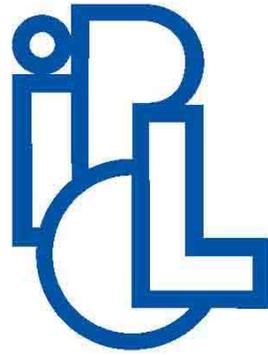


ISO 9001 : 2000
TS 16949 : 2002
ISO 14001 : 2004
OHSAS 18001 : 2007
AD 2000 Markblatt WD
PED 97/23/EC

Certified Company

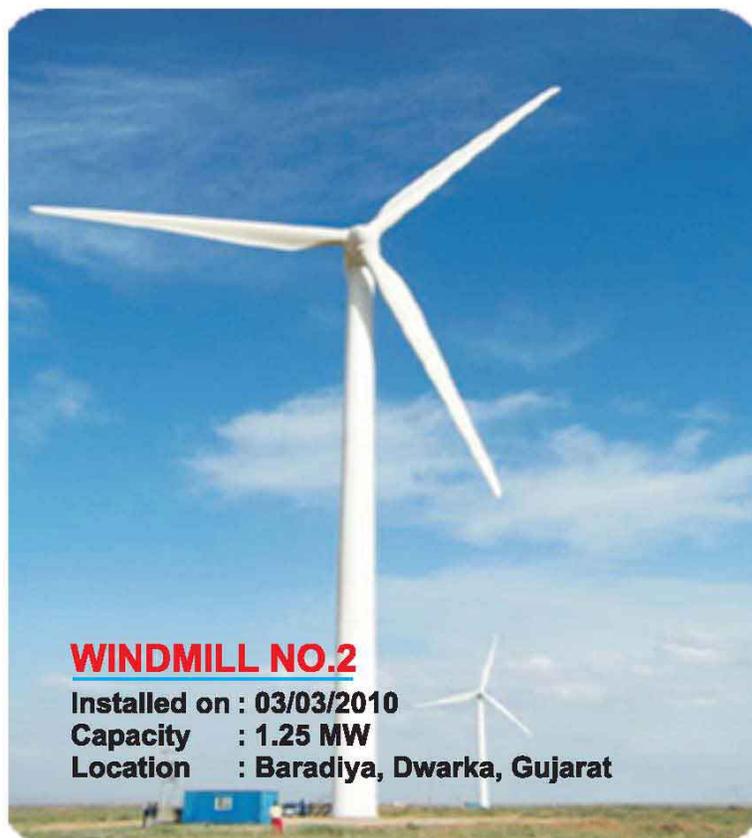
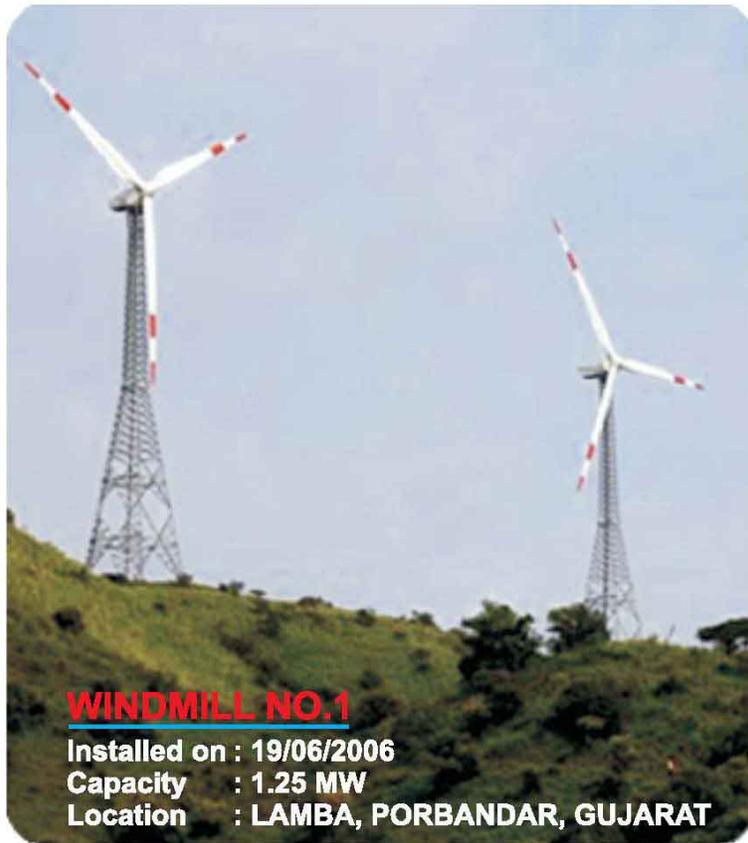


36th ANNUAL REPORT 2010-2011



INVESTMENT & PRECISION CASTINGS LTD.

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



Phone: COMBAR
 Telex: 3055 ADA IN
 Fax: 011-26101181-26101191
 E-mail: ada@ada.gov.in
ada@ada.gov.in

Tel: 01-261-2224176
 2611720

ADA
AERONAUTICAL DEVELOPMENT AGENCY
 (Ministry of Defence, Govt. of India)
 P.B. No. 1718, Vimanapura Post, Bangalore - 560 077, India

P.S. SUBRAMANYAM, IAS
 Programme Director (CA & DCA)

24th June 2011

Letter of Appreciation

M/s Investment & Precision Castings Limited (IPCL), Nari Road, Bhavnagar-364 006, Gujarat, India have indigenously developed two thin walled Aluminum Castings for an airborne servo system (antenna platform unit) that is being used in Multimode Radar system of Tejas (Indian Light Combat Aircraft - LCA) aircraft. These castings, complex in nature, have been designed and developed as part of indigenous servo platform as an import substitute item. The complete environmental qualification and testing has been completed for these castings and they have been successfully tested in operation during the flight testing of radar system on Tejas aircraft. Type Certification for these castings is being awarded on this day, 01st July 2011.

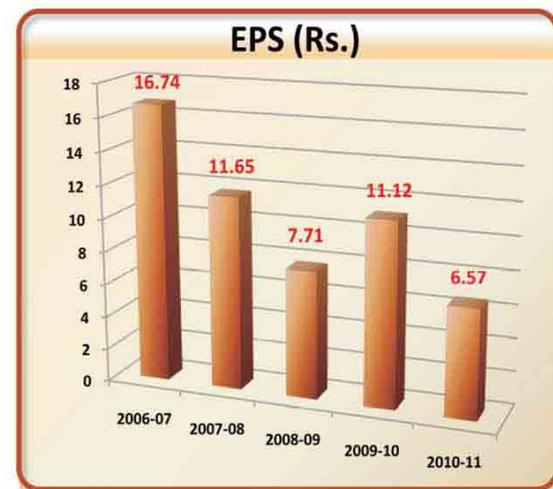
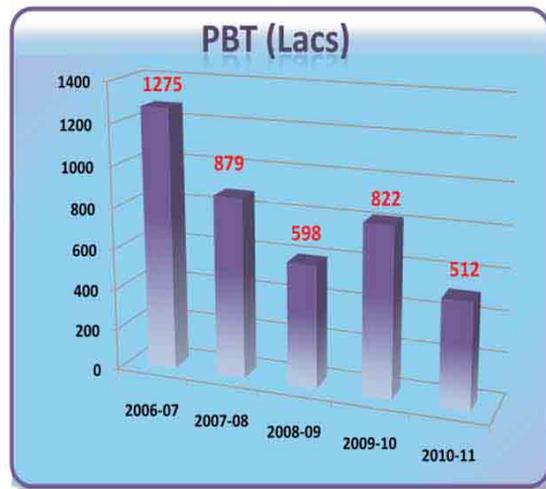
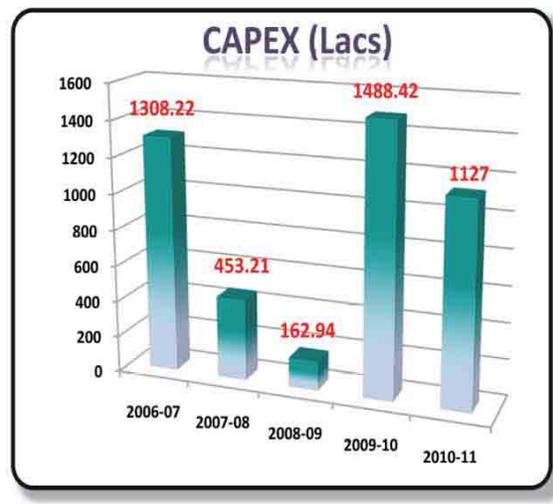
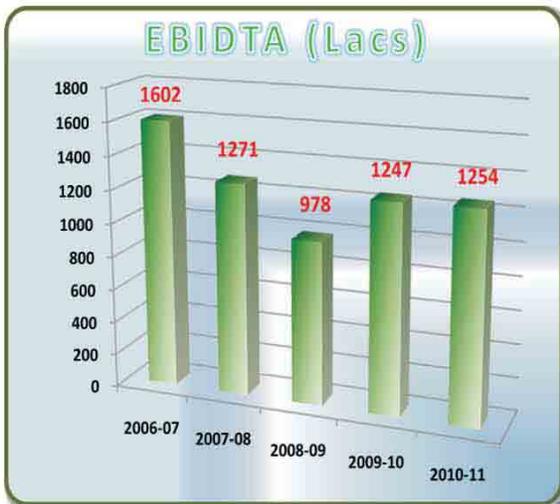
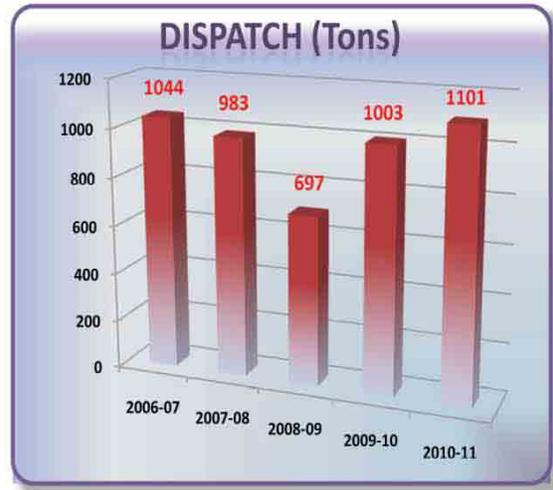
M/s Investment & Precision Castings Limited has done an excellent work in design, development, testing and qualification of these airborne castings which lead to successful type certification of castings as well as the servo platform of the radar system. The indigenous development of airborne aluminum castings has given the nation, tremendous confidence and support in developing the indigenous servo platform for the radar system of Tejas aircraft. We congratulate and highly appreciate the team work of all at M/s IPCL, Bhavnagar for this rare achievement. We look forward for continuing technological achievements of M/s IPCL in all their future endeavors to rise the Indian flag high in the global markets.


