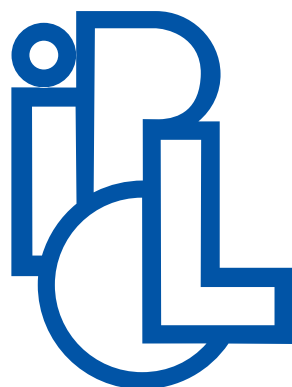
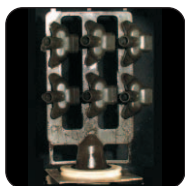


ISO 9001 : 2008
TS 16949 : 2009
ISO 14001 : 2004
OHSAS 18001 : 2007
AD 2000 Merkblatt W0
PED 97/23/EC

Certified Company



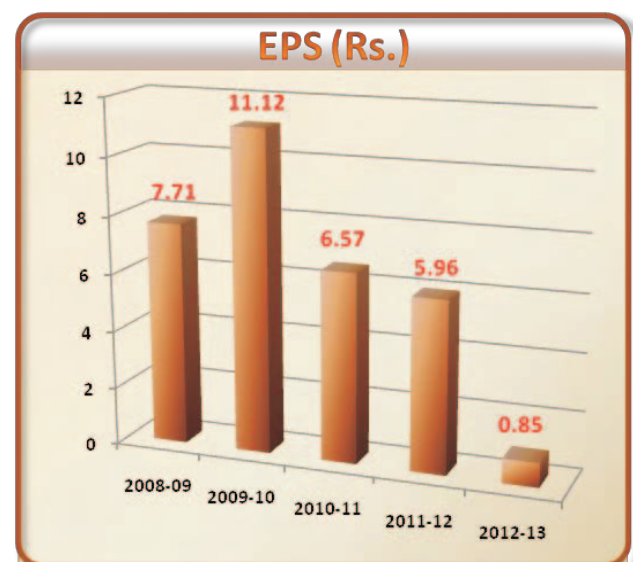
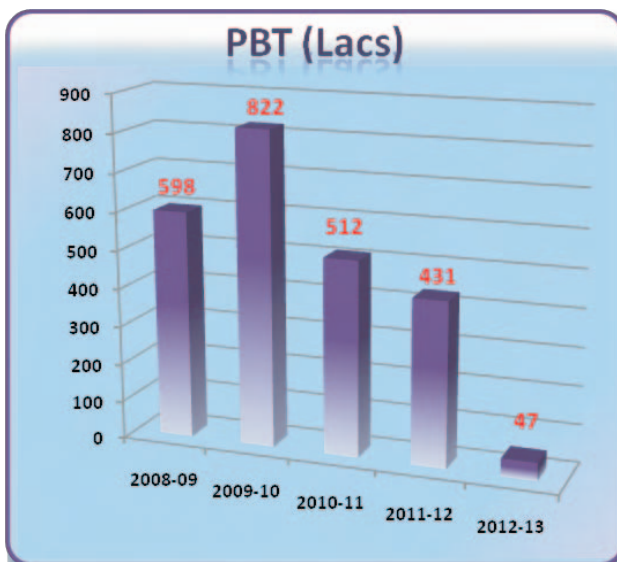
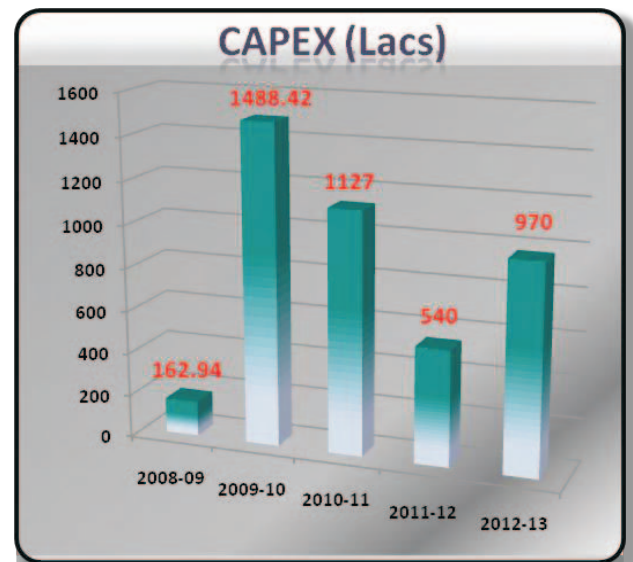
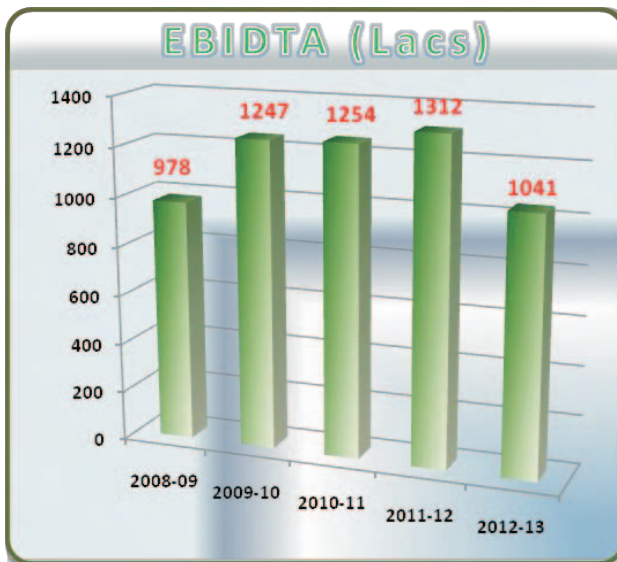
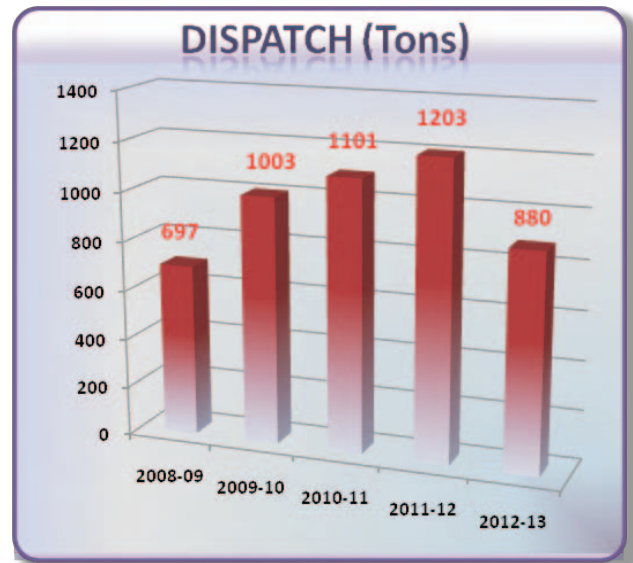
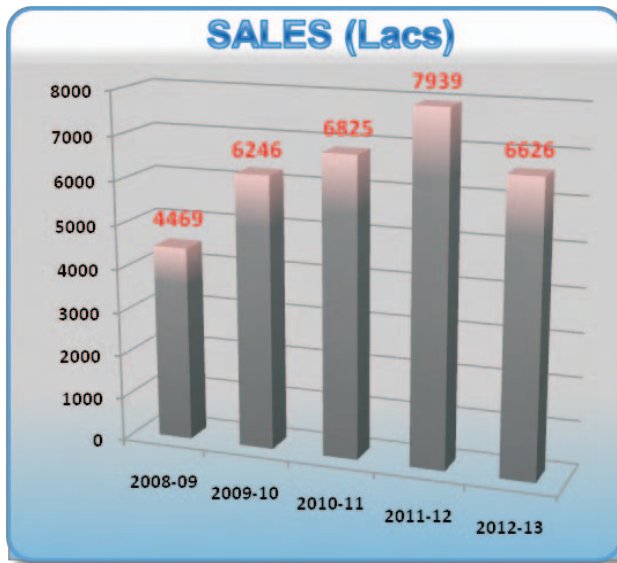
38th ANNUAL REPORT 2012-2013



INVESTMENT & PRECISION CASTINGS LTD.

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

Charts



INVESTMENT & PRECISION CASTINGS LIMITED

BOARD OF DIRECTORS	:	Shri Piyush I. Tamboli	Chairman & Managing Director
		Shri Akshay R. Shah	Independent Director
		Shri J. M. Mapgaonkar	Independent Director
		Shri Girish C. Shah	Independent Director
		Shri R. K. Menon	Executive Director
		Smt. V. P. Tamboli	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

CONTENTS	:	1. Notice	...	2
		2. Directors' Report	...	6
		3. Management Discussion & Analysis	...	9
		4. Compliance Certificate	...	11
		5. Corporate Governance	...	15
		6. Independent Auditors' Report	...	20
		7. Financial Statements	...	25

Subsidiary Information:

I&PCL Vacuum Cast Limited ... 41

Consolidated Financial Statements 42

INVESTMENT & PRECISION CASTINGS LTD

NOTICE

NOTICE IS HEREBY GIVEN THAT THE THIRTY-EIGHTH ANNUAL GENERAL MEETING OF INVESTMENT & PRECISION CASTINGS LIMITED WILL BE HELD ON AUGUST 7, 2013 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, 2013 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.
4. To appoint a Director in place of Shri J. M. Mapgaonkar who retires by rotation and being eligible offers himself for re-appointment.
5. To appoint Auditors to hold office from the conclusion of this meeting until the conclusion of the next Annual General Meeting and to authorise the Board of Directors to fix their remuneration.

SPECIAL BUSINESS :

6. 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 Smt. Vishakha P. Tamboli for appointment as a Director having been received from the members under provision of section 257 of the Companies Act, 1956, Mrs. Vishakha P. Tamboli, 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.

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

RESOLVED THAT pursuant to sections 198, 269, 309 and 310 and Schedule XIII and all other applicable provisions, if any, of the Companies Act, 1956, as amended, the Company in General Meeting hereby accords its approval to the re-appointment of Shri Piyush I. Tamboli as Chairman & Managing Director of the company for a further period of five years effective from 1.6.2013 at the remuneration and upon such terms and conditions as contained in the agreement to be entered into between the Company and Shri Piyush I. Tamboli, a draft whereof initialed by the Chairman of the meeting for the purpose of identification is placed before the meeting, be and is hereby approved."

RESOLVED FURTHER THAT the Board Of Directors be and is hereby authorised to alter and vary the aforesaid remuneration payable to Whole Time Director of the Company so long as the same is in conformity with the provisions of the Schedule XIII of The Companies Act, 1956, as amended.

RESOLVED FURTHER THAT Shri R. K. Menon and Smt. Vishakha P. Tamboli Directors of the Company be and are hereby authorised severally to execute and sign the Agreement, including any supplementary agreements as may be required at a future date, on behalf of the Company with Shri Piyush I. Tamboli and the common seal of the Company be affixed on the said agreement in the presence of any one of the above named Directors."

Registered Office:
Nari Road
Bhavnagar
Gujarat 364 006
Dated: May 9, 2013

BY ORDER OF THE BOARD OF DIRECTORS
Piyush I. Tamboli
CHAIRMAN & MANAGING DIRECTOR

INVESTMENT & PRECISION CASTINGS LTD

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 1.8.2013 to 7.8.2013 (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 Annual General Meeting, to enable the Management to keep the information available at the meeting.
5. Members holding shares in dematerialised form are requested to bring their Client ID and DPID numbers and photo identity for easy identification of attendance at the meeting.
6. Under the provisions of Section 205-C of the Companies Act, 1956, dividends remaining unpaid/unclaimed for a period over 7 years will be transferred to the Investor Education & Protection Fund (IEPF) of the Central Government. The members may write to the Company for claiming the amount if any, relating to following years before it is transferred to the IEPF.

