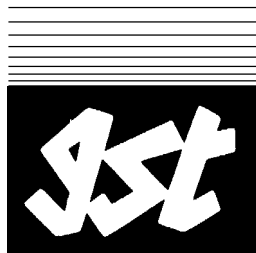


40th

Annual Report

2015-2016



IST LIMITED

(Formerly : Indo Swiss Time Limited)



40th Annual Report 2015-2016

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
SHRI R.K. JAIN, DIRECTOR (Resigned on 11.08.2015)

COMPANY SECRETARY

SHRI R.K. SAPRA

AUDITORS

M/S. O.P. DADU & 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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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

NOTICE

Notice is hereby given that the 40th Annual General Meeting of IST Limited, will be held on Thursday, the 29th September, 2016 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 2016 and Reports of the Directors and Auditors thereon.
2. To appoint a director in place of Shri S.C. Jain (DIN : 00092079), 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.
4. To ratify the appointment of M/s. O. P. Dadu & Co., Chartered Accountants, as Statutory Auditors of the Company, to hold office for a term of 1 year from the conclusion of this 40th Annual General Meeting until the conclusion of the 41st Annual General Meeting and to fix their remuneration and pass the following resolution:

“RESOLVED THAT pursuant to the provisions of Section 139 of the Companies Act, 2013 and the Rules framed there under and pursuant to the recommendations of the Audit Committee of the Board of Directors, appointment of M/s. O. P. Dadu & Co., Chartered Accountants, (FR No. 001201N), Statutory Auditors of the Company, be and is hereby ratified, to hold office for a term of 1 year from the conclusion of 40th Annual General Meeting until the conclusion of the 41st Annual General Meeting, be and is hereby ratified, and the Board of Directors be and are hereby authorized to fix their remuneration, in accordance with the recommendation of the Audit Committee in consultation with the Auditors.”

SPECIAL BUSINESS

5. To consider and, if thought fit, to pass with or without modification(s), the following Resolutions as special resolution:

“RESOLVED THAT pursuant to the provisions of Section 196, 197, 203 and any other applicable provisions of the Companies Act, 2013 and the

Rules made there under (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 shareholders of the Company be and is hereby accorded to re-appoint Shri S.C. Jain (DIN : 00092079) as Whole Time Director, designated as Executive Director of the Company for a period of 3 years with effect from 14th August, 2016 and to pay him remuneration, as per details given below:

Basic Pay	Rs.45,000/- per month
Dearness Allowance	Rs.25,000/- per month
House Rent Allowance	Rs.35,000/- per month
Special Allowance	Rs.10,000/- per month

PERQUISITES

PART-A

- a) Reimbursement of medical expenses actually incurred by the Executive Director and his family subject to ceiling of one month's basic pay in a year.
- b) Leave Travel Allowance – Expenses incurred by the Executive Director and his family subject to the ceiling of one month's basic pay in a year.
- c) Reimbursement of actual expenses to the Executive Director subject to a limit of Rs.3,00,000/- per annum on account of use of his personal car for official purposes including Driver's salary, magazine / newspapers at residence and bills of land line phone connection with internet.
- d) Reimbursement of actual Expenses incurred by the Executive Director, on account of free use of one mobile phone for the purpose of official work.

PART-B

- a) Earned Leave : One month's leave with full pay and allowances as per Rules of the Company for every 11 months of service. Leave accumulated and not availed of during his tenure as Executive Director will be encashed.
- b) The Executive Director shall also be entitled to reimbursement of expenses actually and properly incurred for the purpose of business and business development of the Company.

OTHER CONDITIONS :

If during the currency of tenure of the Executive Director, the Company has no profits or its profits are



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inadequate in any financial year, the payment of salary, perquisites and other allowances shall be governed by the limits prescribed under Section II of Part II of Schedule –V of the Companies Act, 2013.

FURTHER RESOLVED THAT the consent of the shareholders of the Company be and is hereby also accorded that where in any financial year the Company has no profits or inadequate profits then the remuneration as decided above will be paid as minimum remuneration, subject to approval of statutory authority, if required;

FURTHER RESOLVED THAT the Board of Directors of the Company or any committee thereof be and is hereby authorized to do all such acts, deeds and things as in its absolute discretion it may think necessary, expedient or desirable, to settle any question or doubt that may arise in relation thereto in order to give effect to the foregoing resolution and to seek approval of statutory authority, if any, as may be required in this regard;

FURTHER RESOLVED THAT the Board of Directors of the Company or any committee thereof be and is hereby also authorized to amend, alter, modify or otherwise vary the terms and conditions of appointment of Shri S.C. Jain, Executive Director, including the components of the above mentioned remuneration payable to him subject to the overall cap of Rs.24.00 Lacs per annum.”

6. To consider and, if thought fit, to pass with or without modification(s), the following Resolutions as an Ordinary resolution:

“RESOLVED THAT pursuant to the provisions of Section 188, approval of Members of the company be and is hereby accorded to re-appoint Mrs. Sarla Gupta (DIN : 00069053), Director of the Company as Whole Time Director in Gurgaon Infospace Limited, Wholly Owned Subsidiary of the Company (the Subsidiary Company) for a period of 3 years with effect from 01.12.2016 to 30.11.2019 and to pay her remuneration, as per details given below subject to 196, 197, 203 and any other applicable provisions of the Companies Act, 2013 (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 Subsidiary Company and /or subject to approval of Members of the Subsidiary Company and /or approval of the

Central Government or other Government authority/agency/board, if any,;

Basic Pay	Rs.2,00,000/- per month
Dearness Allowance	Rs.80,000/- per month
Other Allowances	Rs.1,20,000/- per month

PERQUISITES

PART - A

a) Medical Benefit for Self and Family

Reimbursement of Medical Expenses actually incurred by the Whole Time Director and her family.

b) Leave Travel Allowance

Leave Travel Allowance equivalent to one month's basic pay in a year will be given to the Whole Time Director.

PART - B

I. Earned Leave

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

II. Reimbursement of Expenses

The Whole Time Director shall also be entitled to reimbursement of reasonable entertainment expenses actually and properly incurred for the purposes of business of the Subsidiary Company.

OTHER CONDITIONS :

If during the currency of tenure of the Whole Time Director, the Subsidiary Company has no profits or its profits are inadequate in any financial year, the payment of salary, perquisites and other allowances shall be governed by the limits prescribed under Schedule –V of the Companies Act, 2013.

FURTHER RESOLVED THAT where in any financial year the Subsidiary Company has no profits or inadequate profits then the remuneration as decided above will be paid as minimum remuneration, subject to approval of statutory authority, if required;

FURTHER RESOLVED THAT the Board of Directors of the Company or any committee thereof be authorized to do all such acts, deeds and things as in its absolute discretion it may think necessary, expedient or desirable, to settle any question or doubt that may arise in relation thereto in order to give effect to the foregoing resolution and to seek approval of statutory authority, if any, as may be required in this regard;

By Order of the Board

(R.K. SAPRA)
COMPANY SECRETARY
FCS-3785

Place : New Delhi
Date : 11.08.2016



NOTES:

- 1. 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.
2. 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.
3. 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.
4. The Register of Members and Share Transfer Books of the Company will remain closed from 23.09.2016 to 29.09.2016 (both days inclusive) for the purpose of this Annual General Meeting.
5. 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.
6. Members are requested to bring the Attendance Slip duly filled in along with their copy of Annual Report to the Meeting.
7. 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
8. 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.
9. 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.
 10. 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.
 11. Electronic copy of the Annual Report for financial year 2015-16 along with the Notice of the 40th 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.
 12. For members who have not registered their email address, physical copies of the Annual Report for the financial year 2015-16 along with Notice of the 40th 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.
 13. Members may also note that the Notice of the 40th Annual General Meeting and the Annual Report for 2015-16 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.



IST LIMITED

VOTING THROUGH ELECTRONIC MEANS

14. 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 Regulation 44 of SEBI (LODR) Regulation 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 40th 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.

By Order of the Board

(R.K. SAPRA)

COMPANY SECRETARY
FCS-3785

Place : New Delhi

Date : 11.08.2016

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

Attached to the Notice convening the 40th Annual General Meeting of IST Limited to be held on Thursday, the 29th September, 2016.

Item No. 5

Shri S.C. Jain is Whole Time Director, Designated as Executive Director of the Company. His term of appointment, as per resolution passed by the Shareholders of the Company in Annual General Meeting held on 30th September, 2014, will expire on 13th August, 2016.

The Board of Directors of the Company in its meeting held on 11th August, 2016 considered reappointment of Shri S.C. Jain as Whole Time Director, to be Designated as Executive Director for a further period of 3 years with effect from 14th August, 2016.

As Shri S. C. Jain has attained age of 70 years on 06.09.2015, relevant provisions of the Companies Act, 2013, were also discussed by the Board, which, inter alia, provide that appointment of a person having age of 70 years or above as Whole Time Director may be made by passing a special resolution with due justification in the explanatory statement.

The Board of Directors, keeping in view smooth and efficient running of administrative affairs of the Company by Shri S.C. Jain and also keeping in view the good health possessed by him, recommend reappointment of Shri S.C. Jain, as Whole Time Director, designated as Executive Director of the Company for a further period of 3 years with effect from 14th August, 2016 on remuneration and terms and conditions as given in the proposed resolution.

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.

Item No. 6

Mrs. Sarla Gupta is Whole Time Director in Gurgaon Infospace Limited (GIL), a Wholly Owned Subsidiary of the Company. Her term of appointment, as per resolution passed by the Members of GIL in Extraordinary General Meeting held on 19.03.2014, will expire on 30.11.2016.

The Board of Directors of GIL in its meeting held on 11th August, 2016 considered and approved reappointment of Mrs. Sarla Gupta as Whole Time Director, for a further period of 3 years with effect from 01.12.2016, inter alia, subject to approval of the Company in terms of Section 188 of the Companies Act, 2013

The Board of Directors of the Company, keeping in view the recommendations made by the Board of the Subsidiary Company, contribution made by Mrs. Sarla Gupta as Whole Time Director of the Subsidiary Company and the progress made by the Subsidiary Company, recommend reappointment of Mrs. Sarla Gupta, as Whole Time Director of the Subsidiary Company for a further period of 3 years with effect from 01.12.2016 on remuneration and terms and conditions as given in the proposed resolution.

Except Mrs. Sarla Gupta herself, Shri Mayur Gupta and Shri Gaurav Gupta, relatives of Mrs. Sarla Gupta, 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 Resolution.