 (P S Subramanyam)
 Programme Director(Combat Aircraft) &
 Director-ADA



From Right 1. Mr. P.A. Subramanian, 2. Dr. K. Tamillmani 3. Mr. Plyush Tamboll, 4. Mr. P.S. Subramanyam

Charts



INVESTMENT & PRECISION CASTINGS LIMITED

BOARD OF DIRECTORS	:	Shri P. A. Subramanian	Chairman
		Shri Akshay R. Shah	
		Shri J. M. Mopgaonkar	
		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-SIXTH ANNUAL GENERAL MEETING OF INVESTMENT & PRECISION CASTINGS LIMITED WILL BE HELD ON TWELFTH DAY OF AUGUST 2011 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, 2011 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 Akshay R. Shah who retires by rotation and being eligible offers himself for re-appointment.
3. To appoint a Director in place of Shri J. M. Mapgaonkar who retires by rotation and being eligible offers himself for re-appointment.
4. 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.

SPECIAL BUSINESS :

5. To consider and if thought fit, to pass with or without modification, the following resolution as an ORDINARY RESOLUTION:

“RESOLVED THAT notice of intention to propose Shri Girish C. Shah for appointment as a Director having been received from the members under provision of section 257 of the Companies Act, 1956, Shri Girish C. Shah, who was appointed as an additional director of the Company and who holds office upto the date of this Annual General Meeting pursuant to the provisions of section 260 of the Companies Act, 1956 be and is hereby appointed as Director of the Company.

Registered Office:
Nari Road
Bhavnagar
Gujarat 364 006
Dated: May 23, 2011

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 6.8.2011 to 12.8.2011 (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 demat form are requested to bring their Client ID and DPID numbers and photo identity for easy identification of attendance at the meeting.

INVESTMENT & PRECISION CASTINGS LTD

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 ended	Date of Declaration of Dividend	Last date for claiming unpaid Dividend	Due date for transfer to IEP fund
2003-2004	17.7.2004	16.7.2011	15.8.2011
2004-2005	23.7.2005	22.7.2012	21.8.2012
2005-2006	21.7.2006	25.7.2013	24.8.2013
2006-2007	28.7.2007	27.7.2014	26.8.2014
2007-2008	28.6.2008	27.6.2015	26.7.2015
2008-2009	17.8.2009	16.8.2016	16.9.2016
2009-2010	26.7.2010	26.8.2017	26.9.2017

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 6.8.2011, and to those members who hold the shares in demat form as per the record of Depositories, National Securities Depository Ltd. (NSDL) and Central Depository System (India) Ltd. (CDSL), as on the close of the day before start of Book Closure date from 6.8.2011 to 12.8.2011, both days inclusive.
8. Members holding shares in electronics 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 electronic 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 demat accounts. Members holding shares in physical form can submit their PAN details to the Company/Registrars and Transfer Agents, M/s. MCS Limited.
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 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 **Members are requested to please refer page No. 57 concerning Company's communication regarding "Green Initiative" and give feedback as requested.**

Registered Office:
Nari Road
Bhavnagar
Gujarat 364 006
Dated: May 23, 2011

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

INVESTMENT & PRECISION CASTINGS LTD

EXPLANATORY STATEMENT

Explanatory Statement pursuant to section 173(2) of the Companies Act, 1956.

In conformity with the provisions of Section 173(2) of the Companies Act, 1956, the following explanatory statement sets out all material facts relating to the Special Business mentioned in the accompanying Notice and should be taken as forming part of the Notice.

Item No. 5 : Shri Girish C. Shah was appointed as an additional Director of the Company and under the provision of Section 260 of the Companies Act, 1956. Shri Girish C. Shah holds office upto the conclusion of the date of this Annual General Meeting.

The Company has received notices in writing from some members of the Company proposing Shri Girish C. Shah as a candidate in the office of the Directors of the Company. Shri Girish C. Shah is a successful businessman, builder and developer engaged in the activity of construction of residential flats, commercial complex and development of realty estate. He holds various prestigious positions at state level. He is also on the Board of Directors of many companies.

The Board of Directors recommend the resolution for your approval. Shri Girish C. Shah is interested and concerned in the above resolution as it relates to his appointment as Director. None of the other Directors present is interested in the above resolution.

Registered Office:
Nari Road
Bhavnagar
Gujarat 364 006
Dated: May 23, 2011

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

INVESTMENT & PRECISION CASTINGS LTD

DIRECTORS' REPORT: 2010-2011

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, 2011.

1. Financial Results :

	<u>2010-2011</u>	<u>(Rs. in Lacs)</u> <u>2009-2010</u>
Total Income	6824.56	6246.15
Profit Before Taxation	511.78	822.14
Less: Tax Expenses:		
1. Current	105.00	217.00
2. Deferred	80.60	67.78
3. Earlier Years' Tax	(-) 2.49	--
Profit After Taxation	328.67	537.36
Adding thereto:		
1. Balance brought forward from last Balance Sheet	10.00	10.00
2. Prior Period Adjustment	(-) 2.81	14.21
 Making a total amount available for appropriation of Which has been appropriated as follows:	 335.86	 561.57
1. Proposed Dividend	62.00	99.20
2. Corporate Dividend Tax	10.06	16.86
3. General Reserve	253.80	435.51
 Leaving a balance to be carried forward	 10.00	 10.00

2. Operations: The total Income during the year went up marginally by over 8.00 % over the previous year. However, The profit before interest, depreciation and tax (EBITDA) went up marginally from Rs. 1247.34 Lacs to Rs. 1254.14 Lacs in the previous year.

3. Dividend: The Directors are pleased to recommend a Dividend for the period ended March 31, 2011 @ Rs. 1.25 per share on 49,60,000 Equity Shares for financial year 2010-2011 amounting to Rs. 62.00 Lacs as against Rs. 2.00 per share, amounting to Rs. 99.20 Lacs for last financial year 2009-2010, subject to approval of the members at this Annual General Meeting.

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

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

6. Formation of "I&PCL Vacuum Cast Limited" as a Wholly Owned Subsidiary of the Company:

The Company has, during the year, formed a new company "I&PCL VACUUM CAST LIMITED" as a Wholly Owned Subsidiary effective from 30.8.2010 for its new project of manufacturing Vacuum Investment Castings.

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 31.3.2011 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. 40 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, includes the details of Subsidiary Company.

8. Directors:

- a) Shri Akshay R. Shah retires by rotation as required by the Companies Act, 1956, and being eligible, offers himself for re-election.
- b) Shri J. M. Mapgaonkar retires by rotation as required by the Companies Act, 1956, and being eligible, offers himself for re-election.
- c) Shri Girish C. Shah, Independent Director has been appointed as additional director on the Board of Directors of the Company effective from 11.2.2011.

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, segmentwise reporting of the results is not applicable to your Company.

13. Accounting for Taxes on income: Deferred Tax Liability of Rs. 80.60 Lacs, resulting from application of the Accounting Standard AS-22, has been debited to the amount available for appropriation for the present Financial Year, 2010-2011.

14. Corporate Governance: The company has complied with amended Clause 49 of listing agreement concerning strength of independent directors on the Board before March 31, 2011. Please see the enclosed Annexure for details.

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

16. 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, are eligible for re-appointment.

17. Compliance Certificate: A copy of this certificate is enclosed with this report.

18. 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 23, 2011

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

INVESTMENT & PRECISION CASTINGS LTD

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, 2011

A. 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	44	B.Sc. MBA	Vice Chairman and Managing Director	21	4,107,831/-	As assigned by the Board from time to time	12.6.2003	Senior Executive (Operations) SteelCast Ltd.

B. Employed for a part of 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 R. K. Menon	75	B.Sc	Executive Director	53	972,539/-	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.

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 23, 2011

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

MANAGEMENT DISCUSSION & ANALYSIS

A INDUSTRY STRUCTURE & DEVELOPMENT:

The Indian economy continued impressive growth during the year. Indian automotive industry posted another year of spectacular growth.

B OPPORTUNITIES, THREATS, RISKS & CONCERNS:

1. Opportunities:

The Indian Automotive Industry continued its growth during the year. They have projected growth for the year 2011-12 as well. This augers well for the Company's performance during the coming years. Tata Motor's Nano car project has commenced production at its plant in Sanand near Ahmedabad. This has improved business volumes for the company.

The projected high growth to economy puts grater demand on infrastructure development, especially power generation. This offers good opportunity for growth to the company.

2. Threats:

The Free Trade Agreements with neighbouring countries can pose some threat.

The prevailing sluggishness in global economy is matter of concern.

3. Risks & Concerns:

The prevailing high inflation and increase in Interest rates may impact growth of the economy. Hike in fuel prices, especially petrol, may affect growth of automotive sector.

Our Company is continuing its focus on increasing productivity and cost reduction at various levels to counter the above risks.

C OUTLOOK:

The present economic scenario in the domestic sector looks very positive. The company is making additional Capital investments to increase production capacity to be able to meet demands.

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 8 % from Rs. 6246.15 Lacs to Rs. 6824.65 Lacs.

Expenditure increased by over 16 % from Rs. 5424.00 Lacs to Rs. 6312.88 Lacs, mainly on account of the unprecedented increase in cost of inputs in line with high inflation. During the year interest and depreciation cost increased from Rs. 425.20 Lacs to Rs. 742.36 Lacs, an increase of over 74 %.

INVESTMENT & PRECISION CASTINGS LTD

Profit before depreciation, interest and tax increased from Rs. 1247.34 Lacs to Rs. 1254.14 Lacs.

The Company's Profit Before Tax (PBT) decreased by over 37 % from Rs. 822.14 Lacs to Rs. 511.78 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.