Financial year ended	Date of Declaration of Dividend	Last date for claiming unpaid Dividend	Due date for transfer to IEP fund
2005-2006	21.7.2006	20.7.2013	20.8.2013
2006-2007	28.7.2007	27.7.2014	27.8.2014
2007-2008	28.6.2008	27.6.2015	27.7.2015
2008-2009	17.8.2009	16.8.2016	16.9.2016
2009-2010	26.7.2010	25.8.2017	25.9.2017
2010-2011	12.8.2011	11.8.2018	11.9.2018
2011-2012	4.8.2012	3.8.2019	3.9.2019

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 7.8.2013, and to those members who hold the shares in dematerialised form as per the record of Depositories, National Securities Depository Ltd. (NSDL) and Central Depository Services (India) Ltd. (CDSL), as on the close of the day before start of Book Closure date from 1.8.2013 to 7.8.2013, both days inclusive.
8. Members holding shares in dematerialised form may note that bank particulars registered against their respective depository accounts will be used by the Company for payment of dividend. The Company or its Registrars and Transfer Agents cannot act on any request received directly from the members holding shares in dematerialised form for any change of bank particulars or bank mandates. Such changes are to be advised only to the Depository Participant of the members.
9. The Securities and Exchange Board of India (SEBI) has mandated the submission of Permanent Account Number (PAN) by every participant in securities market. Members holding shares in electronic form, are, therefore, requested to submit the PAN to their Depository Participant with whom they are maintaining their dematerialised accounts. Members holding shares in physical form can submit their PAN details to the Company/Registrars and Transfer Agents, M/s. MCS Limited.
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.

II INVESTMENT & PRECISION CASTINGS LTD

11.0 Members are requested to take note that copy of annual report will be sent to them as per their e-mail address registered with the R&TA of the Company in response to its letter dated 25.2.2012 regarding "GREEN INITIATIVE".

Registered Office:
Nari Road
Bhavnagar
Gujarat 364 006
Dated: May 9, 2013

BY ORDER OF THE BOARD OF DIRECTORS
Piyush I. Tamboli
CHAIRMAN & MANAGING DIRECTOR

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. 6 : Smt. Vishakha P. Tamboli was appointed as an additional Director of the Company and under the provision of Section 260 of the Companies Act, 1956. Smt. Vishakha P. Tamboli 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 Smt. Vishakha P. Tamboli as a candidate in the office of the Directors of the Company. Smt. Vishakha P. Tamboli is an Engineer (B.E. Civil) and carrying on business of FASHION JEWELLERY.

The Board of Directors recommend the resolution for your approval. Shri Piyush I. Tamboli, Shri R. K. Menon and Shri I. F. Tamboli are interested and concerned in the above resolution as it relates to the appointment of Smt. Vishakha P. Tamboli as Director. None of the other Directors present is interested in the above resolution.

Item No. 7 : Shri Piyush I. Tamboli has been appointed as Vice Chairman and Managing Director. His term of appointment expires on 31.5.2013. Shri Piyush I. Tamboli is reappointed as Chairman & Managing Director for a further period of five years effective from 1.6.2013.

The material terms of re-appointment and remuneration payable to whole time Director, upon receipt of approval of the members are as follows:

- | | | |
|-----|--------------------------|---|
| 1.0 | Period of Re-appointment | : Five years effective from 1.6.2013 |
| 2.0 | Nature of Duties | : As assigned by the Board Of Directors from time to time. |
| 2.1 | Title | : CHAIRMAN & MANAGING DIRECTOR |
| 3.0 | Remuneration: | |
| 3.1 | Salary | : Rs. 3, 00,000/- per month in the scale of Rs. 3,00,000-20,000-4,00,000/- with the future increments due on 1st April every year thereafter. |
| 3.2 | House Rent Allowance | : Rs. 60,000/- per month. |
| 3.3 | Commission | : 3 % on Company's net profit. |
| 3.4 | Perquisites and Benefits | : In addition to the salary and commission, perquisites in respect of the following will be allowed. |

CATEGORY A:

- | | | |
|-----|-----------------------------|---|
| i | Conveyance allowance | : Rs. 20,000/- per month towards expenses incurred on conveyance in relation to Company's work. |
| ii | Special Allowance | : Rs. 20,000/- per month. |
| ii | Medical Reimbursement | : Reimbursement of medical expenses for self and family at actuals as per Company's rules. |
| iii | Leave Travel Concession | : As applicable to other Executives of the Company. |
| iv | Personal Accident Insurance | : Premium not exceeding Rs. 4,000/- per annum. |

INVESTMENT & PRECISION CASTINGS LTD

For the purpose of this part, family means spouse, dependent children and parents.

CATEGORY B:

- i Provident Fund : As applicable to other Executives of the Company.
- ii Gratuity Fund : As applicable to other Executives of the Company.
- iii Superannuation Fund : As applicable to other Executives of the Company.

CATEGORY C:

Telephone at residence will be provided. Personal long distance calls on telephone shall be billed by the Company.

OTHER ALLOWANCES & BENEFITS:

This will be as applicable to Senior Executives of the Company.

The Board of Directors recommend the **ORDINARY RESOLUTION** for your approval. Shri I. F. Tamboli, Shri Piyush I. Tamboli and Smt. Vishakha P. Tamboli are interested and concerned in the above resolution as it relates to the reappointment of Shri Piyush I. Tamboli. None of the other Directors present is interested in the above resolution.

Registered Office:
Nari Road
Bhavnagar
Gujarat 364 006
Dated: May 9, 2013

BY ORDER OF THE BOARD OF DIRECTORS
Piyush I. Tamboli
CHAIRMAN & MANAGING DIRECTOR

INVESTMENT & PRECISION CASTINGS LTD

DIRECTORS' REPORT: 2012-2013

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, 2013.

1. Financial Results :

	<u>2012-2013</u>	(Rs. in Lacs) <u>2011-2012</u>
Total Income	6624.07	7938.60
Profit Before Taxation	47.34	430.86
Less: Tax Expenses:		
1. Current	9.44	160.00
2. Deferred	-5.10	(-) 24.00
3. Earlier Years' Tax	0.87	(-) 0.87
Profit After Taxation	42.13	295.73
Which has been appropriated as follows:		
1. Proposed Dividend	24.80	49.60
2. Corporate Dividend Tax	4.02	8.05
3. General Reserve	13.31	238.08

2. **Operations:** The total Income during the year went down by over 16 % over the previous year. The profit before finance costs, depreciation and tax (EBITDA) decreased to Rs. 1041.41 from Rs. 1312.35 Lacs in the previous year.
3. **Dividend:** The Directors are pleased to recommend a Dividend for the period ended March 31, 2013 @ Rs. 0.50 per share on 49,60,000 Equity Shares for financial year 2012-2013 amounting to Rs. 24.80 Lacs as against Rs. 1.00 per share, amounting to Rs. 49.60 Lacs for last financial year 2011-2012, 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. **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 31.3.2013 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. 41. according to the aforesaid exemptions.

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.

7. 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. Mappaonkar retires by rotation as required by the Companies Act, 1956, and being eligible, offers himself for re-election.
- c) Shri P. A. Subramanian has resigned as the Chairman for the Board of directors of the Company effective from 9.5.2013

INVESTMENT & PRECISION CASTINGS LTD

d) Smt. Vishakha P. Tamboli has been appointed as an additional director on the Board of Directors of the Company effective from 9.5.2013

8. **Personnel:** Industrial relations continued to be cordial during the year.
9. **Particulars of Employees:** Information in accordance with sub-section (2A) of Section 217 of the Companies Act, 1956, is annexed herewith.
10. **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.
11. **Segment Reporting:** As all the manufacture is of one class of products, segment wise reporting of the results is not applicable to your Company.
12. **Accounting for Taxes on income:** Deferred Tax Asset of Rs. 5.10 Lacs, resulting from application of the Accounting Standard AS-22, has been credited to the amount available for appropriation for the present Financial Year, 2012-2013.
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, 2013. 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. **Cost Audit:** Your company carries out an audit of cost records relating to the principle product of the Company viz. "Un machined and Machined, Ferrous and Non-ferrous alloys Investment Casting" according to the requirement of the Central Government and pursuant to Section 233B of the Companies Act, 1956. Your company has appointed M/s. S. K. Rajani, Cost Accountants, Bhavnagar, as the Cost Auditors to audit the cost accounts of the company for the Financial Year 2013-2014.
18. **Compliance Certificate:** A copy of this certificate is enclosed with this report.
19. **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 9, 2013

ON BEHALF OF THE BOARD OF DIRECTORS
Piyush I. Tamboli
CHAIRMAN & MANAGING DIRECTOR

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, 2013

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	46	B.Sc. MBA	Chairman And Managing Director	24	2,397,600	As assigned by the Board from time to Time	12.6.2003	Senior Executive (Operations) Steel Cast Ltd.
2.	Shri R. K. Menon	77	B.Sc	Executive Director	56	744,000/-	As assigned by the Board from time to Time	1.5.2011	Priya Blue Holdings Pvt. Ltd.

Notes: 1. Gross remuneration includes Basic Salary, monthly allowances, commission and Company's contribution to Provident, Gratuity and Superannuation Funds.

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 9, 2013

ON BEHALF OF THE BOARD OF DIRECTORS
Piyush I. Tamboli
CHAIRMAN & MANAGING DIRECTOR

MANAGEMENT DISCUSSION & ANALYSIS

A. INDUSTRY STRUCTURE & DEVELOPMENT:

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

B. OPPORTUNITIES, THREATS, RISKS & CONCERNS:

1. Opportunities:

Though the growth trend in the Indian Automotive Sector is projected to be stable or similar to last year, the strong loyalties and high market share will ensure adequate order position for the company, in terms of tonnage. In addition, the commencement of export business with high value orders will also help the company.

2. Threats:

Some competition from China and the prevailing economic crisis in European countries, as well as in India, to some extent, may affect the company.

3. Risks & Concerns:

The prevailing high inflation rate and the unprecedented increasing trend in the cost of inputs, and also the high interest rate etc. have caused adverse effect on growth of the Company. Also, the frequent and uncontrolled increase in fuel cost has also affected automotive sector very badly. All these factors have put strain on the profit margins of the company.

C. OUTLOOK:

Overall market seems to be stable or similar to last year for IPCL. However, there is good news that many new global customers have started auditing IPCL and we see good business potential.

Due to market slowdown, the Company has put on hold, the Capital Investment, which will be done only on need base for the year.

D. INTERNAL CONTROL SYSTEMS AND THEIR ADEQUACY:

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

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

E. FINANCIAL PERFORMANCE:

Turnover (sales and other income from operations), net of Excise Duties, decreased by over 16 % from Rs. 7938.60 Lacs to Rs. 6626.07 Lacs.

Expenditure decreased by over 12 % from Rs. 7507.74 Lacs to Rs. 6578.72 Lacs, mainly on account of the decrease in the turnover and level of production. During the year finance costs and depreciation cost increased from Rs. 881.48 Lacs to Rs. 994.65 Lacs, an increase of over 12. %.

IIINVESTMENT & PRECISION CASTINGS LTD

Profit before depreciation, finance costs and tax decreased from Rs. 1312.35 Lacs to Rs. 1041.41 Lacs.

The Company's Profit Before Tax (PBT) decreased from Rs. 430.86 Lacs to Rs. 47.34 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 statues and incidental factors.

INVESTMENT & PRECISION CASTINGS LTD

COMPLIANCE CERTIFICATE

Registration No. of the Company: L27100GJ1975PLC002692

Nominal Capital: Equity Capital	Rs. 104,000,000
Preference Capital	Rs. 1,000,000

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 there under and also the provisions contained in the Memorandum and Articles of Association of the Company for the financial year ended on 31st March, 2013. 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 there under and all entries therein have been duly recorded.
2. The company has duly filled the forms and returns as stated in Annexure 'B' to this certificate with the Registrar of Companies, Regional Director, Central Government, Company Law Board or other authorities within the time prescribed under the Act and the rules made there under.
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 Four times on 29th May, 2012; 4th August, 2012; 27th October, 2012; 4th February, 2013; 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 once during the year from 30.7.2012 to 4.8.2012 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, 2012 was held on 4th August, 2012 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. The Company has granted unsecured loan to a wholly-owned subsidiary.
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.

INVESTMENT & PRECISION CASTINGS LTD

13. The Company has;
 - i) delivered all the certificates on lodgement thereof for transfer/transmission or any other purpose in accordance with the provisions of the Act;
 - ii) deposited the amount of declared dividend in a separate Bank Account on 8th August, 2012 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. 1372230000136) with HDFC Bank Limited, G 1-2, Ground Floor, Sterling Point Waghawadi Road, Bhavnagar.
 - iv) transferred the amounts in unpaid dividend account which have remained unclaimed or unpaid for a period of seven years as required to be transferred to Investor Education and Protection Fund.
 - v) duly complied with the requirements of section 217 of the Act.
14. The Board of Directors of the company is duly constituted. There was no appointment of additional directors, alternate director and directors to fill casual vacancies during the financial year..
15. The company has not appointed any Managing Director/Whole-time Director/ Manager during the financial year.
16. No appointment of sole-selling agents was made during the financial year.
17. The Company was not required, during the financial year, to obtain any approvals of the Central Government, Company Law Board, Regional Director, Registrar or other authorities as may be prescribed under the various provisions of the Act.
18. The directors have disclosed their interest in other firms/companies to the Board of Directors pursuant to the provisions of the Act and the rules made there under.
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, 2013.
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, 2013 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.