By Order of the Board

(R.K. SAPRA)

COMPANY SECRETARY
FCS-3785

Place : New Delhi

Date : 11.08.2016



DETAILS OF DIRECTORS SEEKING APPOINTMENT AT THE FORTHCOMING 40TH ANNUAL GENERAL MEETING

Name of the Director	Shri S.C. Jain	Mrs. Sarla Gupta
Date of Birth	06.09.1945	25.01.1955
Date of Appointment	14.08.2012	14.02.2015
Expertise in Specific functional Areas	B.Sc. (Hons), M.Sc. (Physics). Expertise in Business Development, Corporate Affairs and Administration.	Undergraduate.
List of Public Companies in which Directorship is held	Whole Time Director, IST Limited Director, GPC Technology Ltd. Director, Gurgaon Infospace Ltd.	Whole Time Director, Gurgaon Infospace Limited Director, IST Limited Director, IST Steel and Power Limited
Chairman / Member of the Committees of the Board of Companies on which he is a Director	IST Limited Member, Shareholders Grievance Committee Chairman, Risk Management Committee GPC Technology Ltd. Member, Shareholders Grievance Committee IST Steel and Power Limited Member, Nomination and Remuneration Committee.	—

**DIRECTORS' REPORT**

Dear Members,

DIRECTORS' REPORT

Dear Members,

Your Directors are pleased to present the 40th Annual Report and the Company's audited financial statement for the financial year ended March 31, 2016.

FINANCIAL RESULTS

The summarized financial results for the year ended March 31, 2016 and for the previous year ended March 31, 2015 are as follows:

Particulars	Rs. / lacs			
	Standalone		Consolidated	
	March 31, 2016	March 31, 2015	March 31, 2016	March 31, 2015
Income from Operations	1,763.92	1,839.04	7,867.05	7,694.73
Other Income	1,042.37	564.37	2,384.53	947.63
Total Expenses	1,889.07	2,076.49	2,540.28	2,453.82
Finance Cost	33.43	2.57	33.43	2.57
Profit before Tax	883.79	324.35	7,677.87	6,185.97
Tax Expenses	221.22	71.70	697.42	330.70
Share of Profit from Associates	—	—	61.02	-29.36
Profit after Tax	662.57	252.65	7,041.47	5,825.91

APPROPRIATION OF PROFIT AFTER TAX FOR TRANSFER TO RESERVES

The Company proposes to transfer Rs.662.57 lacs to Reserve and Surplus Account out of the current year Profit.

DIVIDEND

Your Directors have not recommended any dividend for the year 2015-16.

SHARE CAPITAL

During the year under review:

- 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.
- 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.
- 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.
- 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.
- The issued, subscribed and fully paid up share capital of the Company as on 1st April, 2015 and 31st March, 2016 remained unchanged.

THE STATE OF COMPANY'S AFFAIRS

During the year under review the gross revenue from operations of your Company has declined to Rs.1763.92 lacs from Rs.1839.04 lacs i.e. by 4.08%, Profit before Tax has increased to Rs.883.79 lacs from Rs.324.35 i.e. by 172.48% and Net Profit increased to Rs.662.57 lacs from Rs.252.65 lacs i.e. by 162.25%, as compared to the previous year. The reasons for this downfall are -



- The Auto Component Industry in India is highly price sensitive. The Original Equipment Manufacturers do not grant price increase though the input costs have increased. This has impacted profits of the Company.
- The Company has discontinued production of some components which were grossly unprofitable. This has resulted into decline in turnover.
- Costs have been incurred for producing new components / assemblies.

SUBSIDIARIES AND ASSOCIATE COMPANIES

Gurgaon Infospace Limited is wholly owned subsidiary of the Company and IST Steel & Power Limited is Associate of the Company as per provisions of the Companies Act, 2013.

CONSOLIDATED FINANCIAL STATEMENTS

Applicable provisions of the Companies Act, 2013 and the Accounting Standards on consolidated Financial Statements and Accounting for Investments in Subsidiary and Associate Companies, have been followed in preparation of the audited consolidated financial statements.

CHANGE IN NATURE OF BUSINESS, IF ANY

There has been no change in any business of the Company.

DIRECTORS AND KEY MANAGERIAL PERSONNEL

The tenure of office of Shri Suresh Chand Jain, Whole Time Director, designated as Executive Director was upto 13.08.2016. The Board, on recommendation of the Nomination and Remuneration Committee, at its meeting held on 11.08.2016 has re-appointed him as Executive Director for a further period of 3 years w.e.f. 14.08.2016 till 13.08.2019, subject to approval by the Members at the ensuing Annual General Meeting in terms of Section 188, 196, 197 read with of Schedule V and other applicable provisions, if any, of the Companies Act, 2013.

Mrs. Sarla Gupta and Shri S.C. Jain, retire by rotation at the ensuing Annual General Meeting, and being eligible offer themselves for re-appointment, subject to approval by the shareholders, in terms of Section 152(6) of the Companies Act, 2013.

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

Mr. S.C. Jain, Whole Time Director, designated as Executive Director

Lt. Col. N.L. Khitha, Whole Time Director, designated as Director (Technical)

Mr. D.N. Tulshyan, Chief Financial Officer

Mr. R.K. Sapra, Company Secretary

STATEMENT ON DECLARATIONS GIVEN BY INDEPENDENT DIRECTORS

The Declarations required under Section 149(7) of the Companies Act, 2013 from 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.

CORPORATE GOVERNANCE

The Company has complied with the Corporate Governance requirements under the Companies Act, 2013 and as stipulated in clause 49 of the listing agreement with Stock Exchange and Regulation 34 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

A separate report on Corporate Governance under the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, along with certificate from the Statutory Auditors of the Company confirming the compliance, is annexed as Annexure – 'A'.

DETAILS OF BOARD MEETINGS

The details of Board Meeting during the financial year 2015-16 and details on Board of Directors are provided in the Corporate Governance Report.



CODE OF CONDUCT

The Code of conduct laid down by the Board is in operation in the Company. All Board members and senior management personnel have affirmed the compliance with the code. The declaration to this effect is enclosed to the Corporate Governance Report.

COMMITTEES OF THE BOARD

a) Audit Committee

Details on composition, terms of reference, meetings and attendance etc. are given in the Corporate Governance Report.

b) Nomination and Remuneration Committee

Details on composition, terms of reference, remuneration policy, meetings and attendance, details of remuneration to Directors, etc. are given in the Corporate Governance Report.

c) Corporate Social Responsibility Committee

As per Section 135 of the Companies Act, 2013, a CSR committee has been formed by the Company as under

Name	Category of Director	Chairman / Members
Air Marshal Denzil Keelor (Retd.)	Independent	Chairman
Mr. Gaurav Gupta	Non-Executive	Member
Lt. Col. N.L. Khitha (Retd.)	Executive	Member

The CSR Committee has formulated and recommended to the Board, Corporate Social Responsibility Policy (CSR Policy) inter-alia indicating the activities to be undertaken by the Company, which has been approved by the Board and has been uploaded on the Company's website.

Further Details on Corporate Social Responsibility are given in Annexure 'F' to the Report of the Board of Directors.

d) Stakeholders Relationship Committee

Details on composition, meetings and attendance, details of investor complaints received and redressal thereof etc. are given in the Corporate Governance Report.

e) Risk Management Committee

Details on composition, meetings and attendance, risk management policy etc. are given in the Corporate Governance Report.

PERFORMANCE EVALUATION OF INDEPENDENT DIRECTORS

The Board of Directors upon recommendation of Nomination and Remuneration Committee has laid down the criteria for performance evaluation of Board of the Company, its Committees and the individual Board members, including Independent Directors.

In compliance with SEBI (LODR) Regulations, 2015 and the Companies Act, 2013, the performance evaluation of all the Independent Directors have been done by the entire Board, excluding the Director being evaluated.

BOARD EVALUATION

Pursuant to the provisions of the Companies Act, 2013 and SEBI (LODR) Regulations, 2015, the annual evaluation has been carried out by the Board of Independent Directors and Independent Directors reviewed the performance evaluation of the Chairman, Executive Directors and Board as a whole in the manner of evaluation as mentioned in the Nomination and Remuneration Policy of the Company.

SEPARATE MEETING OF THE INDEPENDENT DIRECTORS

The Independent Directors of the Company met separately on 13th February, 2016 without the presence of Non-Independent Directors and the members of management. The meeting was attended by all the Independent Directors. The meeting was conducted informally to enable the Independent Directors to discuss matters pertaining



to the Company's affairs and put forth their combined views to the Board of Directors of the Company. In accordance with the SEBI (LODR) Regulations, 2015, following matters were, *inter-alia*, discussed in the meeting:

- Performance of Non-Independent Directors and Board as a whole.
- Performance of the Chairman of the Company.
- Assessment of the quality, quantity and timeliness of flow of information between the Company Management and the Board that is necessary for the Board to effectively and reasonably perform their duties.

FAMILIARIZATION PROGRAM FOR THE INDEPENDENT DIRECTORS

The Company conducts Familiarization Program for the Independent Directors to provide them an opportunity to familiarize with the Company, its management and its operations so as to gain a clear understanding of their roles and responsibilities and contribute significantly towards the growth of the Company. They have full opportunity to interact with Senior Management Personnel and are provided all the documents required and sought by them for enabling them to have a good understanding of the Company, its various operations and the industry of which it is a part.

EXTRACT OF ANNUAL RETURN

Pursuant to section 92(3) of the Companies Act, 2013 ('the Act') read with rule 12(1) of the Companies (Management and Administration) Rules, 2014, extract of annual return is given as Annexure-'C'.

VIGIL MECHANISM/ WHISTLE BLOWER POLICY

The Company believes in the conduct of its affairs in a fair and transparent manner by adopting highest standards of professionalism, honesty, integrity and ethical behavior. Pursuant to the provisions of the Companies Act, 2013 and Regulation 22 of the SEBI (LODR) Regulations, 2015, the Company has adopted an effective Whistle Blower Policy, enabling directors, employees and their representative bodies, to freely communicate their concerns about illegal or unethical practices.

This policy on protected disclosure by a Whistle Blower in respect of any unethical and improper practice or wrongful conduct prohibits the Company to take any adverse personnel action against the Whistle Blower for disclosing in good faith any unethical and improper practice or alleged wrongful conduct. A Whistle Blower who observes any unethical and improper practice or wrongful conduct may make protected disclosure to the concerned Head of Department and /or to the Executive Director of the Company and/or to the Audit Committee of the Board.