COMPLIANCE CERTIFICATE

To
The Members,
INVESTMENT & PRECISION CASTINGS LIMITED

I have examined the registers, records, books and papers of INVESTMENT & PRECISION CASTINGS LIMITED (the Company) as required to be maintained under the Companies Act, 1956, (the Act) and the rules made thereunder and also the provisions contained in the Memorandum and Articles of Association of the Company for the financial year ended on 31st March, 2011. In my opinion and to the best of my information and according to the examinations carried out by me and explanations furnished to me by the Company, its officers and agents, I certify that in respect of the aforesaid financial year:

1. the Company has kept and maintained all registers as stated in Annexure 'A' to this certificate, as per the provisions and the rules made thereunder and all entries therein have been duly recorded.
2. the Company has kept and maintained all registers as stated in Annexure 'A' to this certificate, as per the provisions and the rules made thereunder and all entries therein have been duly recorded.
3. the Company is a public company within the meaning under section 3(1)(iv) of the Act.
4. the Board of Directors duly met five times on 30th April 2010; 26th July, 2010; 30th October, 2010; 28th December, 2010; and 11th February, 2011 in respect of which meetings proper notices were given and the proceedings were properly recorded and signed.
5. the Company closed its Register of Members from 17.7.2010 to 26.7.2010 and necessary compliance of section 154 of the Act has been made.
6. the annual general meeting for the financial year ended on 31st March, 2010 was held on 26th July, 2010 after giving due notice to the members of the Company and the resolutions passed thereat were duly recorded in Minutes Book maintained for the purpose.
7. no extra ordinary meeting was held during the financial year.
8. the company has not advanced any loan to its directors and/or persons or firms or companies referred to in the section 295 of the Act.
9. the Company has duly complied with the provisions of section 297 of the Act in respect of contracts specified in that section and to the extent applicable.
10. the Company has made necessary entries in the register maintained under section 301 of the Act.
11. the Company has obtained necessary approval from the members pursuant to section 314 of the Act wherever applicable.
12. no duplicate share certificates were issued during the financial year under review.
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 27th July, 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. 137223000084) with HDFC Bank Limited, G 1-2, Ground Floor, Sterling Point Waghawadi Road, Bhavnagar.

INVESTMENT & PRECISION CASTINGS LTD

- 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 directors have been duly made.
- 15. the appointment of the Whole-time Directors has been made in compliance with provisions of section 269 read with Schedule XIII of the Act.
- 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.
- 20. the Company has not bought back any shares during the financial year ending 31st March, 2011.
- 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, 2011 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.
- 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 not altered its articles of association during the year under scrutiny.
- 31. no prosecutions were initiated against and no show cause notices were received by the Company for alleged offences under the Act.

INVESTMENT & PRECISION CASTINGS LTD

32. the Company has not received any amount as security from its employees during the financial year under scrutiny.
33. the Company was not required to deposit both employee's and employer's contribution to Provident Fund with prescribed authorities pursuant to section 418 of the Act.

Place: Ahmedabad
Date: 18th May, 2011

Signature: sd/-
Name of Company Secretary: BIPIN S. ACHARYA
C. P. No. 8 FCS 424
B/3, Ripple Apartments,
Near Hindu Mahila Milan Mandir,
Narayan Nagar, Paldi, Ahmedabad-380007.

Encl: Annexures 'A' and 'B'

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, 2011: NIL

Forms and Returns as filed by the Company with the Registrar of Companies during the financial year ending on 31st March, 2011.

Sr. No.	Form Number	Filed under section	For	Remarks
1.	e-Form 17	138	satisfaction of charge of Bank of Baroda Rs. 660.00 Lacs. (Charge Identification No.: 80033191)	--
2.	e-Form 32	303	notifying resignation of Independent Director Shri P. S. Shenoy from the Board of Directors of the Company w.e.f. 30.4.2010	--
3.	e-Form 32	303	notifying change in the designation of Shri P. A. Subramanian w.e.f. 1.4.2010 (filed late with additional fee.)	--
4.	e-Form 32	303	notifying resignation of Promoter Director Shri I. F. Tamboli from the Board of Directors of the Company w.e.f. 1.4.2010 (filed late with additional fee.)	--
5.	e-Form 25C	198;269; 309; 310 & Sch. XIII	notifying appointment of Shri R. K. Menon as a Whole Time Director w.e.f. 1.5.2010.	--
6.	e-Form 32	303	notifying approval of members at 35th AGM to appointment of Shri R. K. Menon as a Director and Whole Time Director. (filed late with additional fee.)	--
7.	e-Form 66 for Compliance Certificate	383A(1)	certifying compliances of the statutory provisions under the Act during 2009-2010.	--

INVESTMENT & PRECISION CASTINGS LTD

Sr. No.	Form Number	Filed under section	For	Remarks
8.	e-Form 32	303	notifying approval of members at 35th AGM to appointment of Shri J. M. Mapgaonkar as a Director.	--
9.	e-Form 32	303	notifying approval of members at 35th AGM to appointment of Shri Akshay R. Shah as a Director.	--
10.	e-Form 23AC & 23ACA for Annual Accounts & Reports for 2009-2010	220	adoption at annual general meeting on 26.7.2010	--
11.	e-Form 23	192	notifying approval of members at 35th AGM by a special resolution to appointment of Shri R. K. Menon as a Director and whole time director.	--
12.	e-Form 23	192	notifying approval of members at 35th AGM by a special business (ordinary resolution) to payment of commission to Shri P. A. Subramanian Director of the company	--
13.	e-Form 1 (IEPF)	205(A)	intimation regarding the payment of unpaid dividend of Rs. 55,688/- on 18.8.2010 for the financial year 2002-2003.	--
14.	e-Form 20B for Annual Return upto 26.7.2010	159	annual General Meeting held on 26.7.2010	--
15.	e-Form 17	138	satisfaction of charge of Bank of Baroda Rs. 500.00 Lacs. (Charge Identification No.: 90111880)	--
16.	e-Form 8	125; 127; 135	notifying the particulars modification charge of From Rs. 37.15 Cr. to Rs. 51.00 Cr. in favour of Bank of Baroda.(Charge Identification No.: 10075924) (filed late with additional fee)	--
17.	e-Form 8	125; 127; 135	notifying the particulars of creation of charge in favour of Bank of Baroda for fresh term loan of Rs. 18.00 Cr. (filed late with additional fee)	--
18.	e-Form 8	125; 127; 135	notifying the particulars of modification of charge for extension of mortgage in favour of Bank of Baroda for working capital limits and term loans reviewed with increase/decrease upto Rs. 51.00 Cr. (Charge Identification No.:10115503) (filed late with additional fee)	--
19.	e-Form 32	303	Notifying appointment Shri Girish C. Shah (independent director) as an Additional Director on the Board of Directors of the Company w.e.f. 11.2.2011.	--

Signatures to Annexures 'A' and 'B'

Place: Ahmedabad
Date: 18th May, 2011

Signature: sd/-
Name of Company Secretary: BIPIN S. ACHARYA
C. P. No. 8 FCS 424
B/3, Ripple Apartments,
Near Hindu Mahila Milan Mandir,
Narayan Nagar, Paldi, Ahmedabad-380007.

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 23, 2011. The Company has a Non-executive and Non-Promoter Director as the Chairman. Out of the total strength of six directors 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 23, 2011. 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
1.	Shri Girish C. Shah	5.2.1954	11.2.2011	Businessman	1

During the year under review, five Board Meetings were held on dates 30.4.2010, 26.7.2010, 30.10.2010, 28.12.2010 and on date 11.2.2011.

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 30.4.2010, 26.7.2010, 30.10.2010 and on date 11.2.2011.

3.0 Investor's 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 Investor's Grievance Committee met four times on dates 30.4.2010, 26.7.2010, 30.10.2010 and on date 11.2.2011.

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

# Complaints pending at the beginning of the year	:	Nil
# Complaints received during the year	:	1
# Complaints redressed and replied during the year	:	0
# 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

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

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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 & 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.	Yes
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	:	2009-2010	2008-2009	2007-2008
Date	:	26.7.2010	17.8.2009	28.6.2008
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 : 12.8.2011 at 4.30 p.m.
Venue : Hotel Nilambaug Palace, Bhavangar.

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 2010	30th September 2010	31st December 2010	31st March 2011
Reporting Month	:	July 2010	October 2010	January 2011	May 2011

8.7 The Company has paid annual listing fees to The Bombay Stock Exchange Limited (BSE) in respect of the financial year 2010-2011.

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

8.9

Months	BSE High	BSE Low	Months	BSE High	BSE Low	Months	BSE High	BSE Low
April 10	165.00	125.65	August 10	196.00	139.55	Dec 10	142.20	117.00
May 10	161.75	125.00	Sept. 10	189.00	130.00	Jan 11	143.80	111.00
June 10	148.85	126.10	Oct 10	165.00	130.20	Feb 11	134.00	94.10
July 10	171.05	138.10	Nov 10	158.00	120.00	Mar 11	132.25	72.00

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@relianceemail.net

8.10 Distribution of Shareholding as at end of 31st March 2011:

Category	No. of Shares held	Percentage (%) of Shareholding
Promoters	21,21,555	42.773
Nationalised Banks	0	0.00
Financial Institutions	0	0.00
Non Resident Indian	1,07,349	2.164
Others	27,31,096	55.063
Total	49,60,000	100.00

8.11 Distribution Schedule as on 31st March, 2011:

Number of Shares held	Shares held in				No. of Holders			
	Physical	%	Electronic	%	Physical	%	Electronic	%
Upto 250	3319	1.64	309636	6.51	36	20.11	3754	74.15
251 to 500	5264	2.60	214089	4.50	13	7.26	546	10.78
501 to 1000	67600	33.44	296115	6.22	85	47.49	370	7.31
1001 to 2000	51600	25.52	317205	6.67	33	18.44	206	4.07
2001 to 3000	2400	1.19	159424	3.35	1	0.56	63	1.24
3001 to 4000	23200	11.47	182000	3.83	7	3.91	50	0.99
4001 to 5000	4800	2.37	56253	1.18	1	0.56	12	0.24
5001 to 10000	8000	3.96	222843	4.68	1	0.56	30	0.59
10001 and above	36000	17.81	3000252	63.06	2	1.11	32	0.63
Total	202183	100.00	4757817	100.00	179	100.00	5063	100.00

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 2011.

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 : 23.5.2011

(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 on 31st March, 2011 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 has been limited to a review of the procedures and implementations thereof, adopted by the Company for ensuring the compliance with the conditions of Corporate Governance as stipulated in the said clause. 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, and the representations made by the Directors and the management, we certify that the Company has complied in all material respects with the conditions of Corporate Governance as stipulated in clause 49 of the above mentioned listing agreements.