INVESTMENT & PRECISION CASTINGS LTD

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.
32. The Company has received Rs. 575211/- as security from its employees during the financial year under certification and the same has been kept in current account of the Company with Schedule Bank.
33. The company has deposited both employee's and employer's contribution towards Provident Fund with the prescribed authorities pursuant to section 418 of the Act.

Place: Rajkot
Date: 9th May, 2013

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

Annexure 'A'

Registers as maintained by the Company

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

Annexure 'B'

Forms and Returns as filed by the Company with the Regional Director, Central Government or other authorities during the financial year ending on 31st March, 2013: NIL

Forms and Returns as filed by the Company with the Registrar of Companies during the financial year ending on 31st March, 2013.

Sr. No.	Form Number	Filed under Section	For	Filed on
1	e-Form 23C		Appointment of M/s S.K.Rajani & Co as Cost Auditor of the Company For F.Y.2011-12 (filed late,additional fees not charged)	14.6.2012
2	e-Form 23C		Appointment of M/s S.K.Rajani & Co as Cost Auditor of the Company For F.Y.2012-13 (filed late,additional fees not charged)	29.6.2012
3	e-Form 5 INV	205(A)	Statement of unclaimed and unpaid Dividend on year ended 31.3.2011 (IEPF Detail)	1.8.2012
4	e-Form 23	192	Registration of resolution for Insertion of new article 5A for issue of warrant or other instrument	22.8.2012
5.	Form I	205 (A)	Transfer of unpaid dividend to IEPF for F.Y.2004-05	30.8.12
6.	Form 66	383 A (i)	Compliance Certificate of CS for F.Y.2011-12	7.9.12
7.	e-Form 20B for Annual Return upto 4.8.2012	159	Annual General Meeting held on 4.8.2012.	1.10.2012

INVESTMENT & PRECISION CASTINGS LTD

Sr. No.	Form Number	Filed under section	For	Filed on
8.	e-Form 23AC & 23ACA for Annual Accounts & Reports for 2011-2012	220	adoption at annual general meeting on 4.8.2012 Balance sheet and Profit & Loss 2011-12 (Form filed In XBRL Form) (filed on 3.12.2012)	3.12.12

Signatures to Annexures 'A' and 'B'

Place: Rajkot
Date: 9th May, 2013

Signature: sd/-

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

CORPORATE GOVERNANCE

1.0 BOARD OF DIRECTORS:

The Board of Directors comprises six Directors out of which three are Non-Executive Directors as on the date of the accompanying Notice, May 9, 2013. The Company has an Executive and 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 9, 2013. The day-to-day operations of the Company are being overseen by Shri Piyush I. Tamboli, Chairman and Managing Director. None of the Directors on the Company's Board is a member of more than ten Committees and Chairman of more than five Committees across all the companies in which he is a Director. The composition of the Board, details of remuneration paid, attendance at the Board Meetings (BM) held during the financial year under review and at the last Annual General Meeting (AGM), number of Directorships memberships/chairmanships in public companies(including the Company) are annexed herewith.

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

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

During the year under review, four Board Meetings were held on dates 29.5.12, 4.8.12, 27.10.12 and 4.2.13.

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. I. Tamboli, Chairman & Managing Director

During the year under review, the Audit Committee met four times on dates 29.5.12, 4.8.12, 27.10.12 and 4.2.13.

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. I. Tamboli, Chairman & Managing Director

During the year under review, the Investor's Grievance Committee met four times on dates 29.5.12, 4.8.12, 27.10.12 and 4.2.13.

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

# Complaints pending at the beginning of the year	:	1
# Complaints received during the year	:	2
# Complaints redressed and replied during the year	:	2
# 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 J. M. Mapgaonkar, (Independent Director)
2.	Members	:	Shri Akshay R. Shah, (Independent Director)
		:	Shri Girish C. Shah (Independent Director)

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

INVESTMENT & PRECISION CASTINGS LTD

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.	No
Whether Management Discussion & Analysis is a part of the Annual Report	Yes

Details of last three Annual General Meetings:

Annual General Meeting for Financial Year	:	2011-2012	2010-2011	2009-2010
Date	:	4.8.2012	12.8.2011	26.7.2010
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 structures have been imposed by them on the Company.

8.0 General Shareholder information:

8.1 Annual General Meeting:

Date & Time : August 7, 2013 at 4.30 p.m.

Venue : Hotel Nilambaug Palace, Bhavnagar.

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

8.3 Telephone Nos. : 2523300 to 04

8.4 Facsimile Nos. : 2523501 to 03

8.5 E-mail : direct1@ipcl.in

8.6 Financial Calendar:

Quarter ending	:	30th June 2012	30th September 2012	31st December 2012	31st March 2013
Reporting Month	:	July 2012	October 2012	January 2013	May 2013

8.7 The Company has paid annual listing fees to The Bombay Stock Exchange Limited (BSE) in respect of the financial year 2012-2013.

IINVESTMENT & PRECISION CASTINGS LTD

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

Months	BSE High	BSE Low	Months	BSE High	BSE Low	Months	BSE High	BSE Low
April 12	74.00	47.05	Aug. 12	64.00	46.50	Dec. 12	63.00	55.15
May 12	61.90	46.80	Sept. 12	65.45	47.50	Jan. 13	65.50	45.55
June 12	56.80	48.50	Oct. 12	70.00	55.00	Feb. 13	57.70	39.10
July 12	63.25	50.05	Nov. 12	67.00	55.00	Mar. 13	52.50	33.50

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

8.10 Distribution of Shareholding as at end of 31st March 2013:

Category	No. of Shares held	Percentage (%) of Shareholding
Promoters	22,47,193	45.31
Nationalised Banks	0	0.00
Financial Institutions	0	0.00
Non Resident Indian	1,31,276	2.65
Others	25,81,531	52.04
Total	49,60,000	100.00

8.11 Distribution Schedule as on 31st March, 2013:

Number of Shares held	Shares held in				No. of Holders			
	Physical	%	Electronic	%	Physical	%	Electronic	%
Upto 250	3519	2.20	260215	5.42	36	21.82	3148	72.57
251 to 500	4800	3.00	176519	3.68	12	7.27	451	10.40
501 to 1000	63400	39.65	285703	5.95	80	48.48	353	8.14
1001 to 2000	43400	27.14	314957	6.56	28	16.96	207	4.77
2001 to 3000	0	0.00	152332	3.17	0	0.00	60	1.38
3001 to 4000	20000	12.51	136572	2.85	6	3.64	38	0.88
4001 to 5000	4800	3.00	59701	1.24	1	0.61	13	0.30
5001 to 10000	8000	5.00	279589	5.82	1	0.61	37	0.85
10001 and above	12000	7.50	3134493	65.31	1	0.61	31	0.71
Total	159919	100.00	4800081	100.00	165	100.00	4338	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 2013.

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 : May 9, 2013

(Piyush I Tamboli)
CHAIRMAN & MANAGING DIRECTOR

CERTIFICATE

To,
The members of
Investment & Precision Castings Ltd.

We have examined the compliance of conditions of Corporate Governance by Investment & Precision Castings Limited for the year ended 31st March, 2013 as stipulated in clause 49 of the Listing Agreement of the said Company with the Stock Exchange.

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

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

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

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

Place: Bhavnagar
Date: May 9, 2013

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

Board of Directors:

Name of the Director	Category	Remuneration paid , Rs. F.Y. 2012-2013				F.Y. 2012-13		As on 9.5.2013		
		Salary & Perks	Sitting Fees	Commi-ssion	Total	Attendance at		No. of Direc-torship	Committee Positions	
						BM	Last AGM		Mem-ber*	Chair-man
Mr. I. F. Tamboli	Non-Executive Chairman (Emeritus), Promoter	-	20,000	-	20,000	2	Yes	4	-	-
Mr. Akshay R. Shah	Non-Executive, Independent	-	80,800	-	80,800	4	Yes	3	2	1
Mr. J. M. Mappaonkar	Non-Executive, Independent	-	80,800	-	80,800	4	Yes	2	1	2
Mr. Girish C. Shah	Non-Executive, Independent	-	40,000	-	40,000	4	Yes	3	-	-
Mr. P. A. Subramanian	Non-executive, Chairman Non-Promoter Resigned w.e.f. 9.5.2013	-	80,800	-	80,800	4	Yes	-	-	-
Mrs. Vishakha P. Tamboli	Additional Director, Promoter appointed w.e.f. 9.5.2013	-	-	-	-	-	NA	1	-	-
Mr. R. K. Menon	Whole-Time Director Non-Promoter	744,000	-	-	744,000	4	Yes	4	-	-
Mr. P. I. Tamboli	Chairman and Managing Director, Promoter	2,397,600	-	-	2,397,600	4	Yes	4	2	-
Total		3,141,600	3,02,400	-	3,444,000					

*Member does not include chairman

INDEPENDENT AUDITORS' REPORT

To
The Members of
INVESTMENT & PRECISION CASTINGS LIMITED

Report on the Financial Statements

We have audited the accompanying financial statements of **Investment & Precision Castings Limited** ("the Company"), which comprise the Balance Sheet as at 31st March 2013 and the statement of Profit & Loss and Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the Accounting Standards referred to in sub-section (3C) of section 211 of the Companies Act, 1956 ("the Act"). This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditors consider internal control relevant to the Company's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India:

- a) In the case of the Balance Sheet, of the state of affairs of the Company as at 31st March 2013;
- b) In the case of the Profit and Loss Statement, 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.

Report on Other Legal and Regulatory Requirements

- 1 As required by the Companies (Auditor's Report) Order, 2003 ("the Order") issued by the Central Government of India terms of sub-section (4A) of section 227 of the Act, we give in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the Order.
2. As required by section 227(3) of the Act, we report that:
 - a) 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;
 - b) In our opinion, proper books of account as required by law have been kept by the Company so far as appears from our examination of those books;
 - c) The Balance Sheet, Statement of Profit and Loss and Cash Flow Statement dealt with by this Report are in agreement with the books of account;
 - d) In our opinion, the Balance Sheet, Statement of Profit and Loss and Cash Flow Statement comply with the Accounting Standards referred to in sub-section (3C) of section 211 of the Companies Act, 1956;
 - e) On the basis of written representations received from the directors as on 31st March 2013, and taken on record by the Board of Directors, none of the directors is disqualified as on 31st March 2013, from being appointed as a director in terms of clause (g) of sub-section (1) of section 274 of the Companies Act, 1956;
 - f) Since the Central Government has not issued any notification as to the rate at which the cess is to be paid under section 441A of the Companies Act, 1956 nor has it issued any rules under the said section, prescribing the manner in which such cess to be paid, no cess is due and payable by the Company.

Bhavnagar
May 9, 2013

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** ("the Company") on the accounts for the year ended 31st March 2013.

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, firms or other parties covered in the register maintained under section 301 of the companies Act, 1956. The number 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 ` 2,211,540 and ` 4,890,566 respectively.
 - b. The rate of interest and other terms and conditions of loans given by the company, are *prima facie* not prejudicial to the interest of the company except that no interest is charged on such loans being a wholly-owned subsidiary company.
 - c. Since no terms and conditions of the loans granted are stipulated, we cannot 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:
 - a. Based on the audit procedures applied by us and according to the information and explanations given to us, the particulars of contracts or arrangements referred to in section 301 of the Act have been entered in the register maintained under that section.
 - b. According to the information and explanations given to us, the transactions made in pursuance of such contracts or arrangements have been made at the prices which are *prima facie* reasonable having regard to the prevailing market prices at the relevant time, wherever such comparison is possible.
6. The company has not accepted any deposits within the meaning of section 58A and 58AA of the Companies Act 1956 and the rules framed there under.
7. In our opinion, the company has an internal audit system commensurate with its size and the nature of its business.
8. We have broadly reviewed the cost records maintained by the company pursuant to the Companies (Cost Accounting Records) Rules, 2011 prescribed by the Central Government under Section 209(1)(d) of the Companies Act, 1956 and are of the opinion that, *prima facie*, the prescribed cost records have been maintained. We have, however, not made a detailed examination of the cost records with a view to determine whether they are accurate or complete.
9. In respect of statutory and other dues:
 - a. The company has generally been regular in depositing undisputed statutory dues, including Provident Fund, Investor Education & Protection Fund, Employees' State Insurance, Income Tax, Sales Tax, Wealth Tax, Service Tax, Custom Duty, Excise Duty, Cess and other statutory dues, to the extent applicable, with the appropriate authorities during the year *except for a few instances of service tax where payments are made beyond due dates*. There are no undisputed statutory dues outstanding for a period of more than six months from the date they became payable
 - b. There are no statutory dues as prescribed under the clause, which have not been deposited on account of any dispute except for the followings:

Nature of Payment	Financial Year	Rs.	Forum where dispute is pending
Income Tax	2002-2003	312,000	Income Tax Appellate tribunal
Sales Tax	2002-2003	894,939	The Commissioner of Gujarat 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.

