

42nd

Annual Report

2017-2018



IST LIMITED



**42nd Annual Report
2017-18**

BOARD OF DIRECTORS

AIR MARSHAL D. KEELOR (RETD.), CHAIRMAN
SHRI S.C. JAIN, EXECUTIVE DIRECTOR
LT. COL. N.L. KHITHA (RETD.), DIRECTOR (TECH.)
MRS. SARLA GUPTA, DIRECTOR
SHRI MAYUR GUPTA, DIRECTOR
SHRI GAURAV GUPTAA, DIRECTOR
BRIG. G.S. SAWHNEY (RETD.), DIRECTOR
SHRI SUBHASH CHANDER JAIN, DIRECTOR

CHIEF FINANCIAL OFFICER

SHRID.N. TULSHYAN

COMPANY SECRETARY

SHRI BHUPINDER KUMAR

AUDITORS

M/s. GUPTA VIGG & CO.
CHARTERED ACCOUNTANTS, NEW DELHI

BANKERS

STATE BANK OF INDIA
HDFC BANK LIMITED

REGISTERED OFFICE & WORKS

DHARUHERA INDUSTRIAL COMPLEX,
DELHI JAIPUR HIGHWAY NO. 8,
KAPRIWAS, DHARUHERA,
REWARI – 123106 (HARYANA)
TEL: (01274) 267346-48;
FAX : (01274) 267444;
Website: www.istindia.com;
CIN: L33301HR1976PLC008316

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NOTICE

Notice is hereby given that the 42nd Annual General Meeting of IST Limited, will be held on Friday, the 28th September, 2018 at 11.30 A.M. at the Registered Office of the Company at Dharuhera Industrial Complex, Delhi Jaipur Highway No. 8, Kapriwas, Dharuhera, Rewari – 123106 (Haryana), to transact the following business:

1. To consider and adopt the Audited Financial Statement (including Audited Consolidated Financial Statement) for the financial year ended 31st March 2018 and Reports of the Directors and Auditors thereon.
2. To appoint a director in place of Lt. Col. N.L. Khitha (Retd.) (DIN: 01128275), who retires by rotation and being eligible offers himself for reappointment.
3. To appoint a director in place of Mrs. Sarla Gupta (DIN: 00069053), who retires by rotation and being eligible offers herself for reappointment.

SPECIAL BUSINESS

4. **To consider and give your assent or dissent to the following Special Resolution:**

“RESOLVED THAT in partial modification to the resolution passed at the 40th Annual General Meeting of the Company held on 29th September, 2016 for the re-appointment of Mr. Suresh Chand Jain (DIN: 00092079), and pursuant to the provisions of Section 196, 197, 203 and any other applicable provisions of the Companies Act, 2013 and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force), read with Schedule V to the Companies Act, 2013 and Articles of Association of the Company and subject to the approval of Central Government or other Government authority / agency / board, if any, consent of the Members of the Company be and is hereby accorded for revision in the remuneration payable to Mr. Suresh Chand Jain, Whole Time Director, designated as Executive Director of the Company with effect from 14th August, 2018 for the remaining period of his present term of appointment ending on 13th August, 2019.

RESOLVED FURTHER THAT the remuneration payable to Mr. Suresh Chand Jain, Whole Time Director w.e.f. 14th August, 2018 shall be as under:

Basic Pay	Rs.72,000/- per month
Dearness Allowance	Rs.36,000/- per month
House Rent Allowance	Rs.45,000/- per month
Special Allowance	Rs.29,500/- per month

PERQUISITES

PART - A

a) Company's Chauffeur Driven Car

Company shall provide to the Executive Director One Chauffeur driven Car exclusively for the purposes of Business of the Company. Any expenses incurred by the Executive Director in connection with running and maintenance of the Car provided by the Company shall be re-imbursed to him.

b) Reimbursement of Expenses

- (i) Re-imburement of Expenses incurred towards magazine / newspapers at residence;
- (ii) Re-imburement of monthly bill of one Landline Telephone and Internet Connection at residence for the purposes of business of the Company;
- (iii) Re-imburement of actual Expenses incurred by the Executive Director on account of one mobile phone for the purpose of official work.
- (iv) The Managing Director shall also be entitled to reimbursement of reasonable entertainment expenses actually and properly incurred for the purposes of business of the Company.

PART - B

Earned Leave

One month's leave with full pay and allowance as per rules of the Company for every 11 months of service. However, leave accumulated and not availed of during his tenure as Executive Director will be encashed.

FURTHER RESOLVED THAT the consent of the shareholders of the Company be and is hereby also accorded that in the event of no profits or inadequate profits in any financial year, Mr. Suresh Chand Jain shall be entitled to receive remuneration including perquisites and re-imburements etc. upto the limit as approved by the members hereinabove, as minimum



IST LIMITED

remuneration, subject to the limits and conditions prescribed under Schedule V of the Companies Act, 2013, as may be amended from time to time.

RESOLVED FURTHER THAT except for the aforesaid revision in remuneration, all other terms and conditions of his appointment as Whole Time Director of the Company, as approved by the resolution passed at the 40th Annual General Meeting held on 29th September, 2016 shall remain unchanged.

RESOLVED FURTHER THAT any Director of the Company and / or Company Secretary be and are hereby severally / individually authorised to do all acts, deeds and things, to enter into such agreements(s), deed(s) of amendment(s) or any such document(s), as the Board may, in its absolute discretion, consider necessary, expedient or desirable to give effect to the aforesaid resolution.

By Order of the Board

Place: New Delhi
Dated: 13.08.2018

Bhupinder Kumar
Company Secretary

Notes :

1. The Explanatory Statement as required under section 102 of the Companies Act, 2013 is annexed hereto. Further, additional information with respect to Item No. 3 is also annexed hereto.

M/s Gupta Vigg & Co, Chartered Accountants, were appointed as Statutory Auditors of the Company at the 41st Annual General Meeting held on 29th September, 2017. Pursuant to Notification issued by the Ministry of Corporate Affairs on 7th May, 2018 amending section 139 of the Companies Act, 2013 and the Rules framed thereunder, the mandatory requirement for ratification of appointment of Auditors by the Members at every Annual General Meeting ("AGM") has been omitted, and hence the Company is not proposing an item on ratification of appointment of Auditors at this AGM

2. **A Member entitled to attend and vote at the Meeting is entitled to appoint another person as a Proxy to attend and vote on a Poll on his/her behalf. A Proxy need not be a Member of the Company. However, proxies in order to be effective must be received at the Registered Office of the Company not less than 48 hours before the Annual General Meeting.** A person can act as a proxy on behalf of members holding in the aggregate not more than ten percent of the total share capital of the Company carrying voting rights. A member holding more than ten percent of the total share capital of the Company carrying voting rights may appoint a single person as proxy and such person shall not act as a proxy for any other person or shareholder.
3. The Instrument of Proxy in Form MGT 11 (Proxy Form) prescribed under Companies (Management

and Administration) Rules, 2014 pursuant to Section 105(6) of the Companies Act, 2013 is given separately in the Annual Report.

4. Corporate members intending to send their authorized representatives to attend the Meeting are requested to send to the Company a certified copy of the Board Resolution authorizing their representative to attend and vote on their behalf at the Meeting.
5. The Register of Members and Share Transfer Books of the Company will remain closed from 22.09.2018 to 28.09.2018 (both days inclusive) for the purpose of this Annual General Meeting.
6. In case of joint holders attending the Meeting, only such joint holder who is higher in the order of names will be entitled to vote.
7. Members are requested to bring the Attendance Slip duly filled in along with their copy of Annual Report to the Meeting.
8. The Members are requested to contact the Company's Registrars and Share Transfer Agents, MAS Services Limited for all their queries, transfer requests, or any other matter relating to their shareholding in the Company as per their following contact details:
Mas Services Limited,
T-34, 2nd Floor, Okhla Industrial Area,
Phase-II, New Delhi – 110020;
Phone: 011-26387281-83;
Fax : 011-26387384; email: info@masserv.com
9. Members are requested to (i) quote their Registered Folio Numbers / DP ID & Client ID Nos. in all correspondences with the Company / with the



- Registrars and Share Transfer Agents; and (ii) promptly notify any change in their address to the Registrars and Share Transfer Agents, in case they still hold the Equity Shares in physical form.
10. Dematerialization of the Equity Shares of the Company: The Equity Shares of the Company are compulsorily required to be held under DEMAT mode for Trading on the floor of the Stock Exchanges, where such Equity Shares are listed. These can be held in electronic form with any Depository Participant (DP) with whom the Members have their Depository Account. All the Members, holding Equity Shares of the Company in the physical form, are advised to get the same dematerialized. The Members may contact the Registrars and Share Transfer Agents of the Company at their address mentioned above.
 11. Members, who have not registered their e-mail addresses so far, are requested to register their e-mail id for receiving all communication including Annual Report, Notices, Circulars etc. from the Company electronically, with the Company's Registrars and Share Transfer Agents.
 12. Electronic copy of the Annual Report for financial year 2017-18 along with the Notice of the 42nd Annual General Meeting of the Company (including Attendance Slip and Proxy Form) is being sent to all the members whose email IDs are registered with the Registrar/Depository Participant(s) with their consent for communication purposes unless any member has requested for a hard copy of the same.
 13. For members who have not registered their email address, physical copies of the Annual Report for the financial year 2017-18 along with Notice of the 42nd Annual General Meeting of the Company inter alia indicating the process and manner of e-voting along with Attendance Slip and Proxy Form is being sent by other permissible modes.
 14. Members may also note that the Notice of the 42nd Annual General Meeting and the Annual Report for 2017-18 will also be available on the Company's website: www.istindia.com for their download. The physical copies of the aforesaid documents will also be available at the Company's Registered Office for inspection during 10:00 A.M.to 5:00 P.M on any working day, excluding Saturday. Even after registering for e-communication, members are entitled to receive such communication in physical form, upon making a request for the same. For any communication, the shareholders may also send requests to the Company's investor email id: istgroup.ho@gmail.com.
 15. Voting through electronic means: Pursuant to the provisions of Section 108 of the Companies Act, 2013 read with Rule 20 of the Companies Management and Administration) Rules, 2014, as amended by the Companies (Management and Administration) Amendment Rules, 2015 and the Regulation 44 of SEBI (LODR) Regulations, 2015, the Company is providing remote e-voting facility to enable the members to cast their votes electronically on all the resolutions set forth in the Notice convening the 42nd Annual General Meeting. The Company has engaged the services of National Securities Depository Limited (NSDL) to provide the remote e-voting facilities. The Instructions for remote e-voting are provided in the Attendance Slip, which is enclosed along with the Annual Report. Members are advised to read the instructions carefully before exercising their vote.

VOTING THROUGH ELECTRONIC MEANS

By Order of the Board

Place: New Delhi
Dated: 13.08.2018

Bhupinder Kumar
Company Secretary



STATEMENT PURSUANT TO SECTION 102(1) OF THE COMPANIES ACT, 2013 (THE ACT)

Attached to the Notice convening the 42nd Annual General Meeting of IST Limited to be held on Friday the 28th September, 2018.

The appointment of Mr. Suresh Chand Jain, Whole time Director designated as Executive Director of the Company was approved by the Shareholders at their meeting held on 29th September, 2012 for a period of 2 years from 14th August, 2012 to 13th August, 2014. Subsequently, he was re-appointed as Executive Director by the Shareholders at their 38th Annual General Meeting held on 30th September, 2014 for a period of 2 years and at the 40th Annual General Meeting held on 29th September, 2016 for a further period of 3 years.

As per the relevant provisions of the Companies Act, 2013, the appointment of a person who has attained the age of seventy years may be made by passing a special resolution with due justification in the explanatory statement. As Mr. Suresh Chand Jain had already attained the age of 70 years, out of abundant caution the Company proposes to take the approval of shareholders through Special Resolution for the instant matter of revision of remuneration of Mr. Suresh Chand Jain.

Taking into consideration the business activity of the Company coupled with higher responsibility cast on Mr. Suresh Chand Jain and in recognition of the valuable services provided by him, the Board of Directors, on recommendation of the Nomination & Remuneration

Committee of the Company, at its meeting held on 13th August, 2018, has approved the proposal to increase the salary of Mr. Suresh Chand Jain, Executive Director, subject to the approval of shareholders, as set out in the resolution being item no. 4 of the accompanying notice w.e.f. 14th August, 2018 for the remaining period of his tenure i.e. upto 13th August, 2019. The proposed remuneration is commensurate with the Industry standards and the Board level position held in similar sized and similar positioned Companies.

Considering the experience of Mr. Suresh Chand Jain in various fields and the trend in the industry the increase in the remuneration is considered to be fair, just and reasonable and is commended for the approval of shareholders.

Except for the aforesaid revision of remuneration, all other terms and conditions of his appointment as Executive Director of the Company as approved by the members of the Company shall remain unchanged.

None of the Directors or other Key Managerial Personnel of the Company or their relatives is, in any way, concerned or interested, financially or otherwise, in the proposed Special Resolution except the appointee himself.

The Board of Directors recommends the Special Resolution set out at item no. 5 of the accompanying Notice for the approval of the Members.

By Order of the Board

Bhupinder Kumar
Company Secretary

Place: New Delhi
Dated: 13.08.2018

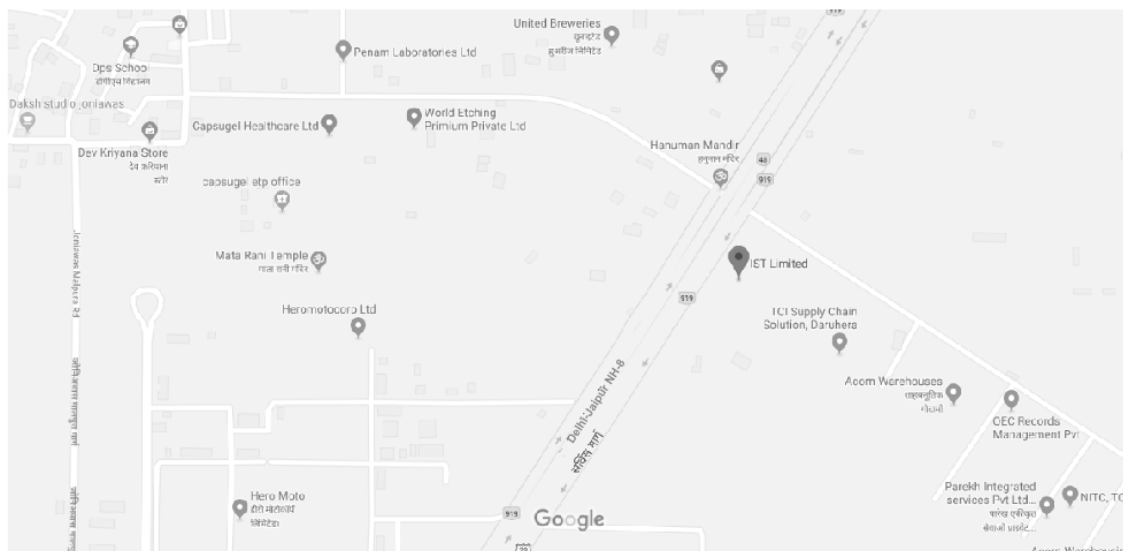


DETAILS OF DIRECTORS' SEEKING APPOINTMENT/RE-APPOINTMENT AT THE FORTHCOMING 42nd ANNUAL GENERAL MEETING

Name of the Director	Mrs. Sarla Gupta	Lt. Col. N.L. Khitha (Retd.)
Date of Birth	25.01.1955	25.09.1937
Date of Appointment	14.02.2015	01.06.2011
Expertise in Specific functional Areas	Undergraduate	Held various distinguished positions in Indian Army and has vast experience in technical and administration fields, business development.
List of Public Companies in which Directorship is held	Whole Time Director Gurgaon Infospace Limited Director, IST Limited Director, IST Steel and Power Limited Director, IST Steel and Power Limited	Whole Time Director, IST Limited
Chairman / Member of the Committees of the Board of Companies on which he is a Director		IST Limited Member, CSR Committee

IST Limited

Dharuhera Industrial Complex, Delhi Jaipur Highway No. 8, Kapriwas, Dharuhera, Rewari – 123106 (Haryana)



**DIRECTORS' REPORT**

Dear Members,

Your Directors are pleased to present their 42nd Annual Report on your Company's operations and performance together with the audited statement of accounts for the year ended 31st March 2018.

Financial Results

The performance of the Company for the financial year ended March 31, 2018 and for the previous year ended March 31, 2017 are summarized below:

PARTICULARS	(Rs. In Lacs)	
	For the year ended 31.03.2018	For the year ended 31.03.2017
Revenue from Operations	2,466.02	2,820.68
Other Income	1,178.05	1,108.59
Total Income	3,644.07	3,929.27
Earnings before Interest, depreciation, tax and amortization (EBIDTA)	1,581.48	1,534.18
Less :- Finance Cost	19.65	97.84
Less :- Depreciation	276.43	286.55
Earning before tax (EBT)	1,285.40	1,149.79
Tax Expenses		
- Current tax	320.00	270.00
- Deferred Tax	(40.90)	(5.54)
- Tax for earlier years	0.03	6.44
Profit After Tax	1,006.27	878.89
Add: Balance brought forward from previous year	4,954.81	4,075.92
Surplus carried to Balance Sheet	5,961.08	4,954.81

State of Company's Affairs

Your Company is primarily engaged in the business of manufacturing of high precision engineering components / assemblies for Automobile and Consumer Goods Industry. Incorporated in the year 1976, the Company has remained a going concern. The Company has one operative production plant at Dharuhera (Gurgaon). The operations of the Company continued in a smooth and uninterrupted manner during the course of the year.

During the year under review, the operating revenue of your company declined to 2,466.02 Lacs as against Rs. 2,820.68 Lacs achieved in the previous year. The net profit after tax (PAT) for the year has however improved to Rs. 1,006.27 Lacs as compared to Rs. 878.89 Lacs in the previous year. The Earnings before interest, depreciation, tax & amortizations (EBIDTA) increased to Rs. 1,285.40 Lacs as compared to Rs. 1,149.79 Lacs in the previous year. The Basic and Diluted Earnings Per Share (EPS) also improved by Rs. 2.18 per share.

The Company has not made any default in the re-payment of its financial obligation towards its lender Bank(s) and have met its obligations in time including its tax liability. The Shares of the Company are listed on Bombay Stock Exchange (BSE).

During the year one of the significant and important change in the Indian Business environment was implementation of Goods and Service Tax (GST) w.e.f. 01.07.2017, This was followed by changes in the GST rates through various notifications issued from time to time. Apart from the initial phase, which was challenging for the industry as a whole, your Company managed to implement the same smoothly and efficiently.

The transition of Accounting from Indian GAAP to Ind-AS was another change that has been implemented by your Company proficiently. In February, 2015, the Ministry of Corporate Affairs (MCA) notified the final roadmap on implementation and applicability of Ind AS which was scheduled to be implemented in phased manner. Accordingly, from the year 2017-18 the financials of the Company was prepared in accordance with Ind AS (with date of transition being 1st April, 2016). The financial statements for the year ended 31st March, 2017 and opening balance sheet as at 1st April, 2016 earlier reported under India GAAP, have been restated in accordance with Ind-AS to make them comparable.



Appropriation of Profit after Tax for Transfer to Reserves

No amount has been transferred to the General Reserve during the year. The net retained earnings have been kept in the profit and loss account.

Dividend

The Board of Directors have decided not to recommend any dividend for the financial year 2017-18.

Share Capital

During the year under review:

- a) No Equity shares have been issued with differential voting rights. Hence, no disclosure is required in terms of Rule 4(4) of Companies (Share Capital and Debentures) Rules, 2014.
- b) No issue of Sweat Equity Share has been made. Hence, no disclosure is required in terms of Rule 8(13) of Companies (Share Capital and Debentures) Rules, 2014.
- c) There was no issue of Employee Stock Option. Hence, no disclosure is required in terms of Rule 12(9) of Companies (Share Capital and Debentures) Rules, 2014.
- d) There was no provision made by the Company for any money for purchase of its own shares by employees or by trustees for the benefit of employees. Hence, no disclosure is required in terms of Rule 16(4) of Companies (Share Capital and Debentures) Rules, 2014.
- e) The issued, subscribed and fully paid up share capital of the Company as on 1st April, 2017 and 31st March, 2018 remained unchanged.

Deposits

The Company has not accepted any deposits from public and as such, no amount on account of principal or interest on deposits from public was outstanding as on the date of the balance sheet.

Consolidated Financial Statements

The audited consolidated financial statements of the Company for the FY 2017-18 which forms part of the Annual Report have been prepared in accordance with the Indian Accounting Standards (Ind AS) notified under the Companies (Indian Accounting Standards) Rules, 2015 under Section 133 of the Companies Act, 2013 and other relevant provisions as may be prescribed in this regard.

Subsidiaries and Associate Companies

The Company has one wholly owned Subsidiary namely 'Gurgaon Infospace Limited', and one Associate namely 'IST Steel & Power Limited' as on March 31, 2018. There has been no material change in the nature of the business of the subsidiary. The subsidiary of the Company is engaged in the business of development of Infrastructure for IT / ITES Sector.

None of the Company has become or cease to become the subsidiary, joint venture or associates of your Company during the year 2017-18

The particulars of Subsidiary(ies) and Associate(s) of the Company are provided in form MGT – 9 attached as Annexure – A to this report.

Pursuant to provisions of Section 129(3) of the Act, a statement containing salient features of the Financial Statements of the Company's subsidiary(ies) and Associates in Form AOC-1 is attached to the Financial Statements of the Company.

In accordance to the provisions of section 136 of the Act, the Standalone Financial Statements of the Company, the Consolidated Financial Statements along with relevant documents and separate audited accounts in respect of subsidiaries are available on the website of the Company.

The annual accounts of the subsidiary and the related information will be made available to any member of the Company seeking such information and are available for inspection by any member of the Company at the Registered Office of the Company. The annual accounts of the said subsidiary will also be available for inspection at the Registered office of the respective subsidiary company.



The Policy for determining Material Subsidiaries, adopted by your Board, in conformity with Regulation 16(c) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, can be accessed on the Company's website www.istindia.com.

Directors and Key Managerial Personnel

In accordance with the provisions of Section 152 of the Companies Act 2013 and the Articles of Association of the Company, Lt. Col. N.L Khitha (Retd.), the Whole time Director designated as Director (Technical) (DIN: 01128275) and Mrs. Sarla Gupta (DIN: 00069053) shall retire by rotation at the ensuing Annual General Meeting and being eligible has offered themselves for re-appointment, subject to approval of the shareholders at the ensuing annual general meeting in term of Section 152(6) of the Companies Act, 2013. The brief detail of Lt. Col. N.L. Khitha (Retd.) and Mrs. Sarla Gupta is furnished in the explanatory statement to the notice of the ensuing AGM under the head "Directors Seeking Appointment / Re-appointment at this Annual General Meeting".

In terms of section 196, 197 read with Schedule V and other applicable provisions, if any, of the Companies Act, 2013 and on recommendation of Nomination and Remuneration Committee, the Board of Directors at its Meeting held on 13th August, 2018 had revised the remuneration of Mr. S.C. Jain (DIN: 00092079), Executive Director of the Company, subject to approval by the Members at the ensuing annual general meeting

In terms of Section 203 of the Companies Act, 2013 the Company has following Key Managerial Personnel as on 31.03.2018:

- a) Mr. S.C. Jain, Whole Time Director designated as Executive Director.
- b) Lt. Col. N.L. Khitha (Retd.), Whole Time Director designated as Director (Technical).
- c) Mr. D.N. Tulshyan, Chief Financial Officer.
- d) Mr. Bhupinder Kumar, Company Secretary.

Board Diversity

Board of Directors forms one of the foremost Pillars of a robust Corporate Governance Framework. Acting as the agents of shareholders, directors are expected collectively to devise operational and financial strategies for the organization and to monitor the effectiveness of the company's practices, and therefore should be judgmental, responsible and experienced. In order to achieve this, it has always been the endeavor of the Company to have a Board having wide experience and varied industrial expertise. The diversity at Board enhances the quality of the decisions making by utilizing the different skills, qualification, professional experience, gender, knowledge etc. of the members of the Board, necessary for achieving sustainable and balanced development as well as ensuring good Corporate Governance. The Board of your Company possesses the appropriate expertise and experience, combination of Industry Knowledge, diversity and integrity which is in the best interest of the Company.

The Board of the Company has adopted a policy on Board Diversity framed in accordance with the regulation 19(4) & 20(4) and Part D of Schedule II of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 which sets out a framework to promote diversity on Company's Board of Directors (the 'Board').

Director's Appointment, Remuneration and Evaluation

Considering the requirement of Diversity of the Board, the Nomination and Remuneration Committee of the Directors while recommending the candidature of any individual on the Board of the Company, consider their independent standing in their respective field/profession, make analysis as to how they may effectively contribute to Company's business goals and Policy decisions. The Committee considers ethical standards of integrity, qualification, expertise and experience of the person for appointment as Director and who is not disqualified under Section 164 of the Companies Act, 2013 and rules made thereunder.

Remuneration to Whole-Time Director and Executive Director is governed under relevant provisions of the Companies Act, 2013 and rules made thereunder. Independent Directors are paid sitting fees for attending the meetings of the Board/Committees thereof. The detail of the director's remuneration, including the sitting fees paid during the financial year 2017-18, is given in the Corporate Governance Report, which forms part of this Annual Report.

Pursuant to the provisions of the Companies Act, 2013 and as per regulation 19(4) & 20(4) and Part D of Schedule II of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Board has carried out an Annual Performance Evaluation of its own performance, each of Director individually and that of its Committees.



The performance was evaluated by the Board after seeking inputs from all the Directors on the basis of criteria such as the Board composition and structure, effectiveness of board processes, information flow and functioning etc.

The performance of the Committees was also evaluated by the Board after seeking inputs from all the members of the respective Committee on the basis of criteria such as the composition of the committee, effectiveness of committee, information flow and functioning etc.

Further, Board has also carried out an Annual evaluation of Independent Directors. The Performance Evaluation was based on their contribution to Company's objectives and plans, efficient discharge of their responsibilities, participation in Board/Committee meetings, adherence to the Code of Conduct and other relevant parameters.

During the year a Separate Meeting of Independent Directors was held to assess the performance of Non-independent Director and the Chairperson of the Company. While evaluating the performance of any member, the views of executive directors and non-executive directors were also taken into consideration.

Familiarization Program for Independent Directors

In terms of regulation 25 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the company is required to familiarize the Independent Directors with the Company, their roles, rights, responsibilities in the Company, nature of the industry in which the Company operates, business model of the company and other related matters through various programs. It has been ensured by the management that the Independent Directors are well versed with the activity of the Company, its nature of business, future outlook of the business etc. so as to contribute significantly and effectively to the Company.

The familiarization programs are conducted as and when required or on the specific request of a Director which includes visit to manufacturing unit, meeting with senior and middle level management to make them understand the in-depth about the financials and operations of the Company. The directors are also appraised about the status of statutory compliances on regular basis. Technical sessions outlining the roles and responsibilities of the Independent Directors are also given, as and when required, covering the overview on the Companies Act, Listing Agreement and other applicable laws.

Statement on Declaration given by Independent Directors

The Declaration required under Section 149(7) of the Companies Act, 2013 from all the Independent Directors of the Company, confirming that they meet the criteria of Independence as prescribed under Section 149(6) of the Companies Act, 2013, were duly received by the Company.

Number of Meetings of the Board

During the year under review, the board of the directors of the company met 7 times, including one meeting of Independent Directors, the details of such meetings have been provided in Corporate Governance Report that form part of the Annual Report. The intervening gap between any two meetings was within the period prescribed by under the Companies Act, 2013 and SEBI Listing Regulations.

Meeting of Independent Directors

In term of the requirement of Schedule IV of the Companies Act, 2013 and as per Regulation 25 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Independent Directors of the Company convened their separate meeting on 22nd March, 2018 to review the matters as provided in the aforesaid Schedule and Regulations.

Directors Responsibility Statements

In terms of the requirement of Section 134(5) of the Companies Act, 2013 and based on the framework of internal financial control and audit / review conducted by the internal, statutory and secretarial auditors, the Board of Directors with the concurrence of the Audit Committee, is of the opinion that the Company's internal financial controls were adequate and effective and hereby confirm:

- a) that in the preparation of the annual accounts for the financial year ended 31st March, 2018, the applicable accounting standards have been followed along with proper explanation relating to material departures;
- b) that the Directors have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state



of affairs of the Company at the end of the financial year and of the profit and loss of the Company for that period;

- c) that proper and sufficient care has been taken for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 2013 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- d) that the annual accounts have been prepared on a going concern basis;
- e) that proper systems to ensure compliance with the provisions of all applicable laws were in place and that such systems were adequate and operating effectively; and
- f) that proper internal financial controls were laid down and that such internal financial controls are adequate and were operating effectively.

Corporate Social Responsibility

Pursuant to Section 135 of the Companies Act, 2013 read with the Companies (Corporate Social Responsibility Policy) Rules, 2014, Board of Directors of the Company has constituted the Corporate Social Responsibility Committee (CSR Committee) comprising of the following Directors:

- (a) Air Marshal Denzil Keelor (Retd), Chairman
- (b) Mr. Gaurav Gupta
- (c) Lt. Col. N.L. Khitha (Retd.)

The said committee has been entrusted with the responsibility of formulating and recommending to the Board, a Corporate Social Responsibility Policy (CSR Policy) or any amendment thereto, inter-alia indicating the activities to be undertaken by the Company, monitoring the implementation of the CSR policy and recommending the amount to be spent on CSR activities.

Further details on Corporate Social Responsibility are given in Annexure- B to the Report of the Board of Directors.

Auditors and Auditors' Report

Statutory Audit

Pursuant to the provisions of Section 139 of the Companies Act, 2013, read with the Companies (Audit and Auditors) Rules, 2014, M/s Gupta Vigg & Co., Chartered Accountants were appointed as the Statutory Auditors of the Company at the 41st Annual General Meeting of the Company held on 29th September, 2017, for a first term of 5 consecutive years from the conclusion of 41st Annual General Meeting till the conclusion of 46th Annual General Meeting of the Company to be held in the year 2022.

In accordance with the Companies Amendment Act, 2017 coming into force w.e.f 7th May, 2018, the appointment of Statutory Auditors is not required to be ratified at every Annual General Meeting held during their tenure.

The report given by M/s Gupta Vigg & Co. statutory auditors on the financial statement of the Company for the year 2017-18 is part of the Annual Report. The observations of the Auditors and the relevant notes on the accounts are self-explanatory and therefore do not call for any further comments. The Auditors' Report does not contain any qualification, reservation, adverse remark or disclaimer.

Further, during the year, in the course of the performance of their duties as auditor, no frauds were reported by them which they have reason to believe that an offence involving fraud has been committed against the Company by officer or employees of the Company.

Internal Audit

Pursuant to Section 138 of the Companies Act, 2013 read with Rule 13 of the Companies (Accounts) Rules, 2014, M/s Jinender & Co., Chartered Accountants were appointed as the Internal Auditors of the Company for the financial year 2017-18.

Secretarial Audit

Pursuant to the provisions of Section 204 of the Companies Act, 2013 read with Rule 9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, the Board of Directors had appointed M/s. Vinod Kumar & Co., Company Secretaries in practice to conduct Secretarial Audit for the financial year



2017-18. The Secretarial Audit Report presented by Vinod Kumar & Co., Company Secretaries confirms the compliances by the company of all the applicable provisions of Companies Act, 2013, Listing Agreement, SEBI guidelines and all other applicable laws, rules and regulations.

The Secretarial Audit Report for the financial year ended 31st March, 2018 is annexed herewith which form part of this Report as Annexure – C.

The Secretarial Audit Report does not contain any qualification, reservation, adverse remark or disclaimer.

Cost Audit

Pursuant to Section 148(3) of the Companies Act, 2013 read with the Companies (Cost Record and Audit) Rules, 2014, the Cost Audit / maintenance of cost records is not applicable on the Company.

Audit committee

The Audit Committee comprises Air Marshal Denzil Keelor (Retd), the Chairman of the Committee, Mr. Subhash Chander Jain and Brig. G.S. Sawhney (Retd.) as members of the Committee. Detail on the Audit Committee is provided in the Corporate Governance Report, which forms part of the Report.

Internal financial control systems and their adequacy

The Internal Control Systems are inherent in the Company and are working effectively and efficiently. The Company has a process in place to continuously monitor the efficiency and effectiveness of the Internal Controls which are tested by the management, from time to time, in order to establish that they are working in the best interest of the Company and necessary corrective measures are being taken, wherever required. The Company has designed and implemented a process driven framework for Internal Financial Control (IFC) within the meaning of the Section 134(5)(e) of the Companies Act, 2013 read with explanation thereof. For the year ended March 31, 2018, the Board is of the opinion that the Company has sound IFC which commensurate with the nature and size of its business operations and no weakness exists.

Vigil Mechanism

In terms of the requirements of Section 177(9) of the Companies Act, 2013, read with the Companies (Meeting of the Board and its Powers) Rules 2014 and as per regulation 22 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Company has adopted a Whistle Blower Policy establishing vigil mechanism, to provide a formal mechanism to the Directors, employees and business associates to report the management, their concern about any unethical behavior, actual or suspected fraud or violation of the company's code of conduct or ethics policy. The Policy provides for adequate safeguards against victimization of employees who avail of the mechanism and also provide for direct access to the Chairman of the Audit Committee. The vigil mechanism is being overseen by the Audit Committee. It is hereby affirmed that no personnel of the Company has been denied access to the Audit Committee. The whistle blower policy is available at company's website www.istindia.com.

Risk Management

Risk is inherent in all business and administrative activities of the Company. The Company therefore has a system for identifying and mitigating the Risk associated with the nature of Businesses undertaken by the Company, which may threaten the existence of the Company. The Board of the Company has framed a Risk Management Policy in order to identify, assess and mitigate the risks. The audit committee also reviews the area of financial risks while analyzing the adequacy and efficiency of internal controls systems adopted by the Company, from time to time. Further the Board of Directors periodically takes note of the initiatives taken by the management to mitigate risk.

Particulars of Investments, Loans, Guarantees given or Securities provided

The Company has not provided any Guarantee or security for any party. Particulars of investment under section 186 of the Companies Act, 2013 read with rule 8(2) of the Companies (Accounts) Rules, 2014 is given in form AOC – 2 as annexed to this Report. Further the detail is also provided in the standalone financial statement under note 8 and note 13.

Related Parties transactions

All the related party transactions were entered in ordinary course of business and are done on arm's length basis. The system of taking prior approval of Audit Committee for entering into any related party transaction is in place



and is strictly followed by the Company. Once approved by the Audit Committee, all related party transaction are also approved by the Board of Directors. A statement of all the related party transaction being entered by the Company and any subsequent modification thereof, specifying the nature, value and terms and conditions of transaction is also placed before the Audit Committee on Quarterly basis for its review. Transactions with related parties are conducted in a transparent manner and in the best interest of the Company. Details of such transactions are given in the accompanying Financial Statements.

During the year under review there is no materially significant related party transaction between the Company and its directors, Key Managerial Personnel, their relatives, subsidiaries or associate companies and other related parties. The detail of such transaction is provided in Form AOC-2, annexed to this report as **Annexure – E**. Further your Directors draw attention of the members to Note No. 42 to the financial statement which sets out related party disclosures.

The policy on materiality of related party transactions and dealing with related party transactions as approved by the Board is available on the Company's website www.istindia.com.

Statements of Subsidiary / Associate Companies

The Operational income of wholly owned subsidiary of the Company, namely Gurgaon Infospace Limited during the year was Rs. 8,702.01 Lacs as against Rs. 8,140.89 lacs during the previous year and the Net Profit after tax was Rs. 9,001.23 lacs as against Rs. 7,666.36 lacs during the previous year.

Your Company has an Associate entity named IST Steel and Power Limited, in which the Company holds 25.47% Equity Shares. The operational income of the said associate company during the year was Rs. 350.18 Lacs as compared to 393.88 Lacs during the previous year. The Company's Net Profit after tax was Rs. 163.58 Lacs as against Rs. 294.51 lacs in the previous year.

Accompanying Financial Statement consolidates financials of the Subsidiary / Associate Companies. Statement under Section 129 (3) of Companies Act, 2013 in prescribed format is enclosed at **Annexure - F** to the Directors' Report.

Material Changes and Commitments

No other material changes and commitments affecting the financial position of the Company have occurred between 1st April, 2018 and the date on which this report has been signed.

Significant and Material Orders Impacting Operations of Company in future

No significant or material orders have been passed by any regulators or court or tribunals impacting the going concern status and future operations of your company.

Transfer of Unpaid / Unclaimed amounts to IEPF

Pursuant to the provisions of section 124(5) of the Companies Act, 2013 read with IEPF Authority (Accounting, Audit, Transfer and Refund) Rules, 2016, the declared dividends which remained unpaid / unclaimed for a period of 7 years needs to be transferred by the Company, from time to time on due dates, to the Investor Education and Protection Fund (IEPF) established by the Central Government.

Your Company did not have any funds lying unpaid or unclaimed for a period of seven years till 31st March, 2017. Therefore, there were no funds which were required to be transferred to Investor Education and Protection Fund (IEPF) during the year under review.

Management Discussion and Analysis

Management Discussion and Analysis Report on the financial condition and operational performance of the Company for the year under review, as stipulated as per regulation 34 and Schedule V of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, is presented in separate section forming part of this Annual Report.

Corporate Governance Report

In pursuance of various Regulations and Schedule V of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, a separate section on Corporate Governance has been incorporated in the Annual Report for the information of the Shareholders. The prescribed certificate regarding compliance of the conditions of Corporate Governance as stipulated under the said regulations also forms part of the Annual Report.



Extract of Annual Return

As provided under Section 92(3) of the Companies Act, 2013 read with Rule 12 of the Companies (Management and Administration) Rules, 2014, the extract of annual return in the prescribed form MGT - 9 is attached to this report as **Annexure – A**.

Employees Relations

Your Company treat its Human Resources as one of the most important assets. The management of the Company lays continuous focus on human resources, their training from time to time so as to attain the required standards as well as the organizational goals. It has been the endeavor of the management to attract and retain the best technical / professional manpower in order to ensure that the Company maintains its competitive position with respect to execution and administration.

The relations with the Employees have been cordial throughout the year under review. Your Directors place on record their sincere appreciation in respect of the services rendered by the Employees of the Company at all levels.

Particulars of Employees

Your Company employed 228 personnel on its payroll as on 31st March, 2018. During the year under review, the Company did not have any employee on its payroll, who:

- a) If employed throughout the financial year, was in receipt of remuneration for the whole year, in the aggregate not less than Rupees One Crore Two Lakh.
- b) If employed for a part of the financial year, was in receipt of remuneration for any part of the year, at a rate which, in the aggregate, was not less than Rupees Eight Lakh Fifty Thousand per month.

During the year 2017-18, none of the employee / KMP was in receipt of remuneration which, in the aggregate is in excess of remuneration drawn by the Managing Director or Whole Time Director or Manager. Further no employee himself or along with spouse and dependent children does not hold two per cent or more of the equity shares of the Company.

The Disclosures pertaining to remuneration and other details as required under Section 197(12) of the Companies Act, 2013 read with Rule 5(1) of the Companies (Appointment and remuneration of Managerial Personnel) Rules, 2014 are annexed to this report as **Annexure – D**.

Protection of Women at Workplace

The Company has zero tolerance for sexual harassment at workplace and has adopted a Policy on prevention of sexual harassment at work place which is in line with the provisions of the Sexual Harassment of Women at Workplace (Prevention, Prohibition & Redressal) Act, 2013. This policy has been widely disseminated and all necessary steps are being taken by the Company that all employees are made aware of the same. All women associates including permanent, temporary, contractual and trainee employees as well as any women visiting any office premises of the Company or women service providers are covered under the Policy. During the year under review, there was no case of sexual harassment reported.

In term of the said act the Company has also constituted the Internal Complaint Committee for Prevention of Sexual Harassment (ICC). The Committee meets as and when required.

Conservation of energy, technology absorption, foreign exchange earnings and outgo Conservation of energy:

A. Conservation of Energy

a) Steps taken or impact on conservation of energy

- The Company ensures that the manufacturing operations are conducted in the manner whereby optimum utilization and maximum possible saving of the energy is achieved.
- All possible steps are being taken to reduce idle running of machinery, thereby reducing wastage of energy and Fuel / Oil Consumption.
- No specific investment has been made in reduction in energy consumption. However, the Management continuously upgrades and/or replaces old machinery with energy efficient machinery as and when required.



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- As the impact of measures taken for conservation and optimum utilization of energy are not possible to be quantified, its impact on cost cannot be stated accurately.
- No specific step have been taken by the management for utilization of alternate source of energy

The Company does not fall under the list of industries, which should furnish the information in Form A annexed to the Companies (Accounts) Rules, 2014

B. Technology Absorption

The Company products are manufactured by using in-house know how and no outside technology is being used for manufacturing activities. Therefore no technology absorption is required. The Company constantly strives for maintenance and improvement in the quality of its product and the quality control activities are directed to achieve the aforesaid goal.

Expenditure incurred on Research & Development (R & D) - NIL

C. Foreign Exchange Earnings and Outgo

(Rs. in Lakhs)

Particulars	2017-18	2016-17
Earnings in Foreign Exchange	45.11	84.30
Value of imports (CIF Value)	34.43	33.27
Expenditure in Foreign Exchange	2.27	4.98

Listing

The Equity Shares of your Company continue to be listed on BSE Limited (BSE). There is no default in payment of Annual listing fees and annual custodian fee in respect of shares held in dematerialisation mode to NSDL and CDSL. Delhi Stock Exchange (DSE) on which Equity Shares of the Company were listed has been de-recognised by SEBI.

Dematerialisation of Shares

To provide better and smooth service to the shareholders, the Company's equity shares have been made available for dematerialisation in electronic form in the Depository Systems operated by National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL), Mumbai. In order to avail the service, shareholders can dematerialized their shares in the electronic form.

Acknowledgement

Your Directors wish to place on record their sincere appreciation and thanks for the valuable cooperation and support received from the Company's Bankers, Financial Institutions, Central and State Government Authorities, Clients, Consultants, Suppliers, Members, Employees and other stakeholders of the Company and look forward for the same in greater measure in the coming years.

For and on behalf of the Board of Directors

Air Marshal Denzil Keelor (Retd.)