The detailed Whistle Blower Policy is available on the Company's website www.istindia.com

DIRECTORS' RESPONSIBILITY STATEMENT

Pursuant to the requirement of clause (c) of sub-section (3) of Section 134 of the Companies Act, 2013, your Directors confirm that:

- (a) in the preparation of the annual accounts for the financial year ended 31st March, 2016, the applicable accounting standards had been followed along with proper explanation relating to material departures, if any;
- (b) the Directors had 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 for the financial year ended 31st March, 2016, and of the profit and loss of the Company for that period;
- (c) the Directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- (d) the Directors had prepared the annual accounts on a going concern basis;
- (e) the Directors, had laid down internal financial controls to be followed by the Company and that such internal financial controls are adequate and were operating effectively; and



- (f) the Directors had devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

AUDITORS AND AUDITORS' REPORT

M/s. O.P. Dadu & Co., Chartered Accountants, Statutory Auditors of the Company, hold office till the conclusion of the Annual General Meeting on for the Financial Year 2016-17 and subject to ratification by the shareholders at the Annual General Meetings are eligible for re-appointment. They have confirmed their eligibility to the effect that their re-appointment, if made, would be within the prescribed limits under the Act and that they are not disqualified for re-appointment.

The Notes on financial statement referred to in the Auditors' Report are self-explanatory and do not call for any further comments. The Auditors' Report does not contain any qualification, reservation or adverse remark.

COST AUDIT

Cost Audit / maintenance of cost records is not applicable in terms of Section 148(3) of the Companies Act, 2013 read with the Companies (Cost Records and Audit) Rules, 2014.

SECRETARIAL AUDIT

The Board has appointed M/s Vinod Kumar & Co., Company Secretaries, as Secretarial Auditors of the Company, to conduct Secretarial Audit for the financial year 2015-16. The Secretarial Audit Report for the financial year ended March 31, 2016 is annexed herewith marked as Annexure 'D' to this Report. The Secretarial Audit Report does not contain any qualification, reservation or adverse remark.

RELATED PARTY TRANSACTIONS

During the year, the Company had not entered into any new contract / arrangement / transaction with related parties which could be considered material in accordance with the policy of the Company on materiality of related party transactions.

The Policy on materiality of related party transactions and dealing with related party transactions as approved by the Board may be accessed on the Company's website <http://www.istindia.com>.

Your Directors draw attention of the members to Note No. 39 to the financial statement which sets out related party disclosures.

Necessary disclosure of related party transactions in terms of Clause h of Sub section 3 of Section 134 of the Companies Act, 2013 read with rule 8 (2) of the Companies (Accounts) Rules, 2014 is given in Form AOC-2 as Annexure 'H' to this Report.

LOANS, GUARANTEES OR INVESTMENTS

Your Company has not provided any Guarantee for any party. Particulars of investments under section 186 of the Companies Act, 2013, as required to be disclosed in terms of Section 134(1)(g) of the Act, has been provided in the accompanying financial statement (Note Nos. 13 & 14).

HUMAN RESOURCES

Your Company treats its "human resources" as one of the most important assets. The Management of the Company lays continuous focus on human resources, who are trained from time to time to attain the required standards. The correct recruitment practices are in place to attract the best technical manpower to ensure that the Company maintains its competitive position with respect to execution. Your Company continuously invests in attraction, retention and development of talent on an ongoing basis.

Your Company employed 236 personnel on its roll as on 31st March, 2016. 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 that year which, in the aggregate, was not less than sixty lakh rupees;
- b. if employed for a part of the financial year, was in receipt of remuneration for any part of that year, at a rate which, in the aggregate, was not less than five lakh rupees per month;



One employee / KMP was in receipt of remuneration during the year which, in the aggregate is in excess of remuneration drawn by the Managing Director or Whole Time Director or Manager. However, he himself or along with his spouse and dependent children do not hold two per cent or more of the equity shares of the Company.

The total remuneration drawn by the Managing Directors and Key Managerial Personnel forms part of Extracts from the Annual Return in Form MGT 9.

STATEMENTS OF SUBSIDIARIES / ASSOCIATE COMPANIES

The Operational income of wholly owned subsidiary of the Company, namely - Gurgaon Infospace Limited during the year was Rs.6103.13 lacs as against Rs.5855.69 lacs during the previous year. The Net Profit of the subsidiary company during the year was Rs.6317.88 lacs as against Rs.5602.63 lacs during the previous year.

Your Company has an Associate entity named IST Steel and Power Limited, in which the Company holds 30.80% Equity Shares. The operational income of this company during the year ended 31.03.2016 was Rs.340.99 lacs as compared to Nil during the previous financial year. The Company's Net Profit after tax was Rs.239.51 lacs as against net loss of Rs.113.33 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 'G' to the Directors' Report.

RISK MANAGEMENT POLICY

In terms of the requirements of the Companies Act, 2013 and the SEBI (LODR) Regulations, 2015, the Company has developed and implemented the Risk Management Policy. The Risk Management Committee of the Board reviews the Policy periodically.

The major risks and concerns being faced by various business segments of the Company are discussed in report on Management Discussion and Analysis forming part of this Report.

REMUNERATION POLICY

The Company follows a policy on Remuneration of Directors and Senior Management Employees. The policy is approved by the Nomination and Remuneration Committee and the Board. Further details on the same have been given in the Report on Corporate Governance

The required disclosure 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 is given as Annexure 'E' to this report.

INTERNAL FINANCIAL CONTROL

Your Company has adequate Internal Financial Control System at all levels of Management and they are reviewed from time to time. The Internal Audit is carried out in house as well as by a firm of Chartered Accountants. The Audit Committee of the Board looks into Auditor's review which is deliberated upon and corrective action taken, where ever required.

TRANSFER OF AMOUNTS TO INVESTOR EDUCATION AND PROTECTION FUND

Your Company did not have any funds lying unpaid or unclaimed for a period of seven years till 31st March 2015. Therefore, there were no funds which were required to be transferred to Investor Education and Protection Fund (IEPF) during the year under review.

DEPOSITS

Your Company has not accepted any deposits from public in terms of provisions contained in Chapter V of the Companies Act, 2013, or in terms of corresponding provisions of the Companies Act, 1956.

MANAGEMENT DISCUSSION AND ANALYSIS

A report on the Management Discussion and Analysis concerning all the business segments of the Company is given as Annexure – 'B' to this report.

CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION, FOREIGN EXCHANGE EARNINGS AND OUTGO

(a) Conservation of energy

- i) The Company ensures that the manufacturing operations are conducted in the manner whereby optimum utilization and maximum possible savings of energy is achieved.



- ii) No specific investment has been made in reduction in energy consumption.
- iii) As the impact of measures taken for conservation and optimum utilization of energy are not quantitative, its impact on cost cannot be stated accurately.
- iv) The Company does not fall under the list of industries, which should furnish this information in Form A annexed to the aforesaid Rules.

(b) Technology absorption

The Company's 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 quality of its products and the quality control activities are directed to achieve the aforesaid goal.

(c) Foreign exchange earnings and Outgo

During the year, the total foreign exchange used was Rs.29.76 lacs and the total foreign exchange earned was Rs.85.21 lakhs.(Note No. 41 to the financial statements)

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 the shares in the electronic form.

MATERIAL CHANGES AND COMMITMENTS

Your Directors confirm that there are no material changes and commitments, affecting the financial position of the company which has occurred between the end of the financial year of the company and the date of this report

GENERAL

Your Directors state that no disclosure or reporting is required in respect of the following items as there were no transactions on these items during the year under review:

1. Details relating to deposits covered under Chapter V of the Act.
2. Issue of shares (including sweat equity shares) to employees of the Company under any scheme.
3. the Whole-time Directors of the Company do not receive any remuneration or commission from any of its subsidiaries.
4. No significant or material orders were passed by the Regulators or Courts or Tribunals which impact the going concern status and Company's operations in future.

Your Directors further state that during the year under review, there were no cases filed pursuant to the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013.

ACKNOWLEDGEMENT

Your Directors would like to express their sincere appreciation for the assistance and co-operation received from the financial institutions, banks, Government authorities, customers, vendors and members during the year under review. Your Directors also wish to place on record their deep sense of appreciation for the committed services by the Company's executives, staff and workers.

For and on behalf of the Board of Directors

Place : New Delhi
Date : 11th August, 2016

Air Marshal Denzil Keelor (Retd.)
Chairman
DIN : 00999470



CORPORATE GOVERNANCE REPORT - ANNEXURE 'A' TO DIRECTORS' 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 Clause 49 of the Listing Agreement with Stock Exchanges and SEBI (Listing obligations and Disclosure requirements) Regulations 2015, 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

Composition :

The strength of the Board as on March 31, 2016 was 8 Directors, including one Non Executive Chairman, Two Executive Directors / Whole Time Directors and one Non Executive / Non Independent Woman Director. The Board meets the requirement of not less than one-third being independent Directors.

None of the Directors hold Chairmanship of more than 5 Committees or Membership in more than 10 committees of Public Limited Companies.

During the year under review 4 Board meetings were held on 30.05.2015, 11.08.2015, 14.11.2015 and 13.02.2016. In addition, a meeting of Independent Directors was held on 13.02.2016.

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, 2016 are given below:-

Directors / Category	Shares held	Attendance		No. of other Directorships and Committee Memberships / Chairmanships in other public Companies		
		Board Meetings	Last AGM	Director-ships	Committee Member-ships	Committee Chairman-ships
Air Marshal (Retd.) D. Keelor, Chairman (Non Executive / Independent)	—	4	Yes	3	—	4
Mr. S.C. Jain, (Executive Director)	—	4	Yes	4	2	—
Mr. N.L. Khitha, (Director -Technical)	—	3	Yes	—	—	—
Mr. Mayur Gupta, Director (Promoter)	—	4	No	2	1	—
Mr. Gaurav Gupta, Director (Promoter)	—	4	Yes	4	1	—
Brig. (Retd.) G.S. Sawhney, Director (Non Executive & Independent)	—	2	No	—	—	—
Mr. R.K. Jain, Director *(Non Executive & Independent) (Ceased to be Director on 11.08.2015)	—	2	—	1	—	1
Mrs. Sarla Gupta, Director, Woman Director (Promoter)	—	1	No	2	—	—
Mr. Subhash Chander Jain (Non Executive & Independent) (appointed on 30.05.2015)	125	3	Yes	—	—	—



3. AUDIT COMMITTEE

Broad Terms of Reference:

The terms of reference of this Committee covers the matters specified for Audit Committee under Clause 49 of the Listing Agreement and Regulation 18 of SEBI (LODR) Regulation as well as in Section 177 the Companies Act, 2013.

