions)		2,319,460		6,167,974
Other Loans and advances		9,710,646		4,845,110
		<u>103,752,467</u>		<u>109,863,560</u>

Note No. 18

Revenue from Operations

	2011-2012		2010-2011	
Sale of Products				
Export sales	6,534,247		2,120,809	
Domestic Sales	<u>867,670,838</u>		<u>738,625,261</u>	
	874,205,085		740,746,070	
Less Excise duty	<u>83,556,106</u>	790,648,979	<u>65,434,008</u>	675,312,062
Other Operating Revenue				
Export incentive and credits	201,352		37,922	
Foreign currency fluctuation gain/(loss)	189,629		67,809	
Other operational income	<u>637,957</u>	1,028,938	0	105,731
		<u>791,677,917</u>		<u>675,417,793</u>

Note No. 19

Other Income

	2011-2012		2010-2011	
Interest receipts		1,479,467		1,777,368
Profit on sale of assets		0		1,153
Sundry balances written back (net)		0		5,103,674
Miscellaneous income		<u>805,309</u>		<u>189,955</u>
		<u>2,284,776</u>		<u>7,072,150</u>

Note No. 20

Cost of Materials Consumed

	2011-2012		2010-2011	
Raw Materials Consumed				
Opening Stock	10,368,479		11,996,037	
Purchase and direct expenses	<u>90,603,223</u>		<u>71,435,791</u>	
	100,971,702		83,431,828	
Closing Stock	<u>19,468,351</u>		<u>10,368,479</u>	
		<u>81,503,351</u>		<u>73,063,349</u>

Note No. 21

Change in Inventories

	2011-2012		2010-2011	
Opening Stock				
Finished Goods	14,972,737		15,899,816	
Work-in-progress	<u>83,042,224</u>	98,014,961	<u>40,055,832</u>	55,955,648
Closing Stock				
Finished Goods	20,020,446		14,972,737	
Work-in-progress	<u>106,497,931</u>	126,518,377	<u>83,042,224</u>	98,014,961
		<u>-28,503,416</u>		<u>-42,059,313</u>

Note No. 22

Employee Benefit Expenses

	2011-2012		2010-2011	
Salaries, Wages, allowances and bonus		61,122,301		56,008,046
Contribution to employee benefits funds		8,934,285		6,926,881
Staff welfare expenses		<u>1,685,468</u>		<u>1,307,328</u>
		<u>71,742,054</u>		<u>64,242,255</u>
includes directors' remunerations		4,403,087		5,648,622

Note No. 23

Finance Costs

	2011-2012		2010-2011	
Interest				
Working Capital Finance	23,169,754		14,917,177	
Term loans	15,537,068		13,232,962	
Others	<u>796,049</u>	<u>39,502,871</u>	<u>300,000</u>	<u>28,450,139</u>
Other borrowing costs		<u>275,758</u>		<u>600,774</u>
		<u>39,778,629</u>		<u>29,050,913</u>

Note No. 24

Other Expenses

	2011-2012		2010-2011	
Manufacturing Expenses				
Power & Fuel	129,502,242		109,396,197	
Machinery repairs and maintenance	4,708,028		3,369,572	
Fettling and other external processing charges	129,656,724		99,332,633	
Stores & spares	218,084,470		193,200,304	
Other expenses	<u>14,096,485</u>	<u>496,047,949</u>	<u>12,941,797</u>	<u>418,240,503</u>
Selling and Distribution Expenses				
Sales Commission	2,151,882		2,602,279	
Export freight and insurance	79,711		324,983	
Other selling expenses	<u>17,190,509</u>	<u>19,422,102</u>	<u>17,482,312</u>	<u>20,409,574</u>
Administration and Other Expenses				
Travelling expenses	3,669,462		3,707,214	
Rent	139,445		154,350	
Rates and taxes	455,567		444,382	
Insurance premiums	548,927		644,805	
Building and other repairs	2,970,092		4,451,888	
Advertisement expenses	506,957		337,709	
Directors' sitting fees	382,400		282,400	
Legal and professional fees	1,470,866		2,449,153	
Payment to auditors	234,500		241,109	
Bank discount, commission and other charges	865,053		576,177	
Loss on sale of assets	28,337		0	
Donations	647,222		7,100	
Sundry balances written off (net)	18,554		0	
Preliminary Expenses	--		654,120	
Prior period expenses	200,500		281,553	
General expenses	<u>11,098,087</u>	<u>23,235,969</u>	<u>9,331,460</u>	<u>23,563,420</u>
		<u>538,706,020</u>		<u>462,213,497</u>

25 Basis of presentation of Financial Statements:

The consolidated financial statements relate to Investment & Precision Castings Limited (“the Company”) and its wholly owned subsidiary company, I&PCL Vacuum Cast Limited. The Consolidated accounts have been prepared on the following basis:

- a) The audited financial statements of the subsidiary used in the consolidation are drawn up to the same reporting date as that of the parent company, i.e. year ended 31st March 2012.
- b) The financial statements have been prepared in accordance with Generally Accepted Accounting Principles (“GAAP”) in India, the Accounting Standards prescribed under the Companies (Accounting Standards) Rules, 2006 and the relevant provisions of the Companies Act, 1956, to the extent applicable, and are based on the historical cost convention on an accrual basis.