Chairman

DIN: 00999470

Place: New Delhi
Dated: 13.08.2018



FORM NO. MGT.9
EXTRACT OF ANNUAL RETURN
 as on the financial year ended on 31.03.2018
[Pursuant to section 92(3) of the Companies Act, 2013 and rule 12(1) of the Companies (Management and Administration) Rules, 2014]

I. REGISTRATION AND OTHER DETAILS:

1	CIN	L33301HR1976PLC008316
2	Registration Date	31/08/1976
3	Name of the Company	IST LIMITED
4	Category / Sub-Category of the Company	COMPANY LIMITED BY SHARES / INDIAN NON-GOVERNMENT COMPANY
5	Address of the Registered office and contact details	DHARUHERA INDUSTRIAL COMPLEX, DELHI-JAIPUR HIGHWAY, DHARUHERA, DISTRICT REWARI-123106, HARYANA PH.: +91-1274-267346-48; FAX : +91-1274-267444 E-mail : istgroup.ho@gmail.com; Website : www.istindia.com
6	Whether listed company	YES (listed on BSE Ltd.)
7	Name, Address and Contact details of Registrar and Transfer Agent	MAS SERVICES LIMITED. T-34, OHKLA INDL. AREA, NEW DELHI-110020 Contact : +91-11-26387281 Fax : +91-11-26387384 E-mail : info@masserv.com Website : www.masserv.com

II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY

All the business activities contributing 10 % or more of the total turnover of the company shall be stated:-

Sl. No.	Name and Description of main products/ services	NIC Code of the Product/ service	% to total turnover of the company
1.	INCOME FROM OPERATIONS Manufacturing of Auto Parts & Equipments	2930	67.67%

III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES

S.No.	Name and Address of the Company	CIN/ GLN	Holding/ Subsidiary/ Associate	% of Shares Held	Applicable Section
1.	Gurgaon Infospace Limited A-23, New Office Complex 2nd Floor, Defence Colony New Delhi-110024	U72900DL2006PLC151879	Subsidiary	100%	2(87)
2.	IST Steel & Power Limited A-23, New Office Complex 2nd Floor, Defence Colony New Delhi-110024	U27102DL2005PLC139741	Associate	25.46%	2(6)



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IV. SHAREHOLDING PATTERN (Equity Share Capital Break up as % of total Equity)

i. Category-wise Share Holding

Category of Shareholders	No. of Shares held at the beginning of the year				No. of Shares held at the end of the year				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
A. Promoters									
(1) Indian									
a. Individual/HUF	0	0	0	—	0	0	0	—	0
b. Central Govt. or State Govt.	0	0	0	0	0	0	0	0	0
c. Bodies Corp.	1459809	706	1460515	25.04	1459811	704	1460515	25.04	0
d. Banks/FI	0	0	0	0	0	0	0	0	0
e. Any Other.	0	0	0	0	0	0	0	0	0
Sub-total (A) (1)	1459809	706	1460515	25.04	1459811	704	1460515	25.04	0
(2) Foreign									
a. NRIs – Individuals	0	0	0	0	0	0	0	0	0
b. Other – Individuals	0	0	0	0	0	0	0	0	0
c. Bodies Corp.	2913221	0	2913221	49.952	2913221	0	2913221	49.952	0
d. Banks / FI	0	0	0	0	0	0	0	0	0
e. Any Other....	0	0	0	0	0	0	0	0	0
Sub-total (A)(2)	2913221	0	2913221	49.952	2913221	0	2913221	49.952	0
Total shareholding of Promoter (A) = (A)(1)+(A)(2)	4373030	706	4373736	74.99	4373032	704	4373736	74.99	0
B. Public Shareholding									
(1) Institutions									
a. Mutual Funds	0	0	0	0	0	0	0	0	0
b. Banks/FI	50	250	300	.005	50	250	300	.005	0
c. Central Govt	0	0	0	0	0	0	0	0	0
d. State Govt(s)	0	0	0	0	0	0	0	0	0
e. Venture Capital Funds	0	0	0	0	0	0	0	0	0
f. Insurance Companies	0	0	0	0	0	0	0	0	0
g. FIs	0	0	0	0	0	0	0	0	0
h. Foreign Ventures Capital Funds	0	0	0	0	0	0	0	0	0
i. Others (specify)	0	0	0	0	0	0	0	0	0
Sub-total (B)(1)	50	250	300	.005	50	250	300	.005	0



Category of Shareholders	No. of Shares held at the beginning of the year				No. of Shares held at the end of the year				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
(2) Non-Institutions									
a. Bodies Corp.									
i) Indian	0	0	0	0	0	0	0	0	0
ii) Overseas	0	0	0	0	0	0	0	0	0
b. Individuals									
i) Individual shareholders holding nominal share capital upto Rs. 1 lakh	293429	498051	791480	13.57	306852	487275	794127	13.62	.05
ii) Individual shareholders holding nominal share capital in excess of Rs. 1 lakh	30922	0	30922	0.53	31415	0	31415	0.54	.01
c. Any Others	632024	3594	635618	10.90	628876	36.02	632478	10.84	-.06
Sub-total (B)(2)	956375	501645	1458020	25.00	967143	490877	1458020	25.00	.00
Total Public Shareholding (B) = (B)(1) + (B)(2)	956425	501895	1458320	25.01	967193	491127	1458320	25.01	.005
C. Shares held by Custodian for GDRs & ADRs	0	0	0	0	0	0	0	0	0
Grand Total (A+B+C)	5329455	502601	5832056	100	5340225	491831	5832056	100	0



ii. Shareholding of Promoters

Sl. Shareholder's Name No.	Shareholding at the beginning of the year			Shareholding at the end of the year			% change in share holding during the year
	No. of Shares	% of total Shares of the company	% of Shares Pledged/ encumbered to total shares	No. of Shares	% of total Shares of the company	% of Shares Pledged/ encumbered to total Shares	
1 Smridhi Realty and Trade LLP (formerly Antique Investment Co. Ltd.)	385700	6.61	—	110700	1.90	—	-4.72
2 Delux Associates LLP (formerly Delux Investment Pvt. Ltd.)	344375	5.90	—	619375	10.62	—	+4.72
3 Galaxy International Hotels LLP (Formerly Galaxy International Hotels Pvt. Ltd.)	106	—	—	106	—	—	—
4 GPC Technology Limited	168950	2.90	—	168950	2.90	—	—
5 Gupta International Investment Co. Ltd.	2913221	49.952	—	2913221	49.952	—	—
6 IST Technology Infrastructure Pvt. Ltd.	164030	2.81	—	164030	2.81	—	—
7 Eastern India Power & Mining Pvt. Ltd.	377352	6.47	—	377352	6.47	—	—
8 Lubetec India Pvt. Ltd.	20002	0.34	—	20002	0.34	—	—

iii. Change in Promoters' Shareholding (please specify, if there is no change):-

Sl. Shareholder's Name No.	Shareholding at the beginning of the year			Shareholding at the end of the year			% change in share holding during the year
	No. of Shares	% of total Shares of the company	% of Shares Pledged/ encumbered to total shares	No. of Shares	% of total Shares of the company	% of Shares Pledged/ encumbered to total Shares	
1 Smridhi Realty and Trade LLP (formerly Antique Investment Co. Ltd.)	385700	6.61	—	110700	1.90	—	-4.72
2 Delux Associates LLP (formerly Delux Investment Pvt. Ltd.)	344375	5.90	—	619375	10.62	—	+4.72

**iv. Shareholding Pattern of top ten Shareholders (other than Directors, Promoters and Holders of GDRs and ADRs)**

Sl. No.	For Each of the Top 10 Shareholders	Shareholding at the beginning of the year		Shareholding at the end of the year	
		No. of shares company	% of total shares of the	No. of shares company	% of total shares of the
1.	Saubhagya Realty and Trade LLP	2,88,888	4.95	2,88,888	4.95
2.	Edge Infratech LLP	2,51,502	4.312	2,51,502	4.312
3.	Aquarius Portfolios Pvt. Ltd	38,991	0.67	38,991	0.67
4.	Merwanjee Securities Limited	30,922	0.53	31,120	0.53
5.	HB Stockholdings Limited	—	—	17,890	0.307
6.	Rajiv Malhotra	11,481	0.20	15,489	0.266
7.	R R B Securities Limited	31,235	0.54	13,525	0.232
8.	Shanti Girdhar	10,660	0.18	10,600	0.18
9.	Sarita Arvind Sancheti	13,783	0.24	10,126	0.17
10.	Deepak Thakran	3,156	0.05	8,772	0.15



v. Shareholding of Directors and Key Managerial Personnel:

For Each of the Directors and KMP –	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
	No. of shares	% of total shares of the Company	No. of shares	% of total shares of the Company
1. Mr. D.N. Tulshyan, CFO				
At the beginning of the year	200	0.003	200	0.003
Date wise Increase / Decrease in Share holding during the year	—	—	—	—
At the End of the year	200	0.003	200	0.003
2. Mr. Subhash Chander Jain Director				
At the beginning of the year	125	0.002	125	0.002
Date wise Increase / Decrease in Share holding during the year	—	—	—	—
At the End of the year	125	0.002	125	0.002

V. INDEBTEDNESS:

	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
1 Indebtedness at the beginning of the financial year				
i) Principal Amount	4,00,00,000	—	—	4,00,00,000
ii) Interest due but not paid	—	—	—	—
iii) Interest accrued but not due	—	—	—	—
Total (i)+(ii)+(iii)	4,00,00,000	—	—	4,00,00,000
2 Change in Indebtedness during the financial year				
Additions	—	—	—	—
Reduction	(4,00,00,000)	—	—	(4,00,00,000)
3 Net Change	(4,00,00,000)	—	—	(4,00,00,000)
4 Indebtedness at the end of the financial year				
i) Principal Amount	—	—	—	—
ii) Interest due but not paid	—	—	—	—
iii) Interest accrued but not due	—	—	—	—
Total (i)+(ii)+(iii)	—	—	—	—



VI REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

A. Remuneration to Managing Director, Whole Time Director and/or Manager:

Particulars of Remuneration		Name of Whole Time Director	
Sl. No.	Gross salary	Mr. S.C. Jain, Executive Director (Rs)	Mr. N.L. Khitha Director (Technical) (Rs.)
1	(a) Salary as per provisions contained in section 17(1) of the Income Tax, 1961.	14,70,000	10,17,500
2	(b) Value of perquisites u/s 17(2) of the Income tax Act, 1961	—	—
3	(c) Profits in lieu of salary under section 17(3) of the Income Tax Act, 1961	—	—
4	Stock option	—	—
5	Sweat Equity	—	—
6	Commission as % of profit	—	—
	others (specify)	—	—
7	Others, please specify		
	- Employer's contribution to PF	—	—
	- Encashment of earned leaves	—	—
	Total (A)	14,70,000	10,17,500
	Ceiling as per the Act		1,12,60,000

B. Remuneration to other directors:

Sl No	Name	Sitting Fees (Rs)	Commission (Rs)	Total Compensation (Rs)
I Non-Executive Directors				
1	Mrs. Sarla Gupta	—	—	—
2	Mr. Mayur Gupta	12,500	—	12,500
3	Mr. Gaurav Gupta	10,000	—	10,000
	Total (I)	22,500	—	22,500
II Independent Directors				
1	Mr. Denzel Keelor	10,000	—	10,000
2	Mr. G.S. Sawhney	5,000	—	5,000
3	Mr. Subhash Chander Jain	12,500	—	12,500
	Total (II)	27,500	—	27,500
	Grand Total (I + II)	50,000	—	50,000



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C. Remuneration to key Managerial Personnel Other than MD / Manager / WTD

Sl. No.	Particulars of Remuneration	Key Managerial Personnel		Total Amount Paid
		Mr. D.N. Tulshyan CFO	Mr. Bhupinder Kumar Company Secretary	
1	(a) Salary as per provisions contained in section 17(1) of the Income Tax Act, 1961.	10,18,794	9,21,880	19,40,674
	(b) Value of perquisites u/s 17(2) of the Income Tax Act, 1961	—	—	—
	(c) Profits in lieu of salary under section 17(3) of the Income Tax Act, 1961	—	—	—
2	Stock Option	—	—	—
3	Sweat Equity	—	—	—
4	Commission as % of profit others, specify	—	—	—
5	Others, please specify	—	—	—
	Total	10,18,794	9,21,880	19,40,674

VII. PENALTIES/PUNISHMENT/COMPOUNDING OF OFFENCE :

Sl. No.	Type	Section of the Companies Act	Brief Description	Details of Penalty / Punishment / Compounding fees imposed	Authority (RD / NCLT / Court)	Appeal made if any (give details)
A.	COMPANY Penalty Punishment Compounding			NONE		
B.	DIRECTORS Penalty Punishment Compounding			NONE		
C.	OTHER OFFICERS IN DEFAULT Penalty Punishment Compounding			NONE		

ANNEXURE - B

Annual Report on Corporate Social Responsibility (CSR) activities for the financial year 2017-18 (Pursuant to Section 135 of the Companies Act, 2013)

1	A brief outline of the Company's CSR Policy, including overview of projects or programs proposed to be undertaken and a reference to the web-link to the CSR policy and projects or programs and the Composition of the CSR Committee	The Company has framed a CSR policy in compliance with the provision of the Companies Act, 2013 and the same is placed on the Company's website : www.istindia.com								
2.	Composition of the CSR Committee Air Marshal Denzil Keelor (Retd.) Mr. Gaurav Guptaa Lt. Col. N.L. Khitha (Retd.)	<table border="0"> <tr> <td>Category of Director</td> <td>Chairman / Member</td> </tr> <tr> <td>Independent</td> <td>Chairman</td> </tr> <tr> <td>Non-Executive</td> <td>Member</td> </tr> <tr> <td>Executive</td> <td>Member</td> </tr> </table>	Category of Director	Chairman / Member	Independent	Chairman	Non-Executive	Member	Executive	Member
Category of Director	Chairman / Member									
Independent	Chairman									
Non-Executive	Member									
Executive	Member									
3.	Average net profit of the Company for last three financial year	Rs. 6,42,07,289/-								
4.	Prescribed CSR Expenditure (2% of the amount as in item 2 above)	Rs. 12,84,146/-								
5.	Detail of CSR spent during the financial year. (a) Total amount to be spent for the financial year (b) Amount unspent, if any (c) Manner in which the amount spent during the financial year 2017-18.	<p>Rs. 12,84,146/-</p> <p>Rs. 12,84,146/-</p> <p>The Company has not spent any amount during the financial year.</p>								
6.	In case the Company has failed to spend the two percent of the average net profit of the last three financial year or any part thereof, the Company shall provide the reason for not spending the amount in its Board Report	In view of the operational losses suffered by the Company in the Current year as well as over the past few financial years, the CSR committee has not recommended any expenditure on Corporate Social Responsibility.								

Responsibility Statement:

It is hereby confirmed that the implementation and monitoring of the CSR policy are in compliance with CSR objectives and policy of the Company.

Place: New Delhi
Dated: 13.08.2018

Air Marshal Denzil Keelor (Retd.)
Chairman of the Board
& CSR Committee
DIN: 00999470



**Form No. MR-3
SECRETARIAL AUDIT REPORT
FOR THE FINANCIAL YEAR ENDED 31ST MARCH 2018**

[Pursuant to section 204(1) of the Companies Act, 2013 and rule No. 9 of the
Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014]

CIN :- L33301HR1976PLC008316
NOMINAL CAPITAL :- RS. 100000000

To,
The Members,
IST LIMITED
Dharuhera Industrial Complex
Delhi-Jaipur Highway, Dharuhera , District Rewari,
REWARI HR 123106

We have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by IST LIMITED (CIN L33301HR1976PLC008316) (**hereinafter called the Company**). Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing our opinion thereon.

Based on our verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the company and also the information provided by the company, its officers, agents and authorized representatives during the conduct of secretarial audit and the representations made by the Company, we hereby report that in our opinion, the company has, during the audit period covering the financial year ended on 31st March, 2018 complied with the statutory provisions listed hereunder and also that the Company has proper Board processes and compliance mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

We have examined the books, papers, minute books, forms and returns filed and other records made available to us and maintained by company for the financial year ended on 31st March, 2018 according to the provisions of:

- I. The Companies Act, 2013 (the Act) and the rules made there under;
- II. The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder; (**Not Applicable**)
- III. The Depositories Act, 1996 and the regulations and bye-laws framed thereunder;
- IV. Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment
- V. The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act') :-
 - a. The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
 - b. The Securities and Exchange Board of India (Prohibition of insider Trading) Regulation, 2015
 - c. The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009; (**Not Applicable as the Company has not issued any further share capital during the period under review**);
 - d. The Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014 (**Not Applicable**);
 - e. The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008; (**Not Applicable as the company has not issued and listed any debt securities during the financial year under review**);



- f. The Securities and Exchange Board of India (Registrar to an issue and share transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client; **(Not Applicable as the company is not registered as registrar to issue and Share Transfer Agent during the financial year under review)**;
 - g. The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009; **(Not Applicable as the company has not delisted/ proposed to delist its equity shares from any Stock Exchange during the financial year under review)**;
 - h. The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998; **(Not Applicable as the Company has not bought back/Proposed to buy- back any of its securities during the financial year under review)**
- VI. The Management has identified and confirmed the following other law as applicable to the Company :
- i. Payment of Wages Act, 1936
 - ii. Minimum Wages Act, 1948
 - iii. Employee's State Insurance Act, 1948
 - iv. Payment of Gratuity Act, 1972
 - v. Factories Act, 1948
 - vi. Employees Provident Fund and Miscellaneous Provisions Act, 1952
 - viii. Payment of Bonus Act, 1965
 - ix. Air (Prevention And Control of Pollution)Act, 1981
 - xi. Water (Prevention And Control of Pollution)Act, 1974
 - xii. Equal Remuneration Act, 1976
 - xiii. The Contract Labour(Regulation And Abolition) Act, 1970
 - xiv. The Standards of Weight and Measures Act, 1976

We have also examined compliance with the applicable clauses of the following:-

- (i) Secretarial Standards with regard to meeting of the Board of Directors (SS-1) and General Meeting (SS-2) issued by The Institute of Company Secretaries of India.
- (ii) The Listing Agreement entered into by the Company with Bombay Stock Exchange Limited and Delhi Stock Exchange Limited and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

During the period under review the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standard, etc. mentioned above.

We further report that

The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non- Executive Directors and independent Directors.

Adequate notice is given to all directors to schedule the Board Meetings, agenda and detailed notes on agenda were send generally seven days in advance and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.

As per the information and explanation provided by the management, there are adequate systems and processes in the company commensurable with the size and operations of the company to monitor and ensure compliances with applicable laws, rules and regulations.

As per the minutes of the meeting duly recorded and signed by the chairman, the decisions of the Board were unanimous and no dissenting views have been recorded.



IST LIMITED

We further report that during the Audit period, there are no specific events/ actions having a major bearing on the company's affairs in pursuance of the above referred laws, rules, regulations, guidelines, standards taken place.

This Report is to be read with our letter of even date which is annexed as '**Annexure A**' and Forms an integral part of this report.

**For Vinod Kumar & Co.
Company Secretaries**

**Place: New Delhi
Date: 13.08.2018**

VINOD KUMAR
(CP No.5740 PCS No 5740)



To,
The Members,
IST LIMITED
Dharuhera Industrial Complex
Delhi-Jaipur Highway, Dharuhera, District Rewari,
REWARI HR 123106

Our report of even date is to be read along with this letter.

1. Maintenance of Secretarial record is the responsibility of the management of the Company. Our responsibility is to express an opinion on these secretarial records based on our audit.
2. We have followed the audit practices and process as were appropriate to obtain reasonable assurance about the correctness of the contents of the Secretarial records. The verification was done on test basis to ensure that correct facts are reflected in Secretarial records. We believe that the process and practices, we followed provide a reasonable basis for our opinion.
3. We have not verified the correctness and appropriateness of financial records and Books of Accounts of the Company.
4. Where ever required, we have obtained the Management representation about the Compliance of laws, rules and regulations and happening of events etc.
5. The Compliance of the provisions of Corporate and other applicable laws, rules, regulations, standards is the responsibility of management. Our examination was limited to the verification of procedure on test basis.
6. The Secretarial Audit report is neither an assurance as to the future viability of the Company nor of the efficacy or effectiveness with which the management has conducted the affairs of the Company.

**For Vinod Kumar & Co.
Company Secretaries**

**Place: New Delhi
Date: 13.08.2018**

VINOD KUMAR
(CP No.5740 PCS No 5740)

**ANNEXURE – D****Information pursuant to Section 197(12) of the Companies Act, 2013 read with Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014****1. Ratio of the remuneration of each Director/KMP to the median remuneration of all the employees of the Company for the financial year:**

Median remuneration of all employees of the Company for Financial Year 2017-18	1,44,000
The percentage increase in median remuneration of employees in the Financial Year	9.57%
The number of permanent employees on the rolls of Company as on 31 st March, 2018	228

Name of Director	Ratio of remuneration to median remuneration of all employees	% increase in remuneration in the Financial Year 2017-18
Independent Directors		
Air Marshal D. Keelor (Retd.) ¹	N.A.	N.A.
Mr. Subhash Chander Jain ¹	N.A.	N.A.
Mr. Brig. G.S. Sawhney (Retd.) ¹	N.A.	N.A.
Whole Time Directors / Executive Directors		
Mr. S.C. Jain	10.20	(3.92)
Mr. Lt. Col. N.L. Khitha (Retd.)	7.07	50.59
Non-Executive Directors		
Mrs. Sarla Gupta ¹	N.A.	N.A.
Mr. Mayur Gupta ¹	N.A.	N.A.
Mr. Gaurav Gupta ¹	N.A.	N.A.

¹Only sitting fees was paid.

2. Relationship between average increase in remuneration and company performance:

The median remuneration of all the employees in the financial year 2017-18 increased by 9.57%, while the overall employee cost decreased by 2.60%. The increase in the median remuneration of all the employees is mainly due to increase in the salaries during the year in the normal course. The operating revenue of the company during the financial year decreased by 12.57% due to Lower orders received during the year. The total employee cost as a percentage of operating revenues was 30.70% (previous year 30.79%).

3. Comparison of the remuneration of the KMP against the performance of the Company:

Particulars	Rs in Lacs
Remuneration of KMP's in Financial Year 2017-18	44.22
Revenue from Operation	2466.02
Remuneration of KMP's (as % of revenue from Operations)	1.80%
Profit before Tax (PBT)	1,285.40
Remuneration of KMP's (as % of PBT)	3.44%



4. Variations in the market capitalization of the company, price earnings ratio as at the closing date of the current financial year and previous financial year and percentage increase over decrease in the market quotations of the shares of the Company in comparison to the rate at which the Company came out with the last public offer:

Sl. No.	Description	Amount
1	Market Cap variation	
	- Market Cap at 31 st March, 2018 - Rs. in Crores	522.38
	- Market Cap at 31 st March, 2017 - Rs. in Crores	451.98
	- Variation in Market Cap in FY 2018 (%)	15.57
2	Price-to-Earnings Ratio	
	- PE as at 31 st March, 2018 (Mkt. Price/EPS) - Rs.	51.92
	- PE as at 31 March, 2017 (Mkt. Price/EPS) - Rs.	51.43
	- Variation in PE in FY 2018 (%)	0.97
3	% Increase/Decrease from last Public Offer	
	- Right issue price per shares (April 1995) ¹ - Rs.	10
	Market Price as at 31 st March 2018 - Rs.	895.70
	% increase from last public offer	8857

¹The last public offer price was Rs. 10 per shares.

5. Average percentile increase already made in the salaries of employees other than the managerial personnel in the last financial year and its comparison with the percentile increase in the managerial remuneration and justification thereof and point out if there are any exceptional circumstances for increase in the managerial remuneration:

The salary & wages of the employees other than the managerial personnel has decreased by approximately 2.75% due to decrease in number of employees whereas the average percentile increase in the managerial remuneration is approximately 12.78%. The managerial remuneration have increase during the year due to revision in the remuneration of Lt. Col. N.L. Khitha, Whole Time Director of the Company w.e.f. 1st June, 2017 for a period of 2 year, which was duly approved by the shareholders at their 41th Annual General Meeting held on 29th September, 2017.

6. Comparison of the each remuneration of the KMP against the performance of the Company:

(Fig. in Rs. Lacs)

Sl. No.	Particulars of Remuneration	Key Managerial Personnel			
		Mr. S.C. Jain Executive Director	Lt. Co. N.L. Khitha (Retd.) Director Technical	Mr. D.N. Tulshyan CFO	Mr. Bhupinder Kumar Company Secretary
1	Remuneration in FY 2017-18 (Rs)	14.70	10.18	10.19	9.22
2	Revenue from Operation (Rs)			2,466.02	
3	Remuneration as % of Revenue	0.60	0.41	0.41	0.37
4	Profit before Tax (PBT) (Rs.)			1,285.40	
5	Remuneration as % of PBT	1.14	0.79	0.79	0.72



IST LIMITED

7. **The key parameters for any variable component of remuneration availed by the directors:** During the financial year, there was no variable remuneration availed by the directors.
8. **The ratio of the remuneration of the highest paid director to that of the employees who are not directors but receive remuneration in excess of the highest paid director during the year:**

During the year 2017-18, there is no employee who receive the remuneration in excess of the highest paid Director of the Company
9. **The Company has formulated Nomination and Remuneration Policy as required under section 178 of the Companies Act, 2013 and the remuneration paid to the employees are as per the remuneration policy of the Company.**

On behalf of the Board

Place: New Delhi
Dated: 13.08.2018

Air Marshal Denzil Keelor (Retd.)
Chairman



Form for disclosure of particulars of contracts / arrangements entered into by the company with related parties referred to in sub-section (1) of section 188 of the Companies Act, 2013 including certain arm's length transactions under third proviso thereto

(Pursuant to clause (h) of sub-section (3) of section 134 of the Act and Rule 8(2) of the Companies (Accounts) Rules, 2014)

1) Details of Contracts or arrangements of transactions not at arm's length basis	
(a) Name(s) of the related party and nature of relationship	The company has not entered into any contract or arrangement or transactions with its related parties during the financial year
(b) Nature of contracts / arrangements / transactions	
(c) Duration of contracts / arrangements / transactions	
(d) Salient terms of the contracts or arrangements or transactions including the value, if any	
(e) Justification for entering into such contracts or arrangements or transactions	
(f) Date(s) of approval of the Board	
(g) Amount paid as advances, if any	
(h) Date on which the resolution was passed in general meeting as required under first to section 188	
2) Details of Contracts or arrangements of transactions at arm's length basis	
(a) Name(s) of the related party and nature of relationship	GPC Technology Limited (Lessor), an entity in which KMP's / relatives of KMP's can exercise significant influence.
(b) Nature of contracts / arrangements / transactions	Revision of Lease Agreement for taking on Lease the factory premises situated at Dharuhera, Haryana
(c) Duration of contracts / arrangements / transactions	For initial period of 5 Years, extendable as mutually agreed.
(d) Salient terms of the contracts or arrangements or transactions including the value, if any	<p>a) The transaction is for taking on lease the factory premises admeasuring approximately 36300 Sq. Ft. at a monthly rental of Rs. 5 Lacs.</p> <p>b) Lease is for a initial period of 5 years, which may be extendable for 2 consecutive terms of 5 years each.</p> <p>c) The Lease Agreement was entered into with effect from 3rd January, 2018 onward.</p> <p>d) The Lease Rental may be enhanced mutually after the expiry of every 3 years during the subsistence of the Lease period e) The Company to pay interest free refundable security deposit of 60 Lacs to the Lessee.</p>
(e) Date(s) of approval of the Board	14.02.2018
(f) Amount paid as advances, if any	NIL



IST LIMITED

ANNEXURE – F

Form AOC - 1

Statement pursuant to Section 129(3) of the Companies Act, 2013 read with Companies (Accounts) Rules, 2014 related to Subsidiary and Associates Companies

(Fig. in Rs. Lacs)

Part A: Subsidiary Company	
1 Name of the subsidiary	GURGAONINFOSPACE LIMITED
2 Reporting period for the subsidiary concerned, if different from the holding company's reporting period	Not Applicable
3 Reporting currency and exchange rate as on the last date of the relevant financial year	Indian Rupees
4 Share Capital (Paid up Share Capital)	Rs. 100.00
5 Reserve & Surplus	Rs. 46,035.13
6 Total Assets	Rs. 50,080.06
7 Total Liability	Rs. 50,080.06
8 Investment	Rs. 26,249.56
9 Turnover	Rs. 10,341.29
10 Profit before taxation	Rs. 9,408.00
11 Provision for taxation	Rs. 406.77
12 Profit after taxation	Rs. 9,001.23
13 Proposed Dividend	NIL
14 % of shareholding	100%
Part B: Associate Company	
1 Name of the Associate Company	IST Steel and Power Limited
2 Latest Audited Balance Sheet Date	31.03.2018
3 Shares of Associate held by the Company on the year end	88,40,000 (30.80%) Equity Shares
4 Description of how there is significant influence	Associate Company
5 Reason why the associate venture is not consolidated	Consolidated
6 Net Worth attributable to shareholding as per latest audited balance sheet	Rs. 1,255.99
7 Profit / (Loss) for the year	—
i) Considered in Consolidation	Rs. 41.65
ii) Not considered in Consolidation	—

The following information shall be furnished at the end of the statement:

1. Name of the subsidiary which are yet to commence operations — NIL
2. Names of subsidiary which have been liquidated or sold during the year — NIL

For and on behalf of the Board of Directors

D.N. Tulshyan
C.F.O.

Bhupender Kumar
Company Secretary

S.C. Jain
Executive Director
DIN - 00092079

Mayur Gupta
Director
DIN - 00047372



CORPORATE GOVERNANCE REPORT

Your Company has been practicing the principle of good Corporate Governance, which comprises all activities that result in the control of the Company in a regulated manner, aiming to achieve transparent, accountable and fair management.

The details of the Corporate Governance Compliance by the Company as per SEBI (Listing Obligation and Disclosures Requirements) Regulations 2013 with Stock Exchanges are as under :

COMPLIANCE OF MANDATORY REQUIREMENTS

1. COMPANY'S PHILOSOPHY ON CODE OF GOVERNANCE

The Company believes that good Corporate Governance is essential for achieving long term corporate goals and enhancing value to stakeholders. In pursuit, your Company's philosophy of Corporate Governance is aimed at assisting the management of the Company in the efficient conduct of its business and to continuously strive to attain high levels of accountability, transparency, responsibility and fairness in all aspects of its operations. Your Company continues to lay great emphasis on broad principles of Corporate Governance. Your Company, with a view to achieve these objectives, has adopted corporate strategies, prudent business plans and continuous monitoring of performance.

2. BOARD OF DIRECTORS

The Board of Directors being the apex body constituted by the shareholders of the Company, who provides strategic direction to the Company's management. The Board has the ultimate responsibility of the management, direction and performance of the Company and plays an important role in overseeing how the management serves the objectives and interests of the stakeholders, while achieving the ultimate corporate goals. Being in the fiduciary relationship the Board ensures that the rights of all stakeholders are protected. The Board consists of combination of executive, non-executive and independent directors to maintain the independence of the Board and integrity in the affairs of the Company.

Composition :

The strength of the Board as on March 31, 2018 was 8 Directors, which is in conformity with the Companies Act, 2013 and SEBI (Listing Obligations and Disclosure Requirements), Regulations, 2015, having required combination of Executive and Non-Executive Directors with at least one Women Director, with not less than one-third of the Board comprising of Non-Executive Directors and at least one-third of the Board comprising of Independent Directors for a Board chaired by Non-Executive independent Director.

The Independent Directors play important role in Board decision processes by imparting their independent views on the matters placed before the Board. All the Independent Directors have confirmed that they meet the criteria of independence, as mentioned under Regulation 16(1)(b) of the SEBI (Listing Obligations and Disclosure requirements), Regulations 2015, read with Section 149(6) of the Act and have been appointed as per the provisions of the Companies Act, 2013.

None of the Directors on the Board is a Member of more than 10 Committees and Chairman of more than 5 Committees (Committees being Audit Committee and Stakeholders Relationship Committee, as per Regulation 26 (1) of the Listing Regulations), across all the Companies in which he/ she is a Director. The necessary disclosures regarding committee positions have been made by all the Directors.

Further, none of the Directors holds office of director in more than 20 companies out of which not more than 10 are public companies. All Directors are also in compliance of the limit on Independent Directorships of listed companies as prescribed in Regulation 25 (1) of the Listing Regulations.

During the year under review 6 Board meetings were held on 30.05.2017, 28.08.2017, 14.09.2017, 05.10.2017, 14.12.2017 and 14.02.2018. The intervening period between two Board Meetings was well within the maximum time gap of 120 days, as prescribed under the Act and SEBI (Listing Obligations and Disclosure Requirements) Regulation, 2015. All material information(s) were circulated to the directors before the meeting or placed at the meeting, including minimum information required to be made available to the Board as prescribed under Part A of Schedule II of Sub-Regulation 7 of Regulation 17 of the SEBI (Listing Obligations and Disclosure Requirements) Regulation, 2015.

In addition, a meeting of Independent Directors was held on 22.03.2018 without the attendance of non-independent directors and members of the management.



IST LIMITED

The Composition of Board of Directors, their shareholding, attendance during the year and at the Board Meetings and the last Annual General Meeting, Number of other Directorships, Committee memberships and Chairmanships held by them as at 31st March, 2018 are given below:-

Directors / Category	Shares held	Attendance		No. of other Directorships and Committee Memberships / Chairmanships in other public Companies		
		Board Meetings ¹	Last AGM	Director-ships ²	Committee Member-ships ³	Committee Chairmanships
Air Marshal (Retd.) D. Keelor, Chairman (Non-Executive / Independent)	—	3	Yes	3	3	3
Mr. S.C. Jain, (Executive Director)	—	6	Yes	3	1	—
Mr. N.L. Khitha, (Director -Technical)	—	6	Yes	—	—	—
Mr. Mayur Gupta, Director (Promoter)	—	6	No	2	—	—
Mr. Gaurav Gupta, Director (Promoter)	—	5	Yes	3	1	—
Brig. (Retd.) G.S. Sawhney, Director (Non Executive & Independent)	—	1	No	—	1	—
Mrs. Sarla Gupta, Director, Woman Director (Promoter)	—	1	No	2	—	—
Mr. Subhash Chander Jain (Non Executive & Independent)	125	4	No	—	1	—

¹ Excludes separate meeting of independent directors

² Other directorships exclude directorship in Foreign Companies, Private Limited Companies, Companies Registered under Section 8 of the Companies Act, 2013 and alternate directorships, if any.

³ In accordance with Regulation 26 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, Memberships / Chairmanships of only Audit Committees and Stakeholders Relationship Committees in all public Limited companies (including IST Limited) have been considered. Membership of Committees includes chairmanship, if any.

Notes:

- None of the Directors except Mrs. Sarla Gupta, Mr. Mayur Gupta and Mr. Gaurav Gupta, are related to any Director.
- During the year, the Company did not have any material pecuniary relationship or transaction with any of the non-executive director other than the payment of fees for attending meetings of the Board and/or its Committee(s).
- During the year, the Company did not have any material pecuniary relationship or transaction with the Independent Directors other than the payment of fees for attending meetings of the Board and/or its Committee(s).
- None of the non-executive director serves as independent director in more than seven listed companies and none of the Executive or Whole-time Directors serve as independent director in not more than three listed companies.

3. COMMITTEES OF THE BOARD

There are four Committees of the Board - the Audit Committee, Stakeholder Relationship Committee, Nomination and Remuneration Committee and Corporate Social Responsibility:

i) Audit Committee

In accordance with the provisions of Section 177 of the Companies Act, 2013 read with Regulation 18 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the terms of reference broadly includes overviews the Company's financial reporting processes and review of the quarterly, half-yearly and annual financial statements, approval of related party transactions, recommend appointment of auditors, review of internal audit reports and action taken report, assessment of the adequacy of internal control systems / financial reporting system, reviewing the adequacy of the the financial and risk management policies and practices followed by the company.

Composition and Attendance

The Audit Committee of the Company comprises of 3 independent Non-Executive Directors. Air Marshal D. Keelor (Retd.), Chairman and Brig. G.S. Sawhney (Retd.) Member of the Committee are financially literated and Shri Subhash Chander Jain Member of the Committee possesses rich experience and expertise in finance and accounting.

During the year under review Audit Committee met 5 (Five) times. The audit committee meetings were held on 30.05.2017, 24.08.2017, 14.09.2017, 14.12.2017 and 14.02.2018.

The Composition of Audit Committee and attendance at its meeting is as follows:-

Members	Category	No. of meetings attended
Air Marshal (Retd.) D. Keelor	Chairman, Non-Executive & Independent.	4
Brig. (Retd.) G.S. Sawhney	Member, Non-Executive & Independent.	2
Shri Subhash Chander Jain	Member, Non-Executive & Independent.	5

The Company Secretary of the Company acts as Secretary to the Committee.

ii) Nomination and Remuneration Committee

The Nomination and Remuneration Committee is authorized to exercise all powers and perform all the functions as specified in Section 178 of the Companies Act, 2013 and rule made there under read with Regulation 19 of SEBI (LODR) Regulation, 2015 as amended from time to time. Broadly the Committee make recommendation on the appointment and remunerations of Directors, Key Managerial Personnel and persons at senior management based on the laid down criteria for determining qualification, positive attributes and independence of directors and other employees, prescribed policy on board diversity and remuneration policy, reviewing remuneration packages, details of fixed components, performance linked incentives, service contract, notice period and severance fees etc.

Based on the recommendation of the nomination committee and approved by the Board, all executive Directors and KMP's are paid monthly remuneration and other perks / incentives as per their terms of appointment. Non-executive Directors are paid sitting fees for attending the meeting of the Board or Committee meetings of the Board.

During the year under review, the Board of Directors in its meeting held on 30.05.2017 on recommendation of the nomination and remuneration committee (meeting held on 30.05.2017 prior to the Board Meeting) re-appointed LT. Col. N.L. Khitha (Retd.) as the Whole Time Director designated as Director (Technical) of the Company for a further term of 2 years.

Composition and attendance

The Nomination and Remuneration Committee consists of three Directors out of which two are Independent Directors and one is Non Executive Director. The Committee held one meeting during the financial year on 30.05.2017. The particulars of members and attendance at the Committee Meetings are as under:

Members	Category	No. of meetings attended
Mr. Gaurav Guptaa	Chairman, Non-Executive (Promoter).	—
Air Marshal (Retd.) D. Keelor	Member, Non-Executive & Independent.	1
Brig. (Retd.) G.S. Sawhney	Member, Non-Executive & Independent.	1

The Company Secretary of the Company acts as Secretary to the Committee.

iii) Stakeholder Relationship committee,

The Stakeholders Relationship Committee is authorized to exercise all powers and perform all the functions as specified in Section 178 of the Companies Act, 2013 and rule made there under and Regulation 20 of SEBI (LODR) Regulation, 2015 both as amended from time to time. The said Committee is authorised to look into redressal of shareholders' / Investors' complaints relating to transfer of shares, non receipt of balance sheet, non receipt of dividend and also authorised to issue new share certificates in place of those torn / mutilated / defaced, issue duplicate



share certificates in place of those which are reported to be lost / misplaced subject to compliance of prescribed formalities. Further the committee reviews the performance of Registrar and Transfer agent (RTA) and recommends measures for improvement in the quality, if required. However during the year no short comings were noticed or reported w.r.t. the services of RTA.

Composition

The constitution of the Committee is as under:-

Members	Category	No. of meetings attended
Air Marshal (Retd.) D Keelor	Chairman, Non Executive & Independent	1
Mr. S.C. Jain	Member, Executive	4
Mr. Gaurav Guptaa	Member, Non Executive / Promoter	4

The Company Secretary of the Company is the Compliance Officer of the Company for complying with the requirements of the SEBI (LODR) Regulations, 2015 and the Stock Exchange as amended from time to time. The Compliance Officer also ensures that all the complaints / queries / requests of the shareholders / investors are satisfactorily resolved within the stipulated time. Following are the details of the investors complaints / requests received and redressed during the year under review:

Complaints pending at the beginning of the year	NIL
Number of shareholders Complaints received during the period 01.04.2017 to 31.03.2018	8
Number of Complaints resolved during the year	8
Number of complaints not solved to the satisfaction of shareholders	Nil
Number of pending complaints as on 31.03.2018.	Nil

iv) Corporate Social Responsibility

In accordance with the provisions under section 135 of the Companies Act, 2013 read with rules framed thereunder, the Company has duly constituted a Corporate Social Responsibility (CSR) Committee of the Board of Directors to guide the company in undertaking CSR activities. The Committee has formulated the CSR policy of the Company which was duly approved and adopted by the Board of Directors. The Committee In terms of the Companies Act, 2013, the committee recommends to the Board for approval, the CSR budget for each financial year.

During the year under review, one meeting of the Committee was held on 14th February, 2018. The following is the composition and attendance of the members of the meeting of the committee:

Members	Category	No. of meetings attended
Air Marshal (Retd.) D Keelor	Chairman, Non Executive & Independent	1
Mr. Gaurav Guptaa	Member, Non Executive / Promoter	1
Lt. Col. N.L. Khitha (Retd.)	Member, Executive	1

v) Risk Management

The Company has an established Risk Management Policy, which outlines a comprehensive framework for risk identification, evaluation, prioritization and treatment of various risks associated with different areas of operations and available at www.istindia.com. However, as per Regulation 21(5) of SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015, the requirement for constituting Risk Management Committee is only applicable on top 100 listed entities, determined on the basis of market capitalization, as at the end of the immediate previous financial year. As on March 31, 2018, the Company is outside the ambit of top 100 listed entities.

4. Remuneration Policy :

The remuneration policy of the Company aims at attracting and retaining quality talent The remuneration policy, therefore, is market-led and takes into account the competitive circumstance of each individual so as to leverage



performance significantly while ensuring that the quality talent is retained in the best interest of the Company. The Committee, while recommending remuneration to be paid, takes into account the financial position of the Company, trend in the industry, background, qualifications, experience, existing remuneration and performance of the respective individual. The Policy on Nomination, remuneration and performance evaluation of Directors, Key Managerial Personnel and other employees of the Company is provided in the website of the Company www.istindia.com.

In compliance with the requirements of the Companies Act, 2013, Rules framed there under and pursuant Regulation 19 of SEBI (LODR) Regulation, 2015, the Board of Directors of the Company, based on the recommendations of the Nomination and Remuneration Committee, decides remuneration to be paid to the Executive Directors / Whole Time Directors subject to the approval of Shareholders and the Central Government, if required. The Independent / Non-executive of the Company are paid sitting fees for attending the meetings of the Board, which are within the ceiling / limits as provided under Companies Act, 2013 and rules made thereunder. The Nomination and Remuneration Committee recommends and approves the remuneration Key Managerial Personnel and other senior management personnel(s), subject to approval of board or shareholders, wherever necessary.

Details of Remuneration paid to Executive Directors / Whole Time Directors during the financial year ended 31st March, 2018:

Name & Designation	Salary (in Rs.)	Perquisites (Rs.)	Total (Rs.)	Tenure of appointment
Mr. S.C. Jain, Executive Director / Whole Time Director	14,70,000	—	14,70,000	14.08.2016 to 13.08.2019
Mr. N.L. Khitha, Director (Technical) / Whole Time Director	10,17,500	—	10,17,500	01.06.2017 to 31.05.2019

None of the Non-executive Director have draw any remuneration from the Company except sitting fee for attending each meeting of the Board of Directors.

Details of sitting fee paid to Non-executive Directors are given below :

Director	Sitting Fees (Rs.)
Air Marshal (Retd.) D. Keelor	10,000/-
Mrs. Sarla Gupta	—
Mr. Mayur Gupta	12,500/-
Mr. Gaurav Gupta	10,000/-
Brig. G.S. Sawhney	5,000/-
Mr. Subhash Chander Jain	12,500/-

5. DISCLOSURE.

a) Equity shares held by Non-Executive Directors

Except Mr. Subhash Chander Jain, Non-executive Independent Director, who holds 125 equity shares, no other Non-Executive Directors of the Company held any equity shares of the Company during the year under review.

b) Related Party Transactions

Pursuant to the provisions of Section 188 of the Companies Act, 2013, rules framed thereunder read with Regulation 23 read with Schedule V of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, all the related party transaction entered into by the company were on an arm's length basis and in the ordinary course of business. These have been approved by the Audit Committee as well as board, wherever required. The Board of Directors have approved and adopted a policy on Related Party Transactions, which is available on the website of the Company at www.istindia.com.

The significant accounting policies as applicable, have been set out in the Notes to Financial Statements. There are not material, financial and commercial transactions with the KMP's where they and/ or their relatives have personal interest. There are no materially significant related party transactions which have potential conflict with the interest of the Company at large. The detail on related party transaction has been provided in the Directors Report.



c) **Accounting Standards**

The Company follows the Accounting Standards laid down by the Institute of Chartered Accountants of India and there has been no deviation during the year.

d) **Compliances by the Company**

There has been no instance of non-compliance by the Company with the requirements of the Stock Exchanges, Securities and Exchange Board of India and other statutory authorities on matters related to Capital Markets during the last three years. The Company has adopted and complied with all the mandatory requirements under SEBI Listing Regulations, 2015.

e) **Familiarisation Program for Independent Directors**

The company organized familiarization Program for the independent directors, whenever required, as per the requirement of Regulation 25(7) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. The objectives of these programs were to provide insights into the Company and make them to understand the business so that they can contribute significantly to the Company. The detail of such familiarization programs framed by the board for its Independent Directors can be accessed on the Company's website at www.istindia.com.

f) **Whistle Blower Policy**

The Company has adopted a Vigil Mechanism/Whistle Blower Policy as defined under Regulation 22 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 to provide a formal mechanism to the Directors and Employees under which they are free to report their genuine concerns about unethical behavior, actual or suspected fraud or violation of the Company's Code of Conduct or Policy. The whistle blower policy is available at company's website at www.istindia.com.

g) **Code of Conduct for Prevention of Insider Trading, 2015**

The Company has adopted Code for prevention of Insider Trading for its Directors and designated employees pursuant to Regulation 8(1) and 9 of SEBI (Prohibition of Insider Trading) Regulations, 2015. The objective of this code is to regulate, Monitor and report trading by Insiders and to report Fair Disclosure of Unpublished Price Sensitive Information. The Code prohibits purchase/ sale of securities of the Company by Directors and designated employees while in possession of unpublished price sensitive information in relation to the Company. Further the Code specifies the procedures to be followed and disclosures to be made by Directors and the designated employees, while dealing with the shares of the Company. The Code of Conducts is available on the Company's Website www.istindia.com.

h) **Performance Evaluation**

In Compliance with provisions of Section 134, 149 and Schedule IV of the Companies Act, 2013 read with Schedule V and Part D of the Schedule II of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Annual Performance Evaluation of Independent Directors was carried out by the entire Board and a Separate Meeting of Independent Directors was also held on 14th February, 2017 to assess the performance of Non-Independent Director and the Chairperson of the Company.