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: 23.5.2011

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

INVESTMENT & PRECISION CASTINGS LTD

Board of Directors:

Name of the Director	Category	Remuneration paid , Rs. F.Y. 2010-2011				F.Y. 2010-2011		As on 23.5.2011		
		Salary & Perks	Sitting Fees	Commis-sion	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	-	30,000	-	30,000	3	Yes	2	-	-
Mr. Akshay R. Shah	Non-Executive, Independent	-	80,800	-	80,800	4	Yes	4	1	2
Mr. J. M. Mapgaonkar	Non-Executive, Independent	-	60,600	-	60,600	3	Yes	1	1	1
Mr. Girish C. Shah	Non-Executive, Independent w.e.f. 11.2.2011	-	10,000	-	10,000	1	No	1	-	-
Mr. P. A. Subramanian	Non-executive, Chairman Non-Promoter	-	80,800	568,252	649,052	4	Yes	1	3	-
Mr. R. K. Menon	Whole-Time Director Non-Promoter	660,000	-	312,539	972,539	3	NA	-	-	-
Mr. P. I. Tamboli	Vice Chairman and Managing Director, Promoter	3,766,880	-	340,951	4,107,831	4	Yes	2	2	-
Total		4,426,880	262,200	1,221,742	59,10,822					

*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 2011 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 2011 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 2011;
- (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 23, 2011

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 2011.

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 32.67 lacs.
 - 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.
 - 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.

INVESTMENT & PRECISION CASTINGS LTD

- 5 In respect of transactions entered in the register maintained in pursuance of section 301 of the Companies Act 1956:
- 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.
 - 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 thereunder.
- 7 In our opinion, the company has an internal audit system commensurate with its size and the nature of its business.
- 8 As informed to us, the Central Government has not prescribed maintenance of cost records under section 209 (1) (d) of the Companies Act, 1956.
- 9 In respect of statutory and other dues:
- 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.
 - The following are the amounts which are not deposited on account of dispute:
- | Nature of Payment | Rs. | Forum where dispute is pending |
|-------------------|-----------|--|
| Value Added Tax | 2,886,053 | The Dy Commissioner (Appeals) - Commercial Tax |
- 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 Term 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 23, 2011

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

BALANCE SHEET as at March 31, 2011

		31st March 2011		31st March 2010	
		(Rs.)		(Rs.)	
SOURCES OF FUNDS:					
SHAREHOLDERS' FUNDS					
Share Capital	A	49,600,000		49,600,000	
Reserves & Surplus	B	<u>372,027,643</u>	421,627,643	<u>346,647,640</u>	396,247,640
LOAN FUNDS:					
Secured Loans	C	287,933,472		215,873,105	
Unsecured Loans		<u>--</u>	287,933,472	<u>--</u>	215,873,105
Deferred Tax Liabilities (net)			34,000,000		25,940,000
TOTAL			<u>743,561,115</u>		<u>638,060,745</u>
APPLICATION OF FUNDS:					
FIXED ASSETS					
Gross Block	D	537,315,744		425,198,530	
Less : Depreciation		<u>204,609,026</u>		<u>159,079,840</u>	
		332,706,718		266,118,690	
Capital Work in Progress		<u>34,112,046</u>	366,818,764	<u>3,338,605</u>	269,457,295
INVESTMENTS	E		2,500,000		--
CURRENT ASSETS, LOANS AND ADVANCES:					
a) Inventories		145,689,481		97,704,584	
b) Sundry Debtors		194,531,590		208,874,620	
c) Cash & Bank Balances		3,199,451		5,993,899	
d) Loans and Advances		<u>127,204,764</u>		<u>137,694,554</u>	
		470,625,286		450,267,657	
Less: Current Liabilities	G	82,339,430		62,516,689	
Provisions		<u>14,043,505</u>		<u>19,147,518</u>	
Net Current Assets			374,242,351		368,603,450
TOTAL			<u>743,561,115</u>		<u>638,060,745</u>
NOTES ON ACCOUNTS	N				
The accompanying Schedules A to N 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 23, 2011

FOR AND ON BEHALF OF THE BOARD
P. A. Subramanian
CHAIRMAN
Bhavnagar
Dated: May 23, 2011
Piyush I Tamboli
VICE CHAIRMAN
& MANAGING DIRECTOR

PROFIT & LOSS ACCOUNT FOR THE YEAR ENDED MARCH 31, 2011

		2010-11	2009-2010	
		(Rs.)	(Rs.)	
INCOME:				
Sales and Operational Income	H	675,417,793	622,867,826	
Other Income	I	7,047,700	1,746,925	
	TOTAL	<u>682,465,493</u>	<u>624,614,751</u>	
EXPENDITURE:				
Change in Inventory	J	-42,059,313	-5,345,913	
Materials and Manufacturing Expenses	K	491,303,852	408,296,142	
Administrative and Other Expenses	L	107,807,303	96,930,050	
Interest	M	28,150,139	9,666,532	
Depreciation		46,085,558	32,853,668	
	TOTAL	<u>631,287,539</u>	<u>542,400,479</u>	
Profit Before Taxation		51,177,954	82,214,272	
Tax Expenses:				
Current Tax		10,500,000	21,700,000	
Deferred Tax		8,060,000	6,778,000	
Earlier Years' Tax		<u>-249,397</u>	18,310,603	<u>0</u> 28,478,000
Profit after Taxation		32,867,351	53,736,272	
		<u>32,867,351</u>	<u>53,736,272</u>	
Add: Prior Period Adjustments		-281,553	1,420,775	
Add: Balance brought forward from the last year		1,000,000	1,000,000	
Amount Available For Appropriation		<u>33,585,798</u>	<u>56,157,047</u>	
APPROPRIATIONS:				
a) Dividend		6,200,000	9,920,000	
b) Corporate Dividend Tax		1,005,795	1,685,904	
c) General Reserve		<u>25,380,003</u>	<u>32,585,798</u>	<u>43,551,143</u> 55,157,047
Balance Carried to Balance Sheet		1,000,000	1,000,000	
Earning Per Share (Basic/Diluted)		6.57	11.12	
Nominal value of Share		10.00	10.00	
NOTES ON ACCOUNTS	N			
The accompanying Schedules A to N 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 23, 2011

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

Bhavnagar
Dated: May 23, 2011

CASH FLOW STATEMENT FOR THE YEAR ENDED MARCH 31, 2011

(Rs in lacs)

	2010-2011	2009-2010
A CASH FLOW FROM OPERATING ACTIVITIES :		
Net Profit Before Tax And Extraordinary Items	511.78	822.14
Adjustments for -		
Depreciation	460.86	328.54
Loss (Profit) on sale of fixed assets	(0.01)	(0.03)
Prior Period Adjustments	(2.81)	14.21
Interest	264.21	86.56
Operating Profit Before Working Capital Changes	722.25	429.28
	1,234.03	1,251.42
Adjustments for -		
Trade and Other Receivables	259.13	(1,389.79)
Inventories	(479.84)	(144.84)
Trade Payables	190.07	305.36
Cash Generated From Operations	(30.64)	(1,229.27)
	1,203.39	22.15
Direct Taxes Paid	(97.53)	(265.43)
	(97.53)	(265.43)
NET CASH FROM OPERATING ACTIVITIES	1,105.86	(243.28)
B CASH FLOW FROM INVESTING ACTIVITIES :		
Purchase of Fixed Assets	(1,434.77)	(1,379.12)
Sale of Fixed Assets	0.31	0.05
Purchase of Investments	(25.00)	-
Interest Received	17.53	14.03
Dividend Received	-	-
NET CASH USED IN INVESTING ACTIVITIES	(1,441.93)	(1,365.04)
C CASH FLOW FROM FINANCING ACTIVITIES :		
Proceeds from Long Term Borrowings (net)	328.93	661.14
Proceeds from Short Term Borrowings (net)	391.67	841.89
Loans Lent	(32.66)	-
Interest Paid	(281.74)	(100.59)
Dividend Paid	(98.08)	(61.28)
NET CASH USED IN FINANCING ACTIVITIES	308.12	1,341.16
Net Increase in Cash and Cash Equivalents	(27.95)	(267.16)
Cash And Cash Equivalents as at beginning of the year	59.94	327.10
Cash And Cash Equivalents as at end of the year	31.99	59.94

As per our report of even date

For SANGHAVI & COMPANY
Chartered Accountants
FRN: 109099W
MANOJ GANATRA
Partner
Membership No. 043485
Bhavnagar
May 23, 2011

FOR AND ON BEHALF OF THE BOARD

P. A. Subramanian
CHAIRMAN
Piyush I Tamboli
VICE CHAIRMAN
& MANAGING DIRECTOR

Bhavnagar
May 23, 2011

INVESTMENT & PRECISION CASTINGS LTD

SCHEDULE- A	Share Capital	31st March 2011 (Rs.)	31st March 2010 (Rs.)
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			
Of the above, 4,650,000 shares of			
Rs. 10 each were issued as fully paid up			
bonus shares by capitalising General			
Reserve.			
	TOTAL	<u>49,600,000</u>	<u>49,600,000</u>

SCHEDULE - B	Reserves & Surplus	31st March 2011 (Rs.)	31st March 2010 (Rs.)
General Reserve :			
As per last Balance Sheet		345,647,640	302,096,497
Add: Transferred from Profit & Loss account		25,380,003	43,551,143
		<u>371,027,643</u>	<u>345,647,640</u>
Profit & Loss Account		1,000,000	1,000,000
	TOTAL	<u>372,027,643</u>	<u>346,647,640</u>

SCHEDULE - C	Secured Loans	31st March 2011 (Rs.)	31st March 2010 (Rs.)
Working Capital Finance		151,979,465	112,812,112
Term Loans		135,954,007	103,060,993
	TOTAL	<u>287,933,472</u>	<u>215,873,105</u>

Note: Working Capital Finance and Term Loans 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.
(due within one year Rs. 531.72 Lacs; previous year Rs. 431.31 Lacs)

SCHEDULE - E	Investments	31st March 2011 (Rs.)	31st March 2010 (Rs.)
<u>Long Term Investments: (Unquoted)</u>			
250,000 equity shares of Rs. 10 each in I&PCL Vacuum Cast Limited a wholly owned subsidiary company.		2,500,000	--
<u>Current Investments:</u>		--	--
	TOTAL	<u>2,500,000</u>	<u>0</u>

INVESTMENT & PRECISION CASTINGS LTD

SCHEDULE - D Fixed Assets

(Amount in Rupees)