The terms of reference of the Audit Committee comprises the following:

- Oversight of the Company's financial reporting process and the disclosure of its financial information;
- Recommendation for appointment, remuneration and terms of appointment of auditors of the Company;
- Approval of payment to statutory auditors for any other services rendered by them;
- Reviewing, with the management, the annual financial statements and auditor's report thereon;
- Matters required to be included in the Director's Responsibility Statement to be included in the Board's report;
- Changes, if any, in accounting policies and practices and reasons for the same;
- Major accounting entries involving estimates based on the exercise of judgment by management;
- Significant adjustments made in the financial statements arising out of audit findings;
- Compliance with listing and other legal requirements relating to financial statements;
- Approval of the related party transactions as per policy of the Company;
- Review and monitor the auditor's independence and performance, and effectiveness of audit process;
- Scrutiny of inter-corporate loans and investments;
- Evaluation of internal financial controls and risk management systems;
- Reviewing, with the management, performance of statutory and internal auditors, adequacy of the internal control systems;
- Reviewing the adequacy of internal audit function, if any, including frequency of internal audit;
- Discussion with internal auditors of any significant findings and follow up there on;
- Reviewing the findings of any internal observations by the internal auditors into matters where there is irregularity or a failure of internal control systems of a material nature and reporting the matter to the board;
- Discussion with statutory auditors before the audit commences, about the nature and scope of audit as well as post-audit discussion to ascertain any area of concern;
- Review quarterly and annual financial statements before submission to the Board for approval;
- Discuss with Auditors about Internal Control System and to consider their observations and follow up;
- Review of risk management policies and practices;
- Ensure compliance of Internal Control System;
- Investigate on any matter referred by the Board; and
- Make recommendation to the Board on any matter relating to the financial management of the Company, including the Audit Report.
- To review the functioning of the Vigil mechanism;
- To review Management Discussion and Analysis of financial condition and results of operations.

Composition :

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

During the year under review 4 Audit Committee meetings were held on 30.05.2015, 11.08.2015, 14.11.2015 and 13.02.2016.

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 (appointed on 30.05.2015)	Member, Non-Executive & Independent.	3
Shri R.K. Jain Ceased on 11.08.2015)	Chairman, Non-Executive & Independent	2



4. NOMINATION AND REMUNERATION COMMITTEE

Terms of reference:

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 and Regulation 19 of SEBI (LODR) Regulation, 2015.

The terms of reference of the Committee include the following:

- Formulation of the criteria for determining qualifications, positive attributes and independence of a director and recommend to the Board a policy, relating to the remuneration of the directors, key managerial personnel and other employees;
- Formulation of criteria for evaluation of Independent Directors and the Board;
- Devising a policy on Board diversity;

Composition:

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 meetings during the financial year on 30.05.2015. The particulars of members and attendance at the Committee Meetings are as under :

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

Remuneration Policy :

In compliance with the requirements of the Companies Act, 2013, Rules framed there under and pursuant to the provisions of Clause 49 of the Listing Agreement and 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 and sitting fee to the Independent / Non Executive Directors. The Committee, while recommending remuneration to be paid, takes into account the financial position of the Company, trend in the industry, background, qualifications, experience, remuneration and performance of the appointee.

Details of Remuneration paid to Executive Directors / Whole Time Directors during the financial year ended 31st March, 2016:

Name & Designation	Salary (in Rs.)	Perquisites (Rs.)	Total (Rs.)	Tenure of appointment
Mr. S.C. Jain, Executive Director / Whole Time Director	10,50,000	60,000	11,10,000	14.08.2014 to 13.08.2016
Mr. N.L. Khitha, Director (Technical) / Whole Time Director	5,40,000	-	5,40,000	01.06.2015 to 31.05.2017

None of the Non-executive Director draw any remuneration from the Company except sitting fee of Rs.2,500/- 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	12,500/-
Mrs. Sarla Gupta	2,500/-
Mr. Mayur Gupta	10,000/-
Mr. Gaurav Gupta	10,000/-
Mr. R.K. Jain	5,000/-
Brig. G.S. Sawhney	7,500/-
Mr. Subhash Chander Jain	10,000/-

**5. STAKEHOLDERS RELATIONSHIP COMMITTEE****(a) Terms of Reference :**

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. The said Committee is authorised to look into redressal of shareholders' / Investors' complaints.

b) Composition :

The constitution of the Committee is as under:-

Members	Category
Air Marshal (Retd.) D Keelor	Chairman, Non Executive & Independent
Mr. S.C. Jain	Member, Executive
Mr. Gaurav Gupta	Member, Non Executive / Promoter

The Company Secretary of the Company is the Compliance Officer of the Company for complying with the requirements of the SEBI (LODR) Regulations, 2015.

Details of shareholders' complaints :

Number of shareholders Complaints received during the period 01.04.2015 to 31.03.2016	6
Number of complaints not solved to the satisfaction of shareholders	Nil
Number of pending complaints as on 31.03.2016.	Nil

6. RISK MANAGEMENT COMMITTEE

The Committee is required to lay down the procedures to inform to the Board about the risk assessment and minimization procedures and the Board shall be responsible for framing, implementing and monitoring the risk management plan of the Company.

The Board of Directors of the Company constituted the Risk Management Committee of the Board consisting of following Directors

Members	Category
Mr. S.C. Jain	Chairman, Executive
Mr. Mayur Gupta	Member, Non Executive / Promoter

Compliance Officer :

Mr. R.K. Sapra, Company Secretary has been designated as Compliance Officer.

7. GENERAL BODY MEETINGS**(i) Details of the last three Annual General Meetings:**

Financial year	Date	Time	Location of the meeting
2014-15	30.09.2015	11.30 AM	Registered Office at Dharuhera Industrial Complex, Delhi Jaipur Highway No. 8, Kapriwas, Dharuhera, Rewari (Haryana)
2013-14	30.09.2014	11.30 AM	Registered Office at Dharuhera Industrial Complex, Delhi Jaipur Highway No. 8, Kapriwas, Dharuhera, Rewari (Haryana)
2012-13	28.09.2013	11.30 AM	Registered Office at Dharuhera Industrial Complex, Delhi Jaipur Highway No. 8, Kapriwas, Dharuhera, Rewari (Haryana)

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

Financial year	Details of Special Resolutions Passed
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
2013-14	Following 2 Special Resolutions were passed in the AGM held on 30.09.2014: (1) To approve Re-appointment of Mr. S.C. Jain, Executive Director and remuneration payable. (2) Alteration of Articles of Association of the Company.
2012-13	Following 3 Special Resolutions were passed in the AGM held on 28.09.2013: (1) To approve Re-appointment of Lt. Col. (Retd.) N.L. Khitha as Director (Technical) and remuneration payable. (2) To approve appointment of Mrs. Shweta Gupta (a relative of Directors) as Manager (Operations) on remuneration of Rs.2.00 Lacs per month, in Gurgaon Infospace Limited, a Wholly Owned Subsidiary of the Company. (3) To approve appointment of Mrs. Priyanka Gupta (a relative of Directors) as Manager (PR) on remuneration of Rs.2.00 Lacs per month, in Gurgaon Infospace Limited, a Wholly Owned Subsidiary of the Company.

- (i) No Special resolution was passed through postal ballot during the last year.
(ii) No special resolution is proposed to be conducted through postal ballot.

8. DISCLOSURES**i) Related Party Transactions**

- ii) There have been related party transaction as reflected in notes to the accounts but they are not in conflict with the interest of the Company.

iii) Details on Non Compliance

There were no instances of non-compliances by the Company on any matter related to capital markets, during the last three years.

- iv) The Company adopted a Whistle Blower Policy approved by the Board of Directors on 12.08.2014. No incident involving Unethical and Improper Practices or Wrongful Conduct has been reported during the period under review.

v) 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.

vi) Declaration by CEO with regard to Code of Conduct : Yes.**vii) CEO /CFO certificate : Yes.****9. MEANS OF COMMUNICATION**

The Company's financial results are forthwith communicated to Stock Exchange(s) 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. Thereafter the results are published in one National newspaper in English language and one Regional Newspaper in Hindi Language. The financial results are also posted on the website of the Company www.istindia.com.



10. GENERAL SHAREHOLDERS INFORMATION

Annual General Meeting	
Day, Date & Time	Thursday, the 29 th September, 2016 at 11.30 A.M.
Venue	Registered Office at Dharuhera Industrial Complex, Delhi Jaipur Highway No. 8, Kapriwas, Dharuhera, Rewari (Haryana)
Financial year	1 st April to 31 st March
Book Closure	23.09.2016 to 29.09.2016(Both days inclusive)
Financial Calendar (Tentative): Financial reporting Approval and Adoption of Financial Results for the quarter ended -	1 st April, 2016 to 31 st March, 2017 On or before
30 th June, 2016	14 th August, 2016
30 th September, 2016	14 th November, 2016
31 st December, 2016	14 th February, 2017
31 st March, 2017	30 th May, 2017

Listing on Stock Exchanges:

The Equity shares of the Company are listed on Bombay Stock Exchange Limited (Code-508807), Delhi Stock Exchange (DSE) on which Equity Shares of the Company were listed has been de-recognised by SEBI.

Stock Market Data

Stock market data for the Financial Year 2015-16 on Bombay Stock Exchange is as under :

Month	High (Rs.)	Low (Rs.)	Month	High (Rs.)	Low (Rs.)
Apr 15	582.50	490.00	Oct 15	615.00	579.00
May 15	585.00	500.00	Nov 15	615.00	570.00
Jun 15	598.00	510.50	Dec 15	676.00	570.00
Jul 15	588.00	544.00	Jan 16	713.00	599.00
Aug 15	580.00	540.00	Feb 16	700.00	575.00
Sep 15	586.00	540.00	Mar 16	710.00	627.00

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

Share Transfer System

Share transfer requests received in physical form are registered within 15 days from the date of receipt and demat/remat requests are normally confirmed within the prescribed time from the date of receipt.



Distribution of shareholding as on 31st March, 2016

No. of Equity Shares held	No. of Shareholders	% of Shareholders	No. of Shares held	% of Shareholding
Upto 500	6551	97.514	584869	10.029
501-1000	98	1.459	70305	1.205
1001-2000	29	0.432	38966	0.668
2001-3000	9	0.134	22549	0.387
3001-4000	1	0.015	3920	0.067
4001-5000	1	0.015	4498	0.077
5001-10000	11	0.164	74065	1.27
10001 and above	18	0.268	5032884	86.297
GRAND TOTAL	6718	100	5832056	100

Shareholding pattern as on 31st March, 2016:

CATEGORY	NO. OF SHARES	% OF HOLDING
Promoters	43,73,736	74.994
Financial Institutions, Mutual funds, Banks	300	0.005
Foreign Institutional Investors	0	0
Private Bodies Corporate	6,30,297	10.807
Indian Public	8,23,219	14.110
NRIs/ OCBs	4,049	0.070
Others	455	0.007
Grand Total	58,32,056	100.00

Dematerialization of Shares and Liquidity

The Company's shares are compulsorily traded in dematerialized form. As on 31st March, 2016, 2400433 (41.16%) Equity shares of total paid up equity shares were held in Dematerialized form.