INVESTMENT & PRECISION CASTINGS LTD

- 14 The company is not dealing in or trading in shares, securities, debentures and other investments. Accordingly the provisions of clause 4(xiv) of the Order are not applicable to the Company.
- 15 According to the information and explanations given to us, the company has not given any guarantees for loans taken by others from banks and financial institutions.
- 16 Terms loans obtained by the company 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.
- 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 9, 2013

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

INVESTMENT & PRECISION CASTINGS LTD

BALANCE SHEET as at March 31, 2013

(Amounts in Indian Rupees)

		31st March 2013	31st March 2012
EQUITY AND LIABILITIES::			
Shareholders' Funds:			
Share Capital	2	49,600,000	49,600,000
Reserves & Surplus	3	397,148,523	395,836,361
Money Received against Share Warrants	4	7,117,500	7,117,500
		453,866,023	452,553,861
Non-Current Liabilities			
Long-term Borrowings	5	79,349,373	58,917,805
Deferred Tax Liabilities (Net)		31,090,000	31,600,000
Other Long Term Liabilities	6	1,649,382	2,226,642
Long Term Provisions	7	2,460,404	2,720,511
		114,549,159	95,464,958
Current Liabilities			
Short-term Borrowing	8	238,644,399	257,736,018
Trade Payables		59,456,081	87,995,067
Other Current Liabilities	9	72,358,986	87,545,903
Short-term Provisions	10	6,915,193	10,075,028
		377,374,659	443,352,016
TOTAL		<u>945,789,841</u>	<u>991,370,835</u>
ASSETS::			
Non-Current Assets			
Fixed Assets	11		
Tangible Assets		385,232,739	337,933,769
Intangible Assets			
Capital Work-in-Progress		53,074,305	40,590,193
		438,307,044	378,523,962
Non-current Investments	12	2,500,000	2,500,000
Long-term Loans and Advances	13	26,797,159	35,448,840
Other Non-current Assets			
		29,297,159	37,948,840
Current Assets			
Current Investment			
Inventories	14	169,526,687	193,143,613
Trade Receivables	15	201,796,541	266,476,855
Cash & Bank Balances	16	16,645,866	16,619,694
Short-term Loans and Advances	17	90,216,544	98,657,871
Other Current Assets		--	--
		478,185,638	574,898,033
TOTAL		<u>945,789,841</u>	<u>991,370,835</u>
The accompanying Notes 1 to 36 are an integral part of these Financial Statements.			

As per our Report of even Date
For SANGHAVI & COMPANY
Chartered Accountants

FOR AND ON BEHALF OF THE BOARD
Piyush I Tamboli **R K MENON**

MANOJ GANATRA
Partner
Bhavnagar
Dated: May 9, 2013

CHAIRMAN &
& MANAGING DIRECTOR EXECUTIVE DIRECTOR

Bhavnagar
Dated: May 9, 2013

INVESTMENT & PRECISION CASTINGS LTD

STATEMENT OF PROFIT & LOSS FOR THE YEAR ENDED MARCH 31, 2013

		2012-13	2011-2012
REVENUE:			
Revenue from Operations	18	660,585,817	791,677,917
Other Income	19	2,020,961	2,182,577
Total Revenue		<u>662,606,778</u>	<u>793,860,494</u>
EXPENSES:			
Cost of Materials Consumed	20	50,227,502	81,503,351
Purchase of Stock-in-Trade		--	--
Change in Inventories	21	17,423,910	-28,503,416
Employee Benefits Expense	22	62,122,714	71,742,054
Finance Costs	23	49,648,401	39,778,629
Depreciation and Amortization		49,817,006	48,369,691
Other Expenses	24	428,632,937	537,883,957
TOTAL		<u>657,872,470</u>	<u>750,774,266</u>
Profit Before exceptional and extraordinary items and tax		4,734,308	43,086,228
Exceptional Items		--	--
Extraordinary Items		--	--
Profit Before Tax		4,734,308	43,086,228
Tax Expenses:			
Current Tax		944,000	16,000,000
Deferred Tax		-510,000	-2,400,000
Earlier Years' Tax		86,671	520,671
		<u>-87,127</u>	<u>13,512,873</u>
Net Profit for the year		<u>4,213,637</u>	<u>29,573,355</u>
Face Value per Equity Share		10	10
Earning Per Equity Share Basic/Diluted		0.85	5.96
The accompanying Notes 1 to 36 are an integral part of these Financial Statements.			

As per our Report of even Date
For SANGHAVI & COMPANY
Chartered Accountants

FOR AND ON BEHALF OF THE BOARD
Piyush I Tamboli **R K MENON**

MANOJ GANATRA
Partner
Bhavnagar
Dated: May 9, 2013

CHAIRMAN &
& MANAGING DIRECTOR EXECUTIVE DIRECTOR
Bhavnagar
Dated: May 9, 2013

CASH FLOW STATEMENT FOR THE YEAR ENDED MARCH 31, 2013

Rs. In Lacs

	2012-2013		2011-2012	
A CASH FLOW FROM OPERATING ACTIVITIES :				
Net Profit Before Tax And Extraordinary Items		47.34		430.86
Adjustments for -				
Depreciation	498.17		483.70	
Loss (Profit) on sale of fixed assets	(3.31)		0.28	
Interest	502.30	997.16	366.54	850.52
Operating Profit Before Working Capital Changes		1,044.50		1,281.38
Adjustments for -				
Trade and Other Receivables	878.23		(861.71)	
Inventories	236.17		(474.55)	
Trade and Other Payables	(447.75)	666.65	449.50	(886.76)
Cash Generated From Operations		1,711.15		394.62
Direct Taxes Paid	(29.20)	(29.20)	(130.64)	(130.64)
NET CASH FROM OPERATING ACTIVITIES		1,681.95		263.98
B CASH FLOW FROM INVESTING ACTIVITIES :				
Purchase of Fixed Assets	(1,096.36)		(604.31)	
Sale of Fixed Assets	3.70		3.29	
Purchase of Investments	-		-	
Interest Received	8.32		13.77	
Dividend Received	-		-	
NET CASH USED IN INVESTING ACTIVITIES		(1,084.34)		(587.25)
C CASH FLOW FROM FINANCING ACTIVITIES :				
Proceeds from Long Term Borrowings (net)	204.31		(263.66)	
Proceeds from Short Term Borrowings (net)	(190.92)		1,057.56	
Proceeds from issue of Share Warrants	-		71.18	
Loans Lent	(22.12)		5.88	
Interest Paid	(510.62)		(380.31)	
Dividend Paid	(50.46)		(61.99)	
NET CASH USED IN FINANCING ACTIVITIES		(569.81)		428.66
Net Increase in Cash and Cash Equivalents		27.80		105.39
Cash and Cash Equivalents as at beginning of the year		128.61		23.22
Cash and Cash Equivalents as at end of the year		156.41		128.61
<u>Cash and Cash Equivalents:</u>				
Cash and Bank Balances		166.46		166.20
Statutory restricted accounts		(10.05)		(37.59)
		156.41		128.61

As per our report of even date

FOR AND ON BEHALF OF THE BOARD

For SANGHAVI & COMPANY

Chartered Accountants

Piyush I. Tamboli **R. K. Menor**
CHAIRMAN & EXECUTIVE DIRECTOR
MANAGING DIRECTOR

MANOJ GANATRA

Partner

Bhavnagar

May 9, 2013

Bhavnagar

May 9, 2013

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 there from is dealt with in the profit & loss account.
- 1.11 Taxation:** Provisions are made for current tax based on tax liability computed in accordance with relevant tax rates and tax laws.
- Deferred tax is recognised, subject to the consideration of prudence, on timing difference, being the difference between taxable income and accounting income that originate in one period and are capable of reversal in one or more subsequent periods.
- 1.12 Earning per Share:** Basic earning per Share is computed by dividing the net profit attributable to equity shareholders for the year by weighted average number of equity shares outstanding during the year. Diluted earning per share is computed by using the weighted average number of equity and dilutive equity equivalent shares outstanding at the year end.
- 1.13 Provision and Contingencies:** The Company creates a provision when there is present obligation as a result of past event that probably requires an outflow of resources and a reliable estimate can be made of the amount of obligation. A disclosure for a contingent liability is made when there is a possible obligation or a present obligation that probably will not require an outflow or where a realisable estimate of the obligation can not be made.

INVESTMENT & PRECISION CASTINGS LTD

Note No. 2

2.1 Share Capital

	31st March 2013	31st March 2012
Authorised:		
10,400,000	104,000,000	104,000,000
Equity Shares of Rs.10 each		
10,000 11 % Redeemable Cumulative Preference Shares of Rs. 100 each	1,000,000	1,000,000
TOTAL	<u>105,000,000</u>	<u>105,000,000</u>
Issued, Subscribed and Paid up:		
4,960,000		
Equity Shares of Rs.10 each	49,600,000	49,600,000
TOTAL	<u>49,600,000</u>	<u>49,600,000</u>

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

2.2 Share Capital Reconciliation:

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

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

Name of Shareholder	31.03.2013		31.03.2013	
	No.of Shares	% of holding	No.of Shares	% of holding
MECHE PRIVATE LIMITED	809,728	16.33	809,728	16.33
PIYUSH I TAMBOLI	662,046	13.35	558,908	10.51
REKHA N SHAH	500,000	10.08	500,000	10.08
VISHAKHA P TAMBOLI	313,200	6.32	313,200	6.31
JAINAM P TAMBOLI	296,000	5.97	296,000	5.97

Note No. 3

Reserves and Surplus

	31st March 2013	31st March 2012
a. General Reserve		
Balance at the beginning of the year	394,836,362	371,027,643
Transfer from surplus	1,312,161	23,808,719
Balance at the end of the year	<u>396,148,523</u>	<u>394,836,362</u>
b. Surplus		
Balance at the beginning of the year	1,000,000	1,000,000
Net Profit for the year	4,213,637	29,573,355
Transfer to general reserve	-1,312,161	-23,808,719
Proposed dividend	-2,480,000	-4,960,000
Corporate dividend tax	-421,476	-804,636
Balance at the end of the year	<u>1,000,000</u>	<u>1,000,000</u>
	<u>397,148,523</u>	<u>395,836,362</u>

INVESTMENT & PRECISION CASTINGS LTD

Note No. 4

Money Received Against Share Warrants

	31st March 2013	31st March 2012
The Company has, during the financial year 2011-12, issued 390,000 convertible equity share warrants of Rs.10/- each to one of the promoters of the company on preferential basis at a premium of Rs. 63/- per warrant. These warrants are convertible within 18 months from the date of issue.		
The amount received in respect of these convertible equity warrants	<u>7,117,500</u>	<u>7,117,500</u>
	<u>7,117,500</u>	<u>7,117,500</u>

Note No. 5

Long Term Borrowings

	31st March 2013	31st March 2012
a. Secured		
Term loans from Bank	<u>79,349,373</u>	<u>58,917,805</u>
	<u>79,349,373</u>	<u>58,917,805</u>
Note:		
Term loans from Bank of Baroda are secured by hypothecation of plant and equipment and mortgage of land, buildings and vehicle and further secured by personal guarantee of one of the directors.		
Period of default : Not applicable		
Amount : Nil		
b. Unsecured	<u>--</u>	<u>--</u>
	<u>--</u>	<u>--</u>
Period of default : Not applicable		
Amount : Nil		
	<u>79,349,373</u>	<u>58,917,805</u>

Note No. 6

Other Long Term Liabilities

	31st March 2013	31st March 2012
Gujarat State Development Corporation	1,427,041	1,902,721
Staff Security Deposit	<u>222,341</u>	<u>323,921</u>
	<u>1,649,382</u>	<u>2,226,642</u>