Performance Evaluation was based on the contribution made by respective Director(s) to Company's objectives and plans, efficient discharge of their responsibilities, participation in Board/Committee meetings and other relevant parameters.

i) **Risk Management**

The Company has in place well designed framework and procedures to inform Board members about the Risk Assessment and minimization procedures. The Company is aware of the risks associated with the business. It regularly analysis the risks and takes corrective actions for managing/ mitigating the same. Board of Directors of the Company has approved and adopted "Risk Management Policy" pursuant to Regulation 21 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. The "Risk Management Policy" is available on the Company's Website www.istindia.com.

j) **Policy for Determining Material Subsidiaries**

In terms of Regulation 24 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 the Company has formulated a Policy for Determining Material Subsidiaries and the same is available on the Company's website at www.istindia.com.



k) Mandatory & Non-mandatory Clauses

The Company has complied with all mandatory requirements laid down by Schedule V of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. The Non-mandatory requirements complied with has been disclosed at the relevant places.

6. COMPLIANCE OFFICER

Mr. Bhupinder Kumar, Company Secretary of the Company has been designated as the Compliance Officer of the Company.

7. GENERAL BODY MEETINGS

(i) Details of the last three Annual General Meetings:

Financial year	Date	Time	Location of the meeting
2016-17*	29.09.2017	03:30 PM	Registered Office at Dharuhera Industrial Complex, Delhi Jaipur Highway No. 8, Kapriwas, Dharuhera, Rewari (Haryana)
2015-16	29.09.2016	11:30 AM	Registered Office at Dharuhera Industrial Complex, Delhi Jaipur Highway No. 8, Kapriwas, Dharuhera, Rewari (Haryana)
2014-15	30.09.2015	11.30 AM	Registered Office at Dharuhera Industrial Complex, Delhi Jaipur Highway No. 8, Kapriwas, Dharuhera, Rewari (Haryana)

* Mr. Angad Kumar, Practicing Chartered Accountant (Membership No. 527228), Partner M/s VARG & Co., Chartered Accountants (FRN25157N) was appointed by the Board as the Scrutinizer for e-voting and conducting the ballot process at the AGM venue in a fair and transparent manner.

(ii) Special Resolution passed in the previous three AGMs.

Financial year	Details of Special Resolutions Passed
2016-17	Following Special Resolution was passed in the AGM held on 29.09.2017: To approve Re-appointment of Lt. Col. (Retd.) N.L. Khitha as Director (Technical) and remuneration payable
2015-16	Following Special Resolution was passed in the AGM held on 29.09.2016: To approve Re-appointment of Mr. S.C. Jain as Executive Director and remuneration payable
2014-15	Following Special Resolution was passed in the AGM held on 30.09.2015: To approve Re-appointment of Lt. Col. (Retd.) N.L. Khitha as Director (Technical) and remuneration payable

(iii) No Special resolution was passed through postal ballot during the last year.

(iv) No special resolution is proposed to be conducted through postal ballot.

8. MEANS OF COMMUNICATION

- The Company's financial results are forthwith communicated to Stock Exchange(s) Limited with whom the Company has listing arrangements as soon as they are approved and taken on record by the Board of Directors of the Company to enable them to post it on their respective website(s). Thereafter the results are published in one National newspaper in English language and one Regional Newspaper in Hindi Language.
- The financial results, annual report, Notices for the Shareholders meeting(s), results of the shareholders meeting and other important announcements are also posted on the website of the Company www.istindia.com.
- The Management Discussion and Analysis Report forms part of the Directors' Report.



9. GENERAL SHAREHOLDERS INFORMATION

i) 42nd Annual General Meeting

Day, Date & Time	Friday, the 28 th September, 2018 at 11.30 A.M.
	Venue Registered Office at Dharuhera Industrial Complex, Delhi Jaipur Highway No. 8, Kapriwas, Dharuhera, Rewari (Haryana)
ii) Financial year	1 st April to 31 st March
iii) Financial Calendar (Tentative):	1 st April, 2018 to 31 st March, 2019
	Financial reporting
	Approval and Adoption of Financial Results for the quarter ended: On or before
30 th June, 2018	14 th August, 2018
30 th September, 2018	14 th November, 2018
31 st December, 2018	14 th February, 2018
31 st March, 2019	30 th May, 2019
iv) Book Closure	22.09.2018 to 28.09.2018 (Both days inclusive)
v) Dividend Payment Date	Not Applicable

vi) Listing on Stock Exchanges:

The equity shares of the Company are listed on Bombay Stock Exchange Limited (Code-508807). ISIN No. INE684B01011. The Delhi Stock Exchange (DSE) on which the equity shares of the Company were Listed has been derecognized by SEBI.

The annual listing fee for the year 2018-19 has been paid to the BSE Limited.

vii) Registrars and Share Transfer Agents

MAS Services Limited

Address: T-34, 2nd Floor, Okhla Industrial Area, Ph. II, New Delhi - 110020
Tel.: 011-26387281, 26387282, 26387283; Fax : 011-26387384
Email: info@masserv.com

viii) Stock Market Data

Stock market data for the Financial Year 2017-18 on Bombay Stock Exchange is as under :

Rs. per share

Month	High	Low	Month	High	Low
Apr' 17	960.00	746.00	Oct' 17	1588.00	881.00
May' 17	965.00	732.50	Nov' 17	1404.50	1155.05
Jun' 17	1199.00	836.00	Dec' 17	1302.80	1140
Jul' 17	1100.00	918.00	Jan' 18	1240.00	1042.00
Aug' 17	1048.00	855.00	Feb' 18	1199.00	1010.00
Sep' 17	990.00	835.00	Mar' 18	1069.80	870.05



ix) Share Transfer System

The Board has constituted the Stakeholder Relationship Committee and delegated the power of transfer to the Committee. The Committee holds its meeting as and when required, to consider all matters concerning transfer and transaction of shares. Share transfer requests received in physical form are registered within 15 days from the date of receipt and the share certificates, duly transferred, are sent to the transferee(s). The Demat / Remat requests are normally confirmed within the prescribed time from the date of receipt.

The Company obtains from a Company Secretary in practice, half yearly certificate of compliance with the share transfer formalities as required under Regulation 40(9) of the SEBI (Listing Obligations and Disclosure requirements) Regulations, 2015 and files a copy of the certificate with the Stock Exchanges.

x) Distribution of shareholding as on 31st March, 2018

No. of Equity Shares held	No. of Shareholders	% of Shareholders	No. of Shares held	% of Shareholding
Upto 5000	7,081	97.763	5,90,680	10.128
5001-10000	93	1.284	67,946	1.165
10001-20000	33	0.456	44,886	0.770
20001-30000	9	0.124	21,086	0.362
30001-40000	5	0.069	17,716	0.304
40001-50000	—	—	—	—
50001-100000	6	0.083	38,631	0.662
100001 and above	16	0.221	50,51,111	86.609
GRAND TOTAL	7,243	100	58,32,056	100

xi) Shareholding pattern as on 31st March, 2018:

CATEGORY	NO. OF SHARES	% OF HOLDING
Promoters	43,73,736	74.99
Financial Institutions, Mutual funds, Banks	300	0.01
Foreign Institutional Investors	—	—
Private Bodies Corporate	5,40,390	9.67
Indian Public	9,10,297	15.21
NRIs/ OCBs	7,333	0.13
Others	—	—
Grand Total	58,32,056	100.00

xii) Dematerialization of Shares and Liquidity

The Company's shares are compulsorily traded in dematerialized form. As on 31st March, 2018, 53,40,225 (91.57%) Equity shares of total paid up equity shares were held in Dematerialized form.

NSDL/CDSL – ISIN : INE684B01011

xiii) Outstanding GDR/ Warrants and Convertible Bonds etc.

There is no outstanding GDR/ Warrants and Convertible Bonds etc.

xiv) Plant Location

Dharuhera Industrial Complex, Delhi Jaipur Highway No. 8, Kapriwas, Dharuhera, Rewari (Haryana)



xv) Address for Correspondence :

Shareholders correspondence should be addressed to the Registrar and Transfer Agents at the address given below or to the Company's Registered Office or Corporate office.

<p>Mas Services Limited, Registrar and Share Transfer Agents Address : T-34, 2nd Floor, Okhla Industrial Area, Ph. II, New Delhi - 110020 Tel.: 011-26387281, 26387282, 26387283 Fax : 011-26387384 Email: info@masserv.com</p>	<p>IST Limited Registered Office: Dharuhera Industrial Complex, Delhi Jaipur Highway No. 8, Kapriwas, Dharuhera, Rewari (Haryana). Phone Number: (0124)267346-48; Fax Number: (01274) 267444; E-Mail: ist.limited.grg@gmail.com; Website: www.istindia.com Corporate Office : A-23, Defence Colony, New Delhi – 110024.</p>
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10. AUDITORS' CERTIFICATE ON CORPORATE GOVERNANCE

As required by as per Part E of the Schedule V of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the auditors' certificate is annexed to this report.



CERTIFICATE REGARDING COMPLIANCE OF CONDITIONS OF CORPORATE GOVERNANCE

To
The Members of
IST Limited

We have examined the compliance of conditions of corporate governance by IST Limited for the year ended 31st March 2018 as stipulated as per the relevant provisions of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('Listing Regulations') as referred to in Regulation 15(2) of the Listing Regulations for the year ended 31st March, 2018.

The compliance of 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 compliance of the conditions of corporate governance. It is neither an audit nor an expression of opinion on the financial statements of the company.

We have conducted our review on the basis of the relevant records and documents maintained by the Company and furnished to us for the review and the information and explanations given to us by the Company.

In our opinion and to the best of our information and according to the explanations given to us, we certify that the Company has complied with the conditions of the corporate governance as stipulated in the above mentioned Listing Agreement/ Listing Regulations, as applicable.

We 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.

For VINDO KUMAR & CO.,
COMPANY SECRETARIES

Place : New Delhi
Dated : 13.08.2018

CS VINOD KUMAR ANEJA
(CP: 5740, FCS 5740)



MANAGEMENT DISCUSSION AND ANALYSIS REPORT

a) Overall Economic View

The Indian economy continues to remain the fastest growing economy over the past few years. As per the Economic Survey 2017-18, the GDP growth rate is pegged at 6.75%. However it is expected to grow between 7% and 7.5% in the fiscal 2019. The International Monetary Fund (IMF) has also projected acceleration for the Indian economy with GDP growth of 6.7% in the FY 2017-18 to 7.4% in the FY 2018-19 overtaking China which is projected to grow at 6.8%.

The past few years had been good for Indian Economy with stability, inflation under control and foreign exchange reserves remaining satisfactory. The disruptive impact of demonetisation in the year 2016-17 and the implementation of major structural reforms during the year 2017-18 like Goods and Services Tax (GST) and New Indian Bankruptcy code had hampered the growth rate during the first half of the year. The economy has however stabilized and started showing early signs of revival during the second half of the year 2017-18 and the Indian economy is expected to grow on a higher trajectory during the coming years. With initiatives like 'Make in India', the country is becoming more business-friendly, which will go a long way to drive sustainable growth. Trade and investment opportunities will grow with recent changes in government policies. However rising global oil prices and the potential negative impact of the banking sector frauds and rising non-performing assets are some of the possible challenges for the projected GDP growth target.

While recent initiatives taken by the Government are envisaged as transformational steps for the Indian economy and its business environment, robust implementation of these policy changes will be key to realising the full potential of these reforms. Your Company also hopes to reap benefit from these policy initiatives in the longer term.

b) Industry Structure, development and future outlook

Your Company is engaged in the following business streams:

- Manufacturing of Auto Components.
- Development of Infrastructure for IT / ITES Sector.

Auto Component Industry

The Indian Auto Industry is one of the largest in the world and in terms of production it is expected to become 4th largest globally by 2020 after China, USA and Japan (*source: SIAM*). The industry which is one of the key contributor to GDP and employment, continued to perform well delivering strong growth. With increasing disposable income at the hands of world's youngest population, India is going to have one of the fastest growing automobile markets. India is also a prominent exporter and has strong export growth expectations in the near future. The Government of India also encourages foreign investment in the automobile sector by allowing 100 per cent FDI under the automatic route. Government has drafted Automotive Mission Plan (AMP) 2016-26 which will help the automobile industry to grow and will benefit Indian economy in many ways.

The Indian Auto Component industry is ancillary to the automobile industry and the growth is always in tandem with the automobile Industry as a whole. The Auto Component industry can broadly be classified into the organised and unorganised sectors. While the organised sector caters to the Original Equipment Manufacturers (OEMs) and consists of high-value precision instruments, the unorganised sector comprises of low-valued products and caters mostly to the aftermarket category. Although, the number of manufacturing units in the un-organised sector is still far higher than those in the organised one, the organised sector account for over 85% of the total industry turnover.

The auto-components industry accounts for 2.3 per cent of India's Gross Domestic Product (GDP). Over the decade, the Indian Auto Component Industry had witnessed a health growth at a CAGR of 14%. The Industry is expected to post a 13-15 per cent growth rate in FY 2017-18 on back of robust growth in domestic passenger vehicle, commercial vehicle, tractor and two-wheeler segments. In FY 2016-17, the size of the industry was around 2.92 lacs crores (US \$ 43.55 billion), which is further expected to grow to US\$ 47-19 billion in FY 2017-18. The Indian auto component industry aims to achieve US\$ 200 billion in revenues by 2026. Backed by



stronger global growth and higher exports to emerging nations, the auto component exports from India is expected to grow by 7-9 percent in the FY 2017-18. It is expected that automobile component exports from India are expected to reach US\$ 70-billion by 2026 from US\$ 10.9 billion in FY 2016-17.

(Source: ACMA); Exchange Rate Used: INR 1 = US\$ 0.016 as of FY 2017-18.

Development of Infrastructure for IT / ITES Sector

India is the preferred offshore destination for global IT companies. India has vast and readily available pool of IT professionals, who are not only highly qualified talent pool but also cost effective as compared to manpower available in developed countries. Having proven its capabilities in delivering both on-shore and off-shore services to global clients, the Indian IT / ITES sector provides a range of end to end software development, digital services, IT business solutions, research and development services, technology infrastructure services, business process services, consulting and ancillary support functions. More importantly, the Industry has led the economic transformation of the Country and altered the perception of India in the global economy. With several global IT firms setting up their innovation centers in India, the country has become the digital capabilities hub of the world with around 75 per cent of global digital talent present in the country.

Rapidly growing urban infrastructure has fostered several IT centers across the country and the sector is expected to create direct employment opportunities of 10 million and indirect employment opportunities of 40 million by 2020. India accounts for approximately 55 per cent of the market share of US\$185-190 billion global services sourcing business in FY 2017-18. Indian IT / ITES companies are spreading their wings globally and have set-up over 1000 global delivery centers in about 80 countries across the world. IT exports revenue increased to US\$ 126 billion in FY18 as compared to US\$ 117 billion in the year 2016-17, growing by 7.7% and is expected to further grow at 7-9 per cent year-on-year to US\$ 135-137 billion in FY19. The domestic revenue (including hardware) had advanced to US\$ 41 billion and is growing rapidly. According to the report the Industry is expected to reach US\$ 200 billion to US\$ 225 billion in revenues by 2020 and over US\$ 350 billion by 2025, from a base of US\$ 154 billion in 2017.

(Source: NASSCOM SR - 2018.)

c) Opportunities and Threat and Future Outlook

Auto Component Industry

The core business of your company is the manufacturing of High Precision Auto Components. Over the last few years the Auto Component Industry has seen a rapid growth driven by strong growth in the domestic market and increasing exports. The Government of India has also taken various initiatives for the growth of Indian Auto Industry including deregulation of FDI for the sector. India has become favorable destination for various Global players. The cumulative FDI inflows into the India Automobile Industry during the period from April 2000 to September, 2016 were recorded at US\$ 15.80 billion.. The FDI Inflow during FY 2016-17 and FY 2017-18 was estimated at US\$ 1.61 billion and US\$ 1.74 billion respectively (Source: Department of Industrial Policy and Promotion (DIPP))

The rapidly globalising world is opening up newer avenues for the industry, especially while it makes a shift towards alternate source of fuel like Compressed Natural Gas (CNG), electric, electronic and hybrid cars are also been promoted worldwide. These are deemed to be more efficient, safe, reliable and Cost effective modes of transportation. Over the next decade, this will lead to newer verticals and opportunities for auto-component manufacturers and the industry would need to adapt to the change *via* systematic research and development, continual technology upgradation etc. The Indian auto-components industry is set to become the third largest in the world by 2025. This brings in tremendous opportunities to the industry both in the domestic as well as Overseas Markets.

The rapid growth in the Industry also brings in stiff competition both from the domestic manufacturers as well as from the International manufacturer who have the potential for the large scale production and give price competition. With the new technology coming-in through the global players as well as large domestic companies, the smaller size companies are facing stiff competition. Further, Softening of interest rate lower than expected, tightening money supply, volatility in the price of raw materials and other inputs, currency fluctuations, stringent emission norms are other major threats faced by the Industry.



However in line with the rapid diversification and technology upgradation of the Industry, your Company has also been constantly making efforts to upgrade the technology as per the requirement of the Industry and at par with the major auto component manufacturing companies. Your management does not foresee any major threat to the operations of the Company.

Development of Infrastructure for IT / ITES Sector

Your Company through its wholly owned subsidiary “Gurgaon Infospace Limited” has set up Sector Specific Special Economic Zone for IT / ITES at Village Dundahera in Gurgaon (Haryana). With the aim to Infrastructural Development, promoting export and creating employment, the Government is promoting the development of SEZs specifically for IT / ITES sector. The sector enjoys tax holidays and exemptions which attracts IT / ITES companies to operate in SEZs.

With the increase in economic activities across the world, companies in US, Europe and China are opening up opportunities for the IT related service providers in India. However, IT industry constantly face threat of change in US policy (anti out-sourcing policy). As US is one the major market for Indian IT Industry, any policy change with respect to out-sourcing of work by the US government may adversely affect the IT industry in India. The slow growth of US economy may also have adverse effect. Further, there is continual fear that the increasing unemployment in the west would reduce outsourcing as they shall take steps to drive jobs back home, which may also have adverse effect on the IT Industry in India.

However, despite these threats the Indian IT / ITES Industry has outperformed the expectations y-o-y. The growth in IT / ITES Industry will give new opportunities to your Company and the management is optimistic about the good performance of the SEZ business of your Company.

d) Operational Performance

Company's primary business segment is manufacturing of High Precision Auto Components. During the year under review the gross revenue from manufacturing of auto components stood at Rs. 2,466.02 Lacs. The Profit Before Tax increased from Rs. Rs. 1,149.79 Lacs to Rs. 1,285.40 Lacs and Profit after Tax has increase from Rs. 878.89 Lacs to Rs. 1,006.27.

The other business activity is Development of Infrastructure for IT / ITES sector, undertaken by the Company through its wholly owned subsidiary namely Gurgaon Infospace Limited, the revenue from operations have increased from Rs. 8,140.89 Lacs during the previous year to Rs. 8,702.01 Lacs in the year under review. The net profit after tax have also increased from Rs. 7,666.36 Lacs during the previous year to Rs. 9,001.23 Lacs in the current year.

e) Risk and Concerns and its Management

The Company is exposed to external and internal risks associated with the business. Stiff competition both from domestic and overseas auto component manufactures, uncertainty arising from currency volatility, rise in input cost, low-priced imports and counterfeit auto parts available at cheap price are some of the external risks associated with the business. Operational risks like shortage of power which leads to increase in cost of production. Continues upgradation of technology due to existence major international players and their associates, makes existing technology obsolete is one of the major concern for the business. In addition to this, demand of auto component sector is dependent on the automobile sector which makes the market uncertain at times. General economic conditions also impacts the operations of the industry and, in turn, the operations of the Company as well. Constantly changing regulatory environment always carries with it the risk of higher taxes or duties, which may increase cost to the company. The industry efforts to mitigate the above risks along with policy measures of the government would determine the impact of the above risks on the industry going forward.

Risk Management is a process of identifying the risks, analysis of its effect on the business operations of the Company, measures to be taken to mitigate such risks. As an business enterprise the Company is exposed to various risk some of which are identifiable and can be mitigated through defined Internal Control Mechanism. However there are certain risks which cannot be predicated and are unascertainable at a given point of time. These can be mitigated through the experience inherited by the Company and its management over the period. To counter these risks, the Company continues to broaden its product portfolio, increase customer profile.



The Company has inherent system for identifying and mitigating the Risk associated with the nature of businesses undertaken, which may threaten the existence of the Company. At senior management level, the roles and responsibilities of all the employees are well defined in term of timely identification, management and mitigation of the risks. Further the senior management also meets periodically to discuss various operational matters and risks involved therein. Precautionary measures and suggestions to mitigate the risks are always welcomed by the management from any level of employee.

f) Internal Control and their Adequacy

Internal Control Systems inherent in the Company are adequate and commensurate with the size and nature of the business. The inherent systems ensures that the resources of the Company are used efficiently and effectively, all assets are safeguarded and protected against loss from unauthorized use or disposition and the transactions are authorised, recorded and reported correctly, financial and other data are reliable for preparing financial information and other data and for maintaining accountability of assets. The ever improving Internal Control Systems are well complemented with the extensive internal audit system of the Company, documented policies, guidelines and procedures and are reviewed by the management on regular basis. The Audit findings are reported on quarterly basis to the Audit Committee of the Board headed by a Non-executive Independent Director. This ensures timely detection of any irregularities and early remedial steps being taken by the Company.

g) Human Resource

The Company believes that the Human Resources are one of its biggest assets and strives to achieve maximum employee satisfaction. The Company focuses on attracting new talents apart from training and retaining its existing work force with an objective to achieve the growth of the Company. Participation of employees at all levels is encouraged through suggestion schemes and other means. Employees relations continue to be harmonious and positive. Material developments in the Human Resource / Industrial Relations front have been detailed under the head "Employee Relation & Particulars of Employees" in the Directors' Report.

h) Cautionary Statement

Certain representations and statements made under the 'Management Discussion and Analysis' are based on the Company's views about the industry, present market conditions, expectations/predictions, objectives, etc. and may be forward looking statement within the meaning of applicable laws and regulations. Actual results may differ from those expressed or implied in these statements. Your Company's operations may, inter-alia, be affected by the supply and demand situations, input prices and availability, changes in government regulations, tax laws, government or court decisions and other factors such as industry relations and economic developments etc. in the Country. The Investors should bear the above in mind.



INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF IST LIMITED

Report on the Standalone Ind AS Financial Statements

We have audited the accompanying standalone Ind AS financial statements of IST Limited ("the Company"), which comprise the Balance Sheet as at March 31, 2018, and the Statement of Profit and Loss (including Other Comprehensive Income), the Cash Flow Statement and the Statement of Changes in Equity for the year then ended, and a summary of the significant accounting policies and other explanatory information (hereinafter referred to as "standalone Ind AS financial statements").

Management's Responsibility for the Standalone Ind AS Financial Statements

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these standalone Ind AS financial statements that give a true and fair view of the state of affairs (financial position), profit & loss (financial performance including other comprehensive income), cash flows and changes in equity of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) prescribed under Section 133 of the Act read with the companies (Indian accounting Standards) Rule 2015, as amended.

This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the standalone Ind AS financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these standalone Ind AS financial statements based on our audit.

We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made there under.

We conducted our audit of the standalone Ind AS financial statements in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the standalone Ind AS financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the standalone Ind AS financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the standalone Ind AS financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the standalone Ind AS 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 the accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the standalone Ind AS financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the standalone Ind AS financial statements.

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone Ind AS 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 including the Ind AS,



of the state of affairs (financial position) of the Company as at March 31, 2018 and its Profit (financial performance including other comprehensive income), its cash flows and the changes in equity for the year ended on that date.

Other Matter

The comparative financial information of the Company for the year ended March 31, 2017 and the transition date opening balance sheet as at April 01, 2016 included in these standalone Ind AS financial statements, are based on the previously issued statutory financial statements prepared in accordance with the Companies (Accounting Standards) Rules, 2006 audited by the predecessor auditor whose report for the year ended March 31, 2017 and March 31, 2016 dated May 30, 2017 and May 30, 2016 respectively expressed an unmodified opinion on those standalone financial statements, as adjusted for the differences in the accounting principles adopted by the Company on transition to the Ind AS, which have been audited by us. Our opinion is not modified in respect of above matter.

Report on Other Legal and Regulatory Requirements

1. As required by section 143(3) of the Act, we report that:
 - (a) We have sought and 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 it appears from our examination of those books;
 - (c) The Balance Sheet, the Statement of Profit and Loss including other comprehensive income, the Cash Flow Statement and the Statement of Changes in Equity dealt with by this Report are in agreement with the books of account;
 - (d) In our opinion, the aforesaid standalone Ind AS financial statements comply with the Indian Accounting Standards prescribed under Section 133 of the Act, read with relevant rules issued there under;
 - (e) On the basis of written representations received from the directors, as on March 31, 2018, taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2018 from being appointed as a director in terms of Section 164(2) of the Act.
 - (f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in “**Annexure A**”; and
 - (g) With respect to the other matters to be included in the Auditor’s Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended, in our opinion and to the best of our information and according to the explanations given to us:
 - i. The Company has disclosed the impact of pending litigations on its financial position in its standalone Ind AS financial statements- Refer Note 52 to the standalone Ind AS financial statements;
 - ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses; and
 - iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.
2. As required by the Companies (Auditor’s Report) Order, 2016 (“the Order”), issued by the Central Government of India in terms of section 143(11) of the Act, we give in the “**Annexure B**”, a statement on the matters specified in paragraphs 3 and 4 of the said Order.

For Gupta Vigg & Co.
Chartered Accountants
Firm’s Registration Number: 001393N

(CA. Deepak Pokhriyal)
Partner
Membership Number: 524778

Place of Signature: New Delhi
Date: May 30, 2018



Annexure 'B' To the Independent Auditors' Report

The Annexure referred to in Independent Auditors' Report to the members of the Company on the standalone Ind AS financial statements for the year ended March 31, 2018, we report that:

- (i) In respect of fixed assets:
 - (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
 - (b) The Company has a regular programme of verification of fixed assets. All the fixed assets have been physically verified by the management during the year except furniture and fixtures and office equipments, which in our opinion is reasonable having regard to size of the Company and nature of fixed assets. No material discrepancies were noticed on such verification.
 - (c) On the basis of information and explanation provided by the management, the title deeds of immovable properties are held in the name of the Company and the title deed in respect of sub lease of Commercial Property at Noida is pending for Registration.
- (ii) On the basis of information and explanation provided by the management, inventories have been physically verified by the management during the year. In our opinion, the frequency of such verification is reasonable. No material discrepancies were noticed on physical verification of inventories by the management.
- (iii) According to the information and explanations given to us, the Company has granted an unsecured loan to one party in the past covered under Section 189 of the Act.
 - (a) The terms and conditions on which loan has been granted to the borrower company covered under Section 189 of the Act is not, prima facie, prejudicial to the interest of the Company.
 - (b) The schedule of repayment of principal and payment of interest has been stipulated and the principal amount and interest are repayable as stipulated.
 - (c) There is no overdue amount of the said loan granted by the Company.
- (iv) In our opinion and according to the information and explanations given to us, the Company has complied with the provisions of section 185 and 186 of the Act, with respect to the loans and investments made. In our opinion and according to the information and explanations given to us, there are no guarantees or security provided by the Company.
 - (v) The Company has not accepted any deposits from the public in accordance with the provisions of Sections 73 to 76 of the Act and the rules framed there under. Accordingly, paragraph 3(v) of the Order is not applicable to the Company.
 - (vi) The Central Government has not prescribed the maintenance of cost records for the Company under section 148(1) of the Companies Act, 2013. Accordingly, paragraph 3(vi) of the Order is not applicable to the Company.
 - (vii) According to the information and explanations given to us, in respect of statutory dues:
 - (a) The Company is generally regular in depositing undisputed statutory dues including provident fund, employees' state insurance, income tax, sales tax, service tax, value added tax, duty of excise, duty of customs, goods and service tax, cess and other applicable statutory dues with the appropriate authorities.

There were no undisputed amounts payable in respect of provident fund, employees' state insurance, income tax, sales tax, service tax, value added tax, duty of excise, duty of customs, goods and services tax, cess and other applicable statutory dues in arrears as at March 31 2018 for a period of more than six months from the date they became payable.
 - (b) According to the information and explanations given to us, there are no dues of income tax, sales tax, value added tax, service tax, goods and services tax, duty of customs, duty of excise which have not been deposited with the appropriate authorities on account of any dispute.
 - (viii) In our opinion and according to the information and explanations given to us, the Company has not defaulted in the repayment of loans or borrowings to banks. The Company did not have



any outstanding loans or borrowings from financial institutions or government and there are no dues to debenture holders during the year.

- (ix) In our opinion and according to the information and explanations given to us, the Company did not raise any money by way of initial public offer or further public offer (including debt instruments) and term loans during the year. Accordingly, paragraph 3(ix) of the Order is not applicable to the Company.
- (x) According to the information and explanations given to us, no fraud by the Company or on the Company by its officers or employees has been noticed or reported during the year.
- (xi) The Company has paid or provided for managerial remuneration in accordance with the requisite approvals mandated by the provisions of section 197 read with Schedule V to Act.
- (xii) The Company is not a nidhi Company. Accordingly, paragraph 3(xii) of the Order is not applicable to the Company.

(xiii) According to the information and explanations given to us and based on our examination of the records of the Company, transactions with the related parties are in compliance with section 177 and 188 of the Act, where applicable and details of such transactions have been disclosed in the standalone Ind AS financial statements as required by the applicable Indian Accounting Standards.

(xiv) The Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year. Accordingly, paragraph 3(xiv) of the Order is not applicable to the Company.

(xv) The Company has not entered into non-cash transactions with directors or persons connected with him. Accordingly, paragraph 3(xv) of the Order is not applicable to the Company.

(xvi) The Company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934. Accordingly, paragraph 3(xvi) of the Order is not applicable to the Company.

For Gupta Vigg & Co.

Chartered Accountants

Firm's Registration Number: 001393N

(CA. Deepak Pokhriyal)

Partner

Membership Number: 524778

Place of Signature: New Delhi

Date: May 30, 2018



Annexure 'A' To the Independent Auditors' Report

(Referred to in paragraph 1(f) under 'Report on Other Legal and Regulatory Requirements' section of our report of even date to the Members of the Company)

Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")

We have audited the internal financial controls over financial reporting of IST Limited ("the Company") as of March 31, 2018 in conjunction with our audit of the standalone Ind AS financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

The Company's management is responsible for establishing and maintaining internal financial controls based on "the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India ('ICAI'). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to Company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

Auditors' Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on audit of Internal Financial Controls over Financial Reporting (the "Guidance Note") and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and, both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal

financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system over financial reporting.

Meaning of Internal Financial Controls over Financial Reporting

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls Over Financial Reporting

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of



any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

In our opinion, to the best of our information and according to the explanations given to us, the Company

has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2018, based on “the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

For Gupta Vigg & Co.

Chartered Accountants

Firm's Registration Number: 001393N

(CA. Deepak Pokhriyal)

Partner

Membership Number: 524778

Place of Signature: New Delhi

Date: May 30, 2018



IST LIMITED

BALANCE SHEET AS AT 31ST MARCH, 2018

(All amounts in rupees lakhs unless otherwise stated)

ASSETS	Note	As at 31 March, 2018	As at 31 March, 2017	As at 1 April, 2016
NON-CURRENT ASSETS				
Property, plant and equipment	5	791.35	929.67	1,095.12
Investment property	6	5,791.02	5,885.08	5,979.14
Intangible assets	7	2.85	2.32	5.60
Intangible assets under development	7A	0.25	—	—
Financial assets				
Investments	8	8,593.03	8,243.13	8,075.93
Loans	9	502.60	457.53	458.26
Other financial assets	10	8.14	7.66	7.10
Other non current assets	11	520.35	463.62	549.29
		16,209.59	15,989.01	16,170.44
CURRENT ASSETS				
Inventories	12	745.92	758.68	741.33
Financial assets				
Investments	13	446.99	50.20	—
Trade receivable	14	543.71	603.97	523.61
Cash and cash equivalents	15	370.79	283.90	271.70
Loans	16	3.60	36.89	—
Other financial assets	17	11.50	6.00	2.93
Other current assets	18	26.10	24.83	38.53
		2,148.61	1,764.47	1,578.10
TOTAL		18,358.20	17,753.48	17,748.54
EQUIY & LIABILITIES				
Equity				
Equity share capital	19	584.68	584.68	584.68
Other equity	20	17,100.24	16,092.70	15,216.55
		17,684.92	16,677.38	15,801.23
Non-current liabilities				
Financial liabilities				
Borrowings	21	—	400.00	1,250.00
Other financial liabilities	22	111.28	101.63	83.82
Provisions	23	110.23	103.89	92.18
Deferred tax liabilities (net)	24	43.69	84.11	91.00
Other non-current liabilities	25	84.98	97.65	103.35
		350.18	787.28	1,620.35
Current liabilities				
Financial liabilities				
Borrowings	26	8.48	—	12.28
Trade payables	27	43.70	47.52	56.84
Other financial liabilities	28	124.77	122.12	137.11
Other current liabilities	29	57.68	31.43	25.09
Provisions	30	84.85	78.89	66.38
Current tax liabilities (net)	31	3.62	8.86	29.26
		323.10	288.82	326.96
		18,358.20	17,753.48	17,748.54

Accompanying notes form an integral part of these financial statements.

This is the Balance Sheet referred to in our report of even date.

For Gupta Vigg & Co.
Chartered Accountants
Firm Registration NO. 001393N

For and on behalf of the Board of Directors of IST Limited

CA. Deepak Pokhriyal
Partner
Membership No. 524778
Place: New Delhi
Dated: 30 May, 2018

D.N. Tulshyan
Chief Financial Officer

Bhupinder Kumar
Company Secretary

Mayur Gupta
Director
DIN-00131376

S.C. Jain
Executive Director
DIN-00092079

IST LIMITED



STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31ST MARCH, 2018

(All amounts in rupees lakhs unless otherwise stated)

	Note	Year ended 31 March, 2018	Year ended 31 March, 2017
Income			
Revenue from operations	32	2,466.02	2,820.68
Other income	33	1,178.05	1,108.59
Total Income		<u>3,644.07</u>	<u>3,929.27</u>
Expenses			
Cost of materials consumed	34	469.48	606.26
Changes in inventories of work-in-progress and finished goods	35	32.12	(40.32)
Excise duty		67.43	293.31
Employee benefits expense	36	880.36	892.28
Finance costs	37	19.65	97.84
Depreciation and amortisation expense	38	276.43	286.55
Other expenses	39	613.20	643.56
Total expenses		<u>2,358.67</u>	<u>2,779.48</u>
Profit before tax		1,285.40	1,149.79
Tax expense			
Current tax	40	320.00	270.00
Deferred tax		(40.90)	(5.54)
Income tax for earlier years		0.03	6.44
		<u>279.13</u>	<u>270.90</u>
Profit after tax		1,006.27	878.89
Other comprehensive income/(loss)			
Items that will not be reclassified to profit and loss			
- Remeasurement income/(loss) on defined benefit plans		1.75	(4.09)
- Income tax relating to above items		(0.48)	1.35
Total comprehensive income for the year		<u>1,007.54</u>	<u>876.15</u>
Earnings per equity share (in Rs.)			
Equity shares of par value Rs.10/- each	41		
Basic		17.25	15.07
Diluted		17.25	15.07

Accompanying notes form an integral part of these financial statements.

This is the Statement of profit and loss referred to in our report of even date.

For Gupta Vigg & Co.

Chartered Accountants

Firm Registration NO. 001393N

For and on behalf of the Board of Directors of IST Limited

CA. Deepak Pokhriyal

Partner

Membership No. 524778

Place: New Delhi

Dated: 30 May, 2018

D.N. Tulshyan

Chief Financial Officer

Bhupinder Kumar

Company Secretary

Mayur Gupta

Director

DIN-00131376

S.C. Jain

Executive Director

DIN-00092079



IST LIMITED

Cash Flow Statement for the year ended 31st March, 2018

(All amounts in rupees lakhs unless otherwise stated)

Particulars	Year ended 31 March 2018	Year ended 31 March 2017
Cash flows from operating activities		
Profit before tax	1,285.40	1,149.79
Adjustments for:		
Depreciation and amortisation expense	276.43	286.55
Finance costs	16.80	95.82
Interest income	(391.16)	(373.47)
(Gain)/loss on fair valuation of investment (net)	43.68	(119.32)
Amount receivable written off/ (Amount payable written back)(net)	6.51	(0.97)
Investment written off	0.20	—
Discount & liquidated damages	13.22	8.27
(Profit)/ Loss on sale of property, plant and equipment (net)	(13.22)	1.56
Profit on sale of current investment	(0.41)	(5.48)
Dividend	(0.02)	—
Operating profit before working capital changes	1,237.43	1,042.75
Movement in working capital changes		
Inventories	12.76	(17.35)
Trade receivables	40.53	(87.66)
Trade payables	(3.82)	(9.32)
Loans	(8.85)	(32.94)
Other financial assets	(63.66)	94.87
Provisions	14.05	20.13
Financial & other liabilities	21.03	(0.01)
Cash generated from operations	1,249.47	1,010.47
Income tax refunded / (paid) (net)	(325.24)	(296.84)
Net cash generated from operating activities	924.23	713.63
Cash flows from investing activities		
Purchase of property, plant, and equipment	(46.15)	(31.99)
Sale of property, plant, and equipment	17.71	6.67
Purchase of Intangible Assets	(3.17)	—
Purchase of current investments	(1,425.17)	(850.00)
Sale of current investments	935.20	805.43
Purchase of non- current investments	(300.00)	—
Interest received	387.71	323.09
Dividend	0.02	—
Net cash generated from/(used in) investing activities	(433.85)	253.20
Cash flows from financing activities		
Proceeds from/(Repayment of) short term borrowings	8.48	(12.28)
Repayment of long term borrowings	(400.00)	(850.00)
Finance cost paid	(11.97)	(92.35)

IST LIMITED



Particulars		Year ended 31 March 2018	Year ended 31 March 2017
Net cash used in financing activities	C	(403.49)	(954.63)
Net (decrease)/increase in cash and cash equivalents	D=(A+B+C)	86.89	12.20
Cash and cash equivalents at the beginning of the year	E	283.90	271.70
Cash and cash equivalents at the end of the year (D+E) {refer note 15 }		370.79	283.90

Accompanying notes form an integral part of these financial statements.

Note: The above Cash Flow Statement has been prepared under the "Indirect Method" as set out in the Indian Accounting Standard (Ind AS-7) Statement of Cash Flow.

This is the Cash flow statement referred to in our report of even date.

For Gupta Vigg & Co.

Chartered Accountants

Firm Registration NO. 001393N

For and on behalf of the Board of Directors of IST Limited

CA. Deepak Pokhriyal

Partner

Membership No. 524778

Place: New Delhi

Dated: 30 May, 2018

D.N. Tulshyan
Chief Financial Officer

Bhupinder Kumar
Company Secretary

Mayur Gupta
Director
DIN-00131376

S.C. Jain
Executive Director
DIN-00092079



IST LIMITED

Statement of Changes in Equity for the year ended 31st March, 2018

(All amounts in rupees lakhs unless otherwise stated)

	Amount
A Equity share capital	
Balance as at 1 April 2016	584.68
Changes during the year	—
Balance as at 31 March 2017	584.68
Changes during the year	—
Balance as at 31 March 2018	584.68

Particulars	Reserves and Surplus			Total
	General reserve	Securities premium reserve	Retained earning	
Balance as at 1 April, 2016	11,080.04	60.59	4,075.92	15,216.55
Profit for the year	—	—	878.89	878.89
Other comprehensive income/(loss)	—	—	(2.74)	(2.74)
Balance as at 31 March, 2017	11,080.04	60.59	4,952.07	16,092.70
Balance as at 1 April, 2017	11,080.04	60.59	4,952.07	16,092.70
Profit for the year	—	—	1,006.27	1,006.27
Other comprehensive income	—	—	1.27	1.27
Balance as at 31 March, 2018	11,080.04	60.59	5,959.61	17,100.24

The accompanying notes are an integral part of these financial statements.

This is the Statement of Changes in Equity referred to in our report of even date.

For Gupta Vigg & Co.
Chartered Accountants
Firm Registration NO. 001393N

For and on behalf of the Board of Directors of IST Limited

CA. Deepak Pokhriyal
Partner
Membership No. 524778
Place: New Delhi
Dated: 30 May, 2018

D.N. Tulshyan
Chief Financial Officer

Bhupinder Kumar
Company Secretary

Mayur Gupta
Director
DIN-00131376

S.C. Jain
Executive Director
DIN-00092079



Summary of significant accounting policies and other explanatory information for the year ended 31st March 2018

1. Corporate information and statement of compliance with Indian Accounting Standards (Ind AS)

IST Limited ("the Company") a public limited company domiciled in India and having its registered office at Dharuhera Industrial Complex, Delhi-Jaipur Highway no. 8, Kapriwas, Dharuhera, Rewari 123106, was incorporated under the provisions of Companies Act, 1956. The Company is primarily engaged in the business of manufacturing of high precision engineering components / assemblies including auto components.

The financial statements of the Company have been prepared to comply in all material respects with accounting principles generally accepted in India, including Ind AS notified under the Companies (Indian Accounting Standards) Rules, 2015 under Section 133 of the Companies Act, 2013 (the "Act") and other relevant provisions of the Act. The financial statements up to year ended 31 March 2017 were prepared in accordance with the accounting standards prescribed under section 133 of the Act, read with rule 7 of the Companies (Accounts) Rules, 2014 (as amended) ("Previous GAAP") and other relevant provisions of the Act.

These financial statements for the year ended 31 March 2018 are the first financial statements which the Company has prepared under Ind AS. For purpose of comparatives, financial statements for year ended 31 March 2017 and opening Balance Sheet as at 1 April 2016 are also prepared under Ind AS. Refer note 53 for an explanation of how the transition from previous GAAP to Ind AS has affected the Company's financial position, financial performance and cash flows.

2. Basis of preparation and significant accounting policies

a. Basis of preparation

The financial statements have been prepared on accrual and going concern basis under historical cost convention except for certain financial instruments which are measured at fair values. The accounting policies are applied consistently to all the periods presented in the financial statements, including the preparation of the opening Ind AS Balance Sheet as at 1 April 2016 being the date of transition to Ind AS, except where the Company has applied certain exemptions upon transition to Ind AS.

The significant accounting policies and measurement bases have been summarised below.

Current versus non-current classification

All assets and liabilities have been classified as current or non-current as per the Company's normal operating cycle and as per terms of agreements wherever applicable. Deferred tax assets and liabilities are classified as non-current assets and non-current liabilities, as the case may be.

b. Revenue recognition

Revenue is recognised to the extent it is probable that future economic benefits will flow to the Company and the revenue can be measured reliably. Revenue is measured at the fair value of the consideration received or receivable net of related rebates. The following specific recognition criteria must also be met before revenue is recognised:

Sale of goods

A sale of goods is recognized when the goods has transferred to the buyer the significant risks and rewards of ownership, generally when the customer has taken undisputed delivery of the goods

Interest income

Interest income is recognised on time proportion basis taking into account the amount outstanding and rate applicable. For all financial assets measured at amortised cost, interest income is recorded using the effective interest rate (EIR) i.e. the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to the net carrying amount of the financial assets.

Dividend income

Dividend are recognised in profit or loss only when the right to receive payment is established, it is probable that the economic benefits associated with the dividend will flow to the Company, and the amount of the dividend can be measured reliably.



Rental income

Rental income is recognized on a straight-line basis over the terms of the lease, except for contingent rental income which is recognized when it arises and where scheduled increase in rent compensates the lessor for expected inflationary costs.

c. Inventories

Finished goods, work in progress, raw material, stores, spares and components are valued at lower of cost and net realisable value. Cost of inventory has been arrived at by using the weighted average cost formula. Cost of inventory comprises all costs of purchase, duties, taxes (other than those subsequently recoverable from tax authorities) & all other costs incurred to bring the inventories to their present condition and location. Tools and instruments are valued at cost less depletion in value. Stock of scrap is valued at estimated realizable value. Net realisable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and estimated costs necessary to make the sale.

d. Income Taxes

Tax expense recognised in the statement of profit and loss comprises the sum of deferred tax and current tax not recognised in Other Comprehensive Income (OCI) or directly in equity.

Current tax is measured at the amount expected to be paid to the tax authorities in accordance with the Income-tax Act, 1961. Current tax relating to items recognised outside statement of profit and loss is recognised outside statement of profit and loss (i.e. in OCI or equity depending upon the treatment of underlying item).

Deferred tax liabilities are generally recognised in full for all taxable temporary differences. Deferred tax assets are recognised to the extent that it is probable that the underlying tax loss, unused tax credits or deductible temporary difference will be utilised against future taxable income. This is assessed based on the Company's forecast of future operating results, adjusted for significant non-taxable income and expenses and specific limits on the use of any unused tax loss or credit. Unrecognised deferred tax assets are re-assessed at each reporting date and are recognised to the extent that it has become probable that future taxable profits will allow the deferred tax asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the reporting date. Deferred tax relating to items recognised outside the statement of profit and loss is recognised outside statement of profit and loss (in OCI or equity depending upon the treatment of underlying item).

e. Cash and cash equivalents

Cash and cash equivalent in the balance sheet comprise cash at banks and on hand and short-term deposits with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

f. Foreign currency transactions

The financial statements are presented in Indian Rupee ('INR' or 'Rs.') which is also the functional currency of the Company.