NSDL/CDSL-ISIN : INE684B01011

Outstanding GDR/ Warrants and Convertible Bonds etc.

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

Plant Location

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

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) Tel. : (0124)267346-48 Fax : (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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IST LIMITED

**AUDITORS' 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 (the Company) for the year ended 31st March 2016 as stipulated in clause 49 of the Listing Agreement entered into with Stock Exchange for the period from 1st April, 2015 to 30th November, 2015 and 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 period 1st December, 2015 to 31st March, 2016.

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

We have examined the relevant records of the Company in accordance with the Generally Accepted Auditing Standards in India to the extent relevant and as per the Guidance Note on the Certification of Corporate Governance issued by the Institute Chartered Accountants of India.

In our opinion and to the best of our information and according to the explanations given to us and the representation made by the directors and the management, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in the above mentioned Listing Agreement/Listing Regulations, as applicable.

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

For O.P. DADU & CO.
CHARTERED ACCOUNTANTS
FRN. 001201N

(O.P. DADU)
PARTNER
M.NO. 010871

Place: New Delhi
Dated: 11TH AUGUST, 2016



ANNEXURE 'B' TO DIRECTORS' REPORT

MANAGEMENT DISCUSSION AND ANALYSIS REPORT

The main business streams of your company are –

- a) Manufacturing of Auto Components; and
- b) Development of Infrastructure for IT/ITES Sector.

1. INDUSTRY STRUCTURE AND DEVELOPMENT

A. Auto Components

The Indian auto-components industry has experienced healthy growth over the last few years. Some of the factors attributable to this include: a buoyant end-user market, improved consumer sentiment and return of adequate liquidity in the financial system.

The auto-components industry accounts for almost seven per cent of India's Gross Domestic Product (GDP) and employs as many as 19 million people, both directly and indirectly. A stable government framework, increased purchasing power, large domestic market, and an everincreasing development in infrastructure have made India a favourable destination for investment.

The Indian auto-components industry can be broadly classified into the organised and unorganised sectors. The organised sector caters to the Original Equipment Manufacturers (OEMs) and consists of high-value precision instruments while the unorganised sector comprises low-valued products and caters mostly to the aftermarket category.

Over the last decade, the automotive components industry has scaled three times to US\$ 40 billion in 2015 while exports have grown even faster to US\$ 11 billion. This has been driven by strong growth in the domestic market and increasing globalisation (including exports) of several Indian suppliers.

Indian automotive industry is not only one of the highest contributors to the country's GDP, but it also provides employment to millions of people, which creates a strong multiplier effect. The industry registered impressive growth during the last two decades. It was able to restructure itself, absorb new technology and align itself to global developments.

B. Infrastructure for IT / ITES Sector

Infrastructure is one of the most important sector for propelling overall business and industrial growth of the Country. The industry enjoys intense focus from the top officials of the Government of India for initiating policies that would ensure time-bound creation of world class infrastructure in the country.

India is the world's largest sourcing destination for the information technology (IT) industry, accounting for approximately 67 per cent of the US\$ 124-130 billion market. The industry employs about 10 million workforces. More importantly, the industry has led the economic transformation of the country and altered the perception of India in the global economy. India's cost competitiveness in providing IT services, which is approximately 3-4 times cheaper than the US, continues to be the mainstay of its Unique Selling Proposition (USP) in the global sourcing market. However, India is also gaining prominence in terms of intellectual capital with several global IT firms setting up their innovation centres in India.

The Indian IT sector is expected to grow at a rate of 12-14 per cent for FY2016-17 in constant currency terms. The sector is also expected triple its current annual revenue to reach US\$ 350 billion by FY 2025.

The IT industry has not only transformed India's image on the global platform, but has also fuelled economic growth by energizing the higher education sector especially in engineering and computer science.

2. PERFORMANCE AND OUTLOOK

a) Manufacturing of Auto Components

During the year under review the gross revenue from operations of your Company has declined to Rs.1763.92 lacs from Rs.1839.04 lacs i.e. by 4.08%, Profit before Tax has increased to Rs.883.79 lacs from Rs.324.35 i.e. by 172.48% and Net Profit increased to Rs.662.57 lacs from Rs.252.65 lacs i.e. by 162.25%, as compared to the previous year.

- The Auto Component Industry in India is highly price sensitive. The Original Equipment Manufacturers do not grant price increase though the input costs have increased. This has impacted profits of the Company.
- The Company has discontinued production of some components which were grossly unprofitable. This has resulted into decline in turnover.



- Costs have been incurred for producing new components / assemblies.

Auto Component Manufacturing sector remain the main stream of your company. The Company has been consistently trying to upgrade the quality of its products. The Company look forward to be able to increase its share with major automobile manufacturing companies.

The Indian Auto Component industry is expected to grow by 8-10 per cent in FY 2017-18, based on higher localisation by Original Equipment Manufacturers (OEM), higher component content per vehicle, and rising exports from India, as per ICRA Limited.

According to the Automotive Component Manufacturers Association of India (ACMA), the Indian auto-components industry is expected to register a turnover of US\$ 100 billion by 2020 backed by strong exports ranging between US\$ 80- US\$ 100 billion by 2026, from the current US\$ 11.2 billion.

b) Development of Infrastructure for IT / ITES Sector.

The Wholly owned subsidiary of the Company – Gurgaon Infospace Limited has set up a SEZ at Gurgon for IT / ITES Sector at Village Dundahera, District Gurgaon, Haryana. During the year under review the The Operational income of wholly owned subsidiary of the Company, namely - Gurgaon Infospace Limited during the year was Rs. 6,103.13 lacs as against Rs. 5,855.69 lacs during the previous year. The Net Profit of the subsidiary company during the year was Rs. 6,317.88 lacs as against Rs.5,602.63 lacs during the previous year.

In view of emerging opportunities in demand for IT Infrastructure, the Company look forward for continued growth.

3. OPPORTUNITIES AND THREATS

The main business of your Company is manufacturing of High Precision Auto Components. Tremendous opportunities for growth in auto industry are available both in the domestic and overseas markets. The Company has been consistently making its efforts to upgrade the manufacturing technology with a view to increase its market share with major automobile manufacturing companies. It has been observed during the last few years that gradually the industry is becoming high-tech and has witnessed an intense competition in the domestic market.

Gurgaon Infospace Limited, a wholly owned subsidiary of the Company, has set up Sector Specific Special Economic Zone for IT / ITES at Village Dundahera, District Gurgaon, Haryana. Indian IT Industry has been facing threat from the changing US policies which is one of the major market for the Indian IT Industry. The developed countries, in order to protect jobs back home, are extending veiled protectionism, which is yet another threat to Indian IT Industry.

4. INTERNAL CONTROL SYSTEMS AND THEIR ADEQUACY

The company has strong internal control systems commensurate with its size, in all financial and functional areas.

5. HUMAN RESOURCES / INDUSTRIAL RELATIONS

The Company believes that human resources and industrial relations are the core areas of its business strategy. Participation of employees at all levels is encouraged through suggestions schemes and other means. Industrial relations continue to be harmonious and positive. As a result, employee motivation is high and turnover is low.

6. RISKS AND CONCERNS

The Company is exposed to external and internal risks associated with the business. The operations are directly dependent on the growth of the Indian automotive industry. General economic conditions impact the automotive industry, and, in turn, the operations of the Company as well. To counter these risks, the Company continues to broaden its product portfolio, increase customer profile and expand geographic reach. The Company is exposed to strong competitive pressures both in the domestic market and overseas

7. STATEMENT OF CAUTION

Representations and statements made under 'Management Discussions and Analysis' are based on the projection and expectation on the basis of present market conditions. Actual results may materially differ due to several factors, which could influence the Company's business operations such as demand and supply conditions, prices of input, changes in Government levels, policies, regulations, industrial relations and other economic developments in the country.

**ANNEXURE 'C' TO THE DIRECTORS' REPORT**

FORM NO. MGT.9
EXTRACT OF ANNUAL RETURN
 as on the financial year ended on 31.03.2015
[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
5	Address of the Registered office and contact details	DHARUHERA INDUSTRIAL COMPLEX, DELHI-JAIPUR HIGHWAY, DHARUHERA, DISTRICT REWARI, HARYANA- 123106
6	Whether listed company	YES
7	Name, Address and Contact details of Registrar and Transfer Agent	MAS SERVICES LIMITED. T-34, OHKLA INDL. AREA, NEW DELHI-110020

II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY

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)	3040	62.85%

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	U72900DL2006PLC151879	Subsidiary	100%	
2.	IST Steel & Power Limited	U27102DL2005PLC139741	Associate	30.80%	