ASSETS	GROSS BLOCK				DEPRECIATION				NET BLOCK	
	As on 4/1/2010	Additions during the Year	Sales or Adjustments	As on 3/31/2011	As on 4/1/2010	For the Year	On Deductions/ Adjustments	Up to 3/31/2011	As at 3/31/2011	As at 3/31/2010
LAND (FREE HOLD)	10,266,449	1,434,908		11,701,357	0	0		0	11,701,357	10,266,449
LAND (LEASE HOLD)	5,562,718			5,562,718	56,189	56,189		112,378	5,450,340	5,506,529
BUILDINGS	66,955,522	39,800,496		106,756,018	10,836,836	3,995,825		14,832,661	91,923,357	56,118,686
PLANT & MACHINERY	322,105,416	68,040,824		390,146,240	134,312,803	39,500,500		173,813,303	216,332,937	187,792,612
OFFICE EQUIPMENT	10,668,776	1,090,445		11,759,221	8,183,725	908,829		9,092,554	2,666,667	2,485,051
FURNITURE & FIXTURES	2,876,958	204,530		3,081,488	1,938,930	176,443		2,115,373	966,115	950,378
VEHICLES	6,762,691	2,131,665	585,654	8,308,702	3,751,356	1,447,772	556,372	4,642,756	3,665,946	2,998,985
TOTAL	425,198,530	112,702,868	585,654	537,315,744	159,079,839	46,085,558	556,372	204,609,025	332,706,719	266,118,690
CAPITAL WORK IN PROGRESS	3,338,605	32,699,517	1,926,076	34,112,046	0	0	0	0	34,112,046	3,338,605
PREVIOUS YEAR	290,665,788	151,976,627	14,105,280	428,537,135	126,265,557	32,853,668	39,385	159,079,840	269,457,295	164,400,231

INVESTMENT & PRECISION CASTINGS LTD

SCHEDULE - F Current Assets, Loans And Advances	31st March 2011 (Rs.)	31st March 2010 (Rs.)
I CURRENT ASSETS:		
1. Inventories (as taken, valued and certified by the management)		
a) Stores & Spares (at cost)	37,306,041	29,752,899
b) Raw Material (at cost)	10,368,479	11,996,037
c) Semi-finished Goods (at estimated cost)	83,042,224	40,055,832
d) Finished Goods (at lower of cost or market value)	14,972,737	15,899,816
	145,689,481	97,704,584
2. Sundry Debtors (Unsecured considered good)		
Over six months	12,228,226	6,831,480
Others	182,303,364	202,043,140
	194,531,590	208,874,620
3. Cash & Bank Balances:		
Cash on Hand	223,853	398,778
Balances with Scheduled Banks:		
- In current accounts	2,098,551	4,828,687
- Unclaimed Dividend accounts	877,047	766,434
	3,199,451	5,993,899
TOTAL I	343,420,522	312,573,103
II LOANS AND ADVANCES:		
(Unsecured considered good)		
a) Balance with excise authorities in current accounts	2,697,939	1,907,662
b) Sundry Deposits	291,133	9,283,736
c) Advance to Suppliers	92,959,850	102,450,925
d) Loans and Advances to employees	1,147,183	948,589
e) Loan to a wholly-owned subsidiary company	3,266,843	--
f) Preapid Expenses	1,301,930	1,177,973
g) Loan to Ancilliary units	7,542,241	6,498,498
h) Advance payment of taxes (net of provision)	6,174,029	8,357,614
i) Other Advances	11,823,616	7,069,557
TOTAL II	127,204,764	137,694,554
TOTAL I + II	470,625,286	450,267,657

INVESTMENT & PRECISION CASTINGS LTD

SCHEDULE - G Current Liabilities And Provisions	31st March 2011 (Rs.)		31st March 2010 (Rs.)	
I Current Liabilities:				
Sundry Creditors	64,851,106		42,511,620	
Advances from Customers	100,921		177,846	
Interest accrued but not due	--		23,681	
Investors Education & Protection Fund:				
Unclaimed Dividend	833,203		721,241	
Statutory Liabilities	4,703,954		4,674,436	
Other Liabilities	<u>11,850,246</u>	82,339,430	<u>14,407,865</u>	62,516,689
II Provisions:				
Provision for Bonus	3,934,000		4,530,000	
Provision for Employees' Leave Encashment	2,903,710		2,220,716	
Provision for Gratuity	--		790,898	
Proposed Dividend	6,200,000		9,920,000	
Corporate Dividend Tax	<u>1,005,795</u>	14,043,505	<u>1,685,904</u>	19,147,518
TOTAL		96,382,935		81,664,207

SCHEDULE - H Sales And Other Operational Income	2010-2011 (Rs.)		2009-2010 (Rs.)	
Sales	740,746,070		674,857,467	
Less: Excise Duty	<u>65,434,008</u>	675,312,062	<u>51,970,749</u>	622,886,718
Exchange Rate Difference		67,809		-98,850
Export Incentives		37,922		79,958
TOTAL		675,417,793		622,867,826

SCHEDULE - I Other Income	2010-2011 (Rs.)		2009-2010 (Rs.)	
Profit on Sale of Assets (net)		1,153		2,764
Sundry Balances Written Back (Net)		5,103,674		39,351
Interest Received (net)		1,752,918		1,403,232
Miscellaneous Income		<u>189,955</u>		<u>301,578</u>
TOTAL		7,047,700		1,746,925

SCHEDULE - J Change In Inventory	2010-2011 (Rs.)		2009-2010 (Rs.)	
Closing Stock:				
Semi-finished Goods	83,042,224		40,055,832	
Finished Goods	<u>14,972,737</u>	98,014,961	<u>15,899,816</u>	55,955,648
Opening Stock :				
Semi-finished Goods	40,055,832		39,450,943	
Finished Goods	<u>15,899,816</u>	55,955,648	<u>11,158,792</u>	50,609,735
		-42,059,313		-5,345,913

INVESTMENT & PRECISION CASTINGS LTD

SCHEDULE - K	2010-2011		2009-2010	
Materials And Manufacturing Expenses	(Rs.)		(Rs.)	
Raw Materials Consumed :				
Opening Stock	11,996,037		10,671,837	
add : Purchases (net of sales)	71,435,791		65,445,069	
	<u>83,431,828</u>		<u>76,116,906</u>	
less : Closing Stock	<u>10,368,479</u>	73,063,349	<u>11,996,037</u>	64,120,869
Manufacturing Expenses :				
Stores and Spares	193,200,304		155,453,807	
Power & Fuel	109,396,197		95,549,815	
Machinery Repairs	3,369,572		2,280,128	
Fettling and other external process expenses	99,332,633		78,385,395	
Other manufacturing expenses	<u>12,941,797</u>	418,240,503	<u>12,506,128</u>	344,175,273
TOTAL		<u>491,303,852</u>		<u>408,296,142</u>

SCHEDULE - L	2010-2011		2009-2010	
Administrative And Other Expenses	(Rs.)		(Rs.)	
Personnel Cost:				
Salaries, Wages, Bonus etc.	50,359,424		45,580,400	
Directors' Remuneration	5,648,622		9,102,463	
Contribution to PF, ESI and other Funds	6,926,881		7,223,512	
Employees Welfare Expenses	<u>1,307,328</u>	64,242,255	<u>1,004,467</u>	62,910,842
Sales and Distribution Expenses:				
Sales Expenses	17,807,295		10,040,828	
Sales Commission	<u>2,602,279</u>	20,409,574	<u>4,723,852</u>	14,764,680
Establishment Expenses:				
Travelling and Conveyance (including Directors' travelling Rs. 1,826,268; previous year Rs. 2,523,568)	3,707,214		3,847,974	
Building and other Repairs	4,451,888		3,314,927	
Insurance Premiums	644,805		536,091	
Payments to Auditors	211,328		209,345	
Directors' Sitting Fees	282,400		231,400	
Rent, Rates and Taxes	598,732		489,541	
Legal and Professional Charges	2,425,970		2,158,008	
Advertisement Expenses	337,709		331,754	
Bank Discount and Commission	1,176,951		1,331,662	
Donations	7,100		50,000	
General Expenses	<u>9,311,377</u>	23,155,474	<u>6,753,826</u>	19,254,528
TOTAL		<u>107,807,303</u>		<u>96,930,050</u>

SCHEDULE - M	2010-2011		2009-2010	
INTEREST	(Rs.)		(Rs.)	
Interest to Bank (Net):				
Working Capital Finance	14,917,177		6,095,415	
Term Loans	<u>13,232,962</u>	28,150,139	<u>3,055,211</u>	9,150,626
Others		--		515,906
TOTAL		<u>28,150,139</u>		<u>9,666,532</u>

SCHEDULE - N

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.

Notes forming part of the accounts for the year ended 31st March, 2011

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 cenvat 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 are 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.

INVESTMENT & PRECISION CASTINGS LTD

- 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.
- 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 therefrom 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.
- 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.
- 2.0** Advance payment of Taxes is shown net of provision for taxes Rs. 569.80 (1479.40) Lacs including current year's provision of Rs. 105.00 (217.00) Lacs.
- 3.0** 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.
- 4.0** The Company has not received information from its vendors regarding their status under Micro, Small and Medium Enterprises Development Act, 2006 and hence disclosure relating to amounts unpaid as at the year end together with interests paid/payable under this act have not been given.

- 5.0** Deferred tax liability of Rs. 8,060,000 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. 34,000,000 are as under:

Particulars	Rs.
Depreciation	35,034,412
Disallowance u/s 43B of the Income Tax Act	(1,034,412)
Total	34,000,000

- 6.0** 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.

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7.0 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.

8.0 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.

9.0 Contingent Liabilities:

- (i) Guarantees given by the bank and counter guaranteed by the company: Rs. 9,502,153 (90,000)
- (ii) In respect of Central Sales Tax for which 'C' forms are pending for collection Rs. 35,250,000 (24,358,000)
- (iii) In respect of disputed Value Added Tax liabilities Rs. 2,886,053 (894,939).
- (iv) In respect of disputed Income Tax liabilities Rs. 312,169. (15,069,963)

10.0 Personnel cost includes managerial remuneration as 2010-2011 2009-2010 under:

	(Rs.)	(Rs.)
Salaries and Allowances	4,010,000	3,746,484
Contribution to PF and Superannuation Fund	416,880	807,554
Commission	1,221,742	4,548,425
Total	5,648,622	9,102,463

11.0 Computation of net profit in accordance with section 198 read with section 349 and 350 of the companies Act, 1956:

	2010-2011 (Rs.)	2009-2010 (Rs.)
Profit Before Tax as per Accounts	51,177,954	82,214,272
Add: Managerial Remuneration	5,648,622	9,102,463
Add: (Profit)/Loss on sale of Assets	(1,153)	(2,764)
	56,825,423	65,543,066

Commission to two whole-time directors and one director Rs. 1,221,742.