Foreign currency transactions are translated into the functional currency using the exchange rates at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation of monetary assets and liabilities denominated in foreign currencies at year end exchange rates are generally recognised in profit or loss.

Foreign exchange differences regarded as an adjustment to borrowing costs are presented in the statement of profit and loss, within finance costs. All other foreign exchange gains and losses are presented in the statement of profit and loss on a net basis within other income/expenses, as the case maybe.

g. Financial instruments

Initial recognition and measurement

Financial assets and financial liabilities are recognized when the Company becomes a party to the contractual provisions of the financial instrument and are measured initially at fair value adjusted for transaction costs,



except for those carried at fair value through profit or loss which are measured initially at fair value. Subsequent measurement of financial assets and financial liabilities is described below:

Non-derivative financial assets

Subsequent measurement

- i. Financial assets carried at amortised cost** – a financial asset is measured at the amortised cost, if both the following conditions are met:
 - The asset is held within a business model whose objective is to hold assets for collecting contractual cash flows, and
 - Contractual terms of the asset give rise on specified dates to cash flows that are solely payments of principal and interest (SPPI) on the principal amount outstanding.After initial measurement, such financial assets are subsequently measured at amortised cost using the effective interest rate (EIR) method.
- ii. Fair value through OCI-A** financial asset is measured at FVTOCI if both of the following conditions are met:
 - The Company's business model objective for managing the financial asset is achieved both by collecting contractual cash flows and selling the financial assets, and
 - The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.
- iii. Fair value through profit or loss** – Assets that do not meet the criteria for amortised cost or FVOCI are measured at fair value through profit or loss. A gain or loss on a debt investment that is subsequently measured at fair value through profit or loss and is not part of a hedging relationship is recognised in profit or loss and presented net in the statement of profit and loss within other gains/(losses) in the period in which it arises. Interest income from these financial assets is included in other income.

Impairment of financial assets

In accordance with Ind AS 109, the Company applies expected credit loss (ECL) model for measurement and recognition of impairment loss for financial assets. ECL is the weighted-average of difference between all contractual cash flows that are due to the Company in accordance with the contract and all the cash flows that the Company expects to receive, discounted at the original effective interest rate, with the respective risks of default occurring as the weights. When estimating the cash flows, the Company is required to consider:

- All contractual terms of the financial assets (including prepayment and extension) over the expected life of the assets.
- Cash flows from the sale of collateral held or other credit enhancements that are integral to the contractual terms.

Trade receivables: In respect of trade receivables, the Company applies the simplified approach of Ind AS 109, which requires measurement of loss allowance at an amount equal to lifetime expected credit losses. Lifetime expected credit losses are the expected credit losses that result from all possible default events over the expected life of a financial instrument.

Other financial assets: In respect of its other financial assets, the Company assesses if the credit risk on those financial assets has increased significantly since initial recognition. If the credit risk has not increased significantly since initial recognition, the Company measures the loss allowance at an amount equal to 12-month expected credit losses, else at an amount equal to the lifetime expected credit losses.

When making this assessment, the Company uses the change in the risk of a default occurring over the expected life of the financial asset. To make that assessment, the Company compares the risk of a default occurring on the financial asset as at the balance sheet date with the risk of a default occurring on the financial asset as at the date of initial recognition and considers reasonable and supportable information, that is available without undue cost or effort, that is indicative of significant increases in credit risk since initial recognition. The Company



assumes that the credit risk on a financial asset has not increased significantly since initial recognition if the financial asset is determined to have low credit risk at the balance sheet date.

De-recognition of financial assets

A financial asset is primarily de-recognised when the contractual rights to receive cash flows from the asset have expired or the Company has transferred its rights to receive cash flows from the asset.

Non-derivative financial liabilities

Subsequent measurement

Subsequent to initial recognition, all non-derivative financial liabilities are measured at amortised cost using the effective interest method.

De-recognition of financial liabilities

A financial liability is de-recognized when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the de-recognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in the statement of profit or loss.

Offsetting of financial instruments

Financial assets and financial liabilities are offset and the net amount is reported in the balance sheet if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, to realise the assets and settle the liabilities simultaneously.

h. Fair value of financial instruments

In determining the fair value of its financial instruments, the Company uses a variety of methods and assumptions that are based on market conditions and risks existing at each reporting date. The methods used to determine fair value include discounted cash flow analysis, available quoted market prices and dealer quotes. All methods of assessing fair value result in general approximation of value, and such value may never actually be realized. For financial assets and liabilities maturing within one year from the Balance Sheet date and which are not carried at fair value, the carrying amounts approximate fair value due to the short maturity of these instruments.

i. Property, plant and equipment ('PPE')

Recognition and initial measurement

Property, plant and equipment are stated at their cost of acquisition. The cost comprises purchase price, taxes (non recoverable) borrowing cost if capitalisation criteria are met and other expenses directly attributable cost of bringing the asset to its working condition for the intended use. Any trade discount and rebates are deducted in arriving at the purchase price. Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Company and definition of asset is met. All other repair and maintenance costs are recognised in the statement of profit or loss as incurred.

In case an item of property, plant and equipment is acquired on deferred payment basis, interest expenses included in deferred payment is recognised as interest expense and not included in cost of asset.

Subsequent measurement (depreciation and useful lives)

Depreciable amount for assets is the cost of an asset, or other amount substituted for cost, less its estimated residual value. Depreciation on tangible fixed assets has been provided on the straight-line method as per the useful life prescribed in Schedule II to the Companies Act, 2013.

De-recognition

An item of property, plant and equipment and any significant part initially recognised is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on de-recognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the statement of profit and loss when the asset is derecognised.



j. Investment properties

Recognition and initial measurement

Investment properties are properties held to earn rentals or for capital appreciation, or both. Investment properties are measured initially at their cost of acquisition. The cost comprises purchase price, borrowing cost, if capitalization criteria are met and directly attributable cost of bringing the asset to its working condition for the intended use. Any trade discount and rebates are deducted in arriving at the purchase price.

Subsequent costs are included in the asset's carrying amount or recognized as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Company. All other repair and maintenance costs are recognized in statement of profit or loss as incurred.

Subsequent measurement (depreciation and useful lives)

Investment properties are subsequently measured at cost less accumulated depreciation and impairment losses. Depreciation on investment properties is provided on the straight-line method, computed on the basis of useful lives (as set-out below) prescribed in Schedule II to the Act:

Asset Category	Useful Life (in years)
Buildings and related equipments	60

The residual values, useful lives and method of depreciation are reviewed at the end of each financial year.

De-recognition

Investment properties are de-recognized either when they have been disposed off or when they are permanently withdrawn from use and no future economic benefit is expected from their disposal. The difference between the net disposal proceeds and the carrying amount of the asset is recognized in profit or loss in the period of de-recognition.

k. Intangible assets

Recognition and initial measurement

Intangible assets acquired separately are measured on initial recognition at cost. Following initial recognition, intangible assets are carried at cost less accumulated amortization and accumulated impairment losses, if any.

Subsequent measurement (depreciation and useful lives)

Amortisation on intangible assets has been provided on the straight-line method on useful life of 6 years. The estimated useful life of the intangible assets and the amortization period are reviewed at the end of each financial year and the amortization period is revised to reflect the changed pattern, if any.

De-recognition

An item of intangible assets and any significant part initially recognised is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on de-recognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the statement of profit and loss when the asset is derecognised.

l. Capital work-in progress

Cost of material consumed and erection charges thereon along with other direct cost incurred by the Company for the projects are shown as capital work-in-progress until capitalisation. Claims for price variation / exchange rate variation in case of contracts are accounted for on acceptance / receipt of claim.

m. Impairment of non-financial assets

At each reporting date, the Company assesses whether there is any indication based on internal/external factors, that an asset may be impaired. If any such indication exists, the Company estimates the recoverable amount of the asset. The recoverable amount is higher of an asset's fair value less costs of disposal and value in use. For this purpose, assets are grouped at the lowest levels for which there are separately identifiable cash inflows which are largely independent of the cash inflows from other assets or group of assets (cash generating units). If such recoverable amount of the asset or the recoverable amount of the cash generating unit to which the



asset belongs is less than its carrying amount, the carrying amount is reduced to its recoverable amount and the reduction is treated as an impairment loss and is recognised in the statement of profit and loss. If at the balance sheet date, there is an indication that a previously assessed impairment loss no longer exists, the recoverable amount is reassessed and the asset is reflected at the recoverable amount subject to a maximum of depreciated historical cost and the same is accordingly reversed in the statement of profit and loss.

n. Operating leases as a lessee

Leases in which a significant portion of the risks and rewards of ownership are not transferred to the Company as lessee are classified as operating leases. Payments made under operating leases are charged to profit or loss on a straight-line basis over the period of the lease, unless the increase in rent is to compensate the lessor for the effects of inflation.

o. Borrowing costs

Borrowing costs directly attributable to the acquisitions, construction or production of a qualifying asset are capitalised during the period of time that is necessary to complete and prepare the asset for its intended use or sale. Other borrowing costs are expensed in the period in which they are incurred and reported in finance costs.

A qualifying asset is one that necessarily takes substantial period of time to get ready for its intended use. Capitalisation of borrowing costs is suspended in the period during which the active development is delayed due to, other than temporary, interruption.

p. Provisions, contingent liabilities and contingent assets

Provisions are recognised when present obligations as a result of a past event will probably lead to an outflow of economic resources and amounts can be estimated reliably. Timing or amount of the outflow may still be uncertain. A present obligation arises when there is a presence of a legal or constructive commitment that has resulted from past events, for example, legal disputes or onerous contracts. Provisions are not recognised for future operating losses.

Provisions are measured at the estimated expenditure required to settle the present obligation, based on the most reliable evidence available at the reporting date, including the risks and uncertainties associated with the present obligation. Provisions are discounted to their present values, where the time value of money is material.

Any reimbursement that the Company can be virtually certain to collect from a third party with respect to the obligation is recognised as a separate asset. However, this asset may not exceed the amount of the related provision.

All provisions are reviewed at each reporting date and adjusted to reflect the current best estimate.

In those cases where the outflow of economic resources as a result of present obligations is considered improbable or remote, no liability is recognised.

Contingent liability is disclosed for:

- Possible obligations which will be confirmed only by future events not wholly within the control of the Company or
- Present obligations arising from past events where it is not probable that an outflow of resources will be required to settle the obligation or a reliable estimate of the amount of the obligation cannot be made.

Contingent assets are not recognised. However, when inflow of economic benefits is probable, related asset is disclosed.

q. Employee benefits

Expenses and liabilities in respect of employee benefits are recorded in accordance with Indian Accounting Standard 19- Employee Benefits.

Defined benefit plans

Gratuity

The Company operates one defined benefit plan for its employees, viz. gratuity. The cost of providing benefits under this plan is determined on the basis of actuarial valuation at each year-end using the projected unit credit



method. Actuarial gain and loss for the defined benefit plan is recognized in full in the period in which they occur in other comprehensive income.

Other long term benefits

Accumulated leave expected to be carried forward beyond twelve months, is treated as long term employee benefit. Such long term compensated absences are provided for based on the actuarial valuation using the projected unit credit method at the year end. Accumulated leave, which is expected to be utilised within the next 12 months, is treated as short term employee benefit.

Liability under continuity linked key resource and deferred salary schemes is provided for on actuarial valuation basis, which is done as per the projected unit credit method at the end of each financial period.

Defined contribution plans

Provident Fund

The Company makes contribution to statutory provident fund in accordance with Employees Provident Fund and Miscellaneous Provisions Act, 1952. The plan is a defined contribution plan and contribution paid or payable is recognised as an expense in the period in which services are rendered by the employee.

Short-term employee benefits

Expense in respect of other short term benefits is recognised on the basis of the amount paid or payable for the period during which services are rendered by the employee.

r. Earnings per share

Basic earnings per share is calculated by dividing the net profit or loss for the period attributable to equity shareholders (after deducting attributable taxes) by the weighted average number of equity shares outstanding during the period. The weighted average number of equity shares outstanding during the period is adjusted for events including a bonus issue.

For the purpose of calculating diluted earnings per share, the net profit or loss for the period attributable to equity shareholders and the weighted average number of shares outstanding during the period are adjusted for the effects of all dilutive potential equity shares.

s. Segment reporting

Operating segments are reported in a manner consistent with the internal reporting done to the chief operating decision maker. The Company operates in a single operating segment and geographical segment.

t. Investment in Subsidiary and Associate Companies

The Company has elected to recognize its investments in subsidiary and associate companies at cost in accordance with the option available in Ind AS 27, 'Separate Financial Statements'.

3. Recent accounting pronouncement

In March 2018, the Ministry of Corporate Affairs (MCA) issued the Companies (Indian Accounting Standards) Amendment Rules, 2018, notifying Ind AS 115, Revenue from contract with customers, Appendix B to Ind-AS 21, Foreign currency transactions and advance consideration and amendments to certain other standards. These amendments are applicable to the Company from 1st April, 2018. The Company will be adopting the amendments from their effective date.

Ind AS 115: Revenue from Contracts with Customers

Ind AS 115 supersedes Ind AS 11, Construction contracts and Ind AS 18, Revenue. Ind AS 115 requires an entity to report information regarding nature, amount, timing and uncertainty of revenue and cash flows arising from contract with customers. The principle of Ind AS 115 is that an entity should recognize revenue that demonstrates the transfer of promised goods and services to customers at an amount that reflect the consideration to which the entity expects to be entitled in exchange for those goods and services. The standards can be applied either retrospectively to each prior reporting period presented or can be applied retrospectively with recognition of cumulative effect of contracts that are not completed contracts at the date of initial application of the standard.



Based on the preliminary assessment performed by the company, the impact of application of standard is not expected to be material.

Appendix B to Ind AS 21, Foreign currency transaction and advance consideration

The appendix clarifies that the date of the transaction for the purpose of determining the exchange rate to use on initial recognition of the asset, expense or income (or part of it) is the date on which an entity initially recognizes the non-monetary asset or non-monetary liability arising from the payment of receipt of advance consideration towards such asset , expenses or income . If there are multiple payments or receipt in advance, then an entity must determine an transaction date for each payments or receipts of advance consideration.

Based on the preliminary assessment performed by the company, the impact of application of appendix is not expected to be material.

4. Significant accounting judgements, estimates and assumptions

When preparing the financial statements management undertakes a number of judgments, estimates and assumptions about recognition and measurement of assets, liabilities, income and expenses.

The actual results are likely to differ from the judgments, estimates and assumptions made by management, and will seldom equal the estimated results.

Information about significant judgments, estimates and assumptions that have the most significant effect on recognition and measurement of assets, liabilities, income and expenses are discussed below:

Significant judgements:

(i) Evaluation of indicators for impairment of non-financial assets

The evaluation of applicability of indicators of impairment of non-financial assets requires assessment of several external and internal factors which could result in deterioration of recoverable amount of the assets.

(ii) Recognition of deferred tax assets

The extent to which deferred tax assets can be recognised is based on an assessment of the probability of the future taxable income against which the deferred tax assets can be utilised. The recognition of deferred tax assets and reversal thereof is also dependent upon management decision relating to timing of availment of tax holiday benefits available under the Income Tax Act, 1961 which in turn is based on estimates of future taxable profits.

Sources of estimation uncertainty:

(i) Provisions

At each balance sheet date, basis the management judgment, changes in facts and legal aspects, the Company assesses the requirement of provisions against the outstanding warranties and guarantees. However, the actual future outcome may be different from management's estimates.

(ii) Fair valuation of financial instruments

Management applies valuation techniques to determine the fair value of financial instruments (where active market quotes are not available). This involves developing estimates and assumptions consistent with how market participants would price the instrument.



Notes to the Financial Statements as at 31st March, 2018

(All amounts in rupees lakhs unless otherwise stated)

5. Property, Plant and Equipment

Particulars	Plant & Machinery	Furniture	Vehicles	Office equipment	Total
Gross carrying value					
As at 1 April 2016	948.15	31.59	80.76	34.62	1,095.12
Additions	21.13	2.14	—	8.72	31.99
Disposals/ adjustments	—	(1.30)	(4.87)	(2.06)	(8.23)
Total As at 31 March, 2017	969.28	32.43	75.89	41.28	1,118.88
Additions	18.59	0.35	18.73	8.48	46.15
Disposals/ adjustments	(2.24)	—	(2.25)	—	(4.49)
Total As at 31 March, 2018	985.63	32.78	92.37	49.76	1,160.54
Accumulated depreciation					
As at 1 April 2016	—	—	—	—	—
Charge for the year	150.14	4.88	20.49	13.70	189.21
Disposals/ adjustments	—	—	—	—	—
Total As at 31 March, 2017	150.14	4.88	20.49	13.70	189.21
Charge for the year	150.03	4.84	13.63	11.48	179.98
Disposals/ adjustments	—	—	—	—	—
Total As at 31 March, 2018	300.17	9.72	34.12	25.18	369.19
Net carrying value					
As at 31 March, 2018	685.46	23.06	58.25	24.58	791.35
As at 31 March, 2017	819.14	27.55	55.40	27.58	929.67
As at 1 April, 2016*	948.15	31.59	80.76	34.62	1,095.12
Particulars	Plant & Machinery	Furniture	Vehicles	Office equipment	Total
Gross carrying amount as per					
Previous GAAP					
As at 1 April 2016	2,641.86	68.85	183.40	108.62	3,002.73
Accumulated depreciation as per					
Previous GAAP					
As at 1 April 2016	1,693.71	37.26	102.64	74.00	1,907.61
Net carrying amount (deemed cost)					
as at 1 April 2016*	948.15	31.59	80.76	34.62	1,095.12

* Represents deemed cost on the date of transition to IndAS.

Notes:

- The Company does not have any contractual commitments for the acquisition of property, plant and equipment.
- The company has not capitalised any borrowing cost during the year ended 31 March 2018 (31 March 2017: Nil, 1 April 2016: Nil).



IST LIMITED

Notes to the Financial Statements as at 31st March, 2018

(All amounts in rupees lakhs unless otherwise stated)

6. Investment property

Particulars	Freehold Land	Building**	Total
Gross carrying value			
1 April 2016	361.95	5,617.19	5,979.14
Additions	—	—	—
Disposals/ adjustments	—	—	—
Total As at 31 March, 2017	361.95	5,617.19	5,979.14
Additions	—	—	—
Disposals/ adjustments	—	—	—
Total As at 31 March, 2018	361.95	5,617.19	5,979.14
Accumulated depreciation			
1 April 2016	—	—	—
Charge for the year	—	94.06	94.06
Disposals/ adjustments	—	-	-
Total As at 31 March, 2017	—	94.06	94.06
Charge for the year	—	94.06	94.06
Disposals/ adjustments	—	—	—
Total As at 31 March, 2018	—	188.12	188.12
Net carrying value			
As at 31 March, 2018	361.95	5,429.07	5,791.02
As at 31 March, 2017	361.95	5,523.13	5,885.08
As at 1 April 2016	361.95	5,617.19	5,979.14
Particulars	Freehold Land	Building	Total
Gross carrying amount as per Previous GAAP			
As at 1 April 2016	361.95	5,673.41	6,035.36
Accumulated depreciation as per Previous GAAP			
As at 1 April 2016	—	56.22	56.22
Net carrying amount (deemed cost) as at 1 April 2016*	361.95	5,617.19	5,979.14

* Represents deemed cost on the date of transition to IndAS.

** Building includes commercial property at Noida, Uttar Pradesh amounting of Rs 4694.79 lakhs (31 March 2017: 4694.79 lakhs, 1 April 2016: Nil), whose registration is pending.

(i) Amount recognised in profit and loss for investment properties

Particulars	31 March 2018	31 March 2017
Rental income	734.75	597.93
Direct operating expenses that generated rental income	—	—
Direct operating expenses that did not generate rental income	2.68	9.27
Profit from leasing of investment properties	732.07	588.66
Depreciation for the year	94.06	94.06
Profit after depreciation	638.01	494.60

(ii) Fair value of investment properties

Particulars	31 March 2018	31 March 2017	1 April 2016
Fair value	4,865.07	4,743.44	4,621.82



(iii) Leasing arrangements

The aforementioned investment property is leased to a tenant under long term operating lease agreement with rentals payable monthly. Minimum payments expected to be received under non-cancellable subleases at the balance sheet date:

Particulars	31 March 2018	31 March 2017	1 April 2016
Not later than one year	707.49	751.28	298.00
Later than one year but not later than five years	823.63	1757.41	—
Later than five years	—	—	—

7. Intangible assets

- Intangible assets consist of computer softwares

Particulars	Amount
Gross carrying value	
1 April, 2016	5.60
Additions	—
Disposals/ adjustments	—
Total As at 31 March, 2017	5.60
Additions	2.92
Disposals/ adjustments	—
Total As at 31 March, 2018	8.52
Accumulated amortisation	
1 April, 2016	—
Charge for the year	3.28
Disposals/ adjustments	—
Total As at 31 March, 2017	3.28
Charge for the year	2.39
Disposals/ adjustments	—
Total As at 31 March, 2018	5.67
Net carrying value	
As at 31 March, 2018	2.85
As at 31 March, 2017	2.32
As at 1 April 2016*	5.60
Particulars	Total
Gross carrying amount as per Previous GAAP As at 1 April 2016	19.98
Accumulated amortisation as per Previous GAAP As at 1 April 2016	14.38
Net carrying amount (deemed cost) as at 1 April 2016*	5.60

* Represents deemed cost on the date of transition to IndAS.

- (i) The Company has a contractual commitments of Rs 0.95 Lakhs(31 March 2017: Nil, 1 April 2016: Nil) for the acquisition of intangible assets.

7A. Intangible assets under development

Particulars	As at 31 March, 2018	As at 31 March, 2017	As at 1 April 2016
Intangible assets under development	0.25	—	—



IST LIMITED

Notes to the Financial Statements as at 31st March, 2018

(All amounts in rupees lakhs unless otherwise stated)

	As at 31 March, 2018	As at 31 March, 2017	As at 1 April 2016
8. Investment			
Investment in Equity Instruments(fully paid-up)			
Unquoted, equity shares of subsidiary company (at cost)			
Gurgaon Infospace Ltd	100.00	100.00	100.00
1,00,000 (31 March 2017: 1,00,000; 1 April 2016: 1,00,000) equity shares of Rs.100/- each			
Unquoted, equity shares of associate company (at cost)			
IST Steel & Power Ltd	884.00	884.00	884.00
88,40,000 (31 March 2017: 88,40,000; 1 April 2016: 88,40,000) Equity Shares of Rs.10/- each			
Quoted, equity shares (at fair value through profit and loss)			
J.C.T.Ltd	0.13	0.24	0.23
4,800 (31 March 2017: 4,800; 1 April 2016: 4,800) Equity Shares of Rs.2.50 each			
C.T.Cotton Yarn Ltd.	—	—	—
2,000 (31 March 2017: 2,000; 1 April 2016: 2,000) Equity Shares of Rs.10/- each			
Rossell India Ltd.	7.32	10.23	8.96
8,000 (31 March 2017: 8,000; 1 April 2016: 8,000) Equity Shares of Rs.10/- each			
Indian Oil Corporation Ltd	34.99	—	—
19,845 (31 March 2017: Nil; 1 April 2016: Nil) Equity Shares of Rs.10/- each			
Pertronet LNG Ltd	69.39	—	—
30,000 (31 March 2017: Nil; 1 April 2016: Nil) Equity Shares of Rs.10/- each			
Investment in preference shares (fully paid-up)			
Unquoted, non-convertible preference shares (at fair value through profit and loss)			
Associate Company			
IST Steel & Power Ltd			
Debt portion of 15,00,000 : (31 March 2017: 15,00,000; 1 April 2016: 15,00,000) 9% Non Cumulative, Non Convertible Preference Shares of Rs.100/- each, redeemable at par	1,528.80	1,561.20	1,494.31
Other Company			
Subham Infra developers (P) Ltd			
Debt portion of 11,50,000 (31 March 2017: 11,50,000; 1 April 2016: 11,50,000) 9% Non Cumulative, Non Convertible Preference Shares of Rs.100/- each	1,172.31	1,191.40	1,140.40
Investments in Government or trust securities			
Quoted, investment in tax free bonds (at amortised cost)			
1,50,000 (31 March 2017: 1,50,000; 1 April 2016: 1,50,000) 7.51%, HUDCO 15 Years Tax-free Bonds Rs.1000/- each	1,513.58	1,513.58	1,513.58
12,491 (31 March 2017: 12,491; 1 April 2016: 12,491) 7.28%, NTPC 15 Years Tax free bond series 2A Rs.1000/- each	129.34	129.34	129.36



Notes to the Financial Statements as at 31st March, 2018

(All amounts in rupees lakhs unless otherwise stated)

	As at 31 March, 2018	As at 31 March, 2017	As at 1 April 2016
Unquoted, investment in tax free bonds (at amortised cost)			
100 (31 March 2017: 100; 1 April 2016: 100) 7.15% IRFC 10 Years Tax free Bond Series 100 Rs.10,00,000/-each	1,068.96	1,068.96	1,043.96
100 7.00%,(31 March 2017: 100; 1 April 2016: 100) HUDCO 10 Years Tax-free Bonds Series C Rs.10,00,000/- each	1,033.28	1,033.09	1,033.57
70 (31 March 2017: 70; 1 April 2016: 70) 7.28% NHAI 15 Years Tax free Bond of Rs. 10,00,000/- each	750.75	750.89	727.36
National saving certificate (at amortised cost)	—	0.20	0.20
Investment in mutual fund			
Unquoted, at fair value through profit and loss			
SBI DAF-Series-XXV Reg-Growth 3,00,000 (31 March 2017: Nil; 1 April 2016: Nil) units	300.18	—	—
Total	8,593.03	8,243.13	8,075.93
Total non-current investments			
Aggregate value of quoted investments	1,754.75	1,653.39	1,652.13
Market value of quoted investments	1,882.05	1,794.39	1,734.25
Aggregate value of unquoted investments	6,838.28	6,589.74	6,423.80
Aggregate value of impairment in the value of investments	—	—	—

9. Loans

(Unsecured, considered good unless otherwise stated)

Security deposits			
- Related parties	9.42	—	33.69
- Others	17.97	17.93	17.91
Loans			
- Related parties	475.21	439.60	406.66
	502.60	457.53	458.26

10. Other financial assets

Balance with Banks			
Term Deposits remaining maturity more than 12 months*	8.14	7.66	7.10
	8.14	7.66	7.10

*Pledged with Sales tax department Rs 1.94 lakhs (31 March 2017 Rs.1.83 lakhs ; 1 April 2016: Rs. 1.69 lakhs) and State Bank of India Rs 6.20 lakhs (31 March 2017 Rs. 5.83 lakhs; 1 April 2016: Rs. 5.41 lakhs).

11. Other non current asset

Advance for capital goods	448.25	417.00	500.00
Prepaid expenses	72.10	46.62	49.29
	520.35	463.62	549.29



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Notes to the Financial Statements as at 31st March, 2018

(All amounts in rupees lakhs unless otherwise stated)

	As at 31 March, 2018	As at 31 March, 2017	As at 1 April 2016
12. Inventories			
(at lower of cost and net realisable value)			
Raw material	85.58	65.21	88.06
Work-in-progress	542.18	582.37	508.76
Finished goods	23.42	15.13	49.09
Stores & spares and consumables	76.49	77.50	77.62
Scrap (at net realisable value)	18.25	18.47	17.80
	<u>745.92</u>	<u>758.68</u>	<u>741.33</u>
13 Investments			
Unquoted, at fair value through profit and loss			
Investment in mutual funds			
SBI PLF Dir Plan Growth	446.99	50.20	—
16,406.94 (31 March 2017: 1,966.84; 1 April 2016: Nil) units	<u>446.99</u>	<u>50.20</u>	<u>—</u>
14 Trade receivables			
Unsecured, considered good	543.71	603.97	523.61
	<u>543.71</u>	<u>603.97</u>	<u>523.61</u>
15. Cash and cash equivalents			
Cash on hand	4.98	2.19	6.38
Cheques , drafts in hand	15.45	9.82	3.51
Balance with banks			
- with scheduled banks in current accounts	11.83	20.82	8.80
- with scheduled banks held as margin money	338.53	251.07	150.38
- with scheduled banks in fixed deposits	—	—	102.63
	<u>370.79</u>	<u>283.90</u>	<u>271.70</u>
16. Loans			
<i>(Unsecured, considered good unless otherwise stated)</i>			
Security deposits			
-Related parties (refer note no.42)	3.60	36.89	—
	<u>3.60</u>	<u>36.89</u>	<u>—</u>
17 Others financial assets			
Unsecured considered good			
Staff advances	11.50	6.00	2.93
	<u>11.50</u>	<u>6.00</u>	<u>2.93</u>
18 Other current assets			
Advances to suppliers	2.89	3.71	5.55
Prepaid expenses	8.82	10.26	16.79
Balance with govt authorities	4.75	4.46	8.71
Other advances	9.64	6.40	7.48
	<u>26.10</u>	<u>24.83</u>	<u>38.53</u>



Notes to the Financial Statements as at 31st March, 2018

(All amounts in rupees lakhs unless otherwise stated)

	As at 31 March, 2018	As at 31 March, 2017	As at 1 April 2016
19 Share capital			
Authorized share capital			
1,00,00,000 equity shares; 31 March 2018:			
1,00,00,000 equity shares; 31 March 2017:			
1,00,00,000 equity shares; 01 April 2016:			
1,00,00,000 equity shares of Rs.10/- each	1,000.00	1,000.00	1,000.00
	1,000.00	1,000.00	1,000.00
Issued share capital			
60,27,728 equity shares; 31 March 2018: 60,27,728 equity shares;			
31 March 2017: 60,27,728 equity shares; 01 April 2016:			
60,27,728 equity shares of Rs.10/- each	602.77	602.77	602.77
	602.77	602.77	602.77
Issued, subscribed capital and fully paid up			
58,32,056 equity shares; 31 March 2018: 58,32,056 equity shares;			
31 March 2017: 58,32,056 equity shares; 01 April 2016:			
58,32,056 equity shares of Rs.10/- each fully paid up.	583.21	583.21	583.21
Add : Shares Forfeited	1.47	1.47	1.47
	584.68	584.68	584.68

a) Reconciliation of number of equity shares outstanding at the beginning and end of the year

Description	31 March 2018		31 March 2017		01 April 2016	
	No.	Amount	No.	Amount	No.	Amount
Shares outstanding at the beginning of the year	58,32,056	583.21	58,32,056	583.21	58,32,056	583.21
Add: Shares issued during the year	—	—	—	—	—	—
Shares outstanding at the end of the year	58,32,056	583.21	58,32,056	583.21	58,32,056	583.21

b) Share holders holding more than 5% of the equity shares

Name of the Shareholder	31 March 2018		31 March 2017		01 April 2016	
	No.	% of Holding	No.	% of Holding	No.	% of Holding
M/s Gupta International Investment Company Ltd	29,13,221	49.95	29,13,221	49.95%	29,13,221	49.95%
M/s Eastern India Power and Mining Co. Pvt Ltd	3,77,352	6.47	3,77,352	6.47%	87,352	1.50%
M/s Smridhi Realty and Trade LLP	1,10,700	1.90	3,85,700	6.61%	9,55,700	16.39%
M/s Delux Associates LLP	6,19,375	10.62	3,44,375	5.90%	475	0.01%

c) Terms and rights attached to equity shares

The Company has only one class of equity shares having the par value of the each share is Rs.10. Each shareholder shall have voting right equal to shareholding percentage of the total of the shares issued. In the event of liquidation, the equity shareholders are eligible to receive the remaining assets of the Company, after distribution of all preferential amount, in proportion to their shareholdings.

- d) The Company has not issued bonus shares, equity shares for considerations other than cash and also no shares has been bought back, during the immediately preceding five years



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Notes to the Financial Statements as at 31st March, 2018

(All amounts in rupees lakhs unless otherwise stated)

	31 March 2018	31 March 2017
20. Other Equity		
General reserve		
Opening balance	11,080.04	11,080.04
Additions during the year	—	—
Closing balance	<u>11,080.04</u>	<u>11,080.04</u>
General reserve is created from time to time by way of transfer profits from retained earnings for appropriation purposes. General reserve is created by a transfer from one component of equity to another and is not an item of other comprehensive income		
Securities premium account		
Opening balance	60.59	60.59
Additions during the year	—	—
Closing balance	<u>60.59</u>	<u>60.59</u>
Securities premium account represents premium received on issue of shares. It is utilised in accordance with the provisions of the Companies Act, 2013		
Surplus in the statement of profit and loss		
Opening balance	4,954.81	4,075.92
Add: profit for the year	1,006.27	878.89
Closing balance	<u>5,961.08</u>	<u>4,954.81</u>
Remeasurement of employee benefit obligations:		
Opening balance	(2.74)	—
Add: profit/(loss) for the year	1.27	(2.74)
Closing balance	<u>(1.47)</u>	<u>(2.74)</u>
	<u>17,100.24</u>	<u>16,092.70</u>



Notes to the Financial Statements as at 31st March, 2018

(All amounts in rupees lakhs unless otherwise stated)

	As at 31 March, 2018	As at 31 March, 2017	As at 1 April 2016
21. Borrowings			
Secured loans			
Term loans			
- From other parties			
Long-term borrowings from NBFC*	—	400.00	1,250.00
*Secured by Pledge of 100 HUDCO and 100 IRFC Tax Free Bonds of Rs 20 Crores. 24 monthly equal instalments. Rate of interest 9.5%.			
	<u>—</u>	<u>400.00</u>	<u>1,250.00</u>

Reconciliation of liabilities arising from financing activities

The changes in the Company's liabilities arising from financing activities can be classified as follows:

Particulars	Long-term borrowings	Short-term borrowings	Total
1 April 2016	1,250.00	12.28	1,262.28
Cash flows:			
- Repayment	850.00	12.28	862.28
- Proceeds	—	—	—
31 March 2017	400.00	—	400.00
Cash flows:			
- Repayment	400.00	—	400.00
- Proceeds	—	8.48	8.48
31 March 2018	—	8.48	8.48

	As at 31 March, 2018	As at 31 March, 2017	As at 1 April 2016
22 Other financial liabilities			
Security deposit	111.28	101.63	83.82
	<u>111.28</u>	<u>101.63</u>	<u>83.82</u>
23 Provisions			
Provision for employee benefits:			
Provision for gratuity	73.79	68.28	62.35
Provisions for compensated absences	36.44	35.61	29.83
	<u>110.23</u>	<u>103.89</u>	<u>92.18</u>



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	As at 31 March, 2018	As at 31 March, 2017	As at 1 April 2016
24 Deferred tax liabilities (net)			
Deferred tax liabilities arising on account of:-			
Timing differences between written down value of fixed assets as per books and Income tax act, 1961	71.81	101.92	129.35
Financial assets measured at amortised cost	2.62	2.06	0.88
Fair valuation of investments	12.59	21.62	—
Deferred tax assets arising on account of:-			
Employee benefits:			
Provision for bonus	4.00	—	—
Provision for gratuity	39.33	41.49	34.55
Fair valuation of investments	—	—	4.68
	<u>43.69</u>	<u>84.11</u>	<u>91.00</u>

(i) Movement in deferred tax (assets)/liabilities for year ended 31 March 2018:

Particulars	As at 31 March, 2017	Recognized in profit or loss	Recognized in other comprehensive income	As at 31 March, 2018
Deferred tax liabilities arising on account of:-				
Timing difference between written down value of fixed assets as per books of accounts and income tax	101.92	(30.11)	—	71.81
Financial assets measured at amortised cost	2.06	0.56	—	2.62
Fair valuation of investments	21.62	(9.03)	—	12.59
Deferred tax liabilities (a)	125.60	(38.58)	—	87.02
Deferred tax assets arising on account of:-				
Employee benefits:				
Provision for bonus	—	4.00	—	4.00
Provision for gratuity	41.49	(1.68)	(0.48)	39.33
Deferred tax assets (b)	41.49	2.32	(0.48)	43.33
Net deferred tax (asset)/liabilities (a-b)	84.11	(40.90)	0.48	43.69

(ii) Movement in deferred tax (assets)/liabilities for year ended 31 March 2017:

Particulars	As at 1 April, 2016	Recognized in profit or loss	Recognized in other comprehensive income	As at 31 March, 2017
Deferred tax liabilities arising on account of:-				
Timing difference between written down value of fixed assets as per books of accounts and income tax	129.35	(27.43)	—	101.92
Financial assets measured at amortised cost	0.88	1.18	—	2.06
Fair valuation of investments	—	21.62	—	21.62
Deferred tax liabilities (a)	130.23	(4.63)	—	125.60
Deferred tax assets arising on account of:-				
Employee benefits:				
Provision for gratuity	34.55	5.59	1.35	41.49
Fair valuation of investments	4.68	(4.68)	—	—
Deferred tax assets (b)	39.23	0.91	1.35	41.49
Net deferred tax (asset)/liabilities (a-b)	91.00	(5.54)	(1.35)	84.11



Notes to the Financial Statements as at 31st March, 2018

(All amounts in rupees lakhs unless otherwise stated)

	As at 31 March, 2018	As at 31 March, 2017	As at 1 April 2016
25 Other non-current liabilities			
Deferred Income	84.98	97.65	103.35
	<u>84.98</u>	<u>97.65</u>	<u>103.35</u>
26 Borrowings			
Secured loans			
Loans repayable on demand			
Cash Credit from Bank -State Bank of India*	8.48	—	12.28
*Secured by hypothecation of charge on entire current assets, book debts, receivables, documentary bills, domestic, export of the company both present and future. Interest rate is 12.85% p.a (31 March 2017 : 12.35% p.a, 1 April 2016: 12.55% p.a).			
	<u>8.48</u>	<u>—</u>	<u>12.28</u>
27 Trade payables			
Due to :			
Micro and small enterprisers (refer note no.47)	8.28	—	—
Others	35.42	47.52	56.84
	<u>43.70</u>	<u>47.52</u>	<u>56.84</u>
28 Other financial liabilities			
Interest accrued but not due on borrowings	—	4.82	9.32
Employees related payable	54.15	80.65	78.93
Amount payable to directors	1.80	1.36	2.09
Expenses payables	68.82	35.29	46.77
	<u>124.77</u>	<u>122.12</u>	<u>137.11</u>
29 Other current liabilities			
Statutory dues	45.02	18.77	13.60
Deferred income	12.66	12.66	11.49
	<u>57.68</u>	<u>31.43</u>	<u>25.09</u>
30 Provisions			
Provision for employee benefits:			
Provision for gratuity	62.61	57.23	44.12
Provisions for compensated absences	22.24	21.66	22.26
	<u>84.85</u>	<u>78.89</u>	<u>66.38</u>
31 Current tax liabilities (net)			
Provision for taxation	3.62	8.86	29.26
[Note : Provision is net of prepaid tax Rs.804.38 lakhs (31 March 2017 Rs. 479.14 lakhs; 1 April 2016 Rs.266.74 lakhs)]			
	<u>3.62</u>	<u>8.86</u>	<u>29.26</u>



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Notes to the Financial Statements as at 31st March, 2018

(All amounts in rupees lakhs unless otherwise stated)

	As at 31 March, 2018	As at 31 March, 2017
32 Revenue from operations		
Sale of products		
- Export:	45.11	84.31
- Domestic	<u>2,367.12</u>	<u>2,642.42</u>
	2,412.23	2,726.73
Other operating revenues		
- Scrap sales	<u>53.79</u>	<u>93.95</u>
Net sales	<u>2,466.02</u>	<u>2,820.68</u>
33 Other income		
Interest income:		
- On loans from related party measured at amortized cost	39.56	36.60
- Tax free bonds measured at amortized cost	314.20	313.89
- Financial assets measured at amortized cost	2.93	3.22
- Bank deposits measured at amortized cost	16.88	19.76
- Others	17.59	-
Profit on sale of investments measured at FVTPL	0.26	5.48
Rental income	734.75	597.93
Gain on fair value of investments measured at FVTPL	—	119.31
Income received on arbitration settlement	26.41	-
Miscellaneous income	25.47	12.40
	<u>1,178.05</u>	<u>1,108.59</u>
34 Cost of raw material consumed		
Opening Stock	65.21	88.06
Add: Purchased during the year	<u>489.85</u>	<u>583.41</u>
	555.06	671.47
Less: Closing Stock	<u>85.58</u>	<u>65.21</u>
	<u>469.48</u>	<u>606.26</u>
35 Change in inventory of finished goods and work in progress		
Inventories at the end of the year		
Finished Goods	23.42	15.13
Work in progress	542.18	582.37
Scrap	<u>18.25</u>	<u>18.47</u>
	583.85	615.97
Inventories at the beginning of the year		
Finished Goods	15.13	49.09
Work in progress	582.37	508.76
Scrap	<u>18.47</u>	<u>17.80</u>
	615.97	575.65
	<u>32.12</u>	<u>(40.32)</u>



Notes to the Financial Statements as at 31st March, 2018

(All amounts in rupees lakhs unless otherwise stated)

	As at 31 March, 2018	As at 31 March, 2017
36 Employee benefits expense		
Director's remuneration	23.60	20.60
Salaries and allowances, wages and bonus	757.09	778.35
Contribution to gratuity Funds	17.94	16.64
Contribution to provident fund and other funds	39.91	37.55
Staff welfare	41.82	39.14
	<u>880.36</u>	<u>892.28</u>
37 Finance cost		
Interest		
On loans	7.15	87.85
On financial liabilities measured at amortised cost	9.65	7.97
Bank charges and commission	2.85	2.02
	<u>19.65</u>	<u>97.84</u>
38 Depreciation and amortisation expense		
Depreciation on property, plant and equipment	179.98	189.21
Depreciation on investment property	94.06	94.06
Amortisation on intangible assets	2.39	3.28
	<u>276.43</u>	<u>286.55</u>



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Notes to the Financial Statements as at 31st March, 2018

(All amounts in rupees lakhs unless otherwise stated)

	As at 31 March, 2018	As at 31 March, 2017
39. Other expenses		
Consumption of stores, spares and consumables	135.54	133.89
Rent	65.68	60.72
Rates and taxes	2.30	9.58
Repairs and maintenance:		
- Machinery	23.48	18.71
- Building	11.36	0.58
- Others	15.98	19.94
Electricity expense	119.93	136.40
Insurance	7.19	6.73
Legal and professional	34.16	23.39
Travelling and conveyance [including director's travelling Rs.7.00 lakhs (31 March 2017:Rs.13.65 lakhs)]	26.49	37.55
Communication expenses	6.82	8.64
Auditors remuneration		
- Audit fee	3.15	1.25
In other capacity		
- For tax audit	0.35	0.35
- For certificates etc.*	0.48	0.32
- For taxation & other matters	—	0.73
- For reimbursement of expenses**	0.72	0.46
- For service tax / swachh bharat cess	—	0.47
	4.70	3.58
Selling expenses	35.24	116.16
Internal audit expenses	1.80	1.72
Loss on disposal of property, plant and equipment	—	1.56
Director's meeting expenses	0.50	0.45
Advertisement	2.40	0.41
Testing charges	1.94	2.00
Loss on exchange rate fluctuation	1.47	0.25
Loss on fair value of investments measured at FVTPL	43.38	-
Miscellaneous expenses	72.84	61.30
	613.20	643.56

* includes Rs 0.18 lakhs (31 March 2017: 0.32 lakhs) paid to previous auditors.