IST LIMITED

IV. SHARE HOLDING PATTERN (Equity Share Capital Breakup as percentage 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.	0	0	0	0	0	0	0	0	0
c. State Govt. (s)	0	0	0	0	0	0	0	0	0
d. Bodies Corp.	1459781	700	1460481	25.04	1459784	731	1460515	25.04	0
e. Banks/FI	0	0	0	0	0	0	0	0	0
f. Any Other.	0	0	0	0	0	0	0	0	0
Sub-total (A) (1)	1459781	700	1460481	25.04	1459784	731	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.	0	2913221	2913221	49.952	0	2913221	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)	0	2913221	2913221	49.952	0	2913221	2913221	49.952	0
Total shareholding of Promoter (A) = (A)(1)+(A)(2)	1459781	2913921	4373702	74.994	1459784	2913952	4373736	74.994	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. FII's	0	0	0	0	0	0	0	0	0
h. Foreign	0	0	0	0	0	0	0	0	0
Venture Capital Funds									
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.	570723	3575	574298	9.847	626722	3575	630297	10.80	.78%
i) Indian									
ii) Overseas									
b. Individuals									
i) Individual shareholders holding nominal share capital upto Rs. 1 lakh	238709	525677	764386	13.107	284247	513777	798024	13.68	.58
ii) Individual shareholders holding nominal share capital in excess of Rs. 1 lakh	113970	0	113970	1.954	25195	0	25195	.43	-1.524
c. Others (specify)	1303	0	1303	.022	455	0	455	0	-.022
Foreign Corporate									
Body	0	0	0	0	0	0	0	0	0
NRI	3997	100	4097	.07	3949	100	4049	.07	0
Trusts	0	0	0	0	0	0	0	0	0
Sub-total (B)(2)	928702	529352	1458054	25	940568	517452	1458020	25	0
Total Public Shareholding (B) = (B)(1) + (B)(2)	928752	529602	1458354	25.005	940618	517702	1458320	25.005	
C. Shares held by Custodian for GDRs & ADRs	0	0	0	0	0	0	0	0	0
Grand Total (A+B+C)	2388533	3443523	5832056	100.0	2917854	2914202	5832056	100.0	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. ANTIQUE INVESTMENT COMPANY LIMITED	955700	16.387	—	955700	16.387	—	—
2. DELUX INVESTMENT PVT.LTD.	271825	4.661	—	475	.01	—	-4.651
3. GALAXY INTERNATIONAL HOTELS PVT. LTD.	64006	1.098	—	64006	1.098	—	—
4. GPC TECHNOLOGY LIMITED	168950	2.897	—	168950	2.897	—	—
5. GUPTA INTERNATIONAL INVESTMENT CO. LTD	2913221	49.952	—	2913221	49.952	—	—
6. IST TECHNOLOGY INFRASTRUCTURE PVT LTD.	—	—	—	164030	2.81	—	2.81
7. EASTERN INDIA POWER & MINING CO. PVT. LTD.	—	—	—	87352	1.50	—	1.50
8. LUBETEC INDIA PVT. LTD.	—	—	—	20002	0.34	—	.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. DELUX INVESTMENT PVT.LTD.	271825	4.661	—	475	.01	—	-4.651
2. IST TECHNOLOGY INFRASTRUCTURE PVT LTD.	—	—	—	164030	2.81	—	2.81
3. EASTERN INDIA POWER & MINING CO. PVT. LTD.	—	—	—	87352	1.50	—	1.50
4. LUBETEC INDIA PVT. LTD.	—	—	—	20002	0.34	—	.34

**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.	ABC WEB DEVELOPMENT PVT. LTD.	2,88,888	4.95	2,88,888	4.95
2.	EDGE INFRA TECH PRIVATE LIMITED	1,99,556	3.42	1,99,556	3.42
3.	ASHOK PANDIT	26,899	0.461	25,195	0.432
4.	RAJESH JAIN	23,890	0.41	23,890	0.41
5.	SARITA ARVIND SANCHETI	14,216	0.244	13,783	0.236
6.	ARVINDKUMAR J SANCHETI	13,795	0.237	10,585	0.230
7.	ARVINDKUMAR SANCHETI	11,894	0.204	11,894	0.204
8.	SHANTI GIRDHAR	10,201	0.175	10,201	0.175
9.	R R B SECURITIES LTD	9,412	0.161	31,235	0.535
10.	AQUARIOUS PORTFOLIOS PVT LTD.	1,215	0.020	24,440	0.42



v. Shareholding of Directors and Key Managerial Personnel:

	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
For Each of the Directors and KMP – 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

V. INDEBTEDNESS:

	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
Indebtedness at the beginning of the financial year	—	—	1,12,00,000	1,12,00,000
i) Principal Amount				
ii) Interest due but not paid				
iii) Interest accrued but not due				
Total (i+ii+iii)	—	—	1,12,00,000	1,12,00,000
Change in Indebtedness during the financial year	12,50,00,000	—	91,22,006	13,41,22,006
• Addition				
• Reduction				
Net Change	—	—	—	—
Indebtedness at the end of the financial year	12,50,00,000	—	2,03,22,006	14,53,22,006
i) Principal Amount				
ii) Interest due but not paid				
iii) Interest accrued but not due				
Total (i+ii+iii)	—	—	2,03,22,006	14,53,22,006



VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

A. Remuneration to Managing Director, Whole-time Directors and/or Manager:

Sl. No.	Particulars of Remuneration	Name of Chairman, Managing Director & CEO
		MR. S.C.Jain, Executive Director
1.	Gross salary	
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	10,50,000/-
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	60,000/-
	(c) Profits in lieu of salary under section 17(3) Income- tax Act, 1961	—
2.	Stock Option	—
3.	Sweat Equity	—
4.	Commission	
	- as % of profit	
	- others, specify...	—
5.	Others, please specify	—
	Total (A)	11,11,000/-

B. Remuneration to Managing Director, Whole-time Directors and/or Manager:

Sl. No.	Particulars of Remuneration	Name of Chairman, Managing Director & CEO
		Mr. N.L.Khitha, Director (Technical)
1.	Gross salary	
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	5,40,000/-
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	—
	(c) Profits in lieu of salary under section 17(3) Income- tax Act, 1961	—
2.	Stock Option	—
3.	Sweat Equity	—
4.	Commission	
	- as % of profit	
	- others, specify...	—
5.	Others, please specify	—
	Total (A)	5,40,000/-
	Total (A) + (B)	16,51,000/-
	Ceiling as per Act	56,17,165/-



IST LIMITED

C. Remuneration to other Directors:

1. Independent Directors

Sl. No.	Particulars of Remuneration	Name of Directors				Total Amount in Rs.
		Mr. R.K.Jain* Resigned on 11.08.2015	Mr. D.Keelor	Mr. G.S. Sawhney	Mr. Subhash Chander Jain	
	• Fee for attending board committee meetings	5,000	12,500	7,500	10,000	35,000
	• Commission					
	• Others, please specify					

2. Other Non- Executive Directors

Sl. No.	Particulars of Remuneration	Name of Directors			Total Amount in Rs.
		Mr. Gaurav Gupta	Mr. Mayur Gupta	Mrs. Sarla Gupta	
	• Fee for attending board committee meetings	10,000	10,000	2,500	22,500
	• Commission				
	• Others, please specify				

D. REMUNERATION TO KEY MANAGERIAL PERSONNEL OTHER THAN MD/MANAGER/WTD:-**Applicable**

Sl. No.	Particulars of Remuneration	Key Managerial Personnel		Total Amount in Rs.
		Mr. R.K.Sapra, Company Secretary	Mr. D.N.Tulshyan CFO	
1.	Gross salary	11,50,800/-	8,35,541/-	19,86,341/-
	a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961			
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	15,000		15,000
	(c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961			
2.	Stock Option	—	—	—
3.	Sweat Equity	—	—	—
4.	Commission			
	- as % of profit	—	—	—
	- others, specify...	—	—	—
5.	Others, please specify	—	—	—
	Total	11,65,800/-	8,35,541/-	20,01,341/-

VII. PENALTIES/PUNISHMENT/COMPOUNDING OF OFFENCES: NIL



ANNEXURE 'D' TO DIRECTORS' REPORT

VINOD KUMAR & CO. COMPANY SECRETARIES CS VINOD KUMAR M.COM, FCS, LL.B

FORM No. MR-3 SECRETARIAL AUDIT REPORT FOR THE FINANCIAL YEAR ENDED 31ST MARCH, 2016

(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. 10,00,00,000

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 (**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, 2016 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, 2016 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) Regulations, 1992; (upto 14th May 2015) and Securities and Exchange Board of India (Prohibition of insider Trading) Regulation, 2015 (effective 15th May 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. Industrial Dispute Act, 1947
 - vii. Employees Provident Fund and Miscellaneous Provisions Act, 1952
 - viii. Payment of Bonus Act, 1965
 - ix. Maternity Benefit Act, 1961
 - x. 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 and made effective **1st July,2015**.
- (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 made effective **1st December, 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.

We further report, that the compliance by the company of applicable financial laws like Direct and Indirect tax laws has not been reviewed in this Audit since the same have been subject to review by statutory financial audit and other



designated professionals.

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.

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
DATED:- 11.08.2016

CS Vinod Kumar
(CP 5740 FCS 5740)

'Annexure A'

To,
The Members,
IST LIMITED

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
DATED:- 11.08.2016

CS Vinod Kumar
(CP 5740 FCS 5740)



ANNEXURE 'E' TO DIRECTORS' REPORT

DETAILS PERTAINING TO EMPLOYEES AS REQUIRED UNDER SECTION 197(12) OF THE COMPANIES ACT, 2013 - INFORMATION AS PER RULE 5(1) OF COMPANIES (APPOINTMENT AND REMUNERATION OF MANAGERIAL PERSONNEL) RULES, 2014

Name of Director/ KMP	Designation	Remuneration in FY 2015-16 (` In lacs)	Remuneration in FY 2014-15 (` In lacs)	% Increase in remuneration	Ratio of remuneration to MRE
Mr. S.C. Jain	Executive Director	11.10	11.72	(5.29)	9.45
Lt. Col. N.L. Khitha	Director (Technical)	5.40	5.73	(5.76)	4.60
Sitting Fee paid to Non Executive / Independent Directors*					
Mrs. Sarla Gupta	Non Executive Promoter / Woman Director	.025	—	—	N.A.
Mr. Mayur Gupta	Non Executive Promoter Director	0.10	0.10	N.A.	N.A.
Mr. Gaurav Gupta	Non Executive Promoter Director	0.10	0.025	N.A.	N.A.
Mr. Subhash Chander Jain**	Independent Director	0.10		N.A.	N.A.
Brig. G.S. Sawhney (Retd.)	Independent Director	0.075	0.075	N.A.	N.A.
Air Marshal D. Keelor (Retd.)	Independent Director	0.125	0.125	N.A.	N.A.
Mr. R.K. Jain***	Independent Director	0.05	0.10	N.A.	N.A.
Salary paid to Key Managerial Personnel					
Mr. D.N. Tulshyan	Chief Financial Officer	8.35	7.74	7.88	7.10
Mr. R.K. Sapra	Company Secretary	11.51	10.91	5.50	9.80

* Sitting fee paid during the previous year and the current year to Non Executive / Independent Directors were at the same rate.

** appointed Director with effect from 30.05.2015.

*** Ceased to be Director on 11.08.2015.

- The increase in Median Remuneration of the Employees (MRE) in FY 2015-16 as compared to FY 2014-15 is 8.77%.
- There were 236 permanent employees on the rolls of the Company.
- The company takes various things like inflation, market trend and other location related issue at the time of increase in remuneration of the employee. Performance is also one of the major criteria in increase of remuneration.
- Company takes same factor in increase of remuneration of Key Managerial Personnel and does not directly concern with the performance of the Company.
- Company does not provide any variable component to its employees and directors except Payment of Bonus to eligible employees as per Payment of Bonus Act, 1965.
- The Market Capitalization of the Company as on 31.03.2016 was Rs. 279.35 Crores which increased to ` Rs. 379.66 Crores i.e. by 35.90%.
- The average increase in remuneration of employees was in excess than the increase in managerial remuneration during FY 2015-16.
- There is one employee who received the remuneration during FY 2015-16 in excess of highest paid director of the Company.
- Company has formulated a Nomination and Remuneration policy as required under section 178 of the Companies Act, 2013 and the remuneration paid to employees are as per the remuneration policy of the Company.