Note No. 7

Long Term Provisions

	31st March 2013	31st March 2012
Provision for leave encashment	<u>2,460,404</u>	<u>2,720,511</u>
	<u>2,460,404</u>	<u>2,720,511</u>

INVESTMENT & PRECISION CASTINGS LTD

Note No. 8

Short Term Borrowings

	31st March 2013	31st March 2012
a. Secured		
Working capital finance from banks	238,644,399	257,736,018
	<u>238,644,399</u>	<u>257,736,018</u>
Note:		
Working Capital from Bank of Baroda are secured by hypothecation of inventories, book debts, and all movable properties and mortgage of all immovable properties and further secured by personal guarantee of one of the directors.		
Period of default : Not applicable		
Amount : Nil		
b. Unsecured	--	--
	<u>--</u>	<u>--</u>
	<u>238,644,399</u>	<u>257,736,018</u>

Note No. 9

Other Current Liabilities

	31st March 2013	31st March 2012
Current maturities of long-term debt	51,399,144	68,184,000
Interest accrued but not due on borrowings	--	1,471,644
Advances from customers	490,147	1,083,792
Statutory liabilities	11,489,082	6,171,500
Unclaimed Dividends	748,462	833,865
Group Gratuity Premium payable	67,841	178,126
Other Liabilities	8,164,310	9,622,976
	<u>72,358,986</u>	<u>87,545,903</u>

Note No. 10

Short Term Provisions

	31st March 2013	31st March 2012
Provision for bonus	3,656,000	3,975,000
Provision for leave encashment	357,717	335,392
Proposed dividend	2,480,000	4,960,000
Corporate dividend tax	421,476	804,636
	<u>6,915,193</u>	<u>10,075,028</u>

INVESTMENT & PRECISION CASTINGS LTD

NOTE NO. 11 Fixed Assets

(Amount in Rupees)

ASSETS	GROSS BLOCK				ACCUMULATED DEPRECIATION				NET BLOCK	
	As on 1.4.2012	Additions during the Year	Sales or Adjustments	As on 31.3.2013	As on 1.4.2012	For the Year	On Deductions/ Adjustments	Up to 31.3.2013	As at 31.3.2013	As at 31.3.2012
Tangible Assets										
LAND (FREE HOLD)	11,701,357	--	--	11,701,357	--	--	--	--	11,701,357	11,701,357
LAND (LEASE HOLD)	5,562,718	--	--	5,562,718	168,567	56,189	--	224,756	5,337,962	5,394,151
BUILDINGS	130,213,856	27,691,358	--	157,905,214	19,785,583	6,496,419	--	26,282,002	131,623,212	110,428,273
PLANT & EQUIPMENT	411,090,445	63,788,597	--	474,879,042	212,104,703	40,274,573	--	252,379,276	222,499,766	198,876,337
OFFICE EQUIPMENT	12,198,720	735,234	--	12,933,954	9,730,853	614,880	--	10,345,733	2,588,221	2,467,867
FURNITURE & FIXTURES	3,137,720	4,831,074	--	7,968,794	2,300,568	185,801	--	2,486,369	5,482,425	837,152
VEHICLES	13,634,609	--	790,428	12,844,181	5,405,977	2,189,144	750,736	6,844,385	5,999,796	8,228,632
TOTAL	587,539,425	97,046,263	790,428	683,795,260	249,496,251	49,817,006	750,736	298,562,521	385,232,739	337,933,769
Intangible Assets	--	--	--	--	--	--	--	--	--	--
Total	587,539,425	97,046,263	790,428	683,795,260	249,496,251	49,817,006	750,736	298,562,521	385,232,739	337,933,769
Capital work in progress	40,590,193	12,484,112	--	53,074,305	--	--	--	--	53,074,305	40,590,193
Total	628,129,618	109,530,375	790,428	736,869,565	249,496,251	49,817,006	750,736	298,562,521	438,307,044	378,523,962
Previous Year	537,425,148	53,953,414	3,839,137	587,539,425	204,499,620	48,369,691	3,373,060	249,496,251	337,933,769	332,706,717

INVESTMENT & PRECISION CASTINGS LTD

Note No. 12

Non-Current Investments

	31st March 2013	31st March 2012
Trade Investments:		
Unquoted; at cost:		
a. Investment in Subsidiary Companies:		
250,000 equity shares of I&PCL Vacuum Cast Limited of Rs. 10 each (A Wholly Owned Subsidiary)	2,500,000	2,500,000
	<u>2,500,000</u>	<u>2,500,000</u>

Note No. 13

Long-term Loans and Advances

	31st March 2013	31st March 2012
Unsecured (considered good)		
Capital Advances	17,156,115	24,435,487
Security deposits	391,942	273,533
Loans to a subsidiary company	4,890,566	2,679,026
Loans to staff (including officers of the company Rs. 393,363 (468,923))	526,520	2,503,368
Loans to Ancillary units	3,832,016	5,557,426
	<u>26,797,159</u>	<u>35,448,840</u>

Note No. 14

Inventories

	31st March 2013	31st March 2012
(as taken, certified and valued by management)		
Raw materials (at cost)	24,157,425	19,468,351
Work-in-progress (at estimated cost)	64,048,787	106,497,932
Finished goods (at lower of cost or market value)	45,045,680	20,020,446
Stores & Spares (at cost)	36,274,795	47,156,884
	<u>169,526,687</u>	<u>193,143,613</u>

INVESTMENT & PRECISION CASTINGS LTD

Note No. 15

Trade Receivables

	31st March 2013	31st March 2012
Unsecured (considered good, unless otherwise stated)		
Over six months	11,724,367	21,190,225
Others	<u>190,072,174</u>	<u>245,286,630</u>
	<u>201,796,541</u>	<u>266,476,855</u>
includes- due from a subsidiary company	--	--

Note No. 16

Cash and Bank Balances

	31st March 2013	31st March 2012
I. Cash and Cash Equivalent		
a. Balances with Banks		
Current accounts	15,398,732	12,529,413
Short term deposits	<u>--</u>	<u>15,398,732</u>
		12,529,413
b. Cash on Hand	242,401	331,136
II. Other Bank Balances		
Dividend accounts	779,906	865,308
Terms deposits with more than 12 months maturity	--	--
Other terms deposits	<u>224,827</u>	<u>2,893,837</u>
	<u>1,004,733</u>	<u>3,759,145</u>
	<u>16,645,866</u>	<u>16,619,694</u>
Term deposits of Rs. 224,827(2,893,837) are under lien with banks against bank guarantees and L/C Margin)		

Note No. 17

Short-term Loans and Advances

	31st March 2013	31st March 2012
Unsecured (considered good, unless otherwise stated)		
Trade advances to suppliers (including to companies in which some of the directors are interested Rs. 7,500,000 (6,000,000))	68,469,264	81,452,357
Loans and advances to staff (including officers of the company Rs. 153,573 (847,781))	761,618	1,393,389
Input credits receivable	6,896,360	2,987,309
Prepaid expenses	4,520,670	3,211,376
Loans to ancillary units	2,219,688	2,627,743
Advance payment of taxes(net of provisions)	3,402,813	2,319,460
Other Loans and advances	<u>3,946,131</u>	<u>4,666,237</u>
	<u>90,216,544</u>	<u>98,657,871</u>

INVESTMENT & PRECISION CASTINGS LTD

Note No. 18

Revenue from Operations

	2012-2013		2011-2012	
Sale of Products				
Export sales	6,324,198		6,534,247	
Domestic Sales	<u>734,822,770</u>		<u>867,670,838</u>	
	741,146,968		874,205,085	
Less Excise duty	<u>81,387,132</u>	659,759,836	<u>83,556,106</u>	790,648,979
Other Operating Revenue				
Export incentive and credits	106,608		201,352	
Foreign currency fluctuation gain/(loss)	719,373		189,629	
Other operational income	--	825,981	637,957	1,028,938
		<u>660,585,817</u>		<u>791,677,917</u>

Note No. 19

Other Income

	2012-2013		2011-2012	
Interest receipts		831,566		1,377,268
Profit on sale of assets		330,570		--
Insurance Claim received		180,499		--
Prior Period Income		223,679		--
Miscellaneous income		<u>454,647</u>		<u>805,309</u>
		<u>2,020,961</u>		<u>2,182,577</u>

Note No. 20

Cost of Materials Consumed

	2012-2013		2011-2012	
Raw Materials Consumed				
Opening Stock	19,468,351		10,368,479	
Purchase and direct expenses	<u>54,916,576</u>		<u>90,603,223</u>	
	74,384,927		100,971,702	
Closing Stock	<u>24,157,425</u>		<u>19,468,351</u>	
		<u>50,227,502</u>		<u>81,503,351</u>

Note No. 21

Change in Inventories

	2012-2013		2011-2012	
Opening Stock				
Finished Goods	20,020,446		14,972,737	
Work-in-progress	<u>106,497,931</u>	126,518,377	<u>83,042,224</u>	98,014,961
Closing Stock				
Finished Goods	45,045,680		20,020,446	
Work-in-progress	<u>64,048,787</u>	109,094,467	<u>106,497,931</u>	126,518,377
		<u>17,423,910</u>		<u>-28,503,416</u>

Note No. 22

Employee Benefit Expenses

	2012-2013		2011-2012	
Salaries, Wages, allowances and bonus		52,724,978		61,122,301
Contribution to employee benefits funds		8,437,692		8,934,285
Staff welfare expenses		<u>960,044</u>		<u>1,685,468</u>
		<u>62,122,714</u>		<u>71,742,054</u>
includes directors' remunerations		3,141,600		4,403,087

INVESTMENT & PRECISION CASTINGS LTD

**Note No. 23
Finance Costs**

	2012-2013		2011-2012	
Interest				
Working Capital Finance	32,459,628		23,169,754	
Term loans	15,538,864		15,537,068	
Others	<u>1,591,739</u>	49,590,231	<u>796,049</u>	39,502,871
Other borrowing costs		58,170		275,758
		<u>49,648,401</u>		<u>39,778,629</u>

**Note No. 24
Other Expenses**

	2012-2013		2011-2012	
Manufacturing Expenses				
Power & Fuel	89,363,301		129,502,242	
Machinery repairs and maintenance	3,986,401		4,708,028	
Fettling and other external processing charges	118,784,511		129,656,724	
Stores & spares	146,133,780		218,084,470	
Other expenses	<u>19,165,957</u>	377,433,950	<u>14,096,485</u>	496,047,949
Selling and Distribution Expenses				
Sales Commission	1,440,792		2,151,882	
Export freight and insurance	73,317		79,711	
Other selling expenses	<u>24,314,254</u>	25,828,363	<u>16,511,191</u>	18,742,784
Administration and Other Expenses				
Travelling expenses	4,382,589		3,668,187	
Rent	130,750		139,445	
Rates and taxes	465,806		455,567	
Insurance premiums	785,487		548,927	
Building and other repairs	2,499,095		2,970,092	
Advertisement expenses	282,807		506,957	
Directors' sitting fees	302,400		382,400	
Legal and professional fees	3,233,907		1,455,866	
Payment to auditors	204,074		208,000	
Bank discount, commission and other charges	888,505		780,276	
Loss on sale of assets	--		28,337	
Donations	23,100		638,222	
Sundry balances written off (net)	713,034		18,554	
Prior period expenses	--		209,000	
General expenses	<u>11,459,070</u>	25,370,624	<u>11,083,394</u>	23,093,224
		<u>428,632,937</u>		<u>537,883,957</u>

INVESTMENT & PRECISION CASTINGS LTD

- 25** Balances with Sundry Debtors, Sundry Creditors and for Advances are subject to confirmations from the respective parties. In absence of such confirmations, balances as per books have been relied upon by the Auditors.
- 26** The Company has not received information from its vendors regarding their status under Micro, Small and Medium Enterprises Development Act, 2006 and hence disclosure relating to amounts unpaid as at the year end together with interests paid/payable under this act have not been given.
- 27** Deferred tax asset of Rs. 5.10 Lacs arising during the year, a major component of which is due to timing difference related to depreciation charged in the accounts and as claimed under the Income Tax Act, is credited to the profit & loss account. Details of the balance of Rs. 31,090,000 are as under:

Particulars	Rs.
Depreciation	332,44,206
Disallowance u/s 43B of the Income Tax Act	(2,154,206)
Total	31,090,000