12.0 Payments to Auditors:

	2010-2011 (Rs.)	2009-2010 (Rs.)
Audit Fees including Quarterly Review	135,000	135,000
Taxation Matters	30,000	40,000
For certification and other matters.	33,328	17,150
Reimbursement of Out of pocket expenses	13,000	17,195

13.0 Disclosure as per AS-15 (Revised) on "Employee Benefit" for the year ended 31st March 2011:

	(Amount, Rs.)	
Particulars	2010-2011	2009-2010
A. Change in the defined benefit obligations:		
Defined benefit obligations as at beginning of the year:	13,545,452	13,474,658
Service cost	864,834	923,385
Interest cost	1,083,636	1,272,024
Actuarial loss / (Gain)	147,952	--
Benefits paid	(1,964,387)	(2,124,615)
Defined benefit obligations as at close of the year (a)	13,677,487	13,545,452
B. Change in plan assets:		
Fair value of plan assets as at beginning of the year:	13,878,750	13,807,956
Expected return on plan assets	1,254,701	923,385
Contributions by employer	1,384,178	1,272,024
Actuarial loss / (Gain)	--	--
Benefits paid	(1,964,387)	(2,124,615)

INVESTMENT & PRECISION CASTINGS LTD

Particulars	(Amount, Rs.)	
	2010-2011	2009-2010
Fair value of plan assets as at close of the year (b)	1,45,53,242	13,878,750
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	864,834	923,385
Interest cost	1,083,636	1,272,024
Expected return on plan assets	1,254,701	1,272,024
Net actuarial loss / (gain) recognized	147,952	--
Net amount recognized	841,721	923,385

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	9.25%	9.25%
Rate of increase in compensation levels	7.00%	7.00%

14.0 Related Party Disclosures:

14.1 Subsidiary: I&PCL Vacuum Cast Limited (Effective from 30.8.2010):

Nature of Transactions		2010-2011	2009-2010
Subsidiary:		Amount, Rs.	Amount, Rs.
1.	Loans granted	3,266,843	--
2.	Outstanding balance: Sundry Creditors	--	--
	Sundry Debtors	--	--
	Advance Recoverable	3,266,843	--

14.2 Associates: a) Tamboli Foundry Supplies and Services Ltd.

b) Tamboli Castings Limited.

Nature of Transactions		2010-2011	2009-2010
Associates:		Amount, Rs.	Amount, Rs.
1.	Purchases of Materials and Services	3,480,571	16,178,374
2.	Sale of Materials	824,252	2,907,906
3.	Outstanding balance: Sundry Creditors	--	2,020,222
	Sundry Debtors	--	210,496
	Advance to suppliers	782,387	--

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

Key Management Personnel:	2010-2011	2009-2010
Remuneration	5,648,622	9,102,463

15.0 Quantitative Information (as certified by the management):

A. Installed Capacity:

Year	Kgs
2010-2011	1,500,000
2009-2010	1,200,000

INVESTMENT & PRECISION CASTINGS LTD

B. Details of Production, Sales and Stocks of Castings (Finished Goods):

Production* Kg	Sales		Opening Stock		Closing Stock	
	Kg	Rs.	Kg	Rs.	Kg	Rs.
1,084,389	1,101,700	675,312,062	47,734	15,899,816	30,423	14,972,738
(1,013,233)	(1,003,403)	(622,886,718)	(37,904)	(15,899,816)	(47,734)	(15,899,816)

* Net of rejections

C. Consumption of Raw Materials:

Item	2010-2011		2009-2010	
	Kg	Rs.	Kg	Rs.
a) Scrap	1,339,610	41,609,701	1,235,619	31,770,379
b) Ferro Alloys	105,905	31,453,648	129,677	32,350,490
c) Total	1,445,515	73,063,349	1,365,296	64,120,869

D. Percentage of Consumption:

Item	2010-2011		2009-2010	
	%	Rs.	%	Rs.
Raw Materials:				
a) Imported	11.02	8,054,757	8.04	5,153,421
b) Indigenous	88.98	65,008,592	91.96	58,967,448
c) Total	100.00	73,063,349	100.00	64,120,869

Item	2010-2011		2009-2010	
	%	Rs.	%	Rs.
Stores & Spares:				
a) Imported	0.69	1,329,303	0.24	368,688
b) Indigenous	99.31	191,871,001	99.76	155,085,119
c) Total		193,200,304	100.00	155,453,807

E. Imports on CIF Basis: (Payment basis):

Item	2010-2011 (Rs.)	2009-2010 (Rs.)
Raw materials	5,466,430	4,752,792
Stores & Spares	2,746,075	112,643
Capital Goods	27,425,247	--

F. Earnings and Expenditure in Foreign Currency:

Item		2010-2011 (Rs.)	2009-2010 (Rs.)
Earnings	: Exports of Goods (FOB)	1,795,826	2,627,238
Expenditure	: Travelling Expenses	352,246	350,330
	: Others	301,918	20,849

G. Payment of Dividend to Non-resident shareholders:

Number of Shareholders	56
Amount of Dividend Rs.	174,156
Year to which dividend relates	2009-2010

16.0 Figures of the previous year have been regrouped and rearranged wherever necessary.

Signatures to Schedules A to N

As per our Report of even Date
For SANGHAVI & COMPANY
 Chartered Accountants
 FRN: 109099W
MANOJ GANATRA
 Partner
 Membership No. 043485
 Bhavnagar
 Dated: May 23, 2011

FOR AND ON BEHALF OF THE BOARD

P. A. Subramanian CHAIRMAN	Piyush I Tamboli VICE CHAIRMAN & MANAGING DIRECTOR
Bhavnagar Dated: May 23, 2011	

Balance Sheet abstract and Company's general business profile as per Schedule VI, Part (IV) of The Companies Act, 1956

I Registration Details:

Registration No.	:	L27100GJ1975PL002692
State Code	:	4
Balance sheet Date	:	12/31/2010

II Capital raised during the year: (Rs. In Lacs)

Public Issue	:	Nil
Right Issue	:	Nil
Bonus Issue	:	Nil
Private Placement	:	Nil

III Position of mobilisation and deployment of funds:

Total Liabilities	:	7,435.61
Total Assets	:	7,435.61

Source of Funds

Paid up Capital	:	496.00
Reserves & Surplus	:	3,720.28
Deferred Tax Liabilities	:	340.00
Secured Loans	:	2,879.33

Application of Funds

Net Fixed Assets	:	3,668.19
Investments	:	25.00
Net Current Assets	:	3,742.42
Miscellaneous Expenditure	:	--

IV Performance of the Company:

Total Income	:	6,824.65
Total Expenditure	:	6,312.88
Profit Before Tax	:	511.78
Profit After Tax	:	325.86
Earnings per Share, (Rs.)	:	6.57
Dividend Rate, (%)	:	12.50

V Generic names of three Principal Products/Services of the Company:

Item code	:	(as per monetary items)
Product Description	:	331104000
-----		Investment Castings
As per our Report of even Date	FOR AND ON BEHALF OF THE BOARD	
For SANGHAVI & COMPANY	P. A. Subramanian	Piyush I Tamboli
Chartered Accountants	CHAIRMAN	VICE CHAIRMAN
FRN: 109099W		& MANAGING DIRECTOR
MANOJ GANATRA		
Partner		
Membership No. 043485		
Bhavnagar	Bhavnagar	
Dated: May 23, 2011	Dated: May 23, 2011	

INVESTMENT & PRECISION CASTINGS LTD

ANNEXURE TO BALANCE SHEET FOR THE YEAR ENDED 31ST MARCH, 2011

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, 2011
3. Date from which it became subsidiary : 30 August, 2010
4. Extent of the Holding Company's interest in the Subsidiary Company at the end of the financial year of the Subsidiary Company : 100 %
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 : (711,217)
- ii) For the previous years since it became a Subsidiary : Nil
6. Net aggregate amount of the profit of the Subsidiary Company dealt with in the Holding Company's Accounts. :
- i) For the Current Year : Nil
- ii) For the previous year since it became a Subsidiary : Nil

FOR AND ON BEHALF OF THE BOARD

P. A. Subramanian
CHAIRMAN

Piyush I Tamboli
VICE CHAIRMAN &
MANAGING DIRECTOR

Bhavnagar
Dated: May 23, 2011

DISCLOSURE ON BALANCE SHEET OF THE SUBSIDIARY COMPANY I&PCL VACUUM CAST LIMITED as at 31.3.2011

No.	Item	As at 31.3.2011 Amount, Rs.
1.	Capital	2,500,000
2.	Reserves	--
3.	Total Assets	5,977,501
4.	Total Liabilities	3,477,501
5.	Investments	--
6.	Turnover	--
7.	Profit Before Taxation	(702,717)
8.	Provision for Taxation	(8,500)
9.	Profit After Taxation	(711,217)
10.	Proposed Dividend	--

FOR AND ON BEHALF OF THE BOARD

P. A. Subramanian
CHAIRMAN

Piyush I Tamboli
VICE CHAIRMAN &
MANAGING DIRECTOR

Bhavnagar
Dated: May 23, 2011

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 2011 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 2011;
 - (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 23, 2011

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

CONSOLIDATED BALANCE SHEET as at March 31, 2011

		31st March 2011	
		(Rs.)	
SOURCES OF FUNDS:			
SHAREHOLDERS' FUNDS			
Share Capital	A	49,600,000	
Reserves & Surplus	B	<u>371,316,426</u>	420,916,426
LOAN FUNDS:			
Secured Loans	C	287,933,472	
Unsecured Loans		<u>--</u>	287,933,472
Deferred Tax Liabilities (net)			34,000,000
TOTAL			<u>742,849,898</u>
APPLICATION OF FUNDS:			
FIXED ASSETS			
Gross Block	D	537,315,744	
Less : Depreciation		<u>204,609,026</u>	
		332,706,718	
Capital Work in Progress		34,465,015	
Pre-Operative Expenses (Pending Capitalisation)		149,402	
			<u>367,321,134</u>
CURRENT ASSETS, LOANS AND ADVANCES:			
a) Inventories		145,689,481	
b) Sundry Debtors		194,531,590	
c) Cash & Bank Balances		5,596,581	
d) Loans and Advances		<u>126,298,649</u>	
		472,116,301	
Less: Current Liabilities Provisions	F	<u>82,544,032</u>	
		14,043,505	
Net Current Assets			375,528,764
TOTAL			<u>742,849,898</u>
NOTES ON ACCOUNTS	M		
The accompanying Schedules A to N 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 23, 2011