26 Principles of Consolidation:

- a) The financial statements of the Company and its subsidiary company have been combined on a line-by-line basis by adding together the book values of like items of the assets, liabilities, income and expenses, after fully eliminating there from intra-group balances and intra-group transactions as per Accounting Standard (AS) - 21 “Consolidated Financial Statements” prescribed under the Companies (Accounting Standards) Rules, 2006.
- b) The financial statements of the parent company and its subsidiary company have been consolidated using uniform account policies for like transactions and other events in similar circumstances.

27 Balances with Sundry Debtors, Sundry Creditors and for Advances are subject to confirmations from the respective parties. In absence of such confirmations, balances as per books have been relied upon by the Auditors.

28 The Company has not received information from its vendors regarding their status under Micro, Small and Medium Enterprises Development Act, 2006 and hence disclosures relating to amounts unpaid as at the year end together with interests paid/payable under this act have not been given.

29 Deferred tax asset of Rs. 24.00 Lacs arising during the year, a major component of which is due to timing difference related to depreciation charged in the accounts and as claimed under the Income Tax Act, is credited to the profit & loss account. Details of the balance of Rs. 31,600,000 are as under:

Particulars	Rs.
Depreciation	31,969,332
Disallowance u/s 43B of the Income Tax Act	(369,332)
Total	31,600,000

30 The management of the Company has, during the year, carried out technological evaluation for identification of impairment of assets, if any, in accordance with the Accounting Standard AS-28 issued by the Institute of Chartered Accountants of India. Based on the judgement of the management and as certified by the Directors, no provision for impairment is found to be necessary in respect of any of the assets.

31 As the company’s business activity, in the opinion of the management, falls within a single primary segment subject to the same risks and returns, the disclosure requirements of Accounting Standard AS-17 “Segment Reporting” issued by the Institute of Chartered Accountants of India are not applicable.

32 In the opinion of the Directors, the current assets, loans and advances are approximately of the value as stated in the balance sheet, if realised in the ordinary course of the business. The provision of all known liabilities is adequate and not in excess of the amount reasonably required.

INVESTMENT & PRECISION CASTINGS LTD**33 Contingent Liabilities:**

- (i) In respect of Central Sales Tax for which 'C' forms are pending for collection Rs. 92,098,000(35,250,000)
- (iii) In respect of disputed Value Added Tax liabilities Rs. 1,193,604 (2,886,053).
- (iv) In respect of disputed Income Tax liabilities Rs. 15,862,000 (312,169)

34 Related Party Disclosures:

- 34.1 Associates:** a) Tamboli Foundry Supplies and Services Ltd.
b) Tamboli Castings Limited.

Nature of Transactions		2011-2012	2010-2011
Associates:		Amount, Rs.	Amount, Rs.
1.	Purchases of Materials and Services	1,639,480	3,480,571
2.	Sale of Materials	415,953	824,252
3.	Outstanding balance: Trade payable	244,857	--
	Trade receivable	(2,395)	
	Trade Advance to suppliers	6,017,942	782,387

- 34.2 Key Management Personnel:** a) Shri Piyush I. Tamboli, b) Shri P. A. Subramanian,
c) Shri R. K. Menon

Key Management Personnel:	2011-2012	2010-2011
Remuneration	4,403,087	5,648,622

- 35.** Figures in the brackets are the figures for the previous year, unless otherwise stated.
All the amounts are stated in Indian Rupees, unless otherwise stated.

As per our Report of even Date
For SANGHAVI & COMPANY
Chartered Accountants
FRN: 109099W

MANOJ GANATRA
Partner
Membership No. 043485
Bhavnagar
Dated: May 29,2012

Signatures to Note No. 1 to 35

FOR AND ON BEHALF OF THE BOARD
P. A. Subramanian **Piyush I Tamboli**
CHAIRMAN VICE CHAIRMAN &
MANAGING DIRECTOR

Bhavnagar
Dated: May 29, 2012

INVESTMENT & PRECISION CASTINGS LIMITED

Reg. Office: Nari Road, Bhavnagar, Gujarat, India 364 006.

PROXY FORM

I/We residing at.....

.....
being a Member/Members of Investment & Precision Castings Limited, with my/our shareholding details as shown below, hereby appoint.....

residing at

or failing him/her,

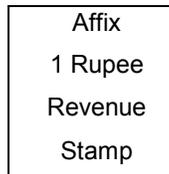
residing at

as my/our proxy to attend and vote for me/us on my/our behalf at the Annual General Meeting of the Company to be held on Fourth August 2012 and/or at any adjournment thereof.

Number of Equity Share held		
Folio Number		
If Demat	DP ID	
Shares	Client ID	

As witness my/our hand(s) is set this day of 2012.

Signed by the said.....



.....

Note: The proxy must be returned so as to reach the Registered Office of the Company at Nari Road, Bhavnagar not less than FORTY EIGHT HOURS before the time for holding the aforesaid meeting.



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TML
Drivelines
TML DRIVELINES LIMITED
A TATA Enterprise



Certificate of Appreciation

*In honor of your outstanding performance and dedication
during the year 2011-12, we gladly present this to*

M/s Investment & Precision Castings Ltd

for excellence in

Quality.

Glenn
CEO

Date : 5th May 2012

TML DRIVELINES LIMITED

Book-Post

To,

If undelivered please return to :

INVESTMENT & PRECISION CASTINGS LTD.



REGD. OFFICE : NARI ROAD, BHAVNAGAR
& WORKS : GUJARAT, INDIA-364 006
TELEPHONE : (91) (0278) 252 3300 to 04
FAX : (91) (0278) 252 3500 to 02
EMAIL : direct1@ipcl.in
investor@ipcl.in
WEBSITE : www.ipcl.in