- 28** The management of the Company has, during the year, carried out technological evaluation for identification of impairment of assets, if any, in accordance with the Accounting Standard AS-28 issued by the Institute of Chartered Accountants of India. Based on the judgement of the management and as certified by the Directors, no provision for impairment is found to be necessary in respect of any of the assets.
- 29** As the company's business activity, in the opinion of the management, falls within a single primary segment subject to the same risks and returns, the disclosure requirements of Accounting Standard AS-17 "Segment Reporting" issued by the Institute of Chartered Accountants of India are not applicable.
- 30** In the opinion of the Directors, the current assets, loans and advances are approximately of the value as stated in the balance sheet, if realised in the ordinary course of the business. The provision of all known liabilities is adequate and not in excess of the amount reasonably required.
- 31** **Contingent Liabilities:**
- (i) In respect of Central Sales Tax for which 'C' forms are pending for collection Rs. 137,670,000 (92,098,000)
- (ii) In respect of disputed Value Added Tax liabilities Rs. 1,193,604 (2,886,053).
- (iii) In respect of disputed Income Tax liabilities Rs. 312,000 (15,862,000)

32 **Payments to Auditors:**

	2012-2013	2011-2012
	Rs.	Rs.
Audit Fees including Quarterly Review	156,500	140,000
Taxation Matters	35,000	35,000
For certification and other matters.	12,574	33,000

- 33** Disclosure as per AS-15 (Revised) on "Employee Benefit" for the year ended 31st March 2013:
Gratuity Plan:

	(Amount, Rs.)	
Particulars	2012-2013	2011-2012
A. Change in the defined benefit obligations:		
Defined benefit obligations as at beginning of the year:	15,371,328	13,677,487
Service cost	1,045,449	828,954
Interest cost	1,229,706	1,094,199
Actuarial loss / (Gain)	1,062,545	1,261,786
Benefits paid	(2,141,390)	(1,491,098)
Defined benefit obligations as at close of the year (a)	16,567,638	15,371,328

INVESTMENT & PRECISION CASTINGS LTD

B. Change in plan assets:

Fair value of plan assets as at beginning of the year:	16,721,680	14,553,242
Expected return on plan assets	1,642,653	1,460,357
Contributions by employer	2,429,800	2,199,179
Actuarial loss / (Gain)	--	--
Benefits paid	(2,141,390)	(1,491,098)
Fair value of plan assets as at close of the year (b)	18,652,743	16,721,680
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	10,45,449	828,954
Interest cost	1,229,706	1,094,199
Expected return on plan assets	(1,642,653)	(1,460,357)
Net actuarial loss / (gain) recognized	1,062,545	1,261,786
Net amount recognized	1,695,047	1,724,582

Actual Return on Plan Assets

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

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

34 Related Party Disclosures:

34.1 Subsidiary: I&PCL Vacuum Cast Limited:

Nature of Transactions		2012-2013	2011-2012
Subsidiary:		Rs.	Rs.
1.	Advance granted/(recovered)	2,211,540	(587,817)
2.	Outstanding balance: Advance Recoverable	4,890,566	2,679,026

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

Nature of Transactions		2012-2013	2011-2012
Associates:		Rs.	Rs.
1.	Purchases of Materials and Services	1,998,391	1,639,480
2.	Purchase of Building	6,000,000	--
2.	Sale of Materials	--	415,953
3.	Outstanding balance: Trade payable	--	244,857
	Trade receivable	792,925	(2,395)
	Trade Advance to suppliers	7,500,000	6,017,942

34.3 Key Management Personnel: a) Shri Piyush I. Tamboli, b) Shri R. K. Menon

Key Management Personnel:	2012-2013	2011-2012
	Rs.	Rs.
Remuneration	3,141,600	4,403,087

35 Additional Information (as certified by the management):

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

Product	Opening Stock		Sales		Closing Stock	
	2012-2013	2011-2012	2012-2013	2011-2012	2012-2013	2011-2012
Investment Casting	20,020,446	14,972,738	659,759,836	790,648,979	45,045,680	20,020,446
work-in process	106,497,932	83,042,224	--	--	64,048,787	106,497,932

INVESTMENT & PRECISION CASTINGS LTD

B. Consumption of Raw Materials:

Item	2012-2013 Rs.	2011-2012 Rs.
a) Scrap	27,330,708	47,002,545
b) Ferro Alloys	22,896,794	34,500,806
c) Total	50,227,502	81,503,351

C. Percentage of Consumption:

Item	2012-2013		2011-2012	
	%	Rs.	%	Rs.
Raw Materials:				
a) Imported	10.02	5,032,456	8.07	6,576,694
b) Indigenous	89.98	45,195,046	91.93	74,926,657
c) Total	100.00	50,227,502	100.00	81,503,351

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

Item	2012-2013 Rs.	2011-2012 Rs.
Raw materials	5,415,211	7,783,484
Stores & Spares	4,610,446	2,750,968
Capital Goods	30,806,816	2,421,204

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

Item		2012-2013 Rs.	2011-2012 Rs.
Earnings	Exports of Goods (FOB)	6,250,881	6,454,536
Expenditure	Traveling Expenses	1,119,104	66,678
	Others	73,317	22,348

F. Payment of Dividend to Non-resident shareholders:

Number of Shareholders	48
Amount of Dividend Rs.	82,804
Year to which dividend relates	2011-2012

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

Signatures to Note No. 1 to 36

As per our Report of even Date
For SANGHAVI & COMPANY
Chartered Accountants

FOR AND ON BEHALF OF THE BOARD

MANOJ GANATRA
Partner

Piyush I Tamboli
CHAIRMAN &
MANAGING DIRECTOR
Bhavnagar
Dated: May 9, 2013

R. K. Menon
EXECUTIVE DIRECTOR

Bhavnagar
Dated: May 9, 2013

INVESTMENT & PRECISION CASTINGS LTD

ANNEXURE TO BALANCE SHEET FOR THE YEAR ENDED 31ST MARCH, 2013

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, 2013
3. Date from which it became subsidiary : 30 August, 2010
4. Extent of the Holding Company's interest in the : 100 %
Subsidiary Company at the end of the financial
year of the Subsidiary Company
5. Net aggregate amount of the profit/(loss) of the :
Subsidiary Company not dealt with in the Holding
Company's Account (concerning the members of
the Holding Company)
 - i) For the Current Year : Nil
 - ii) For the previous years since it become a : Nil
Subsidiary
6. Net aggregate amount of the profit of the :
Subsidiary Company dealt with in the Holding
Company's Accounts.
 - i) i) For the Current Year : (265,941)
 - ii) ii) For the previous year since it became a : (1,431,080)
Subsidiary

Bhavnagar
Dated: May 9, 2013

FOR AND ON BEHALF OF THE BOARD
Piyush I Tamboli **R. K. Menon**
CHAIRMAN & EXECUTIVE DIRECTOR
MANAGING DIRECTOR

DISCLOSURE ON BALANCE SHEET OF THE SUBSIDIARY COMPANY I&PCL VACUUM CAST LIMITED as at 31.3.2013

No.	Item	As at 31.3.2013 Amount, Rs.	As at 31.3.2012 Amount, Rs.
1.	Capital	2,500,000	2,500,000
2.	Reserves	(1,697,021)	(1,431,081)
3.	Total Assets	5,855,650	3,826,729
4.	Total Liabilities	5,855,650	3,826,729
5.	Investments	60,000	60,000
6.	Turnover	--	--
7.	Profit Before Taxation	(265,941)	(728,364)
8.	Provision for Taxation	--	--
9.	Profit After Taxation	(265,941)	(719,864)
10.	Proposed Dividend	--	--

INDEPENDENT AUDITORS' REPORT

To
The Board of Directors of
INVESTMENT & PRECISION CASTINGS LIMITED

We have audited the accompanying consolidated financial statements of **Investment & Precision Castings Limited** and its wholly-owned subsidiary company, I&PCL Vacuum Cast Limited (collectively referred to as "the I&PCL Group") which comprise the Consolidated Balance Sheet as at 31st March 2013, the Consolidated Statement of Profit & Loss and the Consolidated Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation of these financial statements that give a true and fair view of the consolidated financial position, consolidated financial performance and consolidated cash flows of the I&PCL Group in accordance with accounting principles generally accepted in India. This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express an opinion on these consolidated financial statements based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditors consider internal control relevant to the I&PCL Group's preparation and fair presentation of the consolidated financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the consolidated financial statements 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 state of affairs of the I&PCL Group as at 31st March 2013;
- b) In the case of the Consolidated Profit and Loss Statement, of the profit of the I&PCL Group for the year ended on that date; and
- c) In the case of the consolidated Cash Flow Statement, of the cash flows of the I&PCL Group for the year ended on that date.

Bhavnagar
May 9, 2013

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

INVESTMENT & PRECISION CASTINGS LTD

CONSOLIDATED BALANCE SHEET as at March 31, 2013

(Amounts in Indian Rupees)

		31st March 2013		31st March 2012
EQUITY AND LIABILITIES::				
Shareholders' Funds:				
Share Capital	2	49,600,000		49,600,000
Reserves & Surplus	3	395,451,501		394,405,280
Money Received against Share Warrants	4	7,117,500	452,169,001	7,117,500
				451,122,780
Non-Current Liabilities				
Long-term Borrowings	5	79,349,373		58,917,805
Deferred Tax Liabilities (Net)		31,090,000		31,600,000
Other Long Term Liabilities	6	1,649,382		2,226,642
Long Term Provisions	7	2,460,404	114,549,159	2,720,511
				95,464,958
Current Liabilities				
Short-term Borrowing	8	238,644,399		257,736,018
Trade Payables		59,605,861		88,069,935
Other Current Liabilities	9	72,371,310		87,549,819
Short-term Provisions	10	6,915,193	377,536,763	10,075,028
				443,430,800
	TOTAL		944,254,923	990,018,538
ASSETS::				
Non-Current Assets				
Fixed Assets	11			
Tangible Assets		385,232,739		337,933,769
Intangible Assets		--		--
Capital Work-in-Progress		56,126,510		41,989,646
Pre-operative Expense (pending capitalisation)		1,107,965		566,563
			442,467,214	380,489,978
Non-current Investments	12	60,000		60,000
Long-term Loans and Advances	13	22,955,495		34,265,758
Other Non-current Assets		--	23,015,495	--
				34,325,758
Current Assets				
Inventories	14	169,526,687		193,143,613
Trade Receivables	15	201,796,541		261,534,521
Cash & Bank Balances	16	16,939,232		16,772,201
Short-term Loans and Advances	17	90,509,754		103,752,467
Other Current Assets		--	478,772,214	--
				575,202,802
	TOTAL		944,254,923	990,018,538

The accompanying Notes 1 to 35 are an integral part of these Financial Statements.

As per our Report of even Date
For SANGHAVI & COMPANY
Chartered Accountants

FOR AND ON BEHALF OF THE BOARD

MANOJ GANATRA
Partner
Bhavnagar
Dated: May 9, 2013

Piyush I Tamboli
CHAIRMAN &
MANAGING DIRECTOR
Bhavnagar
Dated: May 9, 2013

R K MENON
EXECUTIVE DIRECTOR

INVESTMENT & PRECISION CASTINGS LTD

CONSOLIDATED STATEMENT OF PROFIT & LOSS FOR THE YEAR ENDED MARCH 31, 2013

		2012-13	2011-2012
REVENUE:			
Revenue from Operations	18	660,585,817	791,677,917
Other Income	19	2,020,961	2,284,776
Total Revenue		<u>662,606,778</u>	<u>793,962,693</u>
EXPENSES:			
Cost of Materials Consumed	20	50,227,502	81,503,351
Purchase of Stock-in-Trade		--	--
Change in Inventories	21	17,423,910	-28,503,416
Employee Benefits Expense	22	62,122,714	71,742,054
Finance Costs	23	49,648,401	39,778,629
Depreciation and Amortization		49,817,006	48,369,691
Other Expenses	24	428,898,877	538,706,020
TOTAL		<u>658,138,410</u>	<u>751,596,329</u>
Profit Before exceptional and extraordinary items and tax		4,468,368	42,366,364
Exceptional Items		--	--
Extraordinary items		--	--
Profit Before Tax		4,468,368	42,366,364
Tax Expenses:			
Current Tax		944,000	16,000,000
Deferred Tax		-510,000	-2,400,000
Earlier Years' Tax		86,671	520,671
		<u>-87,127</u>	<u>13,512,873</u>
Net Profit for the year		<u>3,947,697</u>	<u>28,853,491</u>
Face Value per Equity Share		10	10
Earning Per Equity Share Basic/Diluted		0.80	5.82
The accompanying Notes 1 to 35 are an integral part of these Financial Statements.			