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

Bhavnagar
Dated: May 23, 2011

CONSOLIDATED PROFIT & LOSS ACCOUNT FOR THE YEAR ENDED MARCH 31, 2011

2010-11		
(Rs.)		
INCOME:		
Sales and Operational Income	G	675,417,793
Other Income	H	<u>7,072,150</u>
TOTAL		<u>682,489,943</u>
EXPENDITURE:		
Change in Inventory	I	-42,059,313
Materials and Manufacturing Expenses	J	491,303,852
Administrative and Other Expenses	K	108,534,470
Interest	L	28,150,139
Depreciation		<u>46,085,558</u>
TOTAL		<u>632,014,706</u>
Profit Before Taxation		50,475,237
Tax Expenses:		
Current Tax	10,508,500	
Deferred Tax	8,060,000	
Earlier Years' Tax	<u>-249,397</u>	18,319,103
Profit after Taxation		32,156,134
		<u>32,156,134</u>
Add: Prior Period Adjustments		-281,553
Add: Balance brought forward from the last year		<u>1,000,000</u>
Amount Available For Appropriation		32,874,581
APPROPRIATIONS:		
a) Dividend	6,200,000	
b) Corporate Dividend Tax	1,005,795	
c) General Reserve	<u>24,668,786</u>	31,874,581
Balance Carried to Balance Sheet		1,000,000
Earning Per Share (Basic/Diluted)		6.43
Nominal value of Share		10.00
NOTES ON ACCOUNTS	M	
The accompanying Schedules A to N 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 23, 2011

FOR AND ON BEHALF OF THE BOARD
P. A. Subramanian
 CHAIRMAN
Piyush I Tamboli
 VICE CHAIRMAN
 & MANAGING DIRETOR
 Bhavnagar
 Dated: May 23, 2011

CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED MARCH 31, 2011

(Rs in lacs)

		2010-2011
A CASH FLOW FROM OPERATING ACTIVITIES :		
Net Profit Before Tax And Extraordinary Items		504.75
Adjustments for -		
Depreciation	460.86	
Loss (Profit) on sale of fixed assets	(0.01)	
Prior Period Adjustments	(2.81)	
Interest	263.97	722.01
Operating Profit Before Working Capital Changes		1,226.76
Adjustments for -		
Trade and Other Receivables	235.49	
Inventories	(479.84)	
Trade Payables	192.12	(52.23)
Cash Generated From Operations		1,174.53
Direct Taxes Paid	(97.56)	(97.56)
NET CASH FROM OPERATING ACTIVITIES		1,076.97
B CASH FLOW FROM INVESTING ACTIVITIES :		
Purchase of Fixed Assets		(1,439.80)
Sale of Fixed Assets		0.31
Purchase of Investments		-
Interest Received		17.77
Dividend Received		-
NET CASH USED IN INVESTING ACTIVITIES		(1,421.72)
C CASH FLOW FROM FINANCING ACTIVITIES :		
Proceeds from Long Term Borrowings (net)		328.93
Proceeds from Short Term Borrowings (net)		391.67
Loans Lent		-
Interest Paid		(281.74)
Dividend Paid		(98.08)
NET CASH USED IN FINANCING ACTIVITIES		340.78
Net Increase in Cash and Cash Equivalents		(3.97)
Cash And Cash Equivalents as at beginning of the year		59.94
Cash And Cash Equivalents as at end of the year		55.97

As per our report of even date

For SANGHAVI & COMPANY
Chartered Accountants
FRN: 109099W
MANOJ GANATRA
Partner
Membership No. 043485
 Bhavnagar
 May 23, 2011

FOR AND ON BEHALF OF THE BOARD

P. A. Subramanian **Piyush I Tamboli**
 CHAIRMAN VICE CHAIRMAN
 & MANAGING DIRECTOR

Bhavnagar
 May 23, 2011

INVESTMENT & PRECISION CASTINGS LTD

SCHEDULE- A	Share Capital	31st March 2011 (Rs.)
Authorised:		
10,400,000		104,000,000
Equity Shares of Rs.10 each		
10,000 11 % Redeemable Cumulative		1,000,000
Preference Shares of Rs. 100 each		
	TOTAL	<u>105,000,000</u>
Issued, Subscribed and Paid up:		
4,960,000		49,600,000
Equity Shares of Rs. 10 each		
Of the above, 4,650,000 shares of		
Rs. 10 each were issued as fully paid up		
bonus shares by capitalising General		
Reserve.		
	TOTAL	<u>49,600,000</u>

SCHEDULE - B	Reserves & Surplus	31st March 2011 (Rs.)
General Reserve :		
As per last Balance Sheet		345,647,640
Add: Transferred from Profit & Loss		24,668,786
account		<u>370,316,426</u>
Profit & Loss Account		1,000,000
	TOTAL	<u>371,316,426</u>

SCHEDULE - C	Secured Loans	31st March 2011 (Rs.)
Working Capital Finance		151,979,465
Term Loans from		135,954,007
	TOTAL	<u>287,933,472</u>

INVESTMENT & PRECISION CASTINGS LTD

SCHEDULE - D Fixed Assets

(Amount in Rupees)

ASSETS	GROSS BLOCK				DEPRECIATION				NET BLOCK	
	As on 4/1/2010	Additions during the Year	Sales or Adjustments	As on 3/31/2011	As on 4/1/2010	For the Year	On Deductions/ Adjustments	Up to 3/31/2011	As at 3/31/2011	As at 3/31/2010
LAND (FREE HOLD)	10,266,449	1,434,908		11,701,357	0	0		0	11,701,357	10,266,449
LAND (LEASE HOLD)	5,562,718			5,562,718	56,189	56,189		112,378	5,450,340	5,506,529
BUILDINGS	66,955,522	39,800,496		106,756,018	10,836,836	3,995,825		14,832,661	91,923,357	56,118,686
PLANT & MACHINERY	322,105,416	68,040,824		390,146,240	134,312,803	39,500,500		173,813,303	216,332,937	187,792,612
OFFICE EQUIPMENT	10,668,776	1,090,445		11,759,221	8,183,725	908,829		9,092,554	2,666,667	2,485,051
FURNITURE & FIXTURES	2,876,958	204,530		3,081,488	1,938,930	176,443		2,115,373	966,115	950,378
VEHICLES	6,762,691	2,131,665	585,654	8,308,702	3,751,356	1,447,772	556,372	4,642,756	3,665,946	2,998,985
TOTAL	425,198,530	112,702,868	585,654	537,315,744	159,079,839	46,085,558	556,372	204,609,025	332,706,719	266,118,690
CAPITAL WORK IN PROGRESS	3,338,605	33,201,886	1,926,076	34,614,417	0	0	0	0	34,614,417	3,338,605

SCHEDULE - F Current Liabilities And Provisions	31st March 2011 (Rs.)	
I Current Liabilities:		
Sundry Creditors	65,054,882	
Advances from Customers	100,921	
Investors Education & Protection Fund:		
Unclaimed Dividend	833,203	
Statutory Liabilities	4,704,781	
Other Liabilities	<u>11,850,246</u>	82,544,033
II Provisions:		
Provision for Bonus	3,934,000	
Provision for Employees' Leave	2,903,710	
Encashment		
Provision for Gratuity	--	
Provision for Seuperannuation	--	
Proposed Dividend	6,200,000	
Corporate Dividend Tax	<u>1,005,795</u>	14,043,505
TOTAL		<u>96,587,538</u>
SCHEDULE - G		
Sales And Other Operational Income	2010-2011 (Rs.)	
Sales	740,746,070	
Less: Excise Duty	<u>65,434,008</u>	675,312,062
Exchange Rate Difference		67,809
Export Incentives		37,922
TOTAL		<u>675,417,793</u>
SCHEDULE - H Other Income		
	2010-2011 (Rs.)	
Profit on Sale of Assets (net)		1,153
Sundry Balances Written Back (Net)		5,103,674
Interest Received (net)		1,777,368
Miscellaneous Income		<u>189,955</u>
TOTAL		<u>7,072,150</u>
SCHEDULE - I Change In Inventory		
	2010-2011 (Rs.)	
Closing Stock:		
Semi-finished Goods	83,042,224	
Finished Goods	<u>14,972,737</u>	98,014,961
Opening Stock :		
Semi-finished Goods	40,055,832	
Finished Goods	<u>15,899,816</u>	55,955,648
		<u>-42,059,313</u>

SCHEDULE - J	2010-2011	
Materials And Manufacturing Expenses	(Rs.)	
Raw Materials Consumed :		
Opening Stock	11,996,037	
add : Purchases (net of sales)	71,435,791	
	<u>83,431,828</u>	
less : Closing Stock	<u>10,368,479</u>	73,063,349
Manufacturing Expenses :		
Stores and Spares	193,200,304	
Power & Fuel	109,396,197	
Machinery Repairs	3,369,572	
Fettling and other external process expenses	99,332,633	
Other manufacturing expenses	<u>12,941,797</u>	418,240,503
TOTAL		<u>491,303,852</u>

SCHEDULE - K	2010-2011	
Administrative And Other Expenses	(Rs.)	
Personnel Cost:		
Salaries, Wages, Bonus etc.	50,359,424	
Directors' Remuneration	5,648,622	
Contribution to PF, ESI and other Funds	6,926,881	
Employees Welfare Expenses	<u>1,307,328</u>	64,242,255
Sales and Distribution Expenses:		
Sales Expenses	17,807,295	
Sales Commission	<u>2,602,279</u>	20,409,574
Establishment Expenses:		
Travelling and Conveyance (including Directors' travelling Rs. 1,826,268; previous year Rs. 2,523,568)	3,707,214	
Building and other Repairs	4,451,888	
Insurance Premiums	644,805	
Payments to Auditors	241,109	
Directors' Sitting Fees	282,400	
Rent, Rates and Taxes	598,732	
Legal and Professional Charges	2,449,153	
Advertisement Expenses	337,709	
Bank Discount and Commission	1,176,951	
Donations	7,100	
Preliminary Expenses	654,120	
General Expenses	<u>9,331,460</u>	23,882,641
TOTAL		<u>108,534,470</u>

SCHEDULE - L	2010-2011	
INTEREST	(Rs.)	
Interest to Bank (Net):		
Working Capital Finance	14,917,177	
Term Loans	<u>13,232,962</u>	28,150,139
Others		0
TOTAL		<u>28,150,139</u>

SCHEDULE – M

Notes on Consolidated Financial Statements for the year ended 31st March, 2011

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.

1.0 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 2011.
- 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.

2.0 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 therefrom 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.

3.0 Significant Accounting Policies:

- 3.1 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.
- 3.2 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.
- 3.3 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.
- 3.4 Sales:** Sales comprise sale of goods and other related charges.
- 3.5 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 cenvat credit availed. Custom duty paid on import of materials is dealt with in respective materials accounts.

3.6 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 are 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.

- 3.7 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.

- 3.8 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.

- 3.9 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 therefrom is dealt with in the profit & loss account.

- 3.10 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.

- 3.11 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.

- 3.12 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.

- 4.0** 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.

- 5.0** Advance payment of Taxes is shown net of provision for taxes Rs. 569.86 Lacs including current year's provision of Rs. 105.06 Lacs.