** includes Rs 0.50 lakhs (31 March 2017: 0.46 lakhs) paid to previous auditors.



Notes to the Financial Statements as at 31st March, 2018

(All amounts in rupees lakhs unless otherwise stated)

	For the year ended 31 March 2018	For the year ended 31 March 2017
40. Tax Expense		
Income tax expense recognised in statement of profit and loss		
Current tax expense	320.00	270.00
Deferred tax expense	(40.90)	(5.54)
Previous year income tax	0.03	6.44
	279.13	270.90

The reconciliation of tax expense based on the domestic effective tax rate of at 28.84% (31 March 2017: 33.06%) and the reported tax expense in statement of profit or loss is as follows:

Particulars	For the year ended 31 March 2018	For the year ended 31 March 2017
Profit before tax	1,285.40	1,149.79
Income tax using the Company's domestic tax rate *	28.84%	33.06%
Expected tax expense [A]	370.71	380.16
Tax effect of adjustment to reconcile expected income tax expense to reported income tax expense		
Non-deductible expenses	25.80	59.14
Non-taxable income	(134.01)	(164.71)
Change in tax rates during the year	6.05	1.48
Items taxable at different tax rates	2.46	(13.15)
Tax expense related to earlier years	0.03	6.44
Others	8.09	1.54
Total adjustments [B]	(91.58)	(109.26)
Actual tax expense [C=A-B]	279.13	270.90
* Domestic tax rate applicable to the Company has been computed as follows		
Base tax rate	25%	30%
Surcharge (% of tax)	12%	7%
Cess (% of tax)	3%	3%
Applicable rate	28.84%	33.06%

41. Earning per share

Net profit attributable to equity shareholders

Profit after tax	1,006.27	878.89
Nominal value of equity share (In Rs.)	10/-	10/-
Total number of equity shares outstanding as the beginning of the year	58,32,056	58,32,056
Total number of equity shares outstanding as the end of the year	58,32,056	58,32,056
Weighted average number of equity shares	58,32,056	58,32,056
Basic and diluted earning per equity share (In Rs.)	17.25	15.07



Summary of significant accounting policies and other explanatory information for the year ended 31st March 2018

(All amounts in rupees lakhs unless otherwise stated)

42. Related party disclosures

The nature of relationship and summary of transactions with related parties are summarised below

a) Name of the related party and nature of their relationship

Name of the related party	Nature of relationship
M/s Gurgoan Infospace Limited	Subsidiary Company
M/s IST Steel and Power Limited	Associates Company
Name of key managerial personnel (KMP)	Designation
Air Marshal Denzil. Keelor (Retd.)	Independent director
Mrs. Sarla Gupta	Non- executive director
Mr. Mayur Gupta	Non- executive director
Mr. Gaurav Gupta	Non- executive director
Mr. S.C. Jain	Whole time director
Lt. Col. N.L. Khitha(Retd.)	Whole time director
Brig. G.S. Sawhney (Retd.)	Independent director
Mr. Subhash Chander Jain	Independent director
Mr. D.N. Tulshyan	Chief financial officer
Mr. Bhupinder Kumar (from 22 february 2017)	Company secretary
Mr. R.K.Sapra (upto 21 february 2017)	Company secretary
Mr. Prem Chand Gupta	Relative of KMP
Mr. Anil Kumar Tulshyan	Relative of KMP

Entities in which KMP/Relatives of KMP can exercise significant influence

GPC Technology Limited
Mercantile Realtors Private Limited

Entities controlled by KMP/relatives of KMP

Delux Associates LLP
IST Softech Private Limited

b) The following transactions were carried out with related parties:-

Particulars	Year	Subsidiary Company	Associates Company	Key managerial personnel (KMP)	Relatives of key managerial personnel	Entities in which KMP/Relatives of KMP can exercise significant influence	Entities controlled by KMP/Reatives of KMP
Transactions during the year							
Remuneration	31 March 2018	—	—	44.22	9.81	—	—
	31 March 2017	—	—	(45.79)	(8.93)	—	—
Service charges paid	31 March 2018	—	—	—	—	9.00	—
	31 March 2017	—	—	—	—	(9.00)	—
Rent paid	31 March 2018	—	—	7.20	7.20	41.96	6.23
	31 March 2017	—	—	(7.20)	(7.20)	(36.27)	(6.90)
Interest income	31 March 2018	—	—	—	—	39.56	—
	31 March 2017	—	—	—	—	(36.60)	—
Director sitting fees	31 March 2018	—	—	0.50	—	—	—
	31 March 2017	—	—	(0.45)	—	—	—
Loan given	31 March 2018	—	—	—	3.00	—	—
	31 March 2017	—	—	—	—	—	—

IST LIMITED



Summary of significant accounting policies and other explanatory information for the year ended 31st March 2018

(All amounts in rupees lakhs unless otherwise stated)

Particulars	Year	Subsidiary Company	Associates Company	Key managerial personnel (KMP)	Relatives of key managerial personnel	Entities in which KMP/Relatives of KMP can exercise significant influence	Entities controlled by KMP/Relatives of KMP
Outstanding Balance							
Salary payable	31 March 2018	—	—	2.99	0.59	—	—
	31 March 2017	—	—	(2.81)	(0.56)	—	—
	1 April 2016	—	—	(3.43)	(0.53)	—	—
Deposits given	31 March 2018	—	—	—	—	36.00	3.60
	31 March 2017	—	—	—	—	(36.00)	(3.60)
	1 April 2016	—	—	—	—	(36.00)	(3.60)
Capital advances	31 March 2018	—	—	—	—	—	417.00
	31 March 2017	—	—	—	—	—	(417.00)
	1 April 2016	—	—	—	—	—	(500.00)
Loan given	31 March 2018	—	—	—	0.25	475.21	—
	31 March 2017	—	—	—	—	(439.60)	—
	1 April 2016	—	—	—	—	(406.66)	—
Other current assets	31 March 2018	—	—	—	—	3.66	—
	31 March 2017	—	—	—	—	—	—
	1 April 2016	—	—	—	—	—	—
Equity contribution	31 March 2018	100.00	884.00	—	—	—	—
	31 March 2017	(100.00)	(884.00)	—	—	—	—
	1 April 2016	(100.00)	(884.00)	—	—	—	—
Redeemable preference shares	31 March 2018	—	1,528.80	—	—	—	—
	31 March 2017	—	(1,561.20)	—	—	—	—
	1 April 2016	—	(1,494.31)	—	—	—	—

Note : Previous years figures have been reported in brackets.

c) The following transactions were carried out with KMP:-

Description	31 March 2018	31 March 2017
Short term employee benefit		
Mr. S.C. Jain	14.70	15.30
Lt. Col. N.L. Khitha(Retd.)	10.18	6.76
Mr. D.N. Tulshyan	10.19	9.29
Mr. Bhupinder Kumar (from 22 february 2017)	9.15	0.95
Mr. R.K.Sapra (upto 21 february 2017)	—	13.49

**Summary of significant accounting policies and other explanatory information for the year ended 31st March 2018***(All amounts in rupees lakhs unless otherwise stated)***43. Leases****In case of assets taken on lease***Operating Lease:*

The Company has entered into various operating lease arrangements for factory building, guest house and office premises. The leases are renewable on a periodic basis cancellable at its option.

The total of minimum future lease payments under non-cancellable operating lease is as under:

Particulars	As at 31 March 2018	As at 31 March 2017	As at 1 April 2016
Lease payments for the year recognised in the Statement of Profit and Loss	65.68	60.72	—
Minimum lease payments:			
Not later than one year	88.20	47.59	56.40
Later than one year but not later than five years	305.72	—	47.59
Later than five years	—	—	—

In case of assets given on lease*Operating lease:*

The Company has entered into various lease arrangements for property:

- Agreement dt.19.02.2017 for a period of 3 years subject to early termination at the option of lessee by giving 3 months prior notice.
- Agreement for Noida property , on sub-lease basis is receivable on percentage of sale or minimum guarantee, whichever is higher, for a period of five years from the date of commencement of lease.

There is no uncollectible minimum lease payments receivable at the balance sheet date.

Particulars	31 March 2018	31 March 2017	01 April 2016
Lease income for the year recognised in the Statement of Profit and Loss (net of lease rentals paid to investors)	734.75	597.93	—
Minimum lease incomes:			
Not later than one year	707.49	751.28	298.00
Later than one year but not later than five years	823.63	1,757.41	—
Later than five years	—	—	—



44. Fair value disclosures

(i) Fair values hierarchy

Financial assets and financial liabilities measured at fair value in the statement of financial position are classified into three Levels of a fair value hierarchy. The three levels are defined based on the observability of significant inputs to the measurement, as follows:

Level 1: Quoted prices (unadjusted) in active markets for financial instruments.

Level 2: The fair value of financial instruments that are not traded in an active market is determined using valuation techniques which maximise the use of observable market data rely as little as possible on entity specific estimates.

Level 3: If one or more of the significant inputs is not based on observable market data, the instrument is included in level 3.

(ii) Financial assets measured at fair value - recurring fair value measurements

	31 March 2018	31 March 2017	1 April 2016	Level	Valuation techniques and key inputs
Investment in equity instruments	111.83	10.47	9.19	Level 1	Fair value of equity instruments have been determined using the quoted market price.
Investment in mutual funds	747.17	50.20	—	Level 1	Net asset value (NAV) obtained from an active market.
Investment in preference shares	2,701.11	2,752.60	2,634.71	Level 3	Fair value of non-cumulative, non-convertible redeemable preference shares have been determined using discounted cash flow analysis. This method involves the projection of a series of cash flows from the project. To this projected cash flow series, a market-derived discount rate is applied to establish the present value of the income stream associated with the project.
Total	3,560.11	2,813.26	2,643.90		

(iii) The following table summarises the quantitative information about the significant unobservable inputs used in level 3 fair value measurements and sensitivity analysis if a change to such inputs was made keeping other variables constant:

Particulars	Discount rate	31 March 2018	31 March 2017
Investment in preference shares			
IST Steel & Power Ltd	Increase by	0.50%	(57.98)
	Decrease by	0.50%	61.32
Subham Infra developers Pvt Ltd	Increase by	0.50%	(45.05)
	Decrease by	0.50%	47.70

(iv) The following table presents the changes in level 3 items for the year ended 31 March 2018 and 31 March 2017:

Particulars	Preference shares
As at 1 April 2016	2,634.71
Gain recognised in statement of profit and loss	117.89
As at 31 March 2017	2,752.60
Gain/ (loss) recognised in statement of profit and loss	(51.49)
As at 31 March 2018	2,701.11



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Summary of significant accounting policies and other explanatory information for the year ended 31st March 2018

(All amounts in rupees lakhs unless otherwise stated)

(v) Fair value of instruments measured at amortised cost

Fair value of instruments measured at amortised cost for which fair value is disclosed is as follows:

Particulars	Level	31 March 2018		31 March 2017		01 April 2016	
		Carrying value	Fair value	Carrying Value	Fair value	Carrying value	Fair value
Financial assets							
Investments	Level 3	4,495.91	4,623.21	4,496.06	4,637.06	4,448.03	4,530.14
Loans	Level 3	506.20	506.20	494.42	494.42	458.26	458.26
Trade receivable	Level 3	543.71	543.71	603.97	603.97	523.61	523.61
Other financial assets	Level 3	390.43	390.43	297.56	297.56	281.73	281.73
Total financial assets		5,936.25	6,063.54	5,892.01	6,033.02	5,711.63	5,793.74
Financial liabilities							
Borrowings	Level 3	8.48	8.48	404.82	404.82	1,271.60	1,271.60
Trade payables	Level 3	43.70	43.70	47.52	47.52	56.84	56.84
Other financial liabilities	Level 3	236.05	236.05	218.93	218.93	211.61	211.61
Total financial liabilities		288.23	288.23	671.27	671.27	1,540.05	1,540.05

The management assessed that cash and cash equivalents, trade receivables, other receivables, trade payables and other current financial liabilities approximate their carrying amounts largely due to the short-term maturities of these instruments. Other non-current financial assets and non-current borrowings bear a market interest rate and hence their carrying amounts are also considered a reasonable approximation of their fair values.

45. Financial risk management

i) Financial instruments by category

Particulars	31 March 2018			31 March 2017			01 April 2016		
	FVTPL	FVOCI	Amortised cost	FVTPL	FVOCI	Amortised cost	FVTPL	FVOCI	Amortised cost
Financial assets									
Investments*	3,560.11	—	4,495.91	2,813.27	—	4,496.06	2,643.90	—	4,448.03
Loan - security deposits	—	—	30.99	—	—	54.82	—	—	51.60
Loan - related parties	—	—	475.21	—	—	439.60	—	—	406.66
Other financial assets	—	—	19.64	—	—	13.66	—	—	10.03
Trade receivables	—	—	543.71	—	—	603.97	—	—	523.61
Cash and cash equivalents	—	—	370.79	—	—	283.90	—	—	271.70
Total	3,560.11	—	5,936.25	2,813.27	—	5,892.01	2,643.90	—	5,711.63
Financial liabilities									
Borrowings (including interest)	—	—	8.48	—	—	404.82	—	—	1,271.60
Trade payable	—	—	43.70	—	—	47.52	—	—	56.84
Other financial liabilities	—	—	236.05	—	—	218.93	—	—	211.61
Total	—	—	288.23	—	—	671.27	—	—	1,540.05

*Investment in equity instrument of subsidiary and associate have been accounted at cost in accordance with Ind AS 27, not presented here.

ii) Risk Management

The Company's activities expose it to market risk, liquidity risk and credit risk. The Company's board of directors has overall responsibility for the establishment and oversight of the Company's risk management framework. This note explains the sources of risk which the entity is exposed to and how the entity manages the risk and the related impact in the financial statements.



Summary of significant accounting policies and other explanatory information for the year ended 31st March 2018

(All amounts in rupees lakhs unless otherwise stated)

A) Credit risk

Credit risk is the risk that a counterparty fails to discharge an obligation to the company. The company is exposed to this risk for various financial instruments, for example by granting loans and receivables to customers, placing deposits, etc. The company's maximum exposure to credit risk is limited to the carrying amount of following types of financial assets.

- cash and cash equivalents,
- trade receivables,
- loans & receivables carried at amortised cost, and
- deposits with banks

a) Credit risk management

The Company assesses and manages credit risk based on internal credit rating system, continuously monitoring defaults of customers and other counterparties, identified either individually or by the company, and incorporates this information into its credit risk controls. Internal credit rating is performed for each class of financial instruments with different characteristics. The Company assigns the following credit ratings to each class of financial assets based on the assumptions, inputs and factors specific to the class of financial assets.

A: Low

B: Medium

C: High

Assets under credit risk –

Credit rating	Particulars	31 March 2018	31 March 2017	1 April 2016
A: Low	Loans	506.20	494.42	458.26
	Investments	4,495.91	4,496.06	4,448.03
	Other financial assets	19.64	13.66	10.03
	Cash and cash equivalents	370.79	283.90	271.70
	Trade receivables	543.71	603.97	523.61

Cash & cash equivalents and bank deposits

Credit risk related to cash and cash equivalents and bank deposits is managed by only accepting highly rated banks and diversifying bank deposits and accounts in different banks.

Trade receivables

Company's trade receivables are considered of high quality and accordingly no life time expected credit losses are recognised on such receivables.

Other financial assets measured at amortised cost

Other financial assets measured at amortized cost includes advances to employees. Credit risk related to these other financial assets is managed by monitoring the recoverability of such amounts continuously, while at the same time internal control system in place ensure the amounts are within defined limits.

B) Liquidity risk

Prudent liquidity risk management implies maintaining sufficient cash and marketable securities and the availability of funding through an adequate amount of committed credit facilities to meet obligations when due. Due to the nature of the business, the Company maintains flexibility in funding by maintaining availability under committed facilities. Management monitors rolling forecasts of the Company's liquidity position and cash and cash equivalents on the basis of expected cash flows. The Company takes into account the liquidity of the market in which the entity operates. In addition, the Company's liquidity management policy involves projecting cash flows in major currencies and considering the level of liquid assets necessary to meet these, monitoring balance sheet liquidity ratios against internal and external regulatory requirements and maintaining debt financing plans.



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Summary of significant accounting policies and other explanatory information for the year ended 31st March 2018
(All amounts in rupees lakhs unless otherwise stated)

Maturities of financial liabilities

The amounts disclosed in the table are the contractual undiscounted cash flows. Balances due within 12 months equal their carrying balances as the impact of discounting is not significant.

31 March 2018	Less than 1 year	1-5 year	More than 5 years	Total
Borrowings including interest	8.48	—	—	8.48
Trade payable	43.70	—	—	43.70
Other financial liabilities	236.05	—	—	236.05
Total	288.23	—	—	288.23
31 March 2017	Less than 1 year	1-5 year	More than 5 years	Total
Borrowings including interest	4.82	400.00	—	404.82
Trade payable	47.52	—	—	47.52
Other financial liabilities	218.93	—	—	218.93
Total	271.27	400.00	—	671.27
01 April 2016	Less than 1 year	1-5 year	More than 5 years	Total
Borrowings including interest	21.60	1,250.00	—	1,271.60
Trade payable	56.84	—	—	56.84
Other financial liabilities	211.61	—	—	211.61
Total	290.05	1,250.00	—	1,540.05

C) Market risk

a) Interest rate risk

The Company is not exposed to changes in market interest rates as all of the borrowings are at fixed rate of interest. Also the Company's fixed deposits are carried at amortised cost and are fixed rate deposits. They are therefore not subject to interest rate risk as defined in Ind AS 107, since neither the carrying amount nor the future cash flows will fluctuate because of a change in market interest rates.

b) Price risk

Exposure

The Company's exposure to price risk arises from investments held and classified as FVTPL. To manage the price risk arising from investments in mutual funds and equity investment, the Company diversifies its portfolio of assets.

Sensitivity

Below is the sensitivity of profit or loss and equity to changes in fair value of investments, assuming no change in other variables:

Particulars	31 March 2018	31 March 2017
Price sensitivity		
Price increase by 5%	42.95	3.03
Price decrease by 5%	(42.95)	(3.03)



Summary of significant accounting policies and other explanatory information for the year ended 31st March 2018

(All amounts in rupees lakhs unless otherwise stated)

46. Capital Management

The Company's capital management objectives are

- to ensure the Company's ability to continue as a going concern
- to provide an adequate return to shareholders

Management assesses the Company's capital requirements in order to maintain an efficient overall financing structure. This takes into account the subordination levels of the Company's various classes of debt. The Company manages the capital structure and makes adjustments to it in the light of changes in economic conditions and the risk characteristics of the underlying assets.

Particulars	31 March 2018	31 March 2017	1 April 2016
Total borrowings	8.48	404.82	1,271.60
Less : cash and cash equivalent	370.79	283.90	271.70
Net debt	—	120.92	999.90
Total equity	17,684.92	16,677.38	15,801.23
Net debt to equity ratio	—	0.73%	6.33%

47. Disclosure under the Micro, Small and Medium Enterprises Development Act, 2006 ("MSMED Act, 2006") is as under:

Particulars	As at 31 March 2018	As at 31 March 2017	As at 1 April 2016
i) Principal amount due to suppliers under MSMED Act	8.28	Nil	Nil
ii) Interest accrued and due to suppliers under MSMED Act on the above amount	Nil	Nil	Nil
iii) Payment made to suppliers (other than interest) beyond appointed day during the year	Nil	Nil	Nil
iv) Interest paid to suppliers under MSMED Act	Nil	Nil	Nil
v) the amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprise, for the purpose of disallowance as a deductible expenditure under section 23.	Nil	Nil	Nil
vi) Interest due and payable to suppliers under MSMED Act towards payments already made	Nil	Nil	Nil
vii) Interest accrued and remaining unpaid at the end of the accounting year	Nil	Nil	Nil

*The details of amounts outstanding to micro enterprises and small enterprises under the Micro, Small and Medium Enterprises Development Act (MSMED), 2006 are as per available information with the Company.

48. Segment information

The Company's primary business segment is reflected based on principal business activities carried on by the Company i.e. precision engineering components / assemblies, which as per Ind AS 108 on "Segment Reporting" as specified under Section 133 of Companies Act, 2013, read with Rule 7 of the Companies (Accounts) Rules, 2014 (as amended) is considered to be the only operating segment. The Company is primarily operating in India which is considered as a single geographical segment.



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Summary of significant accounting policies and other explanatory information for the year ended 31st March 2018
(All amounts in rupees lakhs unless otherwise stated)

49. Details of Corporate Social Responsibility (CSR) expenditure is as follows:

- i) Gross amount required to be spent by the Company during the year (i.e. 2% of Average Net profits u/s 198 of Companies Act, 2013 of last three years): Rs. '12.84 lakhs (March 31, 2017: 'Rs. 8.67 lakhs)
- ii) Amount spent during the year

Purpose for which expenditure incurred	For the year ended 31 March, 2018	For the year ended 31 March, 2017
- Construction/acquisitions of any asset	—	—
- On purpose other than above mentioned	—	—
Amount yet to be spent	12.84	8.67
Total	12.84	8.67

50. Details of assets pledged/ hypothecated as security:

The carrying amounts of assets pledged/ hypothecated as security for current and non-current borrowings are:

Particulars	As at 31 March 2018	As at 31 March 2017	As at 1 April 2016
Current			
Inventories	745.92	758.68	741.33
Investments	446.99	50.20	-
Trade receivables	543.71	603.97	523.61
Cash and cash equivalents and other bank balances	370.79	283.90	271.70
Loans, other financial and other assets	41.20	67.72	41.46
Non Current			
Investments	—	2,102.05	2,077.53

51. Employee benefit obligations

Particulars	As at 31 March 2018		As at 31 March 2017		As at 1 April 2016	
	Current	Non-current	Current	Non-current	Current	Non-current
Gratuity	62.61	73.79	57.23	68.28	44.12	62.35
Compensated absences	22.24	36.44	21.66	35.61	22.26	29.83
Total	84.85	110.23	78.89	103.89	66.38	92.18

A. Gratuity

Every employee who has completed five years or more of service gets a gratuity on departure at 15 days salary (last drawn salary) for each completed year of service.

The following tables summarize the components of net benefit expense recognised in the Statement of Profit and Loss and amounts recognised in the balance sheet for the respective plans

(i) Amount recognised in the statement of profit and loss is as under:

Description	For the year ended 31 March 2018	For the year ended 31 March 2017
Current service cost	8.69	8.11
Net interest cost	9.25	8.52
Actuarial loss/(gain) recognised during the year	(1.75)	4.09
Return on plan assets	—	—
Amount recognised in the statement of profit and loss	16.19	20.72



Summary of significant accounting policies and other explanatory information for the year ended 31st March 2018

(All amounts in rupees lakhs unless otherwise stated)

(ii) Movement in the present value of defined benefit obligation recognised in the balance sheet is as under:

Description	As at 31 March 2018	As at 31 March 2017	As at 1 April 2016
Present value of defined benefit obligation as at the start of the year	125.51	106.47	96.67
Current service cost	8.69	8.11	7.21
Interest cost	9.25	8.52	7.49
Actuarial loss/(gain) on obligation	(1.75)	4.09	(1.23)
Benefits paid	(5.30)	(1.68)	(3.67)
Present value of defined benefit obligation as at the end of the year	136.40	125.51	106.47

(iii) Breakup of actuarial (gain)/loss:

Description	For the year ended 31 March 2018	For the year ended 31 March 2017
Actuarial (gain)/loss from change in demographic assumption	—	—
Actuarial (gain)/loss from change in financial assumption	(1.19)	3.18
Actuarial (gain)/loss from experience adjustment	(0.56)	0.91
Total actuarial (gain)/loss	(1.75)	4.09

(iv) Actuarial assumptions

Description	As at 31 March 2018	As at 31 March 2017	As at 1 April 2016
Discount rate	7.60%	7.37%	8.00%
Future Basic salary increase	6.00%	6.00%	6.00%
Employee turnover			
- Upto 30 years	3.00%	3.00%	3.00%
- From 31 to 44 years	2.00%	2.00%	2.00%
- Above 44 years	1.00%	1.00%	1.00%
Retirement age	58	58	58

The estimates of future salary increases, considered in actuarial valuation, take account of inflation, seniority, promotion and other relevant factors, such as supply and demand in the employment market.

(v) Sensitivity analysis for gratuity liability

Description	For the year ended 31 March 2018	For the year ended 31 March 2017
Impact of the change in discount rate		
Present value of obligation at the end of the year	136.40	125.51
- Impact due to increase of 0.50 %	(2.53)	(2.58)
- Impact due to decrease of 0.50 %	2.70	2.76
Impact of the change in salary increase		
Present value of obligation at the end of the year	136.40	125.51
- Impact due to increase of 0.50 %	2.73	2.79
- Impact due to decrease of 0.50 %	(2.58)	(2.63)



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Summary of significant accounting policies and other explanatory information for the year ended 31st March 2018

(All amounts in rupees lakhs unless otherwise stated)

The above sensitivity analysis are based on a change in an assumption while holding all other assumptions constant. In practice, this is unlikely to occur and changes in some of the assumptions may be correlated. When calculating the sensitivity of the defined benefit obligation to significant actuarial assumptions the same method (present value of the defined benefit obligation calculated with the projected unit credit method at the end of the reporting period) has been applied which was applied while calculating the defined benefit obligation liability recognised in the balance sheet.

The methods and types of assumptions used in preparing the sensitivity analysis did not change compared to prior period.

(vi) Maturity profile of defined benefit obligation

Description	As at 31 March 2018	As at 31 March 2017	As at 1 April 2016
Within next 12 months	62.61	57.23	44.12
Between 1-5 years	5.23	4.50	19.60
More than 5 years	68.56	63.77	42.75

B Compensated absences

The earned leave liability arises on retirement, withdrawal, resignation and death-in-service of an employee. The actuary has used projected unit cost (PUC) actuarial method to assess the plan's liabilities of employees.

(i) Amount recognised in the statement of profit and loss is as under:

Description	Earned leave	
	For the year ended 31 March 2018	For the year ended 31 March 2017
Current service cost	8.12	8.56
Net interest cost	4.22	4.17
Actuarial loss/(gain) recognised during the year	0.18	5.26
Amount recognised in the statement of profit and loss	12.52	17.99

(ii) Movement in net liability

Description	Earned leave		
	As at 31 March 2018	As at 31 March 2017	As at 1 April 2016
Opening net liability	57.28	52.09	48.24
Expenses as above	12.52	17.99	14.01
Benefits paid	(11.12)	(12.80)	(10.16)
Closing net liability	58.68	57.28	52.09

(iii) Actuarial assumptions

Description	As at 31 March 2018	As at 31 March 2017	As at 1 April 2016
Discount rate	7.60%	7.37%	8.00%
Future Basic salary increase	6.00%	6.00%	6.00%

Notes:

- The discount rate is based on the prevailing market yields of Indian Government securities as at the balance sheet date for the estimated term of obligations.
- The estimates of future salary increases considered takes into account the inflation, seniority, promotion and other relevant factors on long term basis.



Summary of significant accounting policies and other explanatory information for the year ended 31st March 2018

(All amounts in rupees lakhs unless otherwise stated)

C. Provident fund

The Company makes Provident Fund and Employee State Insurance Scheme contributions which are defined contribution plans, for qualifying employees. Under the Schemes, the Company is required to contribute a specified percentage of the payroll costs to fund the benefits. The Company recognised Rs. 27.12 lakhs, (31 March 2017: Rs.25.80 lakhs and 1 April 2016 Rs. 23.67 lakhs) for Provident Fund contributions and Rs. 12.79 lakhs, (31 March 2017 Rs.11.75 lakhs and 1 April 2016 Rs. 10.74 lakhs) for Employee State Insurance Scheme contributions in the Statement of Profit and Loss.

52. Contingent liabilities and commitments

Description	As at	As at	As at
	31 March 2018	31 March 2017	1 April 2016
a) Contingent liabilities			
Claim against the company not acknowledged as debt			
Tax matters in dispute	—	—	5.36
Court case dispute with party	31.75	31.75	31.75
b) Commitments			
Bank guarantees issued by the company	147.61	141.74	133.31
Capital contracts to be executed	0.95	—	1.71
For lease commitments (refer note 43)			

53. First time adoption of Ind AS

Financial statements for the year ended 31 March 2018 are the first financial statements that the Company has prepared in accordance with Ind AS. For periods up to and including the year ended 31 March 2017, the Company prepared its financial statements in accordance with the accounting standards notified under section 133 of the Companies Act 2013, read together with paragraph 7 of the Companies (Accounts) Rules, 2014 ('previous GAAP').

Accordingly, the Company has prepared financial statements which comply with Ind AS applicable for periods ending on or after 31 March 2018. In preparing these financial statements, the Company's opening balance sheet was prepared as at 1 April 2016 which is the Company's date of transition to Ind AS. This note explains the key adjustments made by the Company in restating its previous GAAP financial statements, including the Balance Sheet as at 1 April 2016 and the financial statements as at and for the year ended 31 March 2017 to Ind AS.

A. Optional exemption availed:

i. Deemed cost for property, plant and equipment, investment property and intangible assets:

Ind AS 101 permits a first-time adopter to elect to continue with the carrying value for all of its property, plant and equipment, investment property and intangible assets are recognised in the financial statements as at the date of transition to Ind AS, measured as per the previous GAAP and use that as its deemed cost as at the date of transition. Accordingly, the Company has elected to measure all of its property, plant and equipment, investment property and intangible assets: at their previous GAAP carrying value.

ii. Investment in subsidiaries and associates

Ind AS 101 permits a first-time adopter who elects to account for its investments in subsidiaries at cost to continue with the carrying value of such investments as recognised in the financial statements as at the date of transition to Ind AS, measured as per the previous GAAP and use that as its deemed cost as at the date of transition. The Company has elected to measure investment in subsidiaries at carrying value of previous GAAP as deemed cost as at the date of transition.



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Summary of significant accounting policies and other explanatory information for the year ended 31st March 2018

(All amounts in rupees lakhs unless otherwise stated)

B. Mandatory exceptions:

i. Estimates:

An entity's estimates in accordance with Ind ASs at the date of transition to Ind AS shall be consistent with estimates made for the same date in accordance with previous GAAP (after adjustments to reflect any difference in accounting policies), unless there is objective evidence that those estimates were in error. Ind AS estimates as at 1 April 2016 are consistent with the estimates as at the same date made in conformity with previous GAAP. The Company made certain estimates in accordance with Ind AS at the date of transition which were not required under previous GAAP.

C. Reconciliations between previous GAAP and Ind AS

Ind AS 101 requires an entity to reconcile equity, total comprehensive income and cash flows for prior periods. The following tables represent the reconciliations from previous GAAP to Ind AS.

(i) Reconciliation of total equity as at 31 March 2017 and 1 April 2016

	Note no.	Year ended 31 March 2017	Year ended 1 April 2016
Total equity (Shareholder's funds) as per previous GAAP		16,571.17	15,729.01
Ind AS adjustments:			
Fair valuation of financial instruments	3	101.31	(17.99)
Adjustment for financial assets and liabilities measured at amortised cost	2	6.23	2.65
Adjustment on account of depreciation on investment property	1	(78.57)	-
Others		100.92	83.76
Effects of deferred tax on above Ind AS adjustments	5	(23.68)	3.80
Total adjustments [B]		106.21	72.22
Total equity as per Ind AS		16,677.38	15,801.23

(ii) Reconciliation of total comprehensive income for the year ended 31 March 2017:

	Note no.	Year ended 31 March 2017
Profit after tax as per previous GAAP [A]		842.16
Ind AS adjustments:		
Fair valuation of financial instruments	3	119.30
Adjustment for financial assets and liabilities measured at amortised cost	2	3.58
Adjustment on account of depreciation on investment property	1	(78.57)
Remeasurement of defined benefit obligations reclassified to other comprehensive income	4	2.74
Others		17.16
Effects of deferred tax on above Ind AS adjustments	5	(27.48)
Total adjustments [B]		36.73
Profit after tax as per Ind AS [A+B]		878.89
Other comprehensive income		
Remeasurement of defined benefit obligations (net of tax)	4	(2.74)
Total comprehensive income as per Ind AS		876.15

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(iii) Reconciliation between previous GAAP and Ind AS for balance sheet as at 01 April 2016 and as at 31st March 2017:

Particulars	Notes to first time adoption	Previous GAAP as at 31 March 2017*	Adjustments	Ind AS as at 31 March 2017	Previous GAAP as at 31 March 2016*	Adjustments	Ind AS as at 1 April 2016
ASSETS							
Non-current assets							
Property, plant and equipment	1	2,198.54	(1,268.87)	929.67	2,379.47	(1,284.35)	1,095.12
Investment properties	1	—	5,885.08	5,885.08	—	5,979.14	5,979.14
Intangibles assets		2.32	—	2.32	5.60	—	5.60
Financial assets							
Investments	1, 3	12,836.76	(4,593.63)	8,243.13	12,788.72	(4,712.79)	8,075.93
Loans	2	505.94	(48.41)	457.53	512.61	(54.35)	458.26
Others		7.66	—	7.66	7.10	-	7.10
Other non current assets	2	417.00	46.62	463.62	500.00	49.29	549.29
		15,968.22	20.79	15,989.01	16,193.50	(23.06)	16,170.44
Current assets							
Inventories		758.68	—	758.68	741.33	—	741.33
Financial assets							
Investments	3	50.05	0.15	50.20	—	—	—
Trade receivable		603.97	—	603.97	523.61	—	523.61
Cash and cash equivalents		283.90	—	283.90	271.70	—	271.70
Loans		39.60	(2.71)	36.89	—	—	—
Other financial assets		6.00	—	6.00	2.93	—	2.93
Other current assets	2	22.17	2.66	24.83	35.37	3.16	38.53
		1,764.37	0.10	1,764.47	1,574.94	3.16	1,578.10
TOTAL		17,732.59	20.89	17,753.48	17,768.44	(19.90)	17,748.54
EQUITY AND LIABILITIES							
Equity							
Equity share capital		584.68	—	584.68	584.68	—	584.68
Other equity		15,986.49	106.21	16,092.70	15,144.33	72.22	15,216.55
		16,571.17	106.21	16,677.38	15,729.01	72.22	15,801.23
Non-current liabilities							
Financial liabilities							
Borrowings		400.00	—	400.00	1,250.00	—	1,250.00
Other financial liabilities	2	220.02	(118.39)	101.63	203.21	(119.39)	83.82
Provisions		103.89	—	103.89	92.18	—	92.18
Deferred tax liabilities (net)	5	161.35	(77.24)	84.11	178.56	(87.56)	91.00
Other non-current liabilities	2	—	97.65	97.65	—	103.35	103.35
		885.26	(97.98)	787.28	1,723.95	(103.60)	1,620.35
Current liabilities							
Financial liabilities							
Borrowings		—	—	—	12.28	—	12.28
Trade payables		47.52	—	47.52	56.84	—	56.84
Other financial liabilities		122.12	—	122.12	137.11	—	137.11
Other current liabilities	2	18.77	12.66	31.43	13.61	11.48	25.09
Provisions		78.89	—	78.89	66.38	—	66.38
Current tax liabilities (net)		8.86	—	8.86	29.26	—	29.26
		276.16	12.66	288.82	315.48	11.48	326.96
		17,732.59	20.89	17,753.48	17,768.44	(19.90)	17,748.54
TOTAL EQUITY AND LIABILITIES							

* The previous GAAP figures have been reclassified to confirm Ind AS presentation requirements for the purpose of this note.



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(iv) Reconciliation between previous GAAP and Ind AS for impact on statement of profit and loss

Particulars	Notes to first time adoption	Previous GAAP For the year 31 March 2017*	Adjustments	Ind AS 31 March 2017
Income				
Revenue from operations	6	2,527.38	293.30	2,820.68
Other income	2, 3	974.58	134.01	1,108.59
Total Income		3,501.96	427.31	3,929.27
Expenses				
Purchase of traded goods/ Cost of goods consumed		606.26	—	606.26
Changes in Inventory of traded goods		(40.32)	—	(40.32)
Excise duty on goods sold	6	—	293.31	293.31
Employee benefits expense	4	896.37	(4.09)	892.28
Finance costs	2	89.87	7.97	97.84
Depreciation and amortisation expense	1	207.98	78.57	286.55
Other expenses	2, 3	640.41	3.15	643.56
Total expenses		2,400.57	378.91	2,779.48
Profit before tax		1,101.39	48.40	1,149.79
Tax expense				
Current tax		270.00	—	270.00
Deferred tax charge	5	(17.21)	11.67	(5.54)
Previous year income tax		6.44	—	6.44
Profit after tax		259.23	11.67	270.90
		842.16	36.73	878.89
Other comprehensive income				
Item that will not to be reclassified to profit or loss				
Remeasurement income on defined benefit plans	4	—	4.09	4.09
Income tax relating to above items	5	—	(1.35)	(1.35)
Total comprehensive income for the year		842.16	33.99	876.15

(v) Effect of Ind AS adoption on the Statement of Cash Flow for the year ended 31 March, 2017.

Particulars	Notes	Previous GAAP*	Effect of transition to Ind AS	Ind AS
Net cash flows from operating activities	2,3	574.12	139.51	713.63
Net cash flows from investing activities	2,3	300.36	(47.16)	253.20
Net cash flows from financing activities	2,3	(862.28)	(92.35)	(954.63)
Net increase in cash and cash equivalents		12.20	—	12.20
Cash and cash equivalents at the beginning of the year		271.70	—	271.70
Cash and cash equivalents at the end of the year		283.90	—	283.90

* The previous GAAP figures have been reclassified to confirm Ind AS presentation requirements for the purpose of this note.



Notes:

Note - 1: Investment Properties

Under previous GAAP, investment properties were presented as part of non-current investments.

Under Ind AS, investment properties are required to be separately presented on the face of the balance sheet.

Note - 2: Measurement of financial assets and liabilities initially at fair value and subsequently at amortised cost

Under previous GAAP, all financial assets and financial liabilities were carried at cost. Under Ind AS, certain financial assets and financial liabilities are initially recognised at fair value and subsequently measured at amortised cost which involves the application of effective interest rate method. The effective interest rate is the rate that exactly discounts estimated future cash payments or receipts through the expected life of the financial asset or financial liability to the fair value amount on the date of recognition of financial asset or financial liability.

Note - 3: Fair valuation of investments

Under the previous GAAP, investments in equity instruments and mutual funds were classified as long-term investments or current investments based on the intended holding period and realisability. Long-term investments were carried at cost less provision for other than temporary decline in the value of such investments. Current investments were carried at lower of cost and fair value. Under Ind AS, these investments are required to be measured at fair value. The resulting fair value changes of these investments have been recognised in retained earnings as at the date of transition and subsequently in the profit or loss for the year.

Note - 4: Remeasurement of defined benefit obligation

Under Ind AS, remeasurements i.e. actuarial gains and losses on the net defined benefit liability are recognised in other comprehensive income instead of profit or loss. Under the previous GAAP, these remeasurements were forming part of the profit or loss for the year.

Note - 5: Deferred tax

Under previous GAAP, deferred tax was accounted using the income statement approach, on the timing differences between the taxable profit and accounting profits for the period. Under Ind AS, deferred tax is recognized following balance sheet approach on the temporary differences between the carrying amount of asset or liability in the balance sheet and its tax base. In addition, various transitional adjustments has also lead to recognition of deferred taxes on new temporary differences.

Note - 6: Excise duty

Under Previous GAAP, revenue from sale of goods was presented net of excise duty whereas under Ind AS the revenue from sale of goods is presented inclusive of excise duty. The excise duty is presented on the face of the Statement of profit and loss as part of expenses.

Note - 7: Other comprehensive income

Under Ind AS, all items of income and expense recognised in a period should be included in profit or loss for the period, unless a standard requires or permits otherwise. Items of income and expense that are not recognised in profit or loss but are shown in the statement of profit and loss as 'other comprehensive income' includes re-measurements of defined benefit plans and fair value gains or (losses) on FVOCI equity instruments and their corresponding income tax effects. The concept of other comprehensive income did not exist under previous GAAP.



54. Authorisation of financial statements

These standalone financial statements for the year ended 31 March 2018 (including comparatives) were approved by the Board of Directors on 30 May 2018.

This is the Summary of significant accounting policies and other explanatory information referred to in our report of even date.

For Gupta Vigg & Co.

Chartered Accountants

Firm Registration NO. 001393N

CA. Deepak Pokhriyal

Partner

Membership No. 524778

Place: New Delhi

Dated: 30 May, 2018

For and on behalf of the Board of Directors of IST Limited

D.N.Tulshyan
Chief Financial Officer

Bhupinder Kumar
Company Secretary

Mayur Gupta
Director
DIN-00131376

S.C.Jain
Executive Director
DIN-00092079



INDEPENDENT AUDITORS' REPORT

TO THE MEMBERS OF IST LIMITED

Report on the Consolidated Ind AS Financial Statements

We have audited the accompanying consolidated Ind AS financial statements of IST Limited (hereinafter referred to as "the Holding Company") and its wholly owned subsidiary (the Holding Company and its wholly owned subsidiary together referred to as "the Group") and its associate, comprising the Consolidated Balance Sheet as at March 31, 2018, the Consolidated Statement of Profit and Loss including Other Comprehensive Income, the Consolidated Cash Flow Statement and the Consolidated Statement of Changes in Equity for the year then ended, and a summary of the significant accounting policies and other explanatory information (hereinafter referred to as "the consolidated Ind AS financial statements").

Management's Responsibility for the Consolidated Ind AS Financial Statements

The Holding Company's Board of Directors is responsible for the preparation of these consolidated Ind AS financial statements in terms of the requirements of the Companies Act, 2013 (hereinafter referred to as "the Act") that give a true and fair view of the consolidated financial position, consolidated financial performance including other comprehensive income, consolidated cash flows and consolidated statement of changes in equity of the Group including its associate in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) prescribed under Section 133 of the Act. The respective Board of Directors of the companies included in the Group and of its associate are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Group and its associate and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the Consolidated Ind AS financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the consolidated Ind AS financial statements by the directors of the Holding Company, as aforesaid.

Auditor's Responsibility

Our responsibility is to express an opinion on these consolidated Ind AS financial statements based on our audit. In conducting our audit, we have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder.

We conducted our audit in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the consolidated Ind AS financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the consolidated Ind AS financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the Consolidated Ind AS financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Holding Company's preparation of the consolidated Ind AS 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 the accounting policies used and the reasonableness of the accounting estimates made by the Holding Company's Board of Directors, as well as evaluating the overall presentation of the consolidated Ind AS financial statements.

We believe that the audit evidence obtained by us and other auditors in terms of their reports referred to in sub-paragraphs (a) of the Other Matters paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on the consolidated Ind AS financial statements.

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid consolidated Ind AS 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, of the consolidated state of affairs (financial



position) of the Group and its associate as at March 31, 2018, and their consolidated Profit (financial performance including other comprehensive income), their consolidated cash flows and consolidated statement of changes in equity for the year ended on that date.

Other Matters

- (a) We did not audit the financial statements/financial information of the wholly owned subsidiary, included in the consolidated Ind AS financial statements, whose financial statements/consolidated financial information reflect total assets of Rs. 50,080.06 lakhs as at March 31, 2018, total revenues of Rs. 10,341.29 lakhs and net cash inflows amounting to Rs. (149.12) lakhs for the year ended on that date, as considered in the consolidated Ind AS financial statements. The consolidated Ind AS financial statements also include the Group's share of net profit of Rs. 41.67 lakhs for the year ended March 31, 2018, as considered in the consolidated Ind AS financial statements, in respect of an associate, whose financial statements have not been audited by us. These financial statements/financial information have been audited by other auditors whose reports have been furnished to us by the Management and our opinion on the consolidated Ind AS financial statements, in so far as it relates to the amounts and disclosures included in respect of these subsidiary and associate and our report in terms of sub-section (3) of Section 143 of the Act, in so far as it relates to the aforesaid subsidiary and associate is based solely on the reports of the other auditors.
- (b) The comparative financial information of the Group and its associate for the year ended March 31, 2017 and the transition date opening balance sheet as at April 01, 2016 included in these consolidated Ind AS financial statements, are based on the previously issued consolidated financial statements prepared in accordance with the Companies (Accounting Standards) Rules, 2006 audited by the predecessor auditor whose report for the year ended March 31, 2017 and March 31, 2016 dated May 30, 2017 and May 30, 2016 respectively expressed an unmodified opinion on those consolidated financial statements, as adjusted for the differences in the accounting principles adopted by the Company on transition to the Ind AS, which have been audited by us.

Our opinion on the consolidated Ind AS financial statements above, and our report on Other Legal and Regulatory Requirements below, is not modified in respect of the above matters with respect to our reliance on the work done and the reports of the other auditors.

Report on Other Legal and Regulatory Requirements

As required by Section 143(3) of the Act, based on our audit and on the consideration of the report of other auditors on separate financial statements of subsidiary and associate company incorporated in India, referred in the Other Matters paragraph above we report, to the extent applicable, that:

- (a) We have sought and obtained all the information and explanations, which to the best of our knowledge and belief, were necessary for the purpose of our audit of the aforesaid consolidated Ind AS financial statements;
- (b) In our opinion, proper books of account as required by law relating to preparation of the aforesaid consolidated Ind AS have been kept so far as it appears from our examination of those books and the reports of the other auditors;
- (c) The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss including other comprehensive income, the Consolidated Cash Flow Statement and the Consolidated Statement of Changes in Equity dealt with by this Report are in agreement with the relevant books of account maintained for the purpose of preparation of the consolidated Ind AS financial statements;
- (d) In our opinion, the aforesaid consolidated Ind AS financial statements comply with the Indian Accounting Standards specified under Section 133 of the Act, read with relevant rules issued thereunder;
- (e) On the basis of written representations received from the directors of the Holding Company as on March 31, 2018, taken on record by the Board of Directors of the Holding Company and the reports of the statutory auditors of its subsidiary company and associate company incorporated in India, none of the directors of the Group and its associate company incorporated in India is disqualified as on March 31, 2018 from being appointed as a director in terms of Section 164(2) of the Act;
- (f) With respect to the adequacy of the internal financial controls over financial reporting of Holding Company, its subsidiary company and associate company incorporated in India and the operating effectiveness of such controls, refer to our separate Report in "**Annexure A**"; and

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- (g) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended, in our opinion and to the best of our information and according to the explanations given to us:
- i. The consolidated Ind AS financial statements disclose the impact of pending litigations on the consolidated financial position of the Group and its associate. Refer Note. 54 to the consolidated Ind AS financial statements;
 - ii. The Group and its associate did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses; and
 - iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Holding Company and its subsidiary company and associate company incorporated in India.