As per our Report of even Date
For SANGHAVI & COMPANY
Chartered Accountants

FOR AND ON BEHALF OF THE BOARD

MANOJ GANATRA
Partner
Bhavnagar
Dated: May 9, 2013

Piyush I Tamboli
CHAIRMAN &
MANAGING DIRECTOR
Bhavnagar
Dated: May 9, 2013

R K MENON
EXECUTIVE DIRECTOR

INVESTMENT & PRECISION CASTINGS LTD
CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED MARCH 31, 2013

Rs. In Lacs

	2012-2013	2011-2012
A CASH FLOW FROM OPERATING ACTIVITIES :		
Net Profit Before Tax And Extraordinary Items	44.68	423.66
Adjustments for -		
Depreciation	498.17	483.70
Loss (Profit) on sale of fixed assets	(3.31)	0.28
Interest	502.30	997.16
Operating Profit Before Working Capital Changes	1,041.84	1,273.16
Adjustments for -		
Trade and Other Receivables	881.28	(854.52)
Inventories	236.17	(474.55)
Trade and Other Payables	(446.92)	670.53
Cash Generated From Operations	1,712.37	392.33
Direct Taxes Paid	(29.20)	(29.20)
	(29.20)	(130.70)
NET CASH FROM OPERATING ACTIVITIES	1,683.17	261.63
B CASH FLOW FROM INVESTING ACTIVITIES :		
Purchase of Fixed Assets	(1,118.29)	(618.96)
Sale of Fixed Assets	3.70	3.29
Purchase of Investments	-	(0.60)
Interest Received	8.32	14.79
Dividend Received	-	-
	-	-
NET CASH USED IN INVESTING ACTIVITIES	(1,106.27)	(601.48)
C CASH FLOW FROM FINANCING ACTIVITIES :		
Proceeds from Long Term Borrowings (net)	204.31	(263.66)
Proceeds from Short Term Borrowings (net)	(190.92)	1,057.56
Proceeds from issue of Share Warrants	-	71.18
Interest Paid	(510.62)	(380.31)
Dividend Paid	(50.46)	(61.99)
	(50.46)	(61.99)
NET CASH USED IN FINANCING ACTIVITIES	(547.69)	422.78
Net Increase in Cash and Cash Equivalents	29.21	82.93
Cash and Cash Equivalents as at beginning of the year	130.13	47.20
Cash and Cash Equivalents as at end of the year	159.34	130.13
Cash and Cash Equivalents:		
Cash and Bank Balances	169.39	167.72
Statutory restricted accounts	(10.05)	(37.59)
	159.34	130.13

As per our report of even date

For SANGHAVI & COMPANY
Chartered Accountants

MANOJ GANATRA
Partner
Bhavnagar
May 9, 2013

For and On Behalf of the Board

Piyush I. Tamboli **R. K. Menor**
CHAIRMAN & EXECUTIVE DIRECTOR
MANAGING DIRECTOR

Bhavnagar
May 9, 2013

CONSOLIDATED ACCOUNTS

1.0 Significant Accounting Policies:

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

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

1.6 Employee Benefits:

Post-employment benefit plans:

- i) **Defined Contribution Plan:** Contribution for provident fund are accrued in accordance with applicable statutes and deposited with the Regional Provident Fund Commissioner. Contribution for Superannuation in respect of certain in 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.

Contributions 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.

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

INVESTMENT & PRECISION CASTINGS LTD

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

INVESTMENT & PRECISION CASTINGS LTD

Note No. 2

2.1 Share Capital

	31st March 2013	31st March 2012
Authorised:		
10,400,000	104,000,000	104,000,000
Equity Shares of Rs. 10 each		
10,000 11 % Redeemable Cumulative Preference Shares of Rs. 100 each	1,000,000	1,000,000
TOTAL	<u>105,000,000</u>	<u>105,000,000</u>
Issued, Subscribed and Paid up:		
4,960,000	49,600,000	49,600,000
Equity Shares of Rs. 10 each		
TOTAL	<u>49,600,000</u>	<u>49,600,000</u>

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

2.2 Share Capital Reconciliation:

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

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

Name of Shareholder	31.03.2013		31.03.2012	
	No. of Shares	% of holding	No. of Shares	% of holding
MECHE PRIVATE LIMITED	809,728	16.33	809,728	16.33
PIYUSH I TAMBOLI	662,046	13.35	558,908	10.51
REKHA N SHAH	500,000	10.08	500,000	10.08
VISHAKHA P TAMBOLI	313,200	6.32	313,200	6.31
JAINAM P TAMBOLI	296,000	5.97	296,000	5.97

Note No. 3

Reserves and Surplus

	31st March 2013	31st March 2012
a. General Reserve		
Balance at the beginning of the year	394,116,498	371,027,643
Transfer from surplus	1,046,220	23,088,855
Balance at the end of the year	<u>395,162,718</u>	<u>394,116,498</u>
b. Surplus		
Balance at the beginning of the year	288,783	288,783
Net Profit for the year	3,947,696	28,853,491
Transfer to general reserve	-1,046,220	-23,088,855
Proposed dividend	-2,480,000	-4,960,000
Corporate dividend tax	-421,476	-804,636
Balance at the end of the year	<u>288,783</u>	<u>288,783</u>
	<u>395,451,501</u>	<u>394,405,281</u>

INVESTMENT & PRECISION CASTINGS LTD

Note No. 4

Money Received Against Share Warrants

	31st March 2013	31st March 2012
The Company has, during the financial year 2011-12, issued 390,000 convertible equity share warrants of Rs.10/- each to one of the promoters of the company on preferential basis at a premium of Rs. 63/- per warrant. These warrants are convertible within 18 months from the date of issue. The amount received in respect of these convertible equity warrants	<u>7,117,500</u> <u>7,117,500</u>	<u>7,117,500</u> <u>7,117,500</u>

Note No. 5

Long Term Borrowings

	31st March 2013	31st March 2012
a. Secured		
Term loans from Bank	<u>79,349,373</u> <u>79,349,373</u>	<u>58,917,805</u> <u>58,917,805</u>
Note: Term loans from Bank of Baroda are secured by hypothecation of plant and equipment and mortgage of land, buildings and vehicle and further secured by personal guarantee of one of the directors. Period of default : Not applicable Amount : Nil		
b. Unsecured	<u>--</u> <u>--</u>	<u>--</u> <u>--</u>
Period of default : Not applicable Amount : Nil	<u>79,349,373</u>	<u>58,917,805</u>

Note No. 6

Other Long Term Liabilities

	31st March 2013	31st March 2012
Gujarat State Development Corporation	1,427,041	1,902,721
Staff Security Deposit	<u>222,341</u>	<u>323,921</u>
	<u>1,649,382</u>	<u>2,226,642</u>

Note No. 7

Long Term Provisions

	31st March 2013	31st March 2012
Provision for leave encashment	2,460,404	2,720,511
	<u>2,460,404</u>	<u>2,720,511</u>

INVESTMENT & PRECISION CASTINGS LTD

**Note No. 8
Short Term Borrowings**

	31st March 2013	31st March 2012
a. Secured		
Working capital finance from banks	238,644,399	257,736,018
	<u>238,644,399</u>	<u>257,736,018</u>
Note:		
Working Capital from Bank of Baroda are secured by hypothecation of inventories, book debts, and all movable properties and mortgage of all immovable properties and further secured by personal guarantee of one of the directors.		
Period of default : Not applicable		
Amount : Nil		
b. Unsecured	--	--
	<u>--</u>	<u>--</u>
	<u>238,644,399</u>	<u>257,736,018</u>

**Note No. 9
Other Current Liabilities**

	31st March 2013	31st March 2012
Current maturities of long-term debt	51,399,144	68,184,000
Interest accrued but not due on borrowings	--	1,471,644
Advances from customers	490,147	1,083,792
Statutory liabilities	11,501,406	6,175,416
Unclaimed Dividends	748,462	833,865
Group Gratuity Premium payable	67,841	178,126
Other Liabilities	8,164,310	9,622,976
	<u>72,371,310</u>	<u>87,549,819</u>

**Note No. 10
Short Term Provisions**

	31st March 2013	31st March 2012
Provision for bonus	3,656,000	3,975,000
Provision for leave encashment	357,717	335,392
Proposed dividend	2,480,000	4,960,000
Corporate dividend tax	421,476	804,636
	<u>6,915,193</u>	<u>10,075,028</u>

INVESTMENT & PRECISION CASTINGS LTD

NOTE NO. 11 Fixed Assets

(Amount in Rupees)

ASSETS	GROSS BLOCK				ACCUMULATED DEPRECIATION				NET BLOCK	
	As on 1.4.2012	Additions during the Year	Sales or Adjustments	As on 31.3.2013	As on 1.4.2012	For the Year	On Deductions/ Adjustments	Up to 31.3.2013	As at 31.3.2013	As at 31.3.2012
Tangible Assets										
LAND (FREE HOLD)	11,701,357	--	--	11,701,357	--	--	--	--	11,701,357	11,701,357
LAND (LEASE HOLD)	5,562,718	--	--	5,562,718	168,567	56,189	--	224,756	5,337,962	5,394,151
BUILDINGS	130,213,856	27,691,358	--	157,905,214	19,785,583	6,496,419	--	26,282,002	131,623,212	110,428,273
PLANT & EQUIPMENT	411,090,445	63,788,597	--	474,879,042	212,104,703	40,274,573	--	252,379,276	222,499,766	198,876,337
OFFICE EQUIPMENT	12,198,720	735,234	--	12,933,954	9,730,853	614,880	--	10,345,733	2,588,221	2,467,867
FURNITURE & FIXTURES	3,137,720	4,831,074	--	7,968,794	2,300,568	185,801	--	2,486,369	5,482,425	837,152
VEHICLES	13,634,609	--	790,428	12,844,181	5,405,977	2,189,144	750,736	6,844,385	5,999,796	8,228,632
TOTAL	587,539,425	97,046,263	790,428	683,795,260	249,496,251	49,817,006	750,736	298,562,521	385,232,739	337,933,769
Intangible Assets	--	--	--	--	--	--	--	--	--	--
Total	587,539,425	97,046,263	790,428	683,795,260	249,496,251	49,817,006	750,736	298,562,521	385,232,739	337,933,769
Capital work in progress	40,590,193	15,536,316	--	56,126,509	--	--	--	--	56,126,509	41,989,646
Total	628,129,618	112,582,579	790,428	739,921,769	249,496,251	49,817,006	750,736	298,562,521	441,359,248	379,923,415
Previous Year	537,425,148	53,953,414	3,839,137	587,539,425	204,499,620	48,369,691	3,373,060	249,496,251	337,933,769	332,706,717

INVESTMENT & PRECISION CASTINGS LTD

Note No. 12

Non-Current Investments

	31st March 2013	31st March 2012
Investment in Government Securities (Pledged with sales tax authorities)	60,000	60,000
	<u>60,000</u>	<u>60,000</u>

Note No. 13

Long-term Loans and Advances

	31st March 2013	31st March 2012
Unsecured (considered good)		
Capital Advances	17,351,115	24,630,487
Security deposits	1,245,844	1,574,477
Loans to staff (including officers of the company Rs. 393,363 (468,923))	526,520	2,503,368
Loans to Ancillary units	3,832,016	5,557,426
	<u>22,955,495</u>	<u>34,265,758</u>

Note No. 14

Inventories

	31st March 2013	31st March 2012
(as taken, certified and valued by management)		
Raw materials (at cost)	24,157,425	19,468,351
Work-in-progress (at estimated cost)	64,048,787	106,497,932
Finished goods (at lower of cost or market value)	45,045,680	20,020,446
Stores & Spares (at cost)	36,274,795	47,156,884
	<u>169,526,687</u>	<u>193,143,613</u>

INVESTMENT & PRECISION CASTINGS LTD

Note No. 15

Trade Receivables

	31st March 2013	31st March 2012
Unsecured (considered good)		
Over six months	11,724,367	21,190,225
Others	<u>190,072,174</u>	<u>245,286,630</u>
	<u>201,796,541</u>	<u>266,476,855</u>