INVESTMENT & PRECISION CASTINGS LTD

- 6.0** 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.
- 7.0** The Company has not received information from its vendors regarding their status under Micro, Small and Medium Enterprises Development Act, 2006 and hence disclosure relating to amounts unpaid as at the year end together with interests paid/payable under this act have not been given.
- 8.0** Deferred tax liability of Rs. 8,060,000 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. 34,000,000 are as under:

Particulars	Rs.
Depreciation	35,034,412
Disallowance u/s 43B of the Income Tax Act	(1,034,412)
Total	34,000,000

- 9.0** 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.
- 10.0** 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.
- 11.0** 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.

12.0 Contingent Liabilities:

- (i) Guarantees given by the bank and counter guaranteed by the company: Rs. 9,502,153 (90,000)
- (ii) In respect of Central Sales Tax for which 'C' forms are pending for collection Rs. 35,250,000 (24,358,000)
- (iii) In respect of disputed Value Added Tax liabilities Rs. 2,886,053 (894,939).
- (iv) In respect of disputed Income Tax liabilities Rs. 312,169. (15,069,963)

13.0 Related Party Disclosures:

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

Nature of Transactions		2010-2011	2009-2010
Associates:		Amount, Rs.	Amount, Rs.
1.	Purchases of Materials and Services	3,480,571	16,178,374
2.	Sale of Materials	824,252	2,907,906
3.	Outstanding balance: Sundry Creditors	--	2,020,222
	Sundry Debtors		210,496
	Advance to suppliers	782,387	--

ELECTRONIC CLEARING SERVICES (ECS) MANDATE FORM**(For use by Investors holding shares in physical form)**

To,
Investment & Precision Castings Limited
C/o. MCS Limited, 101, Shatdal Complex, 1st Floor,
Opp. Bata Show Room, Ashram Road
Ahmedabad, Gujarat 380 009

Dear sirs,

FORM FOR ELECTRONIC CLEARING SERVICES FOR PAYMENT OF DIVIDEND

Please fill-in the information in CAPITAL LETTERS in ENGLISH ONLY

For shares held in physical form

Master Folio No.

--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--

For shares held in electronic form

DP Id

--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--

Client Id

--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--

FOR OFFICE USE ONLY

ECS
Ref. No.

--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--

Name of Sole/First holder

Bank Name

Branch Name

Branch Code

--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--

(9 Digits Code Number appearing on the MICR Band of the cheque supplied by the Bank). Please attach a xerox copy of a cheque or a blank cheque of your bank duly cancelled for ensuring accuracy of the banks name, branch name and code number.

Account Type
(Please Tick (√) wherever applicable)

→	Savings		Current		Cash Credit	
---	---------	--	---------	--	----------------	--

A/c No. (as appearing in the
cheque book

→																				
---	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--

Effective date of this mandate

→																				
---	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--

I, hereby declare that the particulars given above are correct and complete. If any transaction is delayed or not effected at all for reasons of incompleteness of information supplied as above, the Company/MCS Ltd, will not be held responsible. I agree to avail ECS facility provided by RBI, as and when implemented by RBI/Investment & precision Castings Limited)

I further undertake to inform the Company any change in my Bank/branch and account number.

Dated : _____

(Signature of Sole/First holder)**Notes:**

- Whenever the Shares in the given folio are entirely dematerialised, then this ECS mandate form will stand cancelled
- For Shares held in dematerialised mode nomination is required to be filed with the Depositor Participant in their prescribed form.

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 Twelfth August 2011 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 2011.

Signed by the said.....

Affix
1 Rupee
Revenue
Stamp

.....

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.

INVESTMENT & PRECISION CASTINGS LTD

May 23, 2011

Dear Shareholder,

We would like to inform you that the Ministry of Corporate Affairs (MCA), New Delhi has taken a “Green Initiative” in the Corporate Governance by permitting paperless compliances by Companies, vide its Circular No. 17/2011 dated April 21, 2011 and Circular No. 18/2011 dated April 29, 2011, stating that the service documents by a company can be made through electronic mode instead of sending the physical copy of the documents.

Keeping in view the initiative by the MCA, we propose to send the documents like Notice calling the Annual General Meeting, Corporate Governance Report, Directors’ Report, Audited Financial Statements, Auditors’ Report, Half Yearly letters etc. through electronic mode, for the year ended March 31, 2011

We are sure, you would welcome the “Green Initiative” taken by the MCA and your Company’s desire to participate in the same. We, therefore, request you to kindly provide your latest/updated e-mail address on which future communication/correspondence/documents can be sent to you, latest by **July 29, 2011**

If, in future, you wish to receive the documents mentioned above in physical form, you may request the Company for the same. The Company shall, upon receiving such request, furnish copies of such documents free of cost.

You may send us the details of your E-mail ID to our E-mail investor@ipcl.in You may also please tear off the below portion of this letter and return the same duly filled in and signed, in the enclosed self addressed and stamped envelop.

We look forward to your encouraging support in welcoming the “Green Initiative”.

Thanking you,

Yours faithfully,
For INVESTMENT & PRECISION CASTINGS LTD

AUTHORISED SIGNATORY

-----TEAR HERE -----

The Company Secretary
Investment & Precision Castings Ltd
Nari Road
Bhavnagar 364 006
Gujarat

Date :

Name of Shareholder :
DP ID :
Folio No. :
Client ID :
No. of shares :

Kindly register my below mentioned E-mail ID for receiving documents by me in electronic mode.

My E-mail ID is

Thanking you,
Yours faithfully,

(Signature)

HV TRANSMISSIONS LTD

A **TATA** ENTERPRISE

CERTIFICATE OF APPRECIATION



We recognise M/s. *Investment & Precision Castings Ltd*
for their outstanding performance and valuable contribution towards
..... *New products development* during the year 2010 - 11 .

Date: 30th April 2011

CEO - HVAL & HVTL



Industries Catered to

Auto



Electrical & Electronics



General Engineering



Impeller



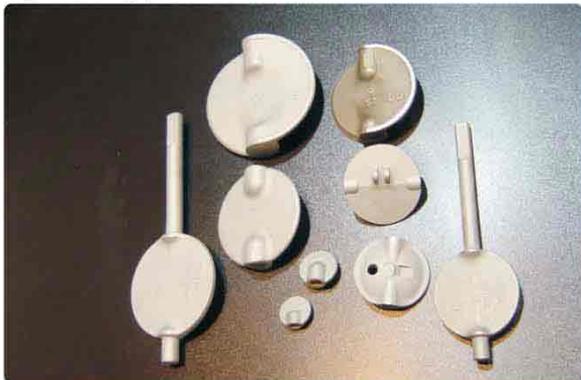
Pumps



Turbo Charger

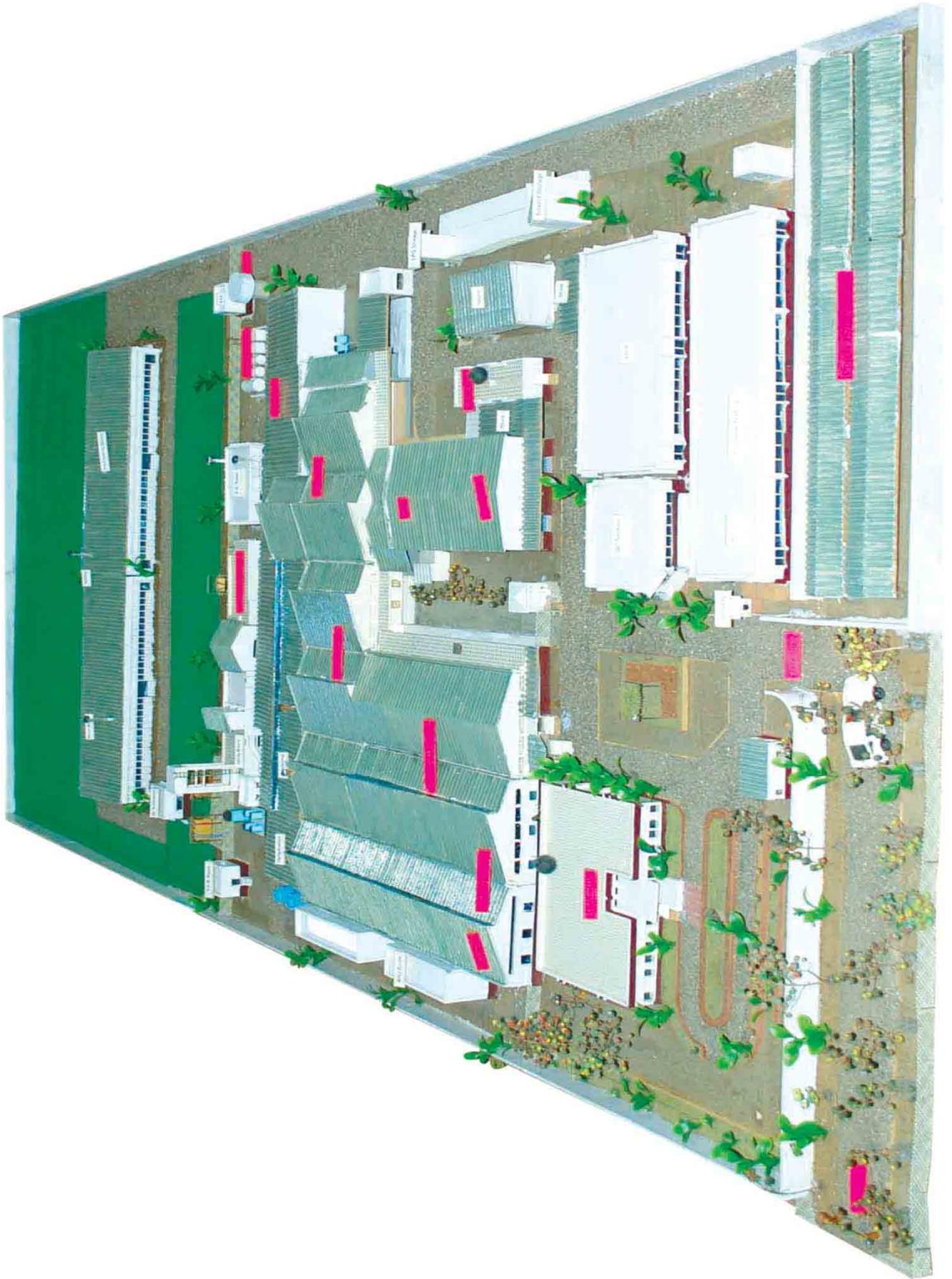


Valve Disc



Valves





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