For Gupta Vigg & Co.
Chartered Accountants
Firm's Registration Number: 001393N

(CA. Deepak Pokhriyal)
Partner
Membership Number: 524778

Place of Signature: New Delhi
Date: May 30, 2018



Annexure 'A' To the Independent Auditors' Report of even date on the Consolidated Ind AS Financial Statement of IST Limited

(Referred to in paragraph 1(f) under 'Report on Other Legal and Regulatory Requirements' section of our report of even date to the Members of IST Limited)

Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")

In conjunction with our audit of the consolidated Ind AS financial statements of the Company for the year ended March 31, 2018, we have audited the internal financial controls over financial reporting of IST Limited (hereinafter referred to as "the Company" or "the Holding Company") and its subsidiary company and associate company, which are companies incorporated in India, as of that date.

Management's Responsibility for Internal Financial Controls

The respective Board of Directors of the Holding Company, its subsidiary company and its associate company, which are companies incorporated in India, are responsible for establishing and maintaining internal financial controls based on "the internal control over financial reporting criteria established by the respective Companies considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India ('ICAI'). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to respective Company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

Auditors' Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting of based on our audit. We conducted our audit in accordance with the Guidance Note on audit of Internal Financial Controls over Financial Reporting (the "Guidance Note") and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and, both issued by the Institute of Chartered Accountants of India. Those Standards and the

Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained and the audit evidence obtained by the other auditors of the subsidiary company and associate company, which are companies incorporated in India, in terms of their reports referred to in the Other Matters paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system over financial reporting.

Meaning of Internal Financial Controls over Financial Reporting

A Company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A Company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the Company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the Company are being made only in accordance with authorisations of management and directors of the Company; and (3)



provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the Company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls Over Financial Reporting

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

In our opinion, the Holding Company, its subsidiary company and its associate company, which are

companies incorporated in India, have, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2018, based on "the internal control over financial reporting criteria established by the respective companies considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India".

Other Matter

Our aforesaid report under Section 143 (3) (i) of the Act on the adequacy and operating effectiveness of the internal financial controls over financial reporting insofar as it relates to one subsidiary company and one associate company, which are companies incorporated in India, is based on the corresponding reports of the auditors of such companies incorporated in India.

For Gupta Vigg & Co.

Chartered Accountants

Firm's Registration Number: 001393N

(CA. Deepak Pokhriyal)

Partner

Membership Number: 524778

Place of Signature: New Delhi

Date: May 30, 2018



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Consolidated Balance Sheet as at 31st March, 2018 (All amounts in rupees lakhs unless otherwise stated)

ASSETS	Note	As at 31 March, 2018	As at 31 March, 2017	As at 1 April, 2016
Non-current assets				
Property, plant and equipment	5	1,046.80	1,230.32	1,441.71
Investment property	6	19,098.55	19,230.74	19,362.93
Intangible assets	7	2.85	2.32	5.60
Intangible assets under development	7A	0.25	—	—
Investments accounted for using the equity method		1,311.68	1,280.47	1,030.06
Financial assets				
Investments	8	33,858.59	25,749.99	18,023.22
Trade Receivables	9	1,068.37	1,096.93	679.01
Loans	10	508.78	463.18	463.42
Other financial assets	11	8.14	7.66	7.10
Deferred tax asset (net)	12	6,295.64	4,708.33	3,694.34
Other non current assets	13	2,224.13	2,168.59	2,255.46
		<u>65,423.78</u>	<u>55,938.53</u>	<u>46,962.85</u>
Current assets				
Inventories	14	745.92	758.68	741.33
Financial assets				
Investments	15	446.99	50.20	—
Trade receivable	16	751.37	885.92	668.60
Cash and cash equivalents	17	586.13	648.36	420.77
Loans	18	701.44	667.03	1,511.64
Other financial assets	19	38.77	32.26	87.67
Current tax assets (net)	20	—	35.48	—
Other current assets	21	27.85	26.57	39.72
		<u>3,298.47</u>	<u>3,104.50</u>	<u>3,469.73</u>
TOTAL		<u>68,722.25</u>	<u>59,043.03</u>	<u>50,432.58</u>
EQUITY AND LIABILITIES				
Equity				
Equity share capital	22	584.68	584.68	584.68
Other equity	23	63,563.05	53,553.68	44,618.92
		<u>64,147.73</u>	<u>54,138.36</u>	<u>45,203.60</u>
Non-current liabilities				
Financial liabilities				
Borrowing	24	—	400.00	1,250.00
Other financial liabilities	25	2,095.41	1,868.39	1,612.70
Provisions	26	123.05	116.01	100.78
Other non-current liabilities	27	1,469.79	1,591.22	1,418.55
		<u>3,688.25</u>	<u>3,975.62</u>	<u>4,382.03</u>
Current liabilities				
Financial liabilities				
Borrowings	28	8.48	—	12.28
Trade payables	29	43.70	47.52	56.84
Other financial liabilities	30	374.22	522.96	428.87
Other current liabilities	31	266.99	253.93	218.36
Provisions	32	110.67	95.78	80.47
Current tax liabilities (net)	33	82.21	8.86	50.13
		<u>886.27</u>	<u>929.05</u>	<u>846.95</u>
		<u>68,722.25</u>	<u>59,043.03</u>	<u>50,432.58</u>

The accompanying notes form an integral part of these consolidated financial statements.

This is the Consolidated Balance Sheet referred to in our report of even date.

For Gupta Vigg & Co.

Chartered Accountants

Firm Registration NO. 001393N

For and on behalf of the Board of Directors of IST Limited

CA. Deepak Pokhriyal

Partner

Membership No. 524778

Place: New Delhi

Dated: 30 May, 2018

D.N. Tulshyan
Chief Financial Officer

Bhupinder Kumar
Company Secretary

Mayur Gupta
Director
DIN-00131376

S.C. Jain
Executive Director
DIN-00092079



Consolidated Statement of profit and loss for the year ended 31st March, 2018

(All amounts in rupees lakhs unless otherwise stated)

	Note	For the Year ended 31 March, 2018	For the Year ended 31 March, 2017
Income			
Revenue from operations	34	11,168.03	10,961.57
Other income	35	2,817.33	2,419.66
Total Income		13,985.36	13,381.23
Expenses			
Cost of material consumed	36	469.48	606.26
Changes in inventories of work-in-progress and finished goods	37	32.12	(40.32)
Excise duty		67.43	293.31
Employee benefits expense	38	1,015.27	1,008.97
Finance costs	39	203.03	269.57
Depreciation and amortisation expense	40	361.78	371.58
Other expenses	41	1,142.86	1,547.41
Total expenses		3,291.97	4,056.78
Profit before share of net profits/(losses) of an associate and tax		10,693.39	9,324.45
Share of net profit of associate accounted for using the equity method		41.67	75.03
Profit before Tax	42	10,735.06	9,399.48
Tax expense			
Current tax		2,258.00	1,826.00
Deferred tax		(1,578.98)	(1,055.28)
Income Tax for earlier years		6.88	8.48
Total tax expense		685.90	779.20
Profit after tax		10,049.16	8,620.28
Other comprehensive income/ (loss)			
Item that will not to be reclassified to profit or loss			
(a) Remeasurement income on defined benefit plans		4.16	(3.43)
Income tax relating to above item		(1.31)	1.12
(b) Changes in fair value of FVOCI equity instruments		(41.83)	183.82
Income tax relating to above items		9.65	(42.41)
(c) Share of other comprehensive income of associates accounted for using the equity method		(10.46)	175.38
Other comprehensive income/ (loss) for the year		(39.79)	314.48
Total comprehensive income for the year		10,009.37	8,934.76
Profit is attributable to:			
Owners of the Parent		10,049.16	8,620.28
Non-controlling interests		—	—
		10,049.16	8,620.28
Other comprehensive Income/ (loss) is attributable to:			
Owners of the Parent		(39.79)	314.48
Non-controlling interests		—	—
		(39.79)	314.48
Total comprehensive Income/ (loss) is attributable to:			
Owners of the Parent		10,009.37	8,934.76
Non-controlling interests		—	—
		10,009.37	8,934.76
Earnings per share (basic and diluted) (in Rs.)	43	172.31	147.81

The accompanying notes form an integral part of these consolidated financial statements.

This is the Statement of profit and loss referred to in our report of even date.

For Gupta Vigg & Co.

Chartered Accountants

Firm Registration NO. 001393N

For and on behalf of the Board of Directors of IST Limited

CA. Deepak Pokhriyal
Partner
Membership No. 524778
Place: New Delhi
Dated: 30 May, 2018

D.N. Tulshyan
Chief Financial Officer

Bhupinder Kumar
Company Secretary

Mayur Gupta
Director
DIN-00131376

S.C. Jain
Executive Director
DIN-00092079



IST LIMITED

CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2018

(All amounts in rupees lakhs unless otherwise stated)

Particulars	Year ended 31 March 2018	Year ended 31 March 2017
Cash Flows from operating activities		
Profit before tax	10,693.39	9,324.45
Adjustments for:		
Depreciation and amortisation expense	361.77	371.58
Finance costs	200.18	267.55
Interest income	(1,256.40)	(1,238.82)
Gain on fair valuation of investments (net)	(219.72)	(298.38)
Trade receivable and other balance written off/(written back)	7.80	(0.17)
Discount and liquidated damages	13.22	8.27
(Profit)/ loss on sale of property, plant and equipment (net)	(13.22)	1.56
(Profit)/loss on sale of current investment	67.69	(31.38)
Provision for doubtful loan	—	363.98
Dividend	(67.33)	(40.58)
Operating profit before working capital changes	9,787.38	8,728.06
Movements in working capital:		
Inventories	12.76	(17.35)
Trade receivables	142.30	(643.35)
Trade payables	(3.82)	(9.32)
Loans	(76.54)	484.58
Other financial assets	(64.67)	153.35
Other assets	1.18	0.66
Provisions	26.09	27.11
Financial and other liabilities	(218.32)	382.81
Cash generated from operating activities	9,606.36	9,106.55
Income tax refunded/(paid) (net)	(2,156.00)	(1,911.21)
Net cash generated from operating activities	7,450.36	7,195.34
Cash flows from investing activities		
Purchase of property, plant and equipment	(48.17)	(32.95)
Sale of property, plant and equipment	17.71	6.67
Purchase of intangible assets	(3.17)	—
Purchase of current investments	(1,425.17)	(850.00)
Sale of current investments	935.20	805.43
Purchase of non-current investments	(7,905.24)	(7,170.80)
Interest received	1,252.41	1,187.95
Dividend	67.33	40.58
Net cash used in investing activities	(7,109.10)	(6,013.12)
Cash flows from financing activities		
Proceeds from/(repayments of) short term borrowings	8.48	(12.28)
Repayment of long term borrowings	(400.00)	(850.00)
Finance cost paid	(11.97)	(92.35)

IST LIMITED



Particulars		Year ended 31 March 2018	Year ended 31 March 2017
Net cash used in financing activities	C	(403.49)	(954.63)
Net (decrease)/increase in cash and cash equivalents D=(A+B+C)		(62.23)	227.59
Cash and cash equivalents at the beginning of the year	E	648.36	420.77
Cash and cash equivalents at the end of the year (D+E) {refer note 17 }		586.13	648.36

Accompanying notes from an integral part of these financial statements.

Note: The above Consolidated Cash Flow Statements has been prepared under the "Indirect Method" as set out in the Indian Accounting Standard (Ind AS-7)- Statement of Cash Flow.

This is the Consolidated Cash Flow Statement referred to in our report of even date.

For Gupta Vigg & Co.
Chartered Accountants
Firm Registration NO. 001393N

For and on behalf of the Board of Directors of IST Limited

CA. Deepak Pokhriyal
Partner
Membership No. 524778
Place: New Delhi
Dated: 30 May, 2018

D.N. Tulshyan
Chief Financial Officer

Bhupinder Kumar
Company Secretary

Mayur Gupta
Director
DIN-00131376

S.C. Jain
Executive Director
DIN-00092079



IST LIMITED

Consolidated Statement of Changes in Equity for the year ended 31st March, 2018

(All amounts in rupees lakhs unless otherwise stated)

A. Equity share capital	Amount
Balance as at 1 April 2016	584.68
Changes during the year	—
Balance as at 31 March 2017	584.68
Changes during the year	—
Balance as at 31 March 2018	584.68

B. Other Equity

Particulars	Reserves & Surplus			OCI	Total
	General Reserve	Securities premium account	Retained earning	Equity reserve instruments reserve	
Balance as at 1 April, 2016	11,080.04	60.59	33,478.29	—	44,618.92
Profit for the year	—	—	8,620.28	—	8,620.28
Other comprehensive income/(loss)	—	—	173.07	141.41	314.48
Balance as at 31 March, 2017	11,080.04	60.59	42,271.64	141.41	53,553.68
Balance as at 1 April, 2017	11,080.04	60.59	42,271.64	141.41	53,553.68
Profit for the year	—	—	10,049.16	—	10,049.16
Other comprehensive income/(loss)	—	—	(7.61)	(32.18)	(39.79)
Balance as at 31 March 2018	11,080.04	60.59	52,313.19	109.23	63,563.05

Accompanying notes form an integral part of these consolidated financial statements.

This is the Consolidated Statement of Changes in Equity referred to in our report of even date.

For Gupta Vigg & Co.
Chartered Accountants
Firm Registration NO. 001393N

For and on behalf of the Board of Directors of IST Limited

CA. Deepak Pokhriyal
Partner
Membership No. 524778
Place: New Delhi
Dated: 30 May, 2018

D.N. Tulshyan
Chief Financial Officer

Bhupinder Kumar
Company Secretary

Mayur Gupta
Director
DIN-00131376

S.C. Jain
Executive Director
DIN-00092079



Summary of Consolidated Significant Accounting Policies and other explanatory information for the year ended 31st March, 2018

(All amounts in rupees lakhs unless otherwise stated)

1. Group information and statement of compliance with Indian Accounting Standards (Ind AS)

The consolidated financial statements comprise financial statements of IST Limited (“the Company” or “the Holding Company”) and its subsidiary (collectively referred to as the ‘the Group’) for the year ended 31 March 2018.

IST Limited is a public limited company, domiciled in India and having its registered office at A-23, New Office Complex, Defence Colony, New Delhi-110024, was incorporated under the provisions of Companies Act, 1956. The Group and its associate company are engaged in the manufacturing of precision engineering components/ assemblies, SEZ Developers and trading activities. Further, details about the business operations are provided in Note No.45- Segment Information.

The consolidated financial statements of the Group have been prepared to comply in all material respects with accounting principles generally accepted in India, including Ind AS notified under the Companies (Indian Accounting Standards) Rules, 2015 under Section 133 of the Companies Act, 2013 (the “Act”) and other relevant provisions of the Act. The consolidated financial statements up to year ended 31 March 2017 were prepared in accordance with the accounting standards prescribed under section 133 of the Act, read with rule 7 of the Companies (Accounts) Rules, 2014 (as amended) (“Previous GAAP”) and other relevant provisions of the Act.

These consolidated financial statements for the year ended 31 March 2018 are the first financial statements, which the Group has prepared under Ind AS. For purpose of comparatives, financial statements for year ended 31 March 2017 and opening Balance Sheet as at 1 April 2016 are also prepared under Ind AS. Refer note 55 for an explanation of how the transition from previous GAAP to Ind AS has affected the Group’s financial position, financial performance and cash flows.

2. Basis of preparation and significant accounting policies

a. Basis of preparation

The consolidated financial statements have been prepared on accrual and going concern basis under historical cost convention except for certain financial instruments and plan assets, which are measured at fair values. The accounting policies are applied consistently to all the periods presented in the consolidated financial statements, including the preparation of the opening Ind AS Balance Sheet as at 1 April 2016 being the date of transition to Ind AS, except where the Group has applied certain exemptions upon transition to Ind AS.

The significant accounting policies and measurement bases have been summarised below.

Current versus non-current classification

All assets and liabilities have been classified as current or non-current as per the Group’s normal operating cycle and as per terms of agreements wherever applicable. Deferred tax assets and liabilities are classified as non-current assets and non-current liabilities, as the case may be.

Basis of consolidation

Subsidiary company is an entity over which the holding company has control. The holding company controls subsidiary when the holding company is exposed to, or has rights to, variable returns from its involvement with its subsidiary and has the ability to affect those returns through its power to direct the relevant activities of the subsidiary. Subsidiary is fully consolidated from the date on which control is transferred to the holding company and it is deconsolidated from the date when control ceases. Profit/(loss) and OCI (‘OCI’) of subsidiary acquired or disposed of during the period are recognised from the effective date of acquisition, or up to the effective date of disposal, as applicable. The consolidated subsidiary has a consistent reporting date of 31 March 2018.



Summary of Consolidated Significant Accounting Policies and other explanatory information for the year ended 31st March, 2018

(All amounts in rupees lakhs unless otherwise stated)

The Group combines the financial statements of the holding company and its subsidiary line by line adding together like items of assets, liabilities, equity, income and expenses. Intercompany transactions, balances and unrealized gains on transactions between group companies are eliminated. Unrealized losses are also eliminated unless the transaction provides evidence of an impairment of the transferred asset. Accounting policies of subsidiary company has been changed where necessary to ensure consistency with the policies adopted by the Group.

Non-controlling interests, presented as part of equity, represent the portion of a subsidiary's statement of profit and loss and net assets that is not held by the Group. Profit/(loss) and each component of OCI are attributed to the equity holders of the holding company and to the non-controlling interests, even if this results in the non-controlling interests having a deficit balance. The Group attributes total comprehensive income or loss of the subsidiary between the owners of the holding company and the non-controlling interests, if any, based on their respective ownership interests.

The Group treats transactions with non-controlling interests that do not result in a loss of control as transactions with equity owners of the group. Such a change in ownership interest results in an adjustment between the carrying amounts of the controlling and non-controlling interests to reflect their relative interests in the subsidiary. Any difference between the amount of the adjustment to non-controlling interests and any consideration paid or received is recognised within equity.

Investment in associate has been accounted under the Equity Method as per Ind AS 28- Investment in Associates.

b. Revenue recognition

Revenue is recognised to the extent it is probable that future economic benefits will flow to the Group and the revenue can be measured reliably. Revenue is measured at the fair value of the consideration received or receivable net of related rebates. The following specific recognition criteria must also be met before revenue is recognised:

Sale of goods

A sale of goods is recognized when the goods has transferred to the buyer the significant risks and rewards of ownership,generally when the customer has taken undisputed delivery of the goods

Interest income

Interest income is recognised on time proportion basis taking into account the amount outstanding and rate applicable. For all financial assets measured at amortised cost, interest income is recorded using the effective interest rate (EIR) i.e. the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to the net carrying amount of the financial assets.

Dividend

Dividend are recognised in profit or loss only when the right to receive payment is established, it is probable that the economic benefits associated with the dividend will flow to the Group, and the amount of the dividend can be measured reliably.

Rental Income

Rental Income recognised on straight lining basis over the term of lease except for contingent rental income which is recognised when it arises and where schedule increase in rent compensates the lessor for expected inflationary costs.



Summary of Consolidated Significant Accounting Policies and other explanatory information for the year ended 31st March, 2018

(All amounts in rupees lakhs unless otherwise stated)

Unbilled receivables

Unbilled receivables represent:

- Balance on account of straight lining of rental income over the rent-free period.

c. Inventories

Finished goods, works-in-process, raw material, stores, spares and components are valued at lower of cost and net realisable value. Cost of inventory has been arrived at by using the weighted average cost formula. Cost of inventory comprises all costs of purchase duties, taxes (other than those subsequent recoverable from tax authorities) & all other cost incurred to bring the inventories to their present condition & location. Tools and instruments are valued at cost less depletion in value. Stock of scrap is valued at estimated realizable value. Net realisable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and estimated costs necessary to make the sale.

d. Income Taxes

Tax expense recognised in the statement of profit and loss comprises the sum of deferred tax and current tax not recognised in Other Comprehensive Income (OCI) or directly in equity.

Current tax is measured at the amount expected to be paid to the tax authorities in accordance with the Income-tax Act, 1961. Current tax relating to items recognised outside statement of profit and loss is recognised outside statement of profit and loss (i.e. in OCI or equity depending upon the treatment of underlying item).

Deferred tax liabilities are generally recognised in full for all taxable temporary differences. Deferred tax assets are recognised to the extent that it is probable that the underlying tax loss, unused tax credits or deductible temporary difference will be utilised against future taxable income. This is assessed based on the Group's forecast of future operating results, adjusted for significant non-taxable income and expenses and specific limits on the use of any unused tax loss or credit. Unrecognised deferred tax assets are re-assessed at each reporting date and are recognised to the extent that it has become probable that future taxable profits will allow the deferred tax asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the reporting date. Deferred tax relating to items recognised outside the statement of profit and loss is recognised outside statement of profit and loss (in OCI or equity depending upon the treatment of underlying item).

Minimum Alternate Tax (MAT) credit is recognised as an asset only when and to the extent there is convincing evidence that the respective group company will pay normal income tax during the specified period. Such asset is reviewed at each Balance Sheet date and the carrying amount of the MAT credit asset is written down to the extent there is no longer a convincing evidence to the effect that the company will pay normal income tax during the specified period.

For operations carried out in Special Economic Zones which are entitled to tax holiday under the Income tax Act, 1961 no deferred tax is recognised in respect of timing differences which reverse during the tax holiday period, to the extent company's gross total income is subject to the deduction during the tax holiday period. Deferred tax in respect of timing differences which reverse after the tax holiday period is recognised in the year in which timing differences originate.

e. Cash and cash equivalents

Cash and cash equivalent in the balance sheet comprise cash at banks and on hand and short-term deposits with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

**Summary of Consolidated Significant Accounting Policies and other explanatory information for the year ended 31st March, 2018**

(All amounts in rupees lakhs unless otherwise stated)

f. Foreign currency transactions

The financial statements are presented in Indian Rupee ('INR' or 'Rs.')

 which is also the functional currency of the Group.

Foreign currency transactions are translated into the functional currency using the exchange rates at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation of monetary assets and liabilities denominated in foreign currencies at year end exchange rates are generally recognised in profit or loss.

Foreign exchange differences regarded as an adjustment to borrowing costs are presented in the statement of profit and loss, within finance costs. All other foreign exchange gains and losses are presented in the statement of profit and loss on a net basis within other income/expenses, as the case maybe.

g. Financial instruments*Initial recognition and measurement*

Financial assets and financial liabilities are recognized when the Group becomes a party to the contractual provisions of the financial instrument and are measured initially at fair value adjusted for transaction costs, except for those carried at fair value through profit or loss which are measured initially at fair value. Subsequent measurement of financial assets and financial liabilities is described below:

Non-derivative financial assets*Subsequent measurement*

i. Financial assets carried at amortised cost – a financial asset is measured at the amortised cost, if both the following conditions are met:

- The asset is held within a business model whose objective is to hold assets for collecting contractual cash flows, and
- Contractual terms of the asset give rise on specified dates to cash flows that are solely payments of principal and interest (SPPI) on the principal amount outstanding.

After initial measurement, such financial assets are subsequently measured at amortised cost using the effective interest rate (EIR) method.

ii. Fair value through profit or loss – Assets that do not meet the criteria for amortised cost or FVOCI are measured at fair value through profit or loss. A gain or loss on a debt investment that is subsequently measured at fair value through profit or loss and is not part of a hedging relationship is recognised in profit or loss and presented net in the statement of profit and loss within other gains/(losses) in the period in which it arises. Interest income from these financial assets is included in other income.

iii. Fair value through OCI- A financial assets measured at FVOCI if both of the following conditions are met:

- The Group's business model objectives for managing the financial assets is achieved both by collecting contractual cash flows and selling the financial assets, and
- The contractual terms of the financial assets given raise in specified dates to cash flows that are solely payments.

Further, the Group, through an irrevocable election at initial recognition, has measured certain investments in equity instruments at FVTOCI. The Group has made such election on an instrument by instrument basis. These equity instruments are neither held for trading nor are contingent consideration recognized under a business combination. Pursuant to such irrevocable election, subsequent changes in the fair value of such equity



Summary of Consolidated Significant Accounting Policies and other explanatory information for the year ended 31st March, 2018

(All amounts in rupees lakhs unless otherwise stated)

instruments are recognized in OCI. However, the Group recognizes dividend income from such instruments in the Consolidated Statement of Profit and Loss.

On derecognition of such financial assets, cumulative gain or loss previously recognised in OCI is not reclassified from the equity to the statement of profit and loss. However, the Group may transfer such cumulative gain or loss into retained earning within equity.

Impairment of financial assets

In accordance with Ind AS 109, the Group applies expected credit loss (ECL) model for measurement and recognition of impairment loss for financial assets. ECL is the weighted-average of difference between all contractual cash flows that are due to the Group in accordance with the contract and all the cash flows that the Group expects to receive, discounted at the original effective interest rate, with the respective risks of default occurring as the weights. When estimating the cash flows, the Group is required to consider:

- All contractual terms of the financial assets (including prepayment and extension) over the expected life of the assets.
- Cash flows from the sale of collateral held or other credit enhancements that are integral to the contractual terms.

Trade receivables: In respect of trade receivables, the Group applies the simplified approach of Ind AS 109, which requires measurement of loss allowance at an amount equal to lifetime expected credit losses. Lifetime expected credit losses are the expected credit losses that result from all possible default events over the expected life of a financial instrument.

Other financial assets: In respect of its other financial assets, the Group assesses if the credit risk on those financial assets has increased significantly since initial recognition. If the credit risk has not increased significantly since initial recognition, the Group measures the loss allowance at an amount equal to 12-month expected credit losses, else at an amount equal to the lifetime expected credit losses.

When making this assessment, the Group uses the change in the risk of a default occurring over the expected life of the financial asset. To make that assessment, the Group compares the risk of a default occurring on the financial asset as at the balance sheet date with the risk of a default occurring on the financial asset as at the date of initial recognition and considers reasonable and supportable information, that is available without undue cost or effort, that is indicative of significant increases in credit risk since initial recognition. The Group assumes that the credit risk on a financial asset has not increased significantly since initial recognition if the financial asset is determined to have low credit risk at the balance sheet date.

De-recognition of financial assets

A financial asset is primarily de-recognised when the contractual rights to receive cash flows from the asset have expired or the Group has transferred its rights to receive cash flows from the asset.

Non-derivative financial liabilities

Subsequent measurement

Subsequent to initial recognition, all non-derivative financial liabilities are measured at amortised cost using the effective interest method.

De-recognition of financial liabilities

A financial liability is de-recognized when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms or the terms of an existing liability are substantially modified, such an exchange or modification is treated as

**Summary of Consolidated Significant Accounting Policies and other explanatory information for the year ended 31st March, 2018**

(All amounts in rupees lakhs unless otherwise stated)

the de-recognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in the statement of profit or loss.

Offsetting of financial instruments

Financial assets and financial liabilities are offset and the net amount is reported in the balance sheet if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, to realize the assets and settle the liabilities simultaneously.

h. Fair value of financial instruments

In determining the fair value of its financial instruments, the Group uses a variety of methods and assumptions that are based on market conditions and risks existing at each reporting date. The methods used to determine fair value include discounted cash flow analysis, available quoted market prices and dealer quotes. All methods of assessing fair value result in general approximation of value, and such value may never actually be realized. For financial assets and liabilities maturing within one year from the Balance Sheet date and which are not carried at fair value, the carrying amounts approximate fair value due to the short maturity of these instruments.

i. Property, plant and equipment ('PPE')*Recognition and initial measurement*

Property, plant and equipment are stated at their cost of acquisition. The cost comprises purchase price, taxes (non-recoverable) borrowing cost if capitalisation criteria are met and other expenses, directly attributable cost of bringing the asset to its working condition for the intended use. Any trade discount and rebates are deducted in arriving at the purchase price. Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Group and definition of asset is met. All other repair and maintenance costs are recognised in the statement of profit or loss as incurred.

In case an item of property, plant and equipment is acquired on deferred payment basis, interest expenses included in deferred payment is recognised as interest expense and not included in cost of asset.

Subsequent measurement (depreciation and useful lives)

Depreciable amount for assets is the cost of an asset, or other amount substituted for cost, less its estimated residual value. Depreciation on tangible fixed assets has been provided on the straight-line method as per the useful life prescribed in Schedule II to the Companies Act, 2013.

De-recognition of PPE

An item of property, plant and equipment and any significant part initially recognised is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on de-recognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the statement of profit and loss when the asset is derecognised.

j. Investment properties*Recognition and initial measurement*

Investment properties are properties held to earn rentals or for capital appreciation, or both. Investment properties are measured initially at their cost of acquisition. The cost comprises purchase price, borrowing cost, if capitalization criteria are met and directly attributable cost of bringing the asset to its working condition for the intended use. Any trade discount and rebates are deducted in arriving at the purchase price.

Subsequent costs are included in the asset's carrying amount or recognized as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Company. All other repair and maintenance costs are recognized in statement of profit or loss as incurred.

**Summary of Consolidated Significant Accounting Policies and other explanatory information for the year ended 31st March, 2018**

(All amounts in rupees lakhs unless otherwise stated)

Subsequent measurement (depreciation and useful lives)

Investment properties are subsequently measured at cost less accumulated depreciation and impairment losses. Depreciation on investment properties is provided on the straight-line method, computed on the basis of useful lives (as set-out below) prescribed in Schedule II to the Act:

Assets category	Useful life (in years)
Buildings and related equipment	60

The residual values, useful lives and method of depreciation are reviewed at the end of each financial year.

De-recognition of Investment properties

Investment properties are de-recognized either when they have been disposed off or when they are permanently withdrawn from use and no future economic benefit is expected from their disposal. The difference between the net disposal proceeds and the carrying amount of the asset is recognized in profit or loss in the period of de-recognition.

k. Intangible assets*Recognition and initial measurement*

Intangible assets acquired separately are measured on initial recognition at cost. Following initial recognition, intangible assets are carried at cost less accumulated amortization and accumulated impairment losses, if any.

Subsequent measurement (amortised and useful lives)

Depreciation on intangible assets has been provided on the straight-line method on useful life of 6 years. The estimated useful life of the intangible assets and the amortization period are reviewed at the end of each financial year and the amortization period is revised to reflect the changed pattern, if any.

De-recognition

An item of intangible assets and any significant part initially recognised is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on de-recognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the statement of profit and loss when the asset is derecognised.

l. Capital work-in progress

Cost of material consumed and erection charges thereon along with other direct cost incurred by the Group for the projects are shown as capital work-in-progress until capitalisation. Claims for price variation / exchange rate variation in case of contracts are accounted for on acceptance / receipt of claim.

m. Impairment of non-financial assets

At each reporting date, the Group assesses whether there is any indication based on internal/external factors, that an asset may be impaired. If any such indication exists, the Group estimates the recoverable amount of the asset. The recoverable amount is higher of an asset's fair value less costs of disposal and value in use. For this purpose, assets are grouped at the lowest levels for which there are separately identifiable cash inflows which are largely independent of the cash inflows from other assets or group of assets (cash generating units). If such recoverable amount of the asset or the recoverable amount of the cash generating unit to which the asset belongs is less than its carrying amount, the carrying amount is reduced to its recoverable amount and the reduction is treated as an impairment loss and is recognised in the statement of profit and loss. If at the balance sheet date, there is an indication that a previously assessed impairment loss no longer exists, the recoverable amount is reassessed and the asset is reflected at the recoverable amount subject to a maximum of depreciated historical cost and the same is accordingly reversed in the statement of profit and loss.

**Summary of Consolidated Significant Accounting Policies and other explanatory information for the year ended 31st March, 2018**

(All amounts in rupees lakhs unless otherwise stated)

n. Operating leases**As a lessee**

Leases in which a significant portion of the risks and rewards of ownership are not transferred to the Group as lessee are classified as operating leases. Payments made under operating leases are charged to profit or loss on a straight-line basis over the period of the lease unless the increase in rent is to compensate the lessor for the effects of inflation.

As a lessor

Lease income from operating leases where the Group is a lessor is recognised in income on a straight-line basis over the lease term unless the receipts are structured to increase in line with expected general inflation to compensate for the expected inflationary cost increases. The respective leased assets are included in the balance sheet based on their nature.

o. Borrowing costs

Borrowing costs directly attributable to the acquisitions, construction or production of a qualifying asset are capitalised during the period of time that is necessary to complete and prepare the asset for its intended use or sale. Other borrowing costs are expensed in the period in which they are incurred and reported in finance costs.

A qualifying asset is one that necessarily takes substantial period of time to get ready for its intended use. Capitalisation of borrowing costs is suspended in the period during which the active development is delayed due to, other than temporary, interruption.

p. Provisions, contingent liabilities and contingent assets

Provisions are recognised when present obligations as a result of a past event will probably lead to an outflow of economic resources and amounts can be estimated reliably. Timing or amount of the outflow may still be uncertain. A present obligation arises when there is a presence of a legal or constructive commitment that has resulted from past events, for example, legal disputes or onerous contracts. Provisions are not recognised for future operating losses.

Provisions are measured at the estimated expenditure required to settle the present obligation, based on the most reliable evidence available at the reporting date, including the risks and uncertainties associated with the present obligation. Provisions are discounted to their present values, where the time value of money is material.

Any reimbursement that the Group can be virtually certain to collect from a third party with respect to the obligation is recognised as a separate asset. However, this asset may not exceed the amount of the related provision.

All provisions are reviewed at each reporting date and adjusted to reflect the current best estimate.

In those cases where the outflow of economic resources as a result of present obligations is considered improbable or remote, no liability is recognised.

Contingent liability is disclosed for:

- Possible obligations which will be confirmed only by future events not wholly within the control of the Group or
- Present obligations arising from past events where it is not probable that an outflow of resources will be required to settle the obligation or a reliable estimate of the amount of the obligation cannot be made.

Contingent assets are not recognised. However, when inflow of economic benefits is probable, related asset is disclosed.



Summary of Consolidated Significant Accounting Policies and other explanatory information for the year ended 31st March, 2018

(All amounts in rupees lakhs unless otherwise stated)

q. Employee benefits

Expenses and liabilities in respect of employee benefits are recorded in accordance with Indian Accounting Standard 19- Employee Benefits.

Defined benefit plans

Gratuity

The Group operates one defined benefit plan for its employees, viz. gratuity. The cost of providing benefits under this plan is determined on the basis of actuarial valuation at each year-end using the projected unit credit method. Actuarial gain and loss for the defined benefit plan is recognized in full in the period in which they occur in other comprehensive income.

Other long-term benefits

Accumulated leave expected to be carried forward beyond twelve months, is treated as long term employee benefit. Such long term compensated absences are provided for based on the actuarial valuation using the projected unit credit method at the year end. Accumulated leave, which is expected to be utilised within the next 12 months, is treated as short term employee benefit.

Liability under continuity linked key resource and deferred salary schemes is provided for on actuarial valuation basis, which is done as per the projected unit credit method at the end of each financial period.

Defined contribution plans

Provident Fund

The Group makes contribution to statutory provident fund in accordance with Employees Provident Fund and Miscellaneous Provisions Act, 1952. The plan is a defined contribution plan and contribution paid or payable is recognised as an expense in the period in which services are rendered by the employee.

Short-term employee benefits

Expense in respect of other short-term benefits is recognised on the basis of the amount paid or payable for the period during which services are rendered by the employee.

r. Earnings per share

Basic earnings per share is calculated by dividing the net profit or loss for the period attributable to equity shareholders (after deducting attributable taxes) by the weighted average number of equity shares outstanding during the period. The weighted average number of equity shares outstanding during the period is adjusted for events including a bonus issue.

For the purpose of calculating diluted earnings per share, the net profit or loss for the period attributable to equity shareholders and the weighted average number of shares outstanding during the period are adjusted for the effects of all dilutive potential equity shares.

s. Segment reporting

Operating segments are reported in a manner consistent with the internal reporting done to the chief operating decision maker. The chief operating decision maker is responsible for allocating resources and assessing performance of the operating segments of the Group.

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(All amounts in rupees lakhs unless otherwise stated)

3. Recent accounting pronouncement

In March 2018, the Ministry of Corporate Affairs (MCA) issued the Companies (Indian Accounting Standards) Amendment Rules, 2018, notifying Ind AS 115, Revenue from contract with customers, Appendix B to Ind-AS 21, Foreign currency transactions and advance consideration and amendments to certain other standards. These amendments are applicable to the Group from 1st April, 2018. The Group will be adopting the amendments from their effective date.

Ind AS 115: Revenue from Contracts with Customers

Ind AS 115 supersedes Ind AS 11, Construction contracts and Ind AS 18, Revenue. Ind AS 115 requires an entity to report information regarding nature, amount, timing and uncertainty of revenue and cash flows arising from contract with customers. The principle of Ind AS 115 is that an entity should recognize revenue that demonstrates the transfer of promised goods and services to customers at an amount that reflect the consideration to which the entity expects to be entitled in exchange for those goods and services. The standards can be applied either retrospectively to each prior reporting period presented or can be applied retrospectively with recognition of cumulative effect of contracts that are not completed contracts at the date of initial application of the standard.

Based on the preliminary assessment performed by the Group, the impact of application of standard is not expected to be material.

Appendix B to Ind AS 21, Foreign currency transaction and advance consideration

The appendix clarifies that the date of the transaction for the purpose of determining the exchange rate to use on initial recognition of the asset, expense or income (or part of it) is the date on which an entity initially recognizes the non-monetary asset or non-monetary liability arising from the payment of receipt of advance consideration towards such asset, expenses or income. If there are multiple payments or receipt in advance, then an entity must determine a transaction date for each payments or receipts of advance consideration.

Based on the preliminary assessment performed by the Group, the impact of application of appendix is not expected to be material.

4. Significant accounting judgments, estimates and assumptions

When preparing the consolidated financial statements, management undertakes a number of judgments, estimates and assumptions about recognition and measurement of assets, liabilities, income and expenses.

The actual results are likely to differ from the judgments, estimates and assumptions made by management, and will seldom equal the estimated results.

Information about significant judgments, estimates and assumptions that have the most significant effect on recognition and measurement of assets, liabilities, income and expenses are discussed below:

*Significant judgments:***(i) Evaluation of indicators for impairment of non-financial assets**

The evaluation of applicability of indicators of impairment of non-financial assets requires assessment of several external and internal factors which could result in deterioration of recoverable amount of the assets.

(ii) Recognition of deferred tax assets

The extent to which deferred tax assets can be recognised is based on an assessment of the probability of the future taxable income against which the deferred tax assets can be utilised. The recognition of deferred tax assets and reversal thereof is also dependent upon management decision relating to timing



Summary of Consolidated Significant Accounting Policies and other explanatory information for the year ended 31st March, 2018

(All amounts in rupees lakhs unless otherwise stated)

of Availment of tax holiday benefits available under the Income Tax Act, 1961 which in turn is based on estimates of future taxable profits.

Sources of estimation uncertainty:

(i) Provisions

At each balance sheet date, basis the management judgment, changes in facts and legal aspects, the Group assesses the requirement of provisions against the outstanding warranties and guarantees. However, the actual future outcome may be different from management's estimates.

(ii) Fair valuation of financial instruments

Management applies valuation techniques to determine the fair value of financial instruments (where active market quotes are not available). This involves developing estimates and assumptions consistent with how market participants would price the instrument.



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Summary of Consolidated Significant Accounting Policies and other explanatory information for the year ended 31st March, 2018

(All amounts in rupees lakhs unless otherwise stated)

5. Property, plant and equipment

Particulars	Plant & Machinery	Furniture	Vehicles	Office equipment	Computers	Total
Gross carrying value						
As at 1 April 2016	1,013.70	311.36	80.76	35.89	—	1,441.71
Additions	21.13	2.14	—	9.46	0.22	32.95
Disposals/ adjustments	—	(1.30)	(4.87)	(2.06)	—	(8.23)
Total As at 31 March 2017	1,034.83	312.20	75.89	43.29	0.22	1,466.43
Additions	18.59	0.35	18.73	10.05	0.44	48.16
Disposals/ adjustments	(2.24)	—	(2.25)	—	—	(4.49)
Total As at 31 March 2018	1,051.18	312.55	92.37	53.34	0.66	1,510.10
Accumulated depreciation						
As at 1 April 2016	—	—	—	—	—	—
Depreciation charge during the year	155.35	45.91	20.49	14.29	0.07	236.11
Total As at 31 March 2017	155.35	45.91	20.49	14.29	0.07	236.11
Depreciation charge during the year	155.24	45.87	13.63	12.28	0.17	227.19
Total As at 31 March 2018	310.59	91.78	34.12	26.57	0.24	463.30
Net carrying value						
As at 31 March 2018	740.59	220.77	58.25	26.77	0.42	1,046.80
As at 31 March 2017	879.48	266.29	55.40	29.00	0.15	1,230.32
As at 1 April 2016 *	1,013.70	311.36	80.76	35.89	—	1,441.71

Particulars	Plant & Machinery	Furniture	Vehicles	Office equipment	Computers	Total
Gross carrying amount as per Previous GAAP						
As at 1 April 2016	2,722.38	473.17	183.40	110.83	—	3,489.78
Accumulated depreciation as per Previous GAAP						
As at 1 April 2016	1,708.68	161.81	102.64	74.94	—	2,048.07
Net carrying amount (deemed cost) as at 1 April 2016*	1,013.70	311.36	80.76	35.89	—	1,441.71

* Represents deemed cost on the date of transition to Ind AS

Notes:

- The Group does not have any contractual commitments for the acquisition of property, plant and equipment.
- The Group has not capitalised any borrowing cost during the year ended 31 March 2018: Nil (31 March 2017: Nil; 1 April 2016: Nil).



6. Investment property

Particulars	Freehold Land	Building**	Total
Gross carrying value			
1 April 2016	11,462.11	7,900.82	19,362.93
Additions	—	—	—
Disposals/ adjustments	—	—	—
Total As at 31 March, 2017	11,462.11	7,900.82	19,362.93
Additions	—	—	—
Disposals/ adjustments	—	—	—
Total As at 31 March, 2018	11,462.11	7,900.82	19,362.93
Accumulated depreciation			
1 April 2016	—	—	—
Depreciation Charge during the year	—	132.19	132.19
Total As at 31 March, 2017	—	132.19	132.19
Depreciation Charge during the year	—	132.19	132.19
Total As at 31 March, 2018	—	264.38	264.38
Net carrying value			
As at 31 March 2018	11,462.11	7,636.44	19,098.55
As at 31 March 2017	11,462.11	7,768.63	19,230.74
As at 1 April 2016 *	11,462.11	7,900.82	19,362.93
Particulars	Freehold Land	Building	Total
Gross carrying amount as per Previous GAAP			
As at 1 April 2016	11,462.11	7,977.67	19,439.78
Accumulated depreciation as per Previous GAAP			
As at 1 April 2016	—	76.85	76.85
Net carrying amount (deemed cost) as at 1 April 2016*	11,462.11	7,900.82	19,362.93

* Represents deemed cost on the date of transition to Ind AS.

** Building includes commercial property at Noida, UP amounting of Rs. 6,674.73 lakhs (31 March 2017: 6,674.73 lakhs; 1 April 2016: Nil), whose registration is pending.

- (i) The Group has not capitalised any borrowing cost during the year ended 31 March 2018.
- (ii) Depreciation has been charged off and presented in 'depreciation and amortisation expenses' in statement of profit and loss.
- (iii) Leasing arrangements:

Certain investment properties are leased to tenants under long-term operating leases with rentals payable monthly. Refer note 46 for details on future minimum lease rentals.

- (iv) Amount recognised in profit and loss for investment properties

Particulars	31 March 2018	31 March 2017
Rental income	734.75	597.93
Less: Direct operating expenses that generated rental income	—	—
Less: Direct operating expenses that did not generate rental income	2.68	9.27
Profit from leasing of investment properties	732.07	588.66
Depreciation for the year	94.06	94.06
Profit after depreciation	638.01	494.60



(V) Fair value of investment properties

Particulars	31 March 2018	31 March 2017	1 April 2016
Fair value	18,555.44	18,253.61	17,952.89

Fair value hierarchy and valuation technique

The fair value of investment property has been determined by external, independent property valuers, having appropriate recognised professional qualification and recent experience in the location and category of the property being valued. The Group obtains independent valuations for its investment properties and fair value measurement has been categorized as level 3. Fair values of the properties are arrived using average of fair values calculation basis market rate approach to arrive at fair value.