Note No. 16

Cash and Bank Balances

	31st March 2013	31st March 2012
I. Cash and Cash Equivalent		
a. Balances with Banks		
Current accounts	15,676,694	12,681,920
Short term deposits	<u>--</u>	<u>--</u>
	15,676,694	12,681,920
b. Cash on Hand	257,805	331,136
II. Other Bank Balances		
Dividend accounts	779,906	865,308
Terms deposits with more than 12 months maturity	<u>--</u>	<u>--</u>
Other terms deposits	<u>224,827</u>	<u>2,893,837</u>
	<u>1,004,733</u>	<u>3,759,145</u>
	<u>16,939,232</u>	<u>16,772,201</u>
Term deposits of Rs. 224,827(2,893,837) are under lien with banks against bank guarantees and L/C Margin)		

Note No. 17

Short-term Loans and Advances

	31st March 2013	31st March 2012
Unsecured (considered good)		
Trade advances to suppliers (including to companies in which some of the directors are interested Rs. 7,500,000 (6,000,000))	68,469,264	81,452,357
Loans and advances to staff (including officers of the company Rs. 153,573 (847,781))	761,618	1,393,389
Input credits receivable	7,138,980	3,031,896
Prepaid expenses	4,520,670	3,216,976
Loans to ancillary units	2,219,688	2,627,743
Advance payment of taxes(net of provisions)	3,402,813	2,319,460
Other Loans and advances	<u>3,996,721</u>	<u>4,768,312</u>
	<u>90,509,754</u>	<u>98,810,133</u>

INVESTMENT & PRECISION CASTINGS LTD

Note No. 18

Revenue from Operations

	2012-2013		2011-2012	
Sale of Products				
Export sales	6,324,198		6,534,247	
Domestic Sales	<u>734,822,770</u>		<u>867,670,838</u>	
	741,146,968		874,205,085	
Less Excise duty	<u>81,387,132</u>	659,759,836	<u>83,556,106</u>	790,648,979
Other Operating Revenue				
Export incentive and credits	106,608		201,352	
Foreign currency fluctuation gain/(loss)	719,373		189,629	
Other operational income	--	825,981	637,957	1,028,938
		<u>660,585,817</u>		<u>791,677,917</u>

Note No. 19

Other Income

	2012-2013		2011-2012	
Interest receipts		831,566		1,479,467
Profit on sale of assets		330,570		--
Insurance Claim received		180,499		--
Prior Period Income		223,679		--
Miscellaneous income		<u>454,647</u>		<u>805,309</u>
		<u>2,020,961</u>		<u>2,284,776</u>

Note No. 20

Cost of Materials Consumed

	2012-2013		2011-2012	
Raw Materials Consumed				
Opening Stock	19,468,351		10,368,479	
Purchase and direct expenses	<u>54,916,576</u>		<u>90,603,223</u>	
	74,384,927		100,971,702	
Closing Stock	<u>24,157,425</u>		<u>19,468,351</u>	
		<u>50,227,502</u>		<u>81,503,351</u>

Note No. 21

Change in Inventories

	2012-2013		2011-2012	
Opening Stock				
Finished Goods	20,020,446		14,972,737	
Work-in-progress	<u>106,497,931</u>	126,518,377	<u>83,042,224</u>	98,014,961
Closing Stock				
Finished Goods	45,045,680		20,020,446	
Work-in-progress	<u>64,048,787</u>	109,094,467	<u>106,497,931</u>	126,518,377
		<u>17,423,910</u>		<u>-28,503,416</u>

Note No. 22

Employee Benefit Expenses

	2012-2013		2011-2012	
Salaries, Wages, allowances and bonus		52,724,978		61,122,301
Contribution to employee benefits funds		8,437,692		8,934,285
Staff welfare expenses		<u>960,044</u>		<u>1,685,468</u>
		<u>62,122,714</u>		<u>71,742,054</u>
includes directors' remunerations		3,141,600		4,403,087

INVESTMENT & PRECISION CASTINGS LTD

Note No. 23

Finance Costs

	2012-2013		2011-2012	
Interest				
Working Capital Finance	32,459,628		23,169,754	
Term loans	15,538,864		15,537,068	
Others	<u>1,591,739</u>	49,590,231	<u>796,049</u>	39,502,871
Other borrowing costs		58,170		275,758
		<u>49,648,401</u>		<u>39,778,629</u>

Note No. 24

Other Expenses

	2012-2013		2011-2012	
Manufacturing Expenses				
Power & Fuel	89,363,301		129,502,242	
Machinery repairs and maintenance	3,986,401		4,708,028	
Fettling and other external processing charges	118,784,511		129,656,724	
Stores & spares	146,133,780		218,084,470	
Other expenses	<u>19,165,957</u>	377,433,950	<u>14,096,485</u>	496,047,949
Selling and Distribution Expenses				
Sales Commission	1,440,792		2,151,882	
Export freight and insurance	73,317		79,711	
Other selling expenses	<u>24,314,254</u>	25,828,363	<u>17,190,509</u>	19,422,102
Administration and Other Expenses				
Travelling expenses	4,385,589		3,669,462	
Rent	130,750		139,445	
Rates and taxes	465,806		455,567	
Insurance premiums	785,487		548,927	
Building and other repairs	2,499,095		2,970,092	
Advertisement expenses	282,807		506,957	
Directors' sitting fees	302,400		382,400	
Legal and professional fees	3,248,907		1,470,866	
Payment to auditors	232,192		234,500	
Bank discount, commission and other charges	984,893		865,053	
Loss on sale of assets	--		28,337	
Donations	23,100		647,222	
Sundry balances written off (net)	713,034		18,554	
Prior period expenses	--		200,500	
General expenses	<u>11,582,504</u>	25,636,564	<u>11,098,087</u>	23,235,969
		<u>428,898,877</u>		<u>538,706,020</u>

INVESTMENT & PRECISION CASTINGS LTD

25 Basis of presentation of Financial Statements:

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

- a) The audited financial statements of the subsidiary used in the consolidation are drawn up to the same reporting date as that of the parent company, i.e. year ended 31st March 2013.
- b) The financial statements have been prepared in accordance with Generally Accepted Accounting Principles ("GAAP") in India, the Accounting Standards prescribed under the Companies (Accounting Standards) Rules, 2006 and the relevant provisions of the Companies Act, 1956, to the extent applicable, and are based on the historical cost convention on an accrual basis.

26 Principles of Consolidation:

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

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

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

29 Deferred tax asset of Rs. 5.10 Lacs arising during the year, a major component of which is due to timing difference related to depreciation charged in the accounts and as claimed under the Income Tax Act, is credited to the profit & loss account. Details of the balance of Rs. 31,090,000 are as under:

Particulars	Rs.
Depreciation	33,244,206
Disallowance u/s 43B of the Income Tax Act	(2,154,206)
Total	31,090,000

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

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

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

INVESTMENT & PRECISION CASTINGS LTD

33 Contingent Liabilities:

- (i) In respect of Central Sales Tax for which 'C' forms are pending for collection Rs. 137,670,000(92,098,000)
- (ii) In respect of disputed Value Added Tax liabilities Rs. 1,193,604 (2,886,053).
- (iii) In respect of disputed Income Tax liabilities Rs. 312,000 (15,862,000)

34 Related Party Disclosures:

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

Nature of Transactions		2012-2013	2011-2012
Associates:		Rs.	Rs.
1.	Purchases of Materials and Services	1,998,391	1,639,480
2.	Sale of Materials	--	415,953
3.	Purchase of Building	6,000,000	--
3.	Outstanding balance: Trade payable	--	244,857
	Trade receivable	792,925	(2,395)
	Trade Advance to suppliers	7,500,000	6,017,942

34.2 Key Management Personnel: a) Shri Piyush I. Tamboli, b) Shri R. K. Menon

Key Management Personnel:	2012-2013	2011-2012
	Rs.	Rs.
Remuneration	3,141,600	4,403,087

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

Signatures to Note No. 1 to 35

As per our Report of even Date
For SANGHAVI & COMPANY
 Chartered Accountants

FOR AND ON BEHALF OF THE BOARD

MANOJ GANATRA
 Partner
 Bhavnagar
 Dated: May 9, 2013

Piyush I Tamboli
 CHAIRMAN &
 MANAGING DIRECTOR
 Bhavnagar
 Dated: May 9, 2013

R. K. Menon
 EXECUTIVE DIRECTOR

BLANK

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

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

For shares held in physical formMaster 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	<input type="checkbox"/>	Current	<input type="checkbox"/>	Cash Credit	<input type="checkbox"/>
-----------	--------------------------	---------	--------------------------	-------------	--------------------------

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:

1. Whenever the Shares in the given folio are entirely dematerialised, then this ECS mandate form will stand cancelled
2. 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 Seventh August 2013 and/or at any adjournment thereof.

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

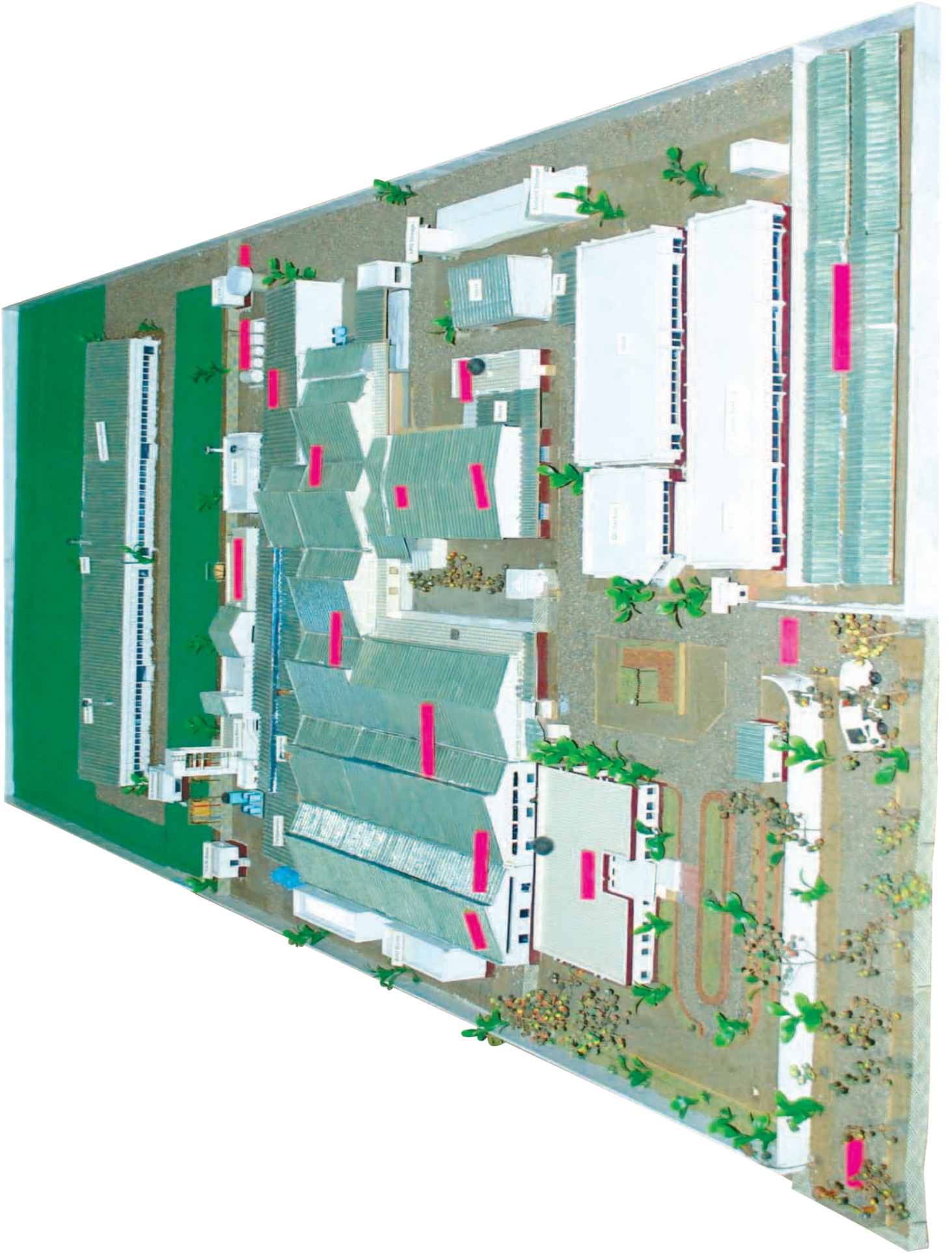
As witness my/our hand(s) is set this day of 2013.

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.



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