ANNEXURE 'F' TO DIRECTORS' REPORT

REPORT ON CSR ACTIVITIES/INITIATIVES

[Pursuant to Section 135 of the Act read with Companies (CSR Policy) Rules, 2014]

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.	The Company has framed a CSR Policy in compliance with the provisions of the Companies Act, 2013 and the same is placed on the Company's website www.istindia.com	
2. Composition of the CSR Committee Name Air Marshal Denzil Keelor (Retd.) Mr. Gaurav Gupta Lt. Col. N.L. Khitha (Retd.)	Category of Director Independent Non-Executive Executive	Chairman / Member Chairman Member Member
3. Average net profit of the company for last three financial years.	Rs. 5,49,41,102/-	
4. Prescribed CSR Expenditure (two per cent of the amount as in item 3 above)	Rs. 10,98,822/-	
5. Details of CSR activities / projects undertaken during the year a) Total amount to be spent for the financial year b) amount un-spent, if any c) Manner in which the amount spent during financial year.	No Rs. 10,98,822/- Rs. 10,98,822/- The Company has not spent any amount during the financial year.	
6. In case the Company has failed to spend the two per cent, of the average net profit of the last three financial years or any part thereof, the Company shall provide the reasons for not spending the amount in its Board's Report	In view of operational loss during the financial year 2014-15 and 2015-16 the CSR Committee has not recommended any expenditure on Corporate Social Responsibility.	

Responsibility Statement

The CSR committee confirms that the implementation and monitoring of the CSR Policy is in compliance with the CSR objectives and Policy of the Company.

Place : New Delhi
Date : 11.08.2016

Air Marshal D. Keelor (Retd.)
Chairman of the Board
& CSR Committee



IST LIMITED

ANNEXURE 'G' TO DIRECTORS' REPORT

Form AOC-1

(Pursuant to first proviso to sub-section (3) of read with of Companies (Accounts) Rules, 2014)
**Statement pursuant to Section 129 (3) of the Companies Act, 2013 related to
Subsidiary and Associate Companies**

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	No
3 Reporting currency and Exchange rate as on the last date of the relevant Financial year in	INR
4 Share capital (Paid Up Share Capital)	Rs. 1,00,00,000/-
5 Reserves & surplus	Rs. 2,86,74,49,888/-
6 Total assets	Rs. 3,24,14,92,220/-
7 Total Liabilities	Rs. 3,24,14,92,220/-
8 Investments	Rs. 1,25,65,69,619/-
9 Turnover	Rs. 74,45,29,580/-
10 Profit before taxation	Rs. 67,94,08,170/-
11 Provision for taxation	Rs. 4,76,20,088/-
12 Profit after taxation	Rs. 63,17,88,082/-
13 Proposed Dividend	Nil
14 % of shareholding	100%
Part "B": Associate Company	
1. Name of Associate Company	IST STEEL AND POWER LIMITED
2. Latest audited Balance Sheet Date	31.03.2016
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. 15,81,18,784/-
7. Profit / (Loss) for the year	
i. Considered in Consolidation	Rs. 61,01,877/-
ii. Not Considered in Consolidation	

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

- Names of subsidiaries which are yet to commence operations – N.A.
- Names of subsidiaries which have been liquidated or sold during the year – N.A.

For and on behalf of the Board of Directors

D.N. Tulshyan
C.F.O.

R.K. Sapra
Company Secretary

Gaurav Gupta
Director
DIN - 00047372

S.C. Jain
Executive Director
DIN - 00092079



ANNEXURE 'H' TO THE DIRECTORS' REPORT

Form No. AOC-2

(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 or transactions not at arm's length basis :	
<p>(a) Name(s) of the related party and nature of relationship</p> <p>(b) Nature of contracts/arrangements/transactions</p> <p>(c) Duration of the contracts / arrangements/ transactions</p> <p>(d) Salient terms of the contracts or arrangements or transactions including the value, if any</p> <p>(e) Justification for entering into such contracts or arrangements or transactions</p> <p>(f) Date(s) of approval by the Board</p> <p>(g) Amount paid as advances, if any</p> <p>(h) Date on which the special resolution was passed in general meeting as required under first proviso to section 188</p>	<p>The Company has not entered into any contract or arrangement or transactions with its related parties during the financial year 2015-2016</p>
2) Details of material contracts or arrangement or transactions at arm's length basis :	
<p>(a) Name(s) of the related party and nature of relationship</p> <p>(b) Nature of contracts/arrangements/transactions</p> <p>(c) Duration of the contracts / arrangements/ transactions</p> <p>(d) Salient terms of the contracts or arrangements or transactions including the value, if any</p> <p>(e) Date(s) of approval by the Board</p> <p>(f) Amount paid as advances, if any</p>	<p>The Company has not entered into any contract or arrangement or transactions with its related parties during the financial year 2015-2016.</p>



INDEPENDENT AUDITORS' REPORT

TO THE MEMBERS OF IST LIMITED

Report on the Standalone Financial Statements

We have audited the accompanying financial statements of IST LIMITED ("the Company"), which comprise the Balance Sheet as at 31st March, 2016, the Statement of Profit and Loss and the Cash Flow Statement for the year then ended, and a summary of the significant accounting policies and other explanatory information.

Management's Responsibility for the 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 financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014. 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 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 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 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 financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the financial statements. 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. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the 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 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 financial statements.

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid 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 state of affairs of the Company as at March 31, 2016 and its profit and its cash flows for the year ended on that date.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2016 ("the Order") issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in the Annexure a statement on the matters specified in paragraphs 3 and 4 of the Order.
2. 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 purposes 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, and the Cash Flow Statement dealt with by this Report are in agreement with the books of account.
- d) In our opinion, the aforesaid financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
- e) On the basis of the written representations received from the directors as on 31st March, 2016 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2016 from being appointed as a director interms 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, 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 litigation on its financial position in its financial statement refer Note No.30 to the financial statement.
 - ii) The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
 - iii) There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.

FOR O.P.DADU & CO.
CHARTERED ACCOUNTANTS
FRN. 001201N

PLACE : NEW DELHI
DATED: 30.05.2016

(O.P.DADU)
PARTNER
M.No.010871



ANNEXURE TO THE AUDITORS' REPORT

In our opinion, and in so far as we have been able to ascertain from the records produced, Information furnished and the explanations given to us by the Company.

1. a) The Company has maintained proper records of its Fixed Assets, showing full particulars including their quantitative detail and situation.
b) The Management has, during the year, physically verified all the Fixed Assets in respect of which record is kept. No discrepancies were noticed on such verification.
c) According to information and explanation given to us, the title deeds of Immovable Properties are held in the name of the company and the title deeds in respect of sub lease of Commercial Property at Noida is pending Registration.
2. The inventory has been physically verified during the year by the management. In our opinion, the frequency of verification is reasonable. The discrepancies noticed on verification between the physical stocks and the book records were not material.
3. a) The Company has not given any new loan during the year. However, the Company had granted unsecured loan in the past to a party covered in the register maintained under section 189 of the Companies Act, 2013, the term and conditions of grant of such loan are not prejudicial to the Company's interest.
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.
4. 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.
5. According to the information and explanations given to us, the Company has not accepted deposit from the public within the provisions of Section 73 to 76 or any other relevant provisions of the Companies Act, 2013 and the rules framed there under
6. As far as we are aware, the Central Government has not specified the maintenance of cost records by the company under section 148(1) of the Companies Act, 2013.
7. a) The Company is regular in depositing with appropriate authorities undisputed statutory dues including Provident Fund, Employees' State Insurance, Income Tax, Sales Tax, Service Tax, Custom duty, Excise duty, Value Added Tax, cess and other statutory dues wherever applicable to it.

According to the information and explanations given to us, no undisputed amounts payable in respect of Provident Fund, ESI, Income Tax, Sales Tax, Service Tax, customs duty, excise duty, value added Tax and cess were in arrears, as at 31.03.2016 for a period of more than six months from the date they became payable.

b) According to the information and explanation given to us, there are no dues of Income Tax, Sales Tax, Service Tax, Custom duty, Excise duty, Value Added Tax and cess which have not been deposited on account of any dispute except Income Tax of Rs.5,36,330/- for the Assessment Year 2013-2014, Appeal is pending before CIT (Appeal) 4, New Delhi.
8. The Company has not defaulted in repayment of loans or borrowings from any Financial Institution and bank during the year, further the Company does not have any loans or borrowings from government or due to debenture holders.
9. The Company did not raise any money by way of initial public offer or further public offer (including debt instrument) and term loan during the year.
10. According to the information and explanations given to us, no fraud on or by the company has been noticed or reported during the course of our Audit.
11. According to the information and explanations given to us and based on our examination of the records of the Company, the Company has paid/provided for managerial remuneration in accordance with the requisite approvals mandated by the provisions of section 197 read with Schedule V to the Act.
12. In our opinion and according to the information and explanations given to us, the Company is not a Nidhi Company. Accordingly, paragraph 3(xii) of the Order is not applicable.

IST LIMITED



13. According to the information and explanation given to us, the transaction with Related Parties are in compliance with section 177 and 188 of the Act, and details have been disclosed in Financial Statements etc, as required by the applicable accounting standards.
14. According to the information and explanation given to us, the Company has not made any Preferential allotment or private placement of shares or fully or partly convertible debentures during the year.
15. According to the information and explanation given to us, the Company has not entered into any non cash transaction with Director or persons connected with him during the year.
16. The Company is not required to be registered U/s 45 IA of Reserve Bank of India Act, 1934.

FOR O.P.DADU & CO.
CHARTERED ACCOUNTANTS
FRN. 001201N

(O.P.DADU)
PARTNER
M.No.010871

PLACE : NEW DELHI
DATED: 30.05.2016



ANNEXURE “A” TO THE INDEPENDENT AUDITOR’S REPORT

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 31, March 2016 in conjunction with our audit of the standalone 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”. 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 judgement, 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.