7. Intangible assets

Intangible assets consist computer softwares

Particulars	Amount
Gross carrying value	
1 April 2016	5.60
Additions	—
Disposals/adjustments	—
Total As at 31 March 2017	5.60
Additions	2.92
Disposals/adjustments	—
Total As at 31 March 2018	8.52
Accumulated amortisation	
1 April 2016	—
Amortisation charge during the year	3.28
Total As at 31 March 2017	3.28
Amortisation charge during the year	2.39
Total As at 31 March 2018	5.67
Net carrying value	
As at 31 March 2018	2.85
As at 31 March 2017	2.32
As at 1 April 2016 *	5.60
Particulars	Total
Gross carrying amount as per Previous GAAP	
As at 1 April 2016	19.98
Accumulated amortisation as per Previous GAAP	
As at 1 April 2016	14.38
Net carrying amount (deemed cost) as at 1 April 2016*	5.60

* Represents deemed cost on the date of transition to Ind AS

(i) The Group has a contractual commitments of Rs. 0.95 lakhs (31 March 2017: Nil; 1 April 2016: Nil) for the acquisition of intangible assets.

7A. Intangible assets under development

	As at 31 March 2018	As at 31 March 2017	As at 1 April 2016
Intangible assets under development	0.25	—	—



Summary of Consolidated Significant Accounting Policies and other explanatory information for the year ended 31st March, 2018

(All amounts in rupees lakhs unless otherwise stated)

	As at 31 March 2018	As at 31 March 2017	As at 1 April 2016
8. Investments			
Investment in equity instruments (fully paid-up)			
Quoted, equity shares (at fair value through profit and loss)			
J.C.T.Ltd 4,800 (31 March 2017: 4,800; 1 April 2016: 4,800) Equity Shares of Rs.2.50 each	0.13	0.24	0.23
C.T.Cotton Yarn Ltd. 2,000 (31 March 2017: 2,000; 1 April 2016: 2,000)Equity Shares of Rs.10/- each	—	—	—
Rossell India Ltd. 3,06,150 (31 March 2017: 2,77,518; 1 April 2016: 8000) Equity Shares of Rs. 2/- each	279.98	354.81	8.96
Indian Oil Corporation Ltd 4,45,290 (31 March 2017:Nil; 1 April 2016: Nil) Equity Shares of Rs.10/- each	785.05	—	—
Pertronet LNG Ltd 2,20,000 (31 March 2017: Nil; 1 April 2016: Nil) Equity Shares of Rs.10/- each	508.86	—	—
IDFC bank limited 2,00,000 (31 March 2017: 2,59,000; 1 April 2016: Nil) Equity Shares of Rs.10/- each	94.70	153.59	—
HPCL Limited 2,47,500 (31 March 2017: 1,40,000; 1 April 2016: Nil) Equity Shares of Rs.10/- each	851.77	735.91	—
Berger Paints Limited 100,000 (31 March 2017: 59,252; 1 April 2016: Nil) Equity Shares of Rs.1/- each	256.45	143.09	—
Lakshmi Vilas Bank Ltd. 1,80,518 (31 March 2017: 30,105; 1 April 2016: Nil) Equity Shares of Rs.10/- each	177.18	50.09	—
Harrisons Malayalam Ltd. 50,000 (31 March 2017: Nil; 1 April 2016: Nil) equity shares of Rs.10/- each	36.78	—	—
Asian Paints Ltd. 10,000 (31 March 2017: Nil; 1 April 2016: Nil) equity shares of Rs.1/- each	112.04	—	—
Housing & Urban Development Corporation Ltd. 3,00,000 (31 March 2017: Nil; 1 April 2016: Nil) equity shares of Rs.10/- each	199.05	—	—
Oil and Natural Gas Corporation Ltd. 15,000 (31 March 2017: Nil; 1 April 2016: Nil) equity shares of Rs.5/- each	26.67	—	—
Reliance Industries Ltd. 5,000 (31 March 2017: Nil; 1 April 2016: Nil) equity shares of Rs.10/- each	44.14	—	—
ABG Shipyard Ltd. 50,000 (31 March 2017: Nil; 1 April 2016: Nil) equity shares of Rs.10/- each	3.80	—	—
Rural Electrification Corporation Ltd. 45,500 (31 March 2017: Nil; 1 April 2016: Nil) equity shares of Rs.10/- each	56.90	—	—
L & T Finance Holding Ltd. 3,10,000 (31 March 2017: Nil; 1 April 2016: Nil) equity shares of Rs.10/- each	486.85	—	—
Steel Authority India Ltd. 13,000 (31 March 2017: Nil; 1 April 2016: Nil) equity shares of Rs.10/- each	9.13	—	—
NBCC (India) Ltd. 85,000 (31 March 2017: Nil; 1 April 2016: Nil) equity shares of Rs.2/- each	161.80	—	—
Himachal Futuristic Communication Ltd. 1,60,000 (31 March 2017: Nil; 1 April 2016: Nil) equity shares of Rs.1/- each	41.44	—	—



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Summary of Consolidated Significant Accounting Policies and other explanatory information for the year ended 31st March, 2018

(All amounts in rupees lakhs unless otherwise stated)

	As at 31 March 2018	As at 31 March 2017	As at 1 April 2016
GAIL (India) Ltd. 2,000 (31 March 2017: Nil; 1 April 2016: Nil) equity shares of Rs.10/- each	6.57	—	—
State Bank of India. 20,000 (31 March 2017: Nil; 1 April 2016: Nil) equity shares of Rs.1/- each	50.02	—	—
HDFC Standard Life Insurance Co. Ltd. 6,000 (31 March 2017: Nil; 1 April 2016: Nil) equity shares of Rs.10/- each	27.21	—	—
DLF Ltd. 1,00,000 (31 March 2017: Nil; 1 April 2016: Nil) equity shares of Rs.10/- each	201.55	—	—
Investment in preference shares (fully paid-up) (at fair value through profit and loss)			
Unquoted, non-convertible preference shares of Associate Company			
IST Steel & Power Ltd 15,00,000 (31 March 2017: 15,00,000; 1 April 2016: 15,00,000) Debt portion of 9% Non Cumulative, Non Convertible Preference Shares of Rs.100 each, redeemable at par	1,528.80	1,561.20	1,494.31
Other Company- Subham Infra developers Pvt. Ltd. 11,50,000 (31 March 2017: 11,50,000; 1 April 2016: 11,50,000) Debt portion of 9% Non Cumulative, Non Convertible Preference Shares of Rs.100 each, redeemable at par	1,172.31	1,191.40	1,140.40
Related Parties			
VinayakInfra Developers P. Ltd. Nil (31 March 2017: Nil; 1 April 2016: 3,59,000) 9% Non Cumulative, Non Convertible Redeemable Preference Shares of face value of Rs.100 each, redeemable at par	—	—	357.38
IST Softech Pvt. Ltd. 4,50,000 (31 March 2017:4,50,000; 1 April 2016: 4,50,000) 9% Non-Cumulative, Non Convertible Preference shares of face value of Rs. 100 each, redeemable at par	459.63	470.43	447.98
Investments in Government or trust securities			
Quoted, investment in tax free bonds (at amortised cost)			
1,58,255 (31 March 2017:1,58,255; 1 April 2016: 1,58,255) 7.51%, HUDCO 15 Years Tax-free Bonds Rs.1000/- each	1,597.40	1,597.40	1,597.40
24,982 (31 March 2017: 24,982; 1 April 2016: 24,982) 7.28% NTPC 15 Years Tax free bond series 2A Rs.1000/- each	258.68	258.69	258.72
Unquoted, investment in tax free bonds (at amortised cost)			
100 (31 March 2017: 100; 1 April 2016: 100) 7.15% IRFC 10 Years Tax free Bond Series 100 Rs.10,00,000/-each	1,068.96	1,068.96	1,043.96
200 7.00%,(31 March 2017: 200; 1 April 2016: 200) HUDCO 10 Years Tax-free BondsSeries C Rs.10,00,000/- each	2,066.85	2,066.47	2,067.14
600 (31 March 2017: 600; 1 April 2016: 600) 7.28% NHAI 15 Years Tax free Bond of Rs.10,00,000/-each	6,404.66	6,405.86	6,204.17
205 (31 March 2017:205; 1 April 2016: 205) 7.07 %, HUDCO 10 Years Tax-free Bond of Rs.10,00,000/- each	2,106.96	2,107.76	2,107.75
100 (31 March 2017: 100; 1 April 2016: Nil) 8.48 %, NHAI 12 Years Tax-free Bond of Rs.10,00,000/- each	1,186.50	1,186.50	—
Investment in debentures-Quoted (at amortised cost)			
1,00,000 (31 March 2017: 1,00,000, 1 April 2016: 1,00,000) 9.90% Secured, Redeemable, Non-Convertible Debenture of Rs.1,000/-each of IFCL Ltd.	1,032.82	1,032.82	1,032.82



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(All amounts in rupees lakhs unless otherwise stated)

	As at 31 March 2018	As at 31 March 2017	As at 1 April 2016
Investment in mutual funds (at fair value through profit & loss)			
Unquoted, investment in mutual funds			
SBI PLF-Dir Plan Growth 2,02,647.877 (31 March 2017: 1,09,855.97; 1 April 2016: 10,995.573) units	5,520.93	2,803.87	261.80
SBI STD Fund- Dir Plan Growth Nil (31 March 2017: 75,16,970.902; 1 April 2016: Nil) units	—	1,445.60	—
HDFC liquid DP-Growth Option Nil (31 March 2017: 34,717; 1 April 2016: Nil) units	—	1,114.05	—
HDFC liquid fund-Growth 32.79 (31 March 2017: 32.793; 1 April 2016: Nil) units	1.12	1.05	—
SBI Blue Chip Fund- Dir Plan Growth 3,13,501.759 (31 March 2017: Nil; 1 April 2016: Nil) units	122.30	—	—
SBI Debt Fund Series-C-10 (1150 days) 50,00,000 (31 March 2017: Nil; 1 April 2016: Nil) units	505.92	—	—
SBI Debt Fund Series-C-7 (1190 days) 10,000,000 (31 March 2017: Nil; 1 April 2016: Nil) units	1,016.39	—	—
SBI Debt Fund Series-C-8 (1175 days) 10,000,000 (31 March 2017: Nil; 1 April 2016 & Nil) units	1,014.91	—	—
SBI Debt Fund Series-C-9 (1150 days) 1,500,000 (31 March 2017: Nil; 1 April 2016 & Nil) units	151.86	—	—
SBI PLF-Dir Plan Growth (New Plan) 70,596.936 (31 March 2017: Nil; 1 April 2016: Nil) units	1,923.34	—	—
SBI DAF-Series-XXV Reg-Growth 3,00,000 (31 March 2017: Nil; 1 April 2016: Nil) units	300.18	—	—
National saving certificate (Unquoted at amortised cost)	—	0.20	0.20
	33,858.59	25,749.99	18,023.22
Total non-current investments			
Aggregate value of quoted investments	7,306.97	4,326.64	2,898.13
Market value of quoted investments	7,466.04	4,549.04	3,012.74
Aggregate value of unquoted investments	26,551.62	21,423.35	15,125.09
Aggregate value of impairment in the value of investments	—	—	—
9. Trade Receivable (Non-Current)			
Unsecured, considered goods unless otherwise stated			
Unbilled Receivables	1,068.37	1,096.93	679.01
	1,068.37	1,096.93	679.01
10. Loans (Non-Current)			
(Unsecured, considered good unless otherwise stated)			
Security deposits			
- Related parties (Refer Note No. 44)	9.42	—	33.69
- Others	24.15	23.58	23.07
Loans			
- Related parties (Refer Note No. 44)	475.21	439.60	406.66
	508.78	463.18	463.42
11. Other financial assets			
Balance with banks			
Term deposits remaining maturity more than 12 months*	8.14	7.66	7.10
	8.14	7.66	7.10

*Pledged with sales tax department Rs. 1.94 lakhs (31 March 2017 Rs. 1.83 lakhs; 1 April 2016: Rs. 1.69 lakhs and State Bank of India Rs 6.20 lakhs (31 March 2017 Rs. 5.83 lakhs; 1 April 2016: Rs. 5.41 lakhs).



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Summary of Consolidated Significant Accounting Policies and other explanatory information for the year ended 31st March, 2018

(All amounts in rupees lakhs unless otherwise stated)

	As at 31 March 2018	As at 31 March 2017	As at 1 April 2016
12. Deferred tax Asset/(Liabilities)			
Tax effect of items constituting deferred tax liabilities			
Timing difference between written down value of fixed assets as per books and Income Tax Act, 1961	(113.34)	(144.16)	(170.29)
Financial assets measured at amortised cost	(117.11)	(106.44)	(93.84)
Fair valuation of investments	(145.55)	(103.46)	1.16
Rent straightlining	(369.74)	(379.63)	(234.99)
Total deferred tax liabilities (A)	(745.74)	(733.69)	(497.96)
Tax effect of items constituting deferred tax assets			
Employee benefits:			
Provision for bonus	4.05	0.09	0.07
Provision for gratuity	48.42	47.17	39.23
Provision for compensated absence	4.29	4.36	3.17
Fair valuation of investment	0.53	0.31	4.74
Net deferred tax assets (B)	57.29	51.93	47.21
Net deferred tax liabilities (A-B)	(688.45)	(681.76)	(450.75)
MAT credit	6,984.09	5,390.09	4,145.09
Net deferred tax assets	6,295.64	4,708.33	3,694.34

(i) Movement in deferred tax assets/(liabilities) for year ended 31 March 2018:

Particulars	As at 31 March 2017	Recognized in profit or loss	Recognized in other comprehensive income	As at 31 March 2018
Tax effect of items constituting deferred tax liabilities				
Timing difference between written down value of fixed assets as per books and Income Tax Act, 1961	(144.16)	30.82	—	(113.34)
Financial assets measured at amortised cost	(106.44)	(10.67)	—	(117.11)
Fair valuation of investments	(103.46)	(51.74)	9.65	(145.55)
Unbilled receivables	(379.63)	9.89	—	(369.74)
Deferred tax liabilities (a)	(733.69)	(21.70)	9.65	(745.74)
Tax effect of items constituting deferred tax assets				
Employee benefits:				
Provision for bonus	0.09	3.96	—	4.05
Provision for gratuity	47.17	2.56	(1.31)	48.42
Provision for compensated absence	4.36	(0.07)	—	4.29
Fair valuation of investments	0.31	0.22	—	0.53
Unused tax credit	5,390.09	1,594.00	—	6,984.09
Deferred tax assets (b)	5,442.02	1,600.67	(1.31)	7,041.38
Net deferred tax assets/(liabilities) (a - b)	4,708.33	1,578.97	8.34	6,295.64



Summary of Consolidated Significant Accounting Policies and other explanatory information for the year ended 31st March, 2018

(All amounts in rupees lakhs unless otherwise stated)

(ii) Movement in deferred tax assets/(liabilities) for year ended 31 March 2017:

Particulars	As at 1 April 2016	Recognized in profit or loss	Recognized in other comprehensive income	As at 31 March 2017
Tax effect of items constituting deferred tax liabilities				
Timing difference between written down value of fixed assets as per books and Income Tax Act, 1961	(170.29)	26.13	—	(144.16)
Reversal of provision for diminution in value of investment	—	—	—	—
Financial assets measured at amortised cost	(93.84)	(12.60)	—	(106.44)
Fair valuation of investments	1.16	(62.21)	(42.41)	(103.46)
Unbilled receivables	(234.99)	(144.64)	—	(379.63)
Deferred tax liabilities (a)	(497.96)	(193.32)	(42.41)	(733.69)
Tax effect of items constituting deferred tax assets				
Employee benefits:				
Provision for bonus	0.07	0.02	—	0.09
Provision for gratuity	39.23	6.82	1.12	47.17
Provision for compensated absence	3.17	1.19	—	4.36
Fair valuation of investments	4.74	(4.43)	—	0.31
Unused tax credit	4,145.09	1,245.00	—	5,390.09
Deferred tax assets (b)	4,192.30	1,248.60	1.12	5,442.02
Net deferred tax assets/(liabilities) (a - b)	3,694.34	1,055.28	(41.29)	4,708.33
	As at 31 March 2018	As at 31 March 2017	As at 31 March 2017	As at 1 April 2016
13. Other non current asset				
Advance for capital goods	2,033.71	2,002.46		2,085.46
Prepaid expenses	90.42	66.13		70.00
Other advances	100.00	100.00		100.00
	<u>2,224.13</u>	<u>2,168.59</u>		<u>2,255.46</u>
14. Inventories				
(at lower of cost and net realisable value)				
Raw material	85.58	65.21		88.06
Work-in-progress	542.18	582.37		508.76
Finished goods	23.42	15.13		49.09
Stores & spares & consumables	76.49	77.50		77.62
Scrap (at net realisable value)	18.25	18.47		17.80
	<u>745.92</u>	<u>758.68</u>		<u>741.33</u>
15. Investments (Current)				
Unquoted, at fair value through profit and loss				
Investment in mutual funds				
SBI PLF Dir Plan Growth	446.99	50.20		—
16,406.94 (31 March 2017: 1,966.84; 1 April 2016: Nil) units	<u>446.99</u>	<u>50.20</u>		<u>—</u>



IST LIMITED

Summary of Consolidated Significant Accounting Policies and other explanatory information for the year ended 31st March, 2018

(All amounts in rupees lakhs unless otherwise stated)

	As at 31 March 2018	As at 31 March 2017	As at 1 April 2016
16. Trade receivables (Current)			
Unsecured, considered good	751.37	885.92	668.60
	<u>751.37</u>	<u>885.92</u>	<u>668.60</u>
17. Cash and cash equivalents			
Cash on hand	5.28	4.06	6.98
Cheques , drafts in hand	15.45	368.82	144.98
Balance with banks			
- with scheduled banks in current accounts	76.85	21.36	8.80
- with scheduled banks held as margin money	338.53	251.07	150.38
- with scheduled banks in fixed deposits	150.02	—	102.63
Foreign exchange in hand	—	3.05	7.00
	<u>586.13</u>	<u>648.36</u>	<u>420.77</u>
18. Loans (Current)			
<i>(Unsecured, considered good unless otherwise stated)</i>			
Intercompany deposits	363.98	363.98	363.98
Loan			
- Related parties	—	36.46	326.12
Security deposits			
- Related parties	3.60	36.89	—
- Others	697.84	593.68	821.54
Less: Provision for expected credit losses	(363.98)	(363.98)	—
	<u>701.44</u>	<u>667.03</u>	<u>1,511.64</u>
19. Others financial assets (Current)			
Unsecured considered good			
Staff advances	11.50	6.00	2.93
Property tax receivable	27.27	26.26	84.74
	<u>38.77</u>	<u>32.26</u>	<u>87.67</u>
20. Current tax assets			
Income taxes paid (net of provision)	—	35.48	—
	<u>—</u>	<u>35.48</u>	<u>—</u>
21. Other current assets			
Advances to suppliers	2.89	3.71	5.55
Prepaid expenses	10.57	12.00	17.98
Balance with govt authorities	4.75	4.46	8.71
Others advance	9.64	6.40	7.48
	<u>27.85</u>	<u>26.57</u>	<u>39.72</u>



Summary of Consolidated Significant Accounting Policies and other explanatory information for the year ended 31st March, 2018

(All amounts in rupees lakhs unless otherwise stated)

	As at 31 March 2018	As at 31 March 2017	As at 1 April 2016
22. Share capital			
Authorized share capital			
1,00,00,000 equity shares (31 March 2017:			
1,00,00,000 equity shares; 1 April 2016:			
1,00,00,000 equity shares of Rs.10/- each)	<u>1,000.00</u>	<u>1,000.00</u>	<u>1,000.00</u>
	<u>1,000.00</u>	<u>1,000.00</u>	<u>1,000.00</u>
Issued share capital			
60,27,728 Equity Shares of Rs. 10/- each (31 March 2017:			
60,27,728 equity shares; 1 April 2016:			
60,27,728 equity shares of Rs.10/- each)	<u>602.77</u>	<u>602.77</u>	<u>602.77</u>
	<u>602.77</u>	<u>602.77</u>	<u>602.77</u>
Issued, subscribed capital and fully paid up			
58,32,056 Equity Shares of Rs.10/-each fully paid up			
(31 March 2017:58,32,056 equity shares; 1 April 2016:			
58,32,056 equity shares of Rs.10/- each)	<u>583.21</u>	<u>583.21</u>	<u>583.21</u>
Add : Shares forfeited	<u>1.47</u>	<u>1.47</u>	<u>1.47</u>
	<u>584.68</u>	<u>584.68</u>	<u>584.68</u>

a) Reconciliation of number of equity shares outstanding at the beginning and end of the year

Description	31 March 2018		31 March 2017	
	No.	Amount	No.	Amount
Shares outstanding at the beginning of the year	58,32,056	583.21	58,32,056	583.21
Add: Share issued during the year	—	—	—	—
Shares outstanding at the end of the year	58,32,056	583.21	58,32,056	583.21

b) Share holders holding more than 5% of the shares

Name of the shareholder	31 March 2018		31 March 2017		1 April 2016	
	No.	% of Holding	No.	% of Holding	No.	% of Holding
M/s Gupta International Investment Company Ltd	29,13,221	49.95	29,13,221	49.95%	29,13,221	49.95%
M/s Eastern India Power and Mining Company Pvt. Ltd.	3,77,352	6.47	3,77,352	6.47%	87,352	1.50%
M/s Smridhi Realty and Trade LLP	1,10,700	1.90	3,85,700	6.61%	9,55,700	16.39%
M/s Delux Associates LLP	6,19,375	10.62	3,44,375	5.90%	475	0.01%

c) Share held by Holding Company

Name of the shareholder	31 March 2018		31 March 2017		1 April 2016	
	No.	% of Holding	No.	% of Holding	No.	% of Holding
IST Limited	1,00,000	100.00%	1,00,000	100.00%	1,00,000	100.00%

**Summary of Consolidated Significant Accounting Policies and other explanatory information for the year ended 31st March, 2018***(All amounts in rupees lakhs unless otherwise stated)***d) Terms and rights attached to equity shares**

The Company has only one class of equity shares having the par value of the each share is Rs.10/-. Each shareholder shall have voting right equal to shareholding percentage of the total of the shares issued. In the event of liquidation, the equity shareholders are eligible to receive the remaining assets of the Company, after distribution of all preferential amount, in proportion to their shareholdings.

- e) The Company has not issued bonus shares, equity shares for considerations other than cash and also no shares has been bought back, during the immediately preceding five years

	31 March 2018	31 March 2017
23. Other Equity		
General reserve		
Opening balance	11,080.04	11,080.04
Addition during the year	—	—
Closing balance	<u>11,080.04</u>	<u>11,080.04</u>
General reserve is created from time to time by way of transfer profits from retained earnings for appropriation purposes. General reserve is created by a transfer from one component of equity to another and is not an item of other comprehensive income.		
Securities premium account		
Opening balance	60.59	60.59
Additions during the year	—	—
Closing balance	<u>60.59</u>	<u>60.59</u>
Securities premium account represents premium received on issue of shares. It is utilised in accordance with the provisions of the Companies Act, 2013		
Surplus in the statement of profit and loss		
Opening balance	42,271.64	33,478.29
Add: profit for the year	10,049.16	8,620.28
Add: Items of other comprehensive income/(loss)		
Remeasurement income on defined benefit plans (net of tax)	2.85	(2.31)
Share of other comprehensive income of associate accounted for using the equity method	<u>(10.46)</u>	<u>175.38</u>
Closing balance	<u>52,313.19</u>	<u>42,271.64</u>
Reserve for equity instruments through other comprehensive income		
Opening balance	141.41	—
Add: Change in FVOCI equity instruments	(41.83)	183.82
Add/less: Tax impact on above	9.65	(42.41)
Closing balance	<u>109.23</u>	<u>141.41</u>
Total other equity	<u>63,563.05</u>	<u>53,553.68</u>

The Group has elected to recognise change in fair value of equity investments in other comprehensive income. These changes are accumulated within the "Reserve for equity instruments through other comprehensive income". The Group transfer amounts from this reserve to retained earning when the relevant equity securities are derecognized.



Summary of Consolidated Significant Accounting Policies and other explanatory information for the year ended 31st March, 2018

(All amounts in rupees lakhs unless otherwise stated)

	As at 31 March 2018	As at 31 March 2017	As at 1 April 2016
24. Borrowings (Non-Current)			
Secured loans			
Term loans			
- From other parties			
Borrowings from NBFC*	—	400.00	1,250.00
*Secured by Pledge of 100 HUDCO and 100 IRFC Tax Free Bonds of Rs.20 Crores and repayable in 24 monthly equal instalments. Interest is payable @ 9.50% p.a. on monthly basis.			
	<u>—</u>	<u>400.00</u>	<u>1,250.00</u>
Reconciliation of liabilities arising from financing activities			
The changes in the Group's liabilities arising from financing activities can be classified as follows:			
	Long-term borrowings	Short-term borrowings	Total
1 April 2016	1,250.00	12.28	1,262.28
Cash flows:			
- Repayment	850.00	12.28	862.28
- Proceeds	—	—	—
31 March 2017	<u>400.00</u>	<u>—</u>	<u>400.00</u>
Cash flows:			
- Repayment	400.00	—	400.00
- Proceeds	—	8.48	8.48
31 March 2018	<u>—</u>	<u>8.48</u>	<u>8.48</u>
25. Other financial liabilities (Non-Current)			
Security deposits	<u>2,095.41</u>	<u>1,868.39</u>	<u>1,612.70</u>
	<u>2,095.41</u>	<u>1,868.39</u>	<u>1,612.70</u>
26. Provisions (Non Current)			
Provision for employee benefits			
Provision for gratuity	81.03	74.61	66.13
Provision for compensated absence	42.02	41.40	34.65
	<u>123.05</u>	<u>116.01</u>	<u>100.78</u>
27. Other non-current liabilities			
Deferred income	<u>1,469.79</u>	<u>1,591.22</u>	<u>1,418.55</u>
	<u>1,469.79</u>	<u>1,591.22</u>	<u>1,418.55</u>



IST LIMITED

Summary of Consolidated Significant Accounting Policies and other explanatory information for the year ended 31st March, 2018

(All amounts in rupees lakhs unless otherwise stated)

	As at 31 March 2018	As at 31 March 2017	As at 1 April 2016
28. Borrowings (Current)			
Secured loans			
Loans repayable on demand			
Cash Credit from Bank -State Bank of India*	8.48	—	12.28
*Secured by hypothecation of charge on entire current assets, book debts, receivables, documentary bills, domestic, export of the group both present and future. Interest rate is 12.85 % (31 March 2017:12.35%; 1 April 2016: 12.55% p.a)	<u>8.48</u>	<u>—</u>	<u>12.28</u>
29 Trade payables			
Micro and small enterprises (refer note no. 50)	8.28	—	—
Others	35.42	47.52	56.84
	<u>43.70</u>	<u>47.52</u>	<u>56.84</u>
30 Other financial liabilities			
Security deposits	148.50	337.99	189.18
Book overdraft	—	1.47	39.43
Interest accrued but not due on borrowing	—	4.82	9.32
Employees related payable	54.15	80.65	78.93
Amount payable to directors	3.64	2.86	2.10
Expenses payables	80.68	95.17	109.82
Other liability payable*	87.25	—	0.09
* Includes advance from customers of Rs. 32.25 Lakhs (31 March 2017: Nil; 1 April 2016: 0.09 Lakhs and liabilities for derivative option of Rs. 55.00 Lakhs (31March 2017: Nil; 1 April 2016: Nil)	<u>374.22</u>	<u>522.96</u>	<u>428.87</u>
31. Other current liabilities			
Statutory dues	47.90	36.54	21.03
Deferred income	219.09	217.39	196.47
Other payables	—	—	0.86
	<u>266.99</u>	<u>253.93</u>	<u>218.36</u>
32. Provisions			
Provision for employee benefits			
Provision for gratuity	81.62	67.31	53.86
Provision for compensated absence	29.05	28.47	26.61
	<u>110.67</u>	<u>95.78</u>	<u>80.47</u>
33. Current tax liabilities (net)			
Provision for taxation	82.21	8.86	50.13
	<u>82.21</u>	<u>8.86</u>	<u>50.13</u>



Summary of Consolidated Significant Accounting Policies and other explanatory information for the year ended 31st March, 2018

(All amounts in rupees lakhs unless otherwise stated)

	For the year ended 31 March 2018	For the year ended 31 March 2017
34. Revenue from operations		
Sales of products		
- Export	45.11	84.31
- Domestic	<u>2,367.12</u>	<u>2,642.42</u>
	2,412.23	2,726.73
Sales of services		
Income from SEZ operations	8,702.01	8,140.89
Other operating revenues		
- Scrap sales	<u>53.79</u>	<u>93.95</u>
Net sales	<u>11,168.03</u>	<u>10,961.57</u>
35. Other income		
Interest income:		
- On loans from related parties measured at amortized cost	39.56	48.09
- Tax free bonds measured at amortized cost	1,015.07	975.71
- Financial assets measured at amortized cost	3.47	3.71
- Bank deposits measured at amortized cost	16.90	19.99
- On current loan measured at amortized cost	64.81	92.32
- On debentures measured at amortized cost	99.00	99.00
- Others	17.59	—
Profit on sale of investments measured at FVTPL	263.78	61.04
Rental income	914.56	768.45
Gain on fair value of investments measured at FVTPL	263.40	298.37
Dividend income	67.31	40.58
Miscellaneous income	<u>51.88</u>	<u>12.40</u>
	<u>2,817.33</u>	<u>2,419.66</u>
36. Cost of raw materials consumed		
Opening Stock	65.21	88.06
Add: Purchased during the year	<u>489.85</u>	<u>583.41</u>
	555.06	671.47
Less: Closing Stock	<u>85.58</u>	<u>65.21</u>
Total	<u>469.48</u>	<u>606.26</u>



IST LIMITED

Summary of Consolidated Significant Accounting Policies and other explanatory information for the year ended 31st March, 2018

(All amounts in rupees lakhs unless otherwise stated)

	For the year ended 31 March 2018	For the year ended 31 March 2017
37. Change in inventory of finished goods and work in progress		
Inventories at the end of the year		
Finished goods	23.42	15.13
Works-in-progress	542.18	582.37
Scrap	18.25	18.47
	<u>583.85</u>	<u>615.97</u>
Inventories at the beginning of the year		
Finished goods	15.13	49.09
Works-in-progress	582.37	508.76
Scrap	18.47	17.80
	<u>615.97</u>	<u>575.65</u>
	<u>32.12</u>	<u>(40.32)</u>
38. Employee benefits expense		
Director's remuneration	71.60	56.60
Salaries and allowances, wages and bonus	830.45	855.49
Contribution to gratuity funds	30.20	19.53
Contribution to provident fund and other funds	39.91	37.55
Staff welfare	43.11	39.80
	<u>1,015.27</u>	<u>1,008.97</u>
39. Finance cost		
Interest		
On loans	7.15	87.85
On financial liabilities measured at amortised cost	193.03	179.70
Bank charges and commission	2.85	2.02
	<u>203.03</u>	<u>269.57</u>
40. Depreciation and amortisation expense		
Depreciation on property, plant and equipment & investment property	359.38	368.30
Amortisation on intangible asset	2.39	3.28
	<u>361.77</u>	<u>371.58</u>



Summary of Consolidated Significant Accounting Policies and other explanatory information for the year ended 31st March, 2018

(All amounts in rupees lakhs unless otherwise stated)

	For the year ended 31 March 2018	For the year ended 31 March 2017
41. Other expenses		
Consumptions of stores, spares & consumables	135.54	133.89
Rent	66.87	61.91
Rates and taxes	2.30	9.58
Repairs and maintenance:		
- Machinery	23.48	18.71
- Building	11.36	0.58
- Others	15.98	19.94
Electricity expenses	119.93	136.40
Insurance expenses	7.97	6.96
Legal and professional	94.54	221.47
Travelling and conveyance [including director's travelling Rs.28.42 lakhs (31 March 2017: Rs.51.81 lakhs)]	70.99	92.07
Communication expenses	6.82	8.64
Auditors remuneration		
Audit fee	7.15	3.55
In other capacity		
- For tax audit	1.35	0.85
- For certificates etc.*	0.58	0.42
- For taxation & other matters	0.25	1.53
- For reimbursement of expenses **	0.87	0.59
- For service tax / swachh bharat cess	0.08	1.04
Internal audit expenses	1.80	1.72
Selling expenses	35.24	116.16
Loss on disposal of property, plant & equipment	—	1.56
Director's meeting expenses	0.50	0.45
Advertisement	2.40	0.41
Property tax	13.41	34.75
Business promotion expenses	3.02	3.55
Postage & courier expenses	0.10	0.15
Sundry Dr/Cr balance written off	1.08	0.80
Brokerage & commission	49.39	205.92
Loss on sales of non current investments	331.62	29.62
Speculation loss on sales of shares	—	0.05
Provision for doubtful loan	—	363.98
Testing charges	1.94	2.00
Loss on exchange rate fluctuation	1.61	0.46
Loss on fair valuation of investment	43.38	—
Miscellaneous expenses	91.31	67.70
	1,142.86	1,547.41

* includes Rs. 0.18 lakhs (31 March 2017: 0.32 lakhs) paid to previous auditors.

** includes Rs. 0.50 lakhs (31 March 2017: 0.46 lakhs) paid to previous auditors.



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Summary of Consolidated Significant Accounting Policies and other explanatory information for the year ended 31st March, 2018

(All amounts in rupees lakhs unless otherwise stated)

	For the year ended 31 March 2018	For the year ended 31 March 2017
42. Tax expense		
Income tax expense recognised in consolidated statement of profit and loss		
Current tax expense	2,258.00	1,826.00
Deferred tax expense	(1,578.98)	(1,055.28)
Previous year income tax	6.88	8.48
	685.90	779.20

The reconciliation of tax expense based on the domestic effective tax rate of at 28.84% (31 March 2017: 33.06%) and the reported tax expense in consolidated statement of profit or loss is as follows:

	For the year ended 31 March 2018	For the year ended 31 March 2017
Profit/(loss) before tax	10,735.06	9,399.48
Income tax using domestic tax rate *	28.84%	33.06%
Expected tax expense [A]	3,095.99	3,107.75
Tax effect of adjustment to reconcile expected income tax expense to reported income tax expense		
Non-deductible expenses	83.20	208.57
Non-taxable income	(405.35)	(413.49)
Change in tax rates during the year	6.05	1.48
Items taxable at different tax rates	(23.86)	(30.72)
Deferred tax not recognised for Share of net profit of associates	(12.02)	(24.80)
Income not tax taxable in pursuant to tax holiday	(2,742.26)	(2,281.63)
Tax paid in mat and tax credits	249.03	196.96
Tax expense related to earlier years	6.88	8.48
Tax rate difference of subsidiary company	397.31	—
Others	30.93	6.60
Total adjustments [B]	(2,410.09)	(2,328.55)
Actual tax expense [C=A-B]	685.90	779.20
* Domestic tax rate applicable has been computed as follows		
Base tax rate	25%	30%
Surcharge (% of tax)	12%	7%
Cess (% of tax)	3%	3%
Applicable rate	28.84%	33.06%

43. Earning per share

Net profit attributable to equity shareholders		
Profit after tax	10,049.16	8,620.28
Nominal value of equity share (In Rs.)	10/-	10/-
Total number of equity shares outstanding as the beginning of the year	58,32,056	58,32,056
Total number of equity shares outstanding as the end of the year	58,32,056	58,32,056
Weighted average number of equity shares	58,32,056	58,32,056
Basic and diluted earning per equity share (In Rs.)	172.31	147.81

Summary of Consolidated Significant Accounting Policies and other explanatory information for the year ended 31st March, 2018

(All amounts in rupees lakhs unless otherwise stated)

44. Related party disclosures

The nature of relationship and summary of transactions with related parties as are summarised below:

a) Name of the related party and nature of their relationship

Name of the related party	Nature of relationship
Name of key managerial personnel (KMP)	Designation
M/s IST Steel and Power Ltd.	Associate Company
Mr. S.C. Jain	Whole time director
Lt. Col. N.L. Khitha(Retd.)	Whole time director
Mr. Mayur Gupta	Non-Executive Director
Mr. Gaurav Gupta	Non-Executive Director
Mrs. Sarla Gupta	Non-Executive Director
Mr. Subhash Chander Jain	Independent Director
Air Marshal Denzil Keelor (Retd.)	Independent Director
Brig. Gurcharan Singh Sawhney (Retd.)	Independent Director
Mr. N.M. Kakrania	Non-Executive Director
Mr. D.N. Tulshyan	Chief financial officer
Mr. Bhupinder Kumar (from 22 February 2017)	Company Secretary
Mr. R.K. Sapra (upto 21 February 2017)	Company Secretary
Mr. Prem Chand Gupta	Relatives of key managerial personnel
Mrs. Priyanka Gupta	Relatives of key managerial personnel
Mrs. Shweta Gupta	Relatives of key managerial personnel
Mr. Anil Kumar Tulshyan	Relatives of key managerial personnel
Entities in which KMP/Relative of KMP can exercise significant influence	
M/s GPC Technology Ltd.	
M/s Mercantile realtors (P) Ltd.	
M/s Vinayakinfra Developers Pvt. Ltd.	
*M/s Delight Softech Pvt. Ltd.	
M/s Smridhi Realty & Trade LLP	
M/s Eastern India Power & Mining Company Pvt. Ltd.	
Entities controlled by directors/relatives of directors	
M/s Delux Associates LLP	
M/s IST Softech Pvt. Ltd.	

b) The following transactions were carried out with related parties:-

Particulars	Year	Associates Company	KMP (Key managerial personnel)	Relatives of KMP (key managerial personnel)	Entities in which KMP/Relatives of KMP can exercise significant influence	Entities controlled by KMP/Relatives of KMP
Transactions during the year						
Remuneration	31 March 2018	—	92.22	69.86	—	—
	31 March 2017	—	(81.79)	(61.43)	—	—
Service charges paid	31 March 2018	—	—	—	9.00	—
	31 March 2017	—	—	—	(9.00)	—
Sale of shares	31 March 2018	—	—	—	—	—
	31 March 2017	—	—	—	(359.00)	—
Rent paid	31 March 2018	—	7.20	7.20	41.96	6.23
	31 March 2017	—	(7.20)	(7.20)	(36.27)	(6.90)



IST LIMITED

Summary of Consolidated Significant Accounting Policies and other explanatory information for the year ended 31st March, 2018

(All amounts in rupees lakhs unless otherwise stated)

Particulars	Year	Associates Company	KMP (Key managerial personnel)	Relatives of KMP (key managerial personnel)	Entities in which KMP/Relatives of KMP can exercise significant influence	Entities controlled by KMP/Relatives of KMP
Interest income	31 March 2018	—	—	—	39.56	—
	31 March 2017	—	—	—	(48.09)	—
Director sitting fees	31 March 2018	-	0.50	—	—	—
	31 March 2017	-	(0.45)	—	—	—
Loan given	31 March 2018	—	—	3.00	—	—
	31 March 2017	—	—	—	—	—
Outstanding Balance						
Amount payable	31 March 2018	—	4.83	4.26	—	—
	31 March 2017	—	(4.31)	(4.28)	—	—
	1 April 2016	—	(3.44)	(3.86)	—	—
Security deposits given	31 March 2018	—	—	—	36.00	3.60
	31 March 2017	—	—	—	(36.00)	(3.60)
	1 April 2016	—	—	—	(36.00)	(3.60)
Capital advances	31 March 2018	—	—	—	—	417.00
	31 March 2017	—	—	—	—	(417.00)
	1 April 2016	—	—	—	—	(500.00)
Loan given	31 March 2018	—	—	0.25	475.21	—
	31 March 2017	—	—	—	(476.06)	—
	1 April 2016	—	—	—	(732.78)	—
Other current assets	31 March 2018	—	—	—	3.66	—
	31 March 2017	—	—	—	—	—
	1 April 2016	—	—	—	—	—
Equity contribution	31 March 2018	884.00	—	—	—	—
	31 March 2017	(884.00)	—	—	—	—
	1 April 2016	(884.00)	—	—	—	—
Redeemable preference shares	31 March 2018	1,528.80	—	—	459.63	—
	31 March 2017	(1,561.20)	—	—	(470.43)	—
	1 April 2016	(1,494.31)	—	—	(805.36)	—

Note : Previous years figures have been reported in brackets.

c) The following transactions were carried out with KMP:-

Description	For the year ended 31 March 2018	For the year ended 31 March 2017
Short-term employee benefit		
Mrs. Sarla Gupta	48.00	36.00
Mr. S.C. Jain	14.70	15.30
Lt. Col. N.L. Khitha (Retd.)	10.18	6.76
Mr. D.N. Tulshyan	10.19	9.29
Mr. Bhupinder Kumar (from 22 February 2017)	9.15	0.95
Mr. R.K. Sapra (upto 21 February 2017)	—	13.49

* Delight Softech Pvt. Ltd. was not a related party during the Financial Year 2017-2018.



45. Segment information

Description of segments and principal activities

The Chief Operating Decision Maker ("CODM") evaluates the Group's performance and allocates resources based on an analysis of various performance indicators by reportable segments. The Group's reportable segments are as follows:

- Manufacturing segment, which engaged in manufacturing of high precision engineering components/assemblies.
- SEZ segment, which engaged as SEZ Developer.

Year ended 31 March 2018

Particulars	Manufacturing Segment	SEZ Segment	Total Segments	Adjustment and eliminations	Consolidated
Revenue					
External customers	3,252.91	9,476.05	12,728.96	—	12,728.96
Inter-segment	—	—	—	—	—
Total revenue	3,252.91	9,476.05	12,728.96	—	12,728.96
Income/Expenses					
Interest Income	391.16	865.24	1,256.40	—	1,256.40
Depreciation and amortisation expense	276.43	85.34	361.77	—	361.77
Finance costs	19.65	183.38	203.03	—	203.03
Income tax expense	279.13	406.77	685.90	—	685.90
Share of net profit of associate accounted for using equity method	41.67	—	41.67	—	41.67
Segment profit/(loss)	1,047.93	9,001.23	10,049.16	—	10,049.16
Segment Assets	18,642.19	50,080.06	68,722.25	—	68,722.25
Segment Liabilities	629.59	3,944.93	4,574.52	—	4,574.52

Year ended 31 March 2017

Revenue					
External customers	3,555.80	8,586.61	12,142.41	—	12,142.41
Inter-segment	—	—	—	—	—
Total revenue	3,555.80	8,586.61	12,142.41	—	12,142.41
Income/ Expenses					
Interest Income	373.47	865.35	1,238.82	—	1,238.82
Depreciation and amortisation expense	286.55	85.03	371.58	—	371.58
Finance costs	97.84	171.73	269.57	—	269.57
Income tax expense	270.90	508.30	779.20	—	779.20
Share of net profit of associate accounted for using equity method	75.03	—	75.03	—	75.03
Segment profit/(loss)	953.92	7666.36	8,620.28	—	8,620.28
Segment Assets	17,965.84	41,077.19	59,043.03	—	59,043.03
Segment Liabilities	991.99	3912.68	4,904.67	—	4,904.67

Year ended 1 April 2016

Segment Assets	17,703.60	32,728.98	50,432.58	—	50,432.58
Segment Liabilities	1,856.31	3,372.67	5,228.98	—	5,228.98

Notes:

- Inter-segment eliminations upon consolidation are reflected in the 'adjustments and eliminations' column.
- The Group has two reportable segments as per the requirements of Ind AS 108 – 'Operating Segments'. One is manufacturing segment and other is SEZ segment. Majority of the revenue from external customers of Rs. 5,086.68 lakhs (31 March 2017: 3,208.45 lakhs) of SEZ segment is derived from three external customers.

**Summary of Consolidated Significant Accounting Policies and other explanatory information for the year ended 31st March, 2018***(All amounts in rupees lakhs unless otherwise stated)***46. Lease****In case of assets taken on lease***Operating Lease:*

The Group has entered into various operating lease arrangements for factory building, guest house and office premises. The leases are renewable on a periodic basis cancellable at its option.

The total of minimum future lease payments under non-cancellable operating lease is as under:

Particulars	31 March 2018	31 March 2017	1 April 2016
Lease payments for the year recognized in the Statement of Profit and Loss	65.68	60.72	—
Minimum lease payments:			
Not later than one year	88.20	47.59	56.40
Later than one year but not later than five years	305.72	—	47.59
Later than five years	—	—	—

In case of assets given on lease*Operating lease:*

The Group has entered in to various lease arrangements for property:i) Agreement dt.19.02.2017 for a period of 3 years subject to early termination at the option of lessee by giving 3 months prior notice.ii) Agreement for Noida property , on sub-lease basis is receivable on percentage of sale or minimum guarantee, whichever is higher, for a period of five years from the date of commencement of lease.

There is no uncollectible minimum lease payments receivable at the balance sheet date.

Particulars	31 March 2018	31 March 2017	1 April 2016
Lease income for the year recognized in the Statement of Profit and Loss (net of lease rentals paid to investors)	734.75	597.93	—
Minimum lease incomes:			
Not later than one year	707.49	751.28	298.00
Later than one year but not later than five years	823.63	1,757.41	—
Later than five years	—	—	—

The Group has entered into various operating lease arrangements for building situated in SEZ area and Noida.

Particulars	31 March 2018	31 March 2017	1 April 2016
Lease income for the year recognized in the Statement of Profit and Loss	8,529.52	7,996.58	—
Minimum lease incomes:			
Not later than one year	8,547.84	8,391.00	6,973.00
Later than one year but not later than five years	36,150.14	36,568.00	29,182.00
Later than five years	—	—	—



Summary of Consolidated Significant Accounting Policies and other explanatory information for the year ended 31st March, 2018

(All amounts in rupees lakhs unless otherwise stated)

47. Fair value disclosures

(i) Fair values hierarchy

Financial assets and financial liabilities measured at fair value in the statement of financial position are classified into three Levels of a fair value hierarchy. The three levels are defined based on the observability of significant inputs to the measurement, as follows:

Level 1: Quoted prices (unadjusted) in active markets for financial instruments.

Level 2: The fair value of financial instruments that are not traded in an active market is determined using valuation techniques which maximize the use of observable market data rely as little as possible on entity specific estimates.

Level 3: If one or more of the significant inputs is not based on observable market data, the instrument is included in level 3.

(ii) Financial assets measured at fair value - recurring fair value measurements

	31 March 2018	31 March 2017	1 April 2016	Level	Valuation techniques and key inputs
Financial assets:					
Investment in equity instruments	4,418.07	1,437.73	9.19	Level 1	Fair value of equity instruments have been determined using the quoted market price.
Investment in mutual funds	11,003.94	5,414.77	261.80	Level 1	Net asset value (NAV) obtained from an active market.
Investment in preference shares	3,160.74	3,223.03	3,440.07	Level 3	Fair value of non-cumulative, non -convertible redeemable preference share have been determined using, discounted cash flow analysis. This method involves the projection of a series of cash flow from the project. To this projected cash flow series, a market-derived discounted rate is applied to establish the present value of the income stream associated with the project.
Total	18,582.75	10,075.53	3,711.06		

(iii) The following table summaries the quantitative information about the significant unobservable inputs used in level 3 fair value measurements and sensitivity analysis if a change to such inputs was made keeping other variables constant:

Particulars		Discount rate	31 March 2018	31 March 2017
Investment in preference shares				
IST Steel & Power Ltd.	Increase by	0.50%	(57.98)	(61.86)
	Decrease by	0.50%	61.32	65.63
Subham Infra developers Pvt. Ltd.	Increase by	0.50%	(45.05)	(47.61)
	Decrease by	0.50%	47.70	50.55
IST Softech Pvt. Ltd.	Increase by	0.50%	(19.67)	(20.84)
	Decrease by	0.50%	21.02	22.32



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(iv) The following table presents the changes in level 3 items for the year ended 31 March 2018 and 31 March 2017:

Particulars	Preference shares
As at 1 April 2016	3,440.07
Less: Investment sold during the year	(357.38)
Gain/(loss) recognized in statement of profit and loss	140.34
As at 31 March 2017	3,223.03
Gain/(loss) recognized in statement of profit and loss	(62.29)
As at 31 March 2018	3,160.74

(v) Fair value of instruments measured at amortized cost

Fair value of instruments measured at amortized cost for which fair value is disclosed is as follows:

Particulars	Level	31 March 2018		31 March 2017		01 April 2016	
		Carrying value	Fair value	Carrying Value	Fair value	Carrying value	Fair value
Financial assets							
Investments	Level 3	15,722.83	15,850.13	15,724.66	15,865.66	14,312.16	14,394.27
Loans	Level 3	1,210.22	1,210.22	1,130.21	1,130.21	1,975.06	1,975.06
Trade receivable	Level 3	1,819.74	1,819.74	1,982.85	1,982.85	1,347.61	1,347.61
Other financial assets	Level 3	633.04	633.04	688.28	688.28	515.54	515.54
Total financial assets		19,385.83	19,513.13	19,526.00	19,667.00	18,150.37	18,232.48
Financial liabilities							
Borrowings	Level 3	8.48	8.48	404.82	404.82	1,271.60	1,271.60
Trade payables	Level 3	43.70	43.70	47.52	47.52	56.84	56.84
Other financial liabilities	Level 3	2,469.63	2,469.63	2,386.53	2,386.53	2,032.25	2,032.25
Total financial liabilities		2,521.81	2,521.81	2,838.87	2,838.87	3,360.69	3,360.69

The management assessed that cash and cash equivalents, trade receivables, other receivables, trade payables and other current financial liabilities approximate their carrying amounts largely due to the short-term maturities of these instruments. Other non-current financial assets and non-current borrowings bear a market interest rate and hence their carrying amounts are also considered a reasonable approximation of their fair values.

48. Financial risk management

i) Financial instruments by category

Particulars	31 March 2018			31 March 2017			01 April 2016		
	FVOCI	FVTPL	Amortised cost	FVOCI	FVTPL	Amortised cost	FVOCI	FVTPL	Amortised cost
Financial assets									
Investments	4,306.24	14,276.51	15,722.83	1,427.26	8,648.27	15,724.66	—	3,711.06	14,312.16
Trade receivables	—	—	1,819.74	—	—	1,982.85	—	—	1,347.61
Loans	—	—	1,210.22	—	—	1,130.21	—	—	1,975.06
Cash and cash equivalents	—	—	586.13	—	—	648.36	—	—	420.77
Other financial assets	—	—	46.91	—	—	39.92	—	—	94.77
Total	4,306.24	14,276.51	19,385.83	1,427.26	8,648.27	19,526.00	—	3,711.06	18,150.37
Financial liabilities									
Borrowings (including interest)	—	—	8.48	—	—	404.82	—	—	1,271.60
Trade payable	—	—	43.70	—	—	47.52	—	—	56.84
Other financial liabilities	—	—	2,469.63	—	—	2,386.53	—	—	2,032.25
Total	—	—	2,521.81	—	—	2,838.87	—	—	3,360.69



Summary of Consolidated Significant Accounting Policies and other explanatory information for the year ended 31st March, 2018

(All amounts in rupees lakhs unless otherwise stated)

ii) Risk Management

Activities expose it to market risk, liquidity risk and credit risk. Board of directors of respective entities has overall responsibility for the establishment and oversight of risk management framework. This note explains the sources of risk which the entity is exposed to and how the entity manages the risk and the related impact in the financial statements.

A) Credit risk

Credit risk is the risk that a counterparty fails to discharge an obligation to the group. The group is exposed to this risk for various financial instruments, for example by granting loans and receivables to customers, placing deposits, etc. The group's maximum exposure to credit risk is limited to the carrying amount of following types of financial assets.

- cash and cash equivalents,
- trade receivables,
- loans & receivables carried at amortized cost, and
- deposits with banks

a) Credit risk management

The Group assesses and manages credit risk based on internal credit rating system, continuously monitoring defaults of customers and other counterparties, identified either individually or by the group, and incorporates this information into its credit risk controls. Internal credit rating is performed for each class of financial instruments with different characteristics. The Group assigns the following credit ratings to each class of financial assets based on the assumptions, inputs and factors specific to the class of financial assets.

A: Low

B: Medium

C: High

Assets under credit risk –

Credit rating	Particulars	31 March 2018	31 March 2017	1 April 2016
A: Low	Loans	1,210.22	1,130.21	1,975.06
	Investments	34,305.58	25,800.19	18,023.22
	Other financial assets	46.91	39.92	94.77
	Cash and cash equivalents	586.13	648.36	420.77
	Trade receivables	1,819.74	1,982.85	1,347.61

Cash & cash equivalents and bank deposits

Credit risk related to cash and cash equivalents and bank deposits is managed by only accepting highly rated banks and diversifying bank deposits and accounts in different banks.

Trade receivables

Group's trade receivables are considered of high quality and accordingly no life time expected credit losses are recognized on such receivables.

Other financial assets measured at amortized cost

Other financial assets measured at amortized cost includes advances to employees. Credit risk related to these other financial assets is managed by monitoring the recoverability of such amounts continuously, while at the same time internal control system in place ensure the amounts are within defined limits.

B) Liquidity risk

Prudent liquidity risk management implies maintaining sufficient cash and marketable securities and the availability of funding through an adequate amount of committed credit facilities to meet obligations when due. Due to the nature of the business, the Group maintains flexibility in funding by maintaining availability under committed facilities. Management monitors rolling forecasts of the Group's liquidity position and cash and cash equivalents on



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the basis of expected cash flows. The Group takes into account the liquidity of the market in which the entity operates. In addition, the Group's liquidity management policy involves projecting cash flows and considering the level of liquid assets necessary to meet these, monitoring balance sheet liquidity ratios against internal and external regulatory requirements and maintaining debt financing plans.

Maturities of financial liabilities

The amounts disclosed in the table are the contractual undiscounted cash flows. Balances due within 12 months equal their carrying balances as the impact of discounting is not significant.

31 March 2018	Less than 1 year	1-5 year	More than 5 years	Total
Borrowings including interest	8.48	—	—	8.48
Trade payable	43.70	—	—	43.70
Other financial liabilities	485.54	936.42	2,969.72	4,391.68
Total	537.72	936.42	2,969.72	4,443.86
31 March 2017	Less than 1 year	1-5 year	More than 5 years	Total
Borrowings including interest	4.82	400.00	—	404.82
Trade payable	47.52	—	—	47.52
Other financial liabilities	628.48	806.43	2,951.53	4,386.44
Total	680.82	1,206.43	2,951.53	4,838.78
1 April 2016	Less than 1 year	1-5 year	More than 5 years	Total
Borrowings including interest	21.60	1,250.00	—	1,271.60
Trade payable	56.84	—	—	56.84
Other financial liabilities	518.00	258.46	3,024.59	3,801.05
Total	596.44	1,508.46	3,024.59	5,129.49

C) Market risk

a) Interest rate risk

The Group is not exposed to changes in market interest rates as all of the borrowings are at fixed rate of interest. Also the Group's fixed deposits are carried at amortized cost and are fixed rate deposits. They are therefore not subject to interest rate risk as defined in Ind AS 107, since neither the carrying amount nor the future cash flows will fluctuate because of a change in market interest rates.

b) Price risk

Exposure

The Group's exposure to price risk arises from investments held and classified as FVTPL. To manage the price risk arising from investments in mutual funds and equity investment, the Group diversifies its portfolio of assets.

Sensitivity

Below is the sensitivity of profit or loss and equity to changes in fair value of investments, assuming no change in other variables:

Particulars	31 March 2018	31 March 2017
Price sensitivity		
Price increase by 5%	794.08	366.14
Price decrease by 5%	(794.08)	(366.14)



49. Capital management

The Group's capital management objectives are

- to ensure the Group's ability to continue as a going concern
- to provide an adequate return to shareholders

Management assesses the Group's capital requirements in order to maintain an efficient overall financing structure. This takes into account the subordination levels of the Group's various classes of debt. The Group manages the capital structure and makes adjustments to it in the light of changes in economic conditions and the risk characteristics of the underlying assets.

Particulars	31 March 2018	31 March 2017	1 April 2016
Total borrowings	8.48	404.82	1,271.60
Less : Cash and cash equivalents	370.79	283.90	271.70
Net debt	—	120.92	999.90
Total equity	17,684.92	16,677.38	15,801.23
Net debt to equity ratio	—	0.73%	6.33%

50 Disclosure under the Micro, Small and Medium Enterprises Development Act, 2006 ("MSMED Act, 2006") is as under:

Particulars	As at 31 March 2018	As at 31 March 2017	As at 1 April 2016
i) Principal amount due to suppliers under MSMED Act	8.28	Nil	Nil
ii) Interest accrued and due to suppliers under MSMED Act on the above amount	Nil	Nil	Nil
iii) Payment made to suppliers (other than interest) beyond appointed day during the year	Nil	Nil	Nil
iv) Interest paid to suppliers under MSMED Act	Nil	Nil	Nil
v) the amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprise, for the purpose of disallowance as a deductible expenditure under section 23.	Nil	Nil	Nil
vi) Interest due and payable to suppliers under MSMED Act towards payments already made	Nil	Nil	Nil
vii) Interest accrued and remaining unpaid at the end of the accounting year	Nil	Nil	Nil

*The details of amounts outstanding to micro enterprises and small enterprises under the Micro, Small and Medium Enterprises Development Act (MSMED), 2006 are as per available information with the Group.

51. Details of Corporate Social Responsibility (CSR) expenditure is as follows:

- i) Gross amount required to be spent by the Group during the year (i.e. 2% of average net profits u/s 198 of Companies Act, 2013 of last three years) : 12.84 lakhs (March 31, 2017: 8.67 lakhs)
- ii) Amount spent during the year

Purpose for which expenditure incurred	For the year ended 31 March 2018	For the year ended 31 March 2017
- Construction/acquisitions of any asset	—	—
- On purpose other than above mentioned	—	—
Amount yet to be spent	12.84	8.67
Total	12.84	8.67



52. Details of assets pledged/ hypothecated as security:

The carrying amounts of assets pledged/ hypothecated as security for current and non-current borrowings are:

Particulars	As at 31 March 2018	As at 31 March 2017	As at 1 April 2016
Current			
Inventories	745.92	758.68	741.33
Investments	446.99	50.20	-
Trade receivables	543.71	603.97	523.61
Cash and cash equivalents and other bank balances	370.79	283.90	271.70
Loans, other financial and other assets	41.20	67.72	41.46
Non Current			
Investments	—	2,102.05	2,077.53

53. Employee benefit obligations

Particulars	As at 31 March 2018		As at 31 March 2017		As at 1 April 2016	
	Current	Non-current	Current	Non-current	Current	Non-current
Gratuity	81.62	81.03	67.31	74.61	53.86	66.13
Compensated absences	29.05	42.02	28.47	41.40	26.61	34.65
Total	110.67	123.05	95.78	116.01	80.47	100.78

A Gratuity

Every employee who has completed five years or more of service gets a gratuity on departure at 15 days salary (last drawn salary) for each completed year of service. The following tables summarize the components of net benefit expense recognized in the consolidated statement of profit and loss and amounts recognized in the consolidated balance sheet for the respective plans.

(i) Amount recognized in the consolidated statement of profit and loss is as under:

Description	For the year ended 31 March 2018	For the year ended 31 March 2017
Current service cost	19.71	10.57
Net interest cost	10.49	9.61
Actuarial loss/(gain) recognized during the year	(4.16)	3.43
Return on plan assets		
Amount recognized in the consolidated statement of profit and loss	26.04	23.61

(ii) Movement in the present value of defined benefit obligation recognized in the consolidated balance sheet is as under:

Description	As at 31 March 2018	As at 31 March 2017	As at 1 April 2016
Present value of defined benefit obligation as at the start of the year	141.92	119.99	108.10
Current service cost	19.71	10.57	9.38
Interest cost	10.49	9.61	8.37
Actuarial loss/(gain) on obligation	(4.16)	3.43	(2.19)
Benefits paid	(5.31)	(1.68)	(3.67)
Present value of defined benefit obligation as at the end of the year	162.65	141.92	119.99



(iii) Breakup of actuarial (gain)/loss:

Description	For the year ended 31 March 2018	For the year ended 31 March 2017
Actuarial (gain)/loss from change in demographic assumption	—	—
Actuarial (gain)/loss from change in financial assumption	(3.60)	2.52
Actuarial (gain)/loss from experience adjustment	(0.56)	0.91
Total actuarial (gain)/loss	(4.16)	3.43

(iv) Actuarial assumptions

Description	As at 31 March 2018	As at 31 March 2017	As at 1 April 2016
Discount rate	7.60% - 7.80%	7.37% - 7.53%	8.00%
Future Basic salary increase	6.00%	6.00%	6.00%
Employee turnover			
- Upto 30 years	3.00%	3.00%	3.00%
- From 31 to 44 years	2.00%	2.00%	2.00%
- Above 44 years	1.00%	1.00%	1.00%
Retirement age	58	58	58

The estimates of future salary increases, considered in actuarial valuation, take account of inflation, seniority, promotion and other relevant factors, such as supply and demand in the employment market.

(v) Sensitivity analysis for gratuity liability

Description	For the year ended 31 March 2018	For the year ended 31 March 2017
Impact of the change in discount rate		
- Impact due to increase of 0.50 %	(3.10)	(3.10)
- Impact due to decrease of 0.50 %	3.33	3.34
Impact of the change in salary increase		
- Impact due to increase of 0.50 %	3.12	3.37
- Impact due to decrease of 0.50 %	(3.05)	(3.16)

The above sensitivity analysis are based on a change in an assumption while holding all other assumptions constant. In practice, this is unlikely to occur and changes in some of the assumptions may be correlated. When calculating the sensitivity of the defined benefit obligation to significant actuarial assumptions the same method (present value of the defined benefit obligation calculated with the projected unit credit method at the end of the reporting period) has been applied which was applied while calculating the defined benefit obligation liability recognized in the consolidated balance sheet.

The methods and types of assumptions used in preparing the sensitivity analysis did not change compared to prior period.

(vi) Maturity profile of defined benefit obligation

Description	As at 31 March 2018	As at 31 March 2017	As at 1 April 2016
Within next 12 months	81.62	67.31	53.86
Between 1-5 years	5.83	5.02	19.90
More than 5 years	75.21	69.57	46.23

**Summary of Consolidated Significant Accounting Policies and other explanatory information for the year ended 31st March, 2018***(All amounts in rupees lakhs unless otherwise stated)***B Compensated absences**

The earned leave liability arises on retirement, withdrawal, resignation and death-in-service of an employee. The actuary has used projected unit cost (PUC) actuarial method to assess the plan's liabilities of employees.

(i) Amount recognized in the consolidated statement of profit and loss is as under:

Description	Earned leave	
	For the year ended 31 March 2018	For the year ended 31 March 2017
Current service cost	9.90	10.61
Net interest cost	5.17	4.90
Actuarial loss/(gain) recognized during the year	(1.78)	8.48
Amount recognized in the consolidated statement of profit and loss	13.29	23.99

(ii) Change in present value of the defined benefit obligation is as follows:

Description	Earned leave		
	As at 31 March 2018	As at 31 March 2017	As at 1 April 2016
Present value of obligation as at the start of the year	69.88	61.26	57.30
Current service cost	9.90	10.61	11.11
Net interest cost	5.17	4.90	4.44
Actuarial loss/(gain) recognized during the year	(1.78)	8.48	(0.83)
Benefits paid	(12.10)	(15.38)	(10.76)
Present value of obligation at the year end	71.07	69.87	61.26

(iii) Actuarial assumptions

Description	As at 31 March 2018	As at 31 March 2017	As at 1 April 2016
Discount rate	7.53% - 7.60%	7.37% - 7.80%	8.00%
Future basic salary increase	6.00%	6.00%	6.00%

Notes:

- The discount rate is based on the prevailing market yields of Indian Government securities as at the balance sheet date for the estimated term of obligations.
- The estimates of future salary increases considered takes into account the inflation, seniority, promotion and other relevant factors on long term basis.

C Provident fund

The Group makes Provident Fund and Employee State Insurance Scheme contributions which are defined contribution plans, for qualifying employees. Under the Schemes, the Group is required to contribute a specified percentage of the payroll costs to fund the benefits. The Group recognized Rs.27.12 lakhs (31 March 2017: Rs.25.80 lakhs and 1 April 2016: Rs.23.67 lakhs) for Provident Fund contributions and Rs.12.79 lakhs (31 March 2017: Rs.11.75 lakhs and 1 April 2016: Rs.10.74 lakhs) for Employee State Insurance Scheme contributions in the Consolidated Statement of Profit and Loss.



Summary of Consolidated Significant Accounting Policies and other explanatory information for the year ended 31st March, 2018

(All amounts in rupees lakhs unless otherwise stated)

54 Contingent liabilities and commitments

Description	As at 31 March 2018	As at 31 March 2017	As at 1 April 2016
a) Contingent Liabilities			
Claim against the company not acknowledged as debt			
- Tax matters in dispute	—	—	85.29
- Court case disputed with party	31.75	31.75	31.75
b) Commitments			
- Bank guarantees issued by the bank	147.61	141.74	133.31
- Capital contracts to be executed	199.48	175.81	177.27
- For lease commitments (refer note no. 43)	—	—	—

55. First time adoption of Ind AS

Consolidated financial statements for the year ended 31 March 2018 are the first consolidated financial statements that the Group has prepared in accordance with Ind AS. For periods up to and including the year ended 31 March 2017, the Group prepared its consolidated financial statements in accordance with the accounting standards notified under section 133 of the Companies Act 2013, read together with paragraph 7 of the Companies (Accounts) Rules, 2014 ('previous GAAP').

Accordingly, the Group has prepared consolidated financial statements which comply with Ind AS applicable for periods ending on or after 31 March 2018. In preparing these consolidated financial statements, the Group's opening consolidated balance sheet was prepared as at 1 April 2016 which is the Group's date of transition to Ind AS. This note explains the key adjustments made by the Group in restating its previous GAAP financial statements, including the Balance Sheet as at 1 April 2016 and the financial statements as at and for the year ended 31 March 2017 to Ind AS.

A. Optional exemption availed:

i. Deemed cost for property, plant and equipment, investment property & intangible assets:

Ind AS 101 permits a first-time adopter to elect to continue with the carrying value for all of its property, plant and equipment, investment property & intangible assets as recognised in the consolidated financial statements as at the date of transition to Ind AS, measured as per the previous GAAP and use that as its deemed cost as at the date of transition. Accordingly, the Group has elected to measure all of its property, plant and equipment, investment property & intangible assets at their previous GAAP carrying value.

ii. Business combinations

Ind AS 101 provides the option to apply Ind AS 103 prospectively from the transition date or from a specific date prior to the transition date. This provides relief from full retrospective application that would require restatement of all business combinations prior to the transition date. The Group has applied exemption for investment in associates.

B. Mandatory exceptions:

i. Estimates:

An entity's estimates in accordance with Ind AS at the date of transition to Ind AS shall be consistent with estimates made for the same date in accordance with previous GAAP (after adjustments to reflect any difference in accounting policies), unless there is objective evidence that those estimates were in error. Ind AS estimates as at 1 April 2016 are consistent with the estimates as at the same date made in conformity with previous GAAP. The Group made certain estimates in accordance with Ind AS at the date of transition which were not required under previous GAAP.

C. Reconciliations between previous GAAP and Ind AS

Ind AS 101 requires an entity to reconcile equity, total comprehensive income and cash flows for prior periods. The following tables represent the reconciliations from previous GAAP to Ind AS.



IST LIMITED

Summary of Consolidated Significant Accounting Policies and other explanatory information for the year ended 31st March, 2018

(All amounts in rupees lakhs unless otherwise stated)

(i) Reconciliation of total equity as at 31 March 2017 and 1 April 2016:

	Note no.	Year ended 31 March 2017	Year ended 1 April 2016
Total equity (Shareholder's funds) as per previous GAAP		52,644.08	44,468.51
Ind AS adjustments:			
Fair valuation of investments	3	461.05	(23.02)
Adjustment for financial assets and liabilities measured at amortised cost	2	306.97	271.09
Adjustment on account of depreciation on investment properties	1	(111.57)	—
Impact of rental expense straight lining	6	1,096.93	679.01
Impact of Ind-AS adjustments of associate accounted using equity method		261.31	81.06
Others		100.92	82.90
Deferred tax impact on above adjustments	5	(621.33)	(355.95)
Total adjustments [B]		1,494.28	735.09
Total equity as per Ind AS		54,138.36	45,203.60

(ii) Reconciliation of total comprehensive income for the year ended 31 March 2017:

	Note no.	Year ended 31 March 2017
Profit after tax as per previous GAAP [A]		8,175.58
Ind AS adjustments:		
Fair valuation of investments	3	300.24
Adjustment for financial assets and liabilities measured at amortised cost	2	35.88
Adjustment on account of depreciation on investment properties	1	(111.57)
Impact of rental expense straight lining	6	417.92
Impact of Ind-AS adjustments of associate accounted using equity method		4.87
Remeasurement of defined benefit obligations reclassified to other comprehensive income	4	3.43
Others		18.02
Deferred tax impact on above adjustments	5	(224.09)
Total adjustments [B]		444.70
Profit after tax as per Ind AS [A+B]		8,620.28
Other comprehensive income		
Remeasurement of defined benefit obligations (net of tax)	4	(2.31)
Measurement of financial assets at fair value through OCI (net of tax)	2, 5	141.41
Impact of Ind-AS adjustments of associate accounted using equity method		175.38
Total comprehensive income as per Ind AS		8,934.76



(iii) Reconciliation between previous GAAP and Ind AS for consolidated balance sheet as at 31 March 2017 and 1 April 2016:

Particulars	Notes to first time adoption	Previous GAAP as at 31 March 2017*	Adjustments	Ind AS as at 31 March 2017	Previous GAAP as at 31 March 2016*	Adjustments	Ind AS as at 1 April 2016
ASSETS							
Non-current assets							
Property, plant and equipment	1	2,499.17	(1,268.85)	1,230.32	14,129.91	(12,688.20)	1,441.71
Investment properties	1	11,398.72	7,832.02	19,230.74	—	19,362.93	19,362.93
Intangibles assets under development		2.32	—	2.32	5.60	—	5.60
Investments accounted for using the equity method		1,019.16	261.31	1,280.47	949.00	81.06	1,030.06
Financial assets							
Investments	1, 3	31,963.83	(6,213.84)	25,749.99	24,720.97	(6,697.75)	18,023.22
Trade Receivable		—	1,096.93	1,096.93	—	679.01	679.01
Loans	2	533.18	(70.00)	463.18	539.85	(76.43)	463.42
Other financial assets		7.66	—	7.66	7.10	—	7.10
Deferred tax asset (net)	5	5,204.36	(496.03)	4,708.33	3,969.62	(275.28)	3,694.34
Other non current assets	2	2,102.46	66.13	2,168.59	2,185.47	69.99	2,255.46
		54,730.86	1,207.67	55,938.53	46,507.52	455.33	46,962.85
Current assets							
Inventories		758.68	—	758.68	741.33	—	741.33
Financial assets							
Investments	3	50.05	0.15	50.20	—	—	—
Trade receivable		885.92	—	885.92	668.60	—	668.60
Cash and cash equivalents		648.36	—	648.36	420.77	—	420.77
Loans	2	669.74	(2.71)	667.03	1,511.64	—	1,511.64
Other financial assets		32.26	—	32.26	87.67	—	87.67
Current tax asset		35.48	—	35.48	—	—	—
Other current assets	2	22.72	3.85	26.57	35.37	4.35	39.72
		3,103.21	1.29	3,104.50	3,465.38	4.35	3,469.73
TOTAL		57,834.07	1,208.96	59,043.03	49,972.90	459.68	50,432.58
EQUITY AND LIABILITIES							
Equity							
Equity share capital		584.68	-	584.68	584.68	—	584.68
Other equity		52,059.40	1,494.28	53,553.68	43,883.83	735.09	44,618.92
		52,644.08	1,494.28	54,138.36	44,468.51	735.09	45,203.60
Non-current liabilities							
Financial liabilities							
Borrowings		400.00	—	400.00	1,250.00	—	1,250.00
Other financial liabilities	2	4,324.69	(2,456.30)	1,868.39	3,690.07	(2,077.37)	1,612.70
Provisions		116.01	—	116.01	100.78	—	100.78
Deferred tax liabilities (net)	5	(24.38)	24.38	—	3.09	(3.09)	—
Other non-current liabilities	2	—	1,591.22	1,591.22	—	1,418.55	1,418.55
		4,816.32	(840.70)	3,975.62	5,043.94	(661.91)	4,382.03
Current liabilities							
Financial liabilities							
Borrowings		—	—	—	12.28	—	12.28
Trade payables		47.52	—	47.52	56.84	—	56.84
Other financial liabilities	2	184.97	337.99	522.96	239.69	189.18	428.87
Other current liabilities	2	36.54	217.39	253.93	21.04	197.32	218.36
Provisions		95.78	—	95.78	80.47	—	80.47
Current tax liabilities (net)		8.86	—	8.86	50.13	—	50.13
		373.67	555.38	929.05	460.45	386.50	846.95
		57,834.07	1,208.96	59,043.03	49,972.90	459.68	50,432.58

TOTAL EQUITY AND LIABILITIES

* The previous GAAP figures have been reclassified to confirm to Ind AS presentation requirements for the purpose of this note.



IST LIMITED

Summary of Consolidated Significant Accounting Policies and other explanatory information for the year ended 31st March, 2018

(All amounts in rupees lakhs unless otherwise stated)

(iv) Reconciliation between previous GAAP and Ind AS for impact on consolidated statement of profit and loss

Particulars	Notes to first time adoption	Previous GAAP For the year 31 March 2017*	Adjustments	Ind AS 31 March 2017
Income				
Revenue from operations	6	10,049.33	912.24	10,961.57
Other income	2, 3	2,099.72	319.94	2,419.66
Total Income		12,149.05	1,232.18	13,381.23
Expenses				
Cost of raw material consumed		606.26	—	606.26
Changes in inventories		(40.32)	—	(40.32)
Excise duty	8	—	293.31	293.31
Employee benefits expense	4	1,012.40	(3.43)	1,008.97
Finance costs	2	89.87	179.70	269.57
Depreciation and amortisation expense	1	260.01	111.57	371.58
Other expenses	2, 3, 7	1,543.14	4.27	1,547.41
Total expenses		3,471.36	585.42	4,056.78
Profit before share of net profits/(losses) of associate for using equity method and tax				
		8,677.69	646.76	9,324.45
Share of net profit of associate accounted for using the equity method		70.16	4.87	75.03
Profit before tax		8,747.85	651.63	9,399.48
Tax expense				
Current tax		1,826.00	—	1,826.00
Deferred tax	5	(1,262.21)	206.93	(1,055.28)
Previous year income tax		8.48	—	8.48
Total tax expense		572.27	206.93	779.20
Profit after tax		8,175.58	444.70	8,620.28
Other comprehensive income				
Item that will not to be reclassified to profit or loss				
(a) Remeasurement income on defined benefit plans	4	—	(3.43)	(3.43)
Income tax relating to above item	5	—	1.12	1.12
(b) Changes in fair value of FVOCI equity instruments	3	—	183.82	183.82
Income tax relating to above items	5	—	(42.41)	(42.41)
(c) Share of other comprehensive income of associates accounted for using the equity method		—	175.38	175.38
Total comprehensive income for the year		8,175.58	759.18	8,934.76



Summary of Consolidated Significant Accounting Policies and other explanatory information for the year ended 31st March, 2018

(All amounts in rupees lakhs unless otherwise stated)

(v) Impact of Ind AS adoption on the consolidated statement of cash flows for the year ended 31 March 2017.

Particulars	Notes to first time adoption	Previous GAAP For the year 31 March 2017*	Adjustments	Ind AS 31 March 2017
Net cash flows from operating activities	1,2,3,6,9	6,874.09	321.25	7,195.34
Net cash flows from investing activities	1,2,3,6,9	(5,784.22)	(228.90)	(6,013.12)
Net cash flows from financing activities	2	(862.28)	(92.35)	(954.63)
Net increase in cash and cash equivalents		227.59	—	227.59
Cash and cash equivalents at the beginning of the year		420.77	—	420.77
Cash and cash equivalents at the end of the year		648.36	—	648.36

* The previous GAAP figures have been reclassified to confirm to Ind AS presentation requirements for the purpose of this note.

NOTES:

Note - 1: Investment Properties

Under previous GAAP, investment properties were presented as part of non-current investments. Under Ind AS, investment properties are required to be separately presented on the face of the balance sheet.

Note - 2: Measurement of financial assets and liabilities initially at fair value and subsequently at amortised cost

Under previous GAAP, all financial assets and financial liabilities were carried at cost. Under Ind AS, certain financial assets and financial liabilities are initially recognised at fair value and subsequently measured at amortised cost which involves the application of effective interest rate method. The effective interest rate is the rate that exactly discounts estimated future cash payments or receipts through the expected life of the financial asset or financial liability to the fair value amount on the date of recognition of financial asset or financial liability.

Note - 3: Fair valuation of investments

Under the previous GAAP, investments in equity instruments and mutual funds were classified as long-term investments or current investments based on the intended holding period and reliability. Long-term investments were carried at cost less provision for other than temporary decline in the value of such investments. Current investments were carried at lower of cost and fair value. Under Ind AS, these investments are required to be measured at fair value. The resulting fair value changes of these investments have been recognised in retained earnings as at the date of transition and subsequently in the profit or loss for the year.

Note - 4: Remeasurement of defined benefit obligation

Under Ind AS, remeasurement i.e. actuarial gains and losses on the net defined benefit liability are recognised in other comprehensive income instead of profit or loss. Under the previous GAAP, these remeasurement were forming part of the profit or loss for the year.

**Summary of Consolidated Significant Accounting Policies and other explanatory information for the year ended 31st March, 2018***(All amounts in rupees lakhs unless otherwise stated)***Note - 5: Deferred tax**

Under previous GAAP, deferred tax was accounted using the income statement approach, on the timing differences between the taxable profit and accounting profits for the period. Under Ind AS, deferred tax is recognized following balance sheet approach on the temporary differences between the carrying amount of asset or liability in the balance sheet and its tax base. In addition, various transitional adjustments has also lead to recognition of deferred taxes on new temporary differences.

Note - 6: Rental expense straight lining

Under Ind AS, if the payments by the lessee are structured to increase in line with expected general inflation to compensate for the lessor's expected inflationary cost, rentals are not straight-lined, while lease incentives are recognised over the period of the lease. Also under Ind AS , Rent free period is starightlined over the lease term as the same is considered as incentive.

Note - 7: Prior period items

Under Ind AS, prior period items need to be restated retrospectively and such restatement is made in the earliest comparative period presented and the amount of the adjustment is made in the opening balance of retained earnings of earliest year presented. As a result of this change, the profit for the year ended 31 March 2017 increased. There is no impact on the total equity as at 31 March 2017.

Note - 8: Excise duty

Under Previous GAAP, revenue from sale of goods was presented net of excise duty whereas under Ind AS the revenue from sale of goods is presented inclusive of excise duty. The excise duty is presented on the face of the consolidated statement of profit and loss as part of expenses.

Note - 9: Other comprehensive income

Under Ind AS, all items of income and expense recognised in a period should be included in profit or loss for the period, unless a standard requires or permits otherwise. Items of income and expense that are not recognised in profit or loss but are shown in the statement of profit and loss as 'other comprehensive income' includes re-measurements of defined benefit plans and fair value gains or (losses) on FVOCI equity instruments and their corresponding income tax effects. The concept of other comprehensive income did not exist under previous GAAP.

56 Interest in subsidiary

The Holding company's subsidiary at 31 March 2018 is as set out below. Unless otherwise stated, the subsidiary company has share capital consisting solely of equity shares that are held directly by the holding company, and the proportion of ownership held equals the voting right held by the holding company. The country of incorporation or registration is also their principal place of business.

Name of the Subsidiary Company	Principal activities	Country of incorporation	Ownership interest held by the Holding Company		Ownership interest held by non-controlling interests	
			31 March 2018	31 March 2017	31 March 2018	31 March 2017
Gurgaon Infospace Limited	SEZ Developer	India	100%	100%	0%	0%



57. Interest in associate

Set out below is the associate of the group as at 31 March 2018 which is material to the group. The entity listed below have share capital consisting equity shares and preference share, which are held directly by the group. The country of incorporation or registration is also their principal place of business, and the proportion of ownership interest is the same as the proportion of voting rights held.

Name of the Associate Company	Principal activities	Country of incorporation	Ownership interest held by the group		Accounting Method
			31 March 2018	31 March 2017	
IST Steel and Power Limited	Trading Activities	India	25.48%	25.48%	Equity method

(i) Summarised financial information for associate

Summarised balance sheet	As at 31 March 2018	As at 31 March 2017	As at 1 April 2016
Current assets			
Cash and cash equivalents	156.31	201.77	186.75
Other assets	582.28	288.48	1,175.92
Total current assets	738.59	490.25	1,362.67
Total non-current assets	5,940.47	6,085.02	4,089.62
Current liabilities			
Financial liabilities excluding trade payables and provisions	1,505.67	1,506.66	1,506.48
Other liabilities	309.73	177.24	117.66
Total current liabilities	1,663.40	1,683.90	1,624.14
Non-Current liabilities			
Financial liabilities excluding trade payables and provisions	—	—	—
Other liabilities	82.46	80.70	0.42
Total non-current liabilities	82.46	80.70	0.42
Net Assets	4,933.20	4,810.67	3,827.73
Summarised statement of profit and loss	For the year ended 31 March 2018	For the year ended 31 March 2017	
Revenue	350.18	393.88	
Depreciation and amortisation expense	7.79	7.31	
Interest income	240.59	223.65	
Finance costs	0.03	4.01	
Income tax expense	35.11	36.45	
Profit from continuing operations	163.58	294.51	
Profit for the year	163.58	294.51	
Other comprehensive income/(loss)	(41.05)	688.43	
Total comprehensive income	122.53	982.94	
Dividend received	—	—	
(ii) Reconciliation to carrying amounts			
Opening net assets	4,810.67	3,827.73	
Profit for the year	163.58	294.51	
Other comprehensive income	(41.05)	688.43	
Dividend paid	—	—	
Closing net assets	4,933.20	4,810.67	
Group's share in %	25.48%	25.48%	
Group's share in INR	1,256.76	1,225.55	
Goodwill	54.92	54.92	
Carrying amount	1,311.68	1,280.47	



IST LIMITED

Summary of Consolidated Significant Accounting Policies and other explanatory information for the year ended 31st March, 2018

(All amounts in rupees lakhs unless otherwise stated)

58. Information required by Schedule III of the Companies Act 2013, with respect to consolidated financial statements

Name of the entity	Net assets i.e. total assets minus total liabilities		Share in profit or loss		Share in other comprehensive Income / (loss)		Share in Total Comprehensive Income	
	As % consolidated net assets	Amount	As % consolidated profit & loss	Amount	As % other comprehensive income/ (loss)	Amount	As % total comprehensive income	As % total comprehensive income
Holding								
IST Limited	26.04%	16,700.92	10.01%	1,006.27	-3.19%	1.27	10.07%	1,007.54
Subsidiary								
Gurgaon Infospace Limited	71.92%	46,135.13	89.57%	9,001.23	76.90%	(30.60)	89.62%	8,970.63
Associate								
IST Steel and Power Limited	2.04%	1,311.68	0.42%	41.66	26.29%	(10.46)	0.31%	31.20
	100%	64,147.73	100%	10,049.16	100%	(39.79)	100%	10,009.37

59. FORM NO. AOC.1 -Statement containing salient features of the financial statement of subsidiary/associate company(Pursuant to first proviso to sub-section (3) of section 129 read with rule 5 of Companies (Accounts) Rules, 2014)

Part "A": Subsidiary

Particulars	As at 31 March 2018	As at 31 March 2017
1. Name of the subsidiary	Gurgaon Infospace Limited	
2. Reporting period	April to March	
3. Reporting currency and Exchange rate as on the last date of the relevant financial year in the case of foreign subsidiaries	NA	
4. Share capital	100.00	100.00
5. Reserves & surplus	46,035.13	37,064.51
6. Total assets	50,080.06	41,077.19
7. Total Liabilities	3,944.93	3,912.68
8. Investments	26,249.56	18,490.86
9. Turnover	8,702.01	8,140.89
10. Profit before taxation	9,408.00	8,174.66
11. Provision for taxation	406.77	508.30
12. Profit after taxation	9,001.23	7,666.36
13. Proposed Dividend	—	—
14. % of shareholding	100.00%	100.00%

Notes:-

- Names of subsidiaries which are yet to commence operations -Nil
- Names of subsidiaries which have been liquidated or sold during the year-Nil



Summary of Consolidated Significant Accounting Policies and other explanatory information for the year ended 31st March, 2018

(All amounts in rupees lakhs unless otherwise stated)

Part "B": Associate

Statement pursuant to Section 129 (3) of the Companies Act, 2013 related to Associate Company

As at 31 March 2018

Name of Associate	IST Steel & Power Limited
1. Latest audited Balance Sheet Date	31 March 2018
2. Share of Associate held by the Company on the year end	
No.	88,40,000
Amount of Investment in Associates	884.00
Extend of Holding %	25.48%
3. Description of how there is significant influence	Not Applicable
4. Reason why the associate is not consolidated	Consolidated
5. Net worth attributable to shareholding as per latest balance sheet	4,933.20
6. Profit / Loss for the year	
i. Considered in Consolidated	122.53
ii. Not considered in Consolidated	—

Notes:-

- Names of associates which are yet to commence operations - Nil
- Names of associates which have been liquidated or sold during the year- Nil

60. Authorisation of consolidated financial statements

These consolidated financial statements for the year ended 31 March 2018 (including comparatives) were approved by the Board of Directors on 30 May, 2018.

This is the Summary of consolidated significant accounting policies and other explanatory information referred to in our report of even date

For Gupta Vigg & Co.
Chartered Accountants
Firm Registration NO. 001393N

For and on behalf of the Board of Directors of IST Limited

CA. Deepak Pokhriyal
Partner
Membership No. 524778
Place: New Delhi
Dated: 30 May, 2018

D.N. Tulshyan
Chief Financial Officer

Bhupinder Kumar
Company Secretary

Mayur Gupta
Director
DIN-00131376

S.C. Jain
Executive Director
DIN-00092079



IST LIMITED

Regd. Office : Dharuhera Industrial Complex, Delhi Jaipur Highway No. 8, Kapriwas, Dharuhera, Rewari – 123106 (Haryana)
Tel: (01274) 267346-48; Fax : (01274) 267444; Website: www.istindia.com ; CIN: L33301HR1976PLC008316

ATTENDANCE SLIP

DP ID*		Name and Address of the registered Shareholder
Client ID* / Regd. Folio No.		
No. of Shares held		

I being the registered shareholder / proxy for the registered shareholder of the Company hereby record my presence at the 42nd Annual General Meeting of the Company held on Friday, the 28th September, 2018 at 11.30 P.M. at Dharuhera Industrial Complex, Delhi Jaipur Highway No. 8, Kapriwas, Dharuhera, Rewari – 123106 (Haryana).

.....
Signature of Shareholder / Proxy

*Applicable for investors holding shares in electronic form.

IST LIMITED



Registered Office :

Dharuhera Industrial Complex, Delhi Jaipur Highway No. 8, Kapriwas, Dharuhera, Rewari – 123106 (Haryana)
Tel: (01274) 267346-48; Fax : (01274) 267444; Website: www.istindia.com ; CIN: L33301HR1976PLC008316

PROXY FORM

(Form MGT-11 pursuant to Section 105 (6) of the Companies Act, 2013 and Rule 19 (3) of the Companies (Management and Administration) Rules, 2014)

CIN	L33301HR1976PLC008316
Name of the Company	IST LIMITED
Registered Office	Dharuhera Industrial Complex, Delhi Jaipur Highway No. 8, Kapriwas, Dharuhera, Rewari-123106 (Hr.)
Name of the Member (s)	
Registered Address	
Email	
Folio No. /DP No./Client ID	

I / We being the member(s) of IST LIMITED holding _____ shares, hereby appoint the following person (s) as my/our proxy to attend and vote (on a poll) for me/us and on my/our behalf at the 42nd Annual General Meeting of the Company to be held on Friday, the 28th September, 2018 at 11.30 P.M. at Dharuhera Industrial Complex, Delhi Jaipur Highway No. 8, Kapriwas, Dharuhera, Rewari – 123106 (Haryana), and at any adjournment(s) thereof, in respect of such resolutions as are indicated below:

- 1) Name Address Or failing him
Email Signature
- 2) Name Address Or failing him
Email Signature
- 3) Name Address Or failing him
Email Signature

A.ORDINARY BUSINESS	No. of equity shares	I / We assent to the Resolution (For)	I / We dissent to the Resolution (Against)
1. To consider and adopt the Audited Financial Statement (including Audited Consolidated Financial Statement) for the financial year ended 31 st March 2018 and Reports of the Directors and Auditors thereon			
2. To appoint a director in place of Lt. Col. N.L. Khitha (Retd.) (DIN: 01128275), who retires by rotation and being eligible offers himself for reappointment			
3. To appoint a director in place of Mrs. Sarla Gupta (DIN: 00069053), who retires by rotation and being eligible offers herself for reappointment			
B. SPECIAL BUSINESS			
4. Revision in the remuneration of Mr. Suresh Chand Jain, Whole Time Director designated as Executive Director of the Company.			

Signed this _____ day of _____ 2018

Signature of the Shareholder _____ Signature of proxy holder(s) _____

Affix
Revenue
Stamp
of Rs.1/-

NOTE: This form of proxy in order to be effective should be duly completed and deposited at the Registered Office of the Company not less than 48 hours before the commencement of the meeting.