IST LIMITED



Opinion

In our opinion, 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, 2016, 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 O.P.DADU & CO.
CHARTERED ACCOUNTANTS
FRN. 001201N

PLACE : NEW DELHI
DATED: 30.05.2016

(O.P.DADU)
PARTNER
M.No.010871



IST LIMITED

BALANCE SHEET AS AT 31ST MARCH, 2016

Particulars	Note No.	As at 31.03.2016 Rs.	As at 31.03.2015 Rs.
EQUITY AND LIABILITY			
Shareholders' funds			
Share capital	2	5,84,67,546	5,84,67,546
Reserves and Surplus	3	1,51,44,32,319	1,44,81,75,388
		1,57,28,99,865	1,50,66,42,934
Non-current liabilities			
Long term borrowings	4	12,50,00,000	—
Deferred tax liabilities (net)	5	1,78,56,000	1,74,60,000
Other Long Term Liabilities	6	2,03,22,006	1,12,00,000
Long-term provisions	7	92,17,384	84,22,365
		17,23,95,390	3,70,82,365
Current liabilities			
Short-term borrowings	8	12,27,868	—
Trade payables	9	56,84,219	40,55,203
Other current liabilities	10	1,50,71,179	96,32,637
Short-term provisions	11	95,63,577	61,09,300
		3,15,46,843	1,97,97,140
		1,77,68,42,098	1,56,35,22,439
ASSETS			
Non-current assets			
Fixed Assets			
Tangible assets	12	23,79,46,912	25,13,15,059
Intangible assets		5,59,803	8,42,048
		23,85,06,715	25,21,57,107
Non-current investments	13	1,26,66,17,083	97,48,36,512
Long-term loans and advances	14	10,12,60,152	21,65,98,185
Other Non-current Assets	15	6,20,740	6,20,740
		1,60,70,04,690	1,44,42,12,544
Current assets			
Current Investments	16	—	15,022
Inventories	17	7,41,32,911	6,28,64,967
Trade receivables	18	5,23,60,689	2,50,06,587
Cash and cash equivalents	19	2,63,82,018	2,74,28,398
Short-term loans and advances	20	30,81,654	18,26,241
Other current assets	21	1,38,80,136	21,68,680
		16,98,37,408	11,93,09,895
		1,77,68,42,098	1,56,35,22,439

Accompanying notes forming part of the financial statements

As per our Report of even date
for O.P. DADU & CO.

Chartered Accountants

FRN 001201N

O.P.Dadu

Partner

M.No. 010871

Place : New Delhi

Dated : 30.05.2016

D.N.Tulshyan
Chief Financial Officer

R.K. Sapra
Company Secretary

Gaurav Gupta
Director
DIN : 00047372

S.C.Jain
Executive Director
DIN: 00092079

For and on behalf of the Board of Directors



STATEMENT OF PROFIT & LOSS ACCOUNT FOR THE YEAR ENDED 31ST MARCH, 2016

Particulars	Note No.	For the year ended 31.03.2016 Rs.	For the year ended 31.03.2015 Rs.
INCOME			
Revenue from operations	22	17,63,92,033	18,39,04,073
Other income	23	10,42,36,454	5,64,36,775
Total Revenue		28,06,28,487	24,03,40,848
EXPENSES			
Cost of materials consumed	24	4,21,04,929	3,56,57,159
Purchases of Stock-in-trade	25	—	4,343
Change in inventories	26	(1,04,69,041)	78,31,196
Employees benefit expense	27	7,53,96,538	7,05,82,732
Finance charges	28	33,43,112	2,56,052
Depreciation		2,07,19,529	2,10,93,807
Other expenses	29	6,11,54,513	7,24,81,359
		19,22,49,580	20,79,06,648
Profit before tax		8,83,78,907	3,24,34,200
Tax expenses			
Current tax		2,18,00,000	78,00,000
Deferred tax		3,96,000	(6,77,000)
Profit after tax		6,61,82,907	2,53,11,200
Prior period adjustment Income tax/ Interest		74,024	(46,903)
Profit after tax and adjustment		6,62,56,931	2,52,64,297
Earning per share			
Basic & Diluted		11.36	4.33
(Refer note no.36)			

Accompanying notes forming part of the financial statements

As per our Report of even date
for O.P. DADU & CO.
Chartered Accountants
FRN 001201N
O.P.Dadu
Partner
M.No. 010871
Place : New Delhi
Dated : 30.05.2016

D.N.Tulshyan
Chief Financial Officer

R.K. Sapra
Company Secretary

For and on behalf of the Board of Directors

Gaurav Guptaa
Director
DIN : 00047372

S.C.Jain
Executive Director
DIN: 00092079



IST LIMITED

CASH FLOW STATEMENT FOR THE PERIOD ENDED 31ST MARCH, 2016

(Pursuant to clause 32 of the Listing Agreement)

Amount in Rs.

Particulars	2015-2016	2014-2015
(A) CASH FLOW FROM OPERATING ACTIVITIES		
Net Profit before tax and extra ordinary item	8,83,78,907	3,24,34,200
Depreciation	2,07,19,529	2,10,93,807
Interest (Net)	(2,44,31,087)	(1,59,86,335)
Sundry Dr/Cr Balances Adjusted	4,19,011	2,52,194
Investment written Off (NSC)	40,000	—
Discount & Liquidated Damages	11,31,213	57,96,872
Amount written back (net)	(64,701)	(25,939)
(Profit)/ Loss on sale of Fixed Assets	1,22,165	2,37,147
(Profit)/ Loss on Investments & Derivatives	(3,74,05,959)	(8,85,491)
Demunition in value of Investment	(8,976)	(6,288)
Dividend	(8,639)	(1,40,62,560)
	(3,94,87,444)	(35,86,593)
Operating Profit before working capital changes	4,88,91,463	2,88,47,607
Change in :		
Trade receivables	(2,89,04,324)	1,31,15,276
Inventories	(1,12,67,944)	86,97,175
Short term Loan & Advances	(12,55,414)	(2,61,326)
Other current Assets	(1,17,11,456)	(76,845)
Other non current Assets	—	(5,00,000)
Long term Loan & Advances	11,53,38,033	(28,12,650)
Other Long Term Liabilities	91,22,006	—
Long term provisions	7,95,019	7,43,597
Short term Provisions	5,68,795	11,59,735
Trade Payables	16,29,016	(3,08,759)
Other current liabilities	55,03,243	5,38,622
	7,98,16,974	2,02,94,825
	12,87,08,437	4,91,42,432
Interest paid	(31,32,489)	(54,530)
Direct Taxes paid	(1,88,40,495)	(94,58,630)
	(1,88,40,495)	(94,58,630)
Net Cash Flow from Operating Activities	10,67,35,453	3,96,29,272
(B) CASH FLOW FROM INVESTING ACTIVITIES		
Purchase of Fixed assets	(72,98,140)	(73,57,633)
Sale of Fixed assets	1,06,838	4,08,000
Interest Received	2,75,63,576	1,60,40,865
Sale of Non Current Investment	49,87,39,446	8,28,073
Purchase of Non Current Investment	(75,31,73,707)	(46,13,62,112)
Sale of Current Investment(net)	43,647	38,48,91,130
Dividend	8,639	1,40,62,560
Net Cash used in Investing Activities	(23,40,09,701)	(5,24,89,117)



(C) CASH FLOW FROM FINANCING ACTIVITIES

Borrowings/(Repayment) of borrowings			
- Cash Credit	12,27,868		(1,639,172)
Borrowings/(Repayment) of borrowings			
- Term Loan	12,50,00,000		—
Net Cash from Financing Activities		12,62,27,868	(16,39,172)
Net change in Cash & Cash Equivalents (A+B+C)		(10,46,380)	(1,44,99,017)
Cash & Cash Equivalents			
- Opening Balance		2,74,28,398	4,19,27,415
- Closing Balance		2,63,82,018	2,74,28,398
		(10,46,380)	(1,44,99,017)

As per our Report of even date
for O.P. DADU & CO.

Chartered Accountants

FRN 001201N

O.P.Dadu

Partner

M.No. 010871

D.N.Tulshyan

Chief Financial Officer

R.K. Sapra

Company Secretary

Gaurav Guptaa

Director

DIN : 00047372

S.C.Jain

Executive Director

DIN: 00092079

Place : New Delhi

Dated : 30.05.2016

For and on behalf of the Board of Directors



NOTES TO FINANCIAL STATEMENTS AS AT 31ST MARCH, 2016

Note 1: SIGNIFICANT ACCOUNTING POLICIES

The financial statements of the Company have been prepared in accordance with the Generally Accepted Accounting Principles in India (Indian GAAP) to comply with the Accounting Standards specified under Section 133 of the Companies Act, 2013, read with Rule 7 of the Companies (Accounts) Rules, 2014 and the relevant provisions of the Companies Act, 2013 ("the 2013 Act"), as applicable. The financial statements have been prepared on accrual basis under the historical cost convention. The accounting policies adopted in the preparation of the financial statements are consistent with those followed in the previous year.

All assets and liabilities have been classified as current or non-current as per the Company's normal operating cycle and other criteria set out in the Schedule III to the Companies Act, 2013.

The significant accounting policies adopted in the presentation of the Accounts are as under:-

a) Valuation of Inventories :

- i) Raw Material, Stores, Spares and purchased components, Finished Goods, and Goods under process are valued at cost on weighted average basis or net realisable value which ever is lower.
- ii) Tools and Instruments are valued at cost less depletion in value.
- iii) Stock of Scrap is valued at estimated realisable value.

b) Cash and cash equivalents (for purposes of Cash Flow Statement)

Cash comprises cash on hand and demand deposits with banks. Cash equivalents are short-term balances (with an original maturity of three months or less from the date of acquisition), highly liquid investments that are readily convertible into known amounts of cash and which are subject to insignificant risk of changes in value.

c) Cash flow statement

Cash flows are reported using the indirect method, whereby profit / (loss) before extraordinary items and tax is adjusted for the effects of transactions of non-cash nature and any deferrals or accruals of past or future cash receipts or payments. The cash flows from operating, investing and financing activities of the Company are segregated based on the available information.

d) Revenue Recognition:-

- i) Sales are recognized when goods are supplied
- ii) Processing Income: Processing income is recognized after services are rendered.

e) Other Income

Interest income is accounted on accrual basis. Dividend income is accounted for when the right to receive it is established

f) Foreign Exchange Transactions:-

Foreign Exchange transactions are recorded at the exchange rate prevailing on the date of transaction. The difference in realized gains and losses on foreign exchange transactions other than those relating to the fixed assets are recognized in the profit and loss account.

g) Excise Duty :

The Excise Duty is accounted for at the time of dispatch of goods from the Factory.

h) Tangible and Intangible fixed assets

Tangible fixed assets are stated at cost less accumulated depreciation / amortization and impairment losses, if any. Cost includes expenses incidental to the acquisition/installation of assets. Intangible assets are recorded at the consideration paid for acquisition of such assets and are carried at cost less accumulated amortization and impairment. Interest on loans to acquire qualifying assets is added to the cost of fixed assets in accordance with Accounting Standard 16 on "Borrowing Costs"

i) Depreciation / Amortization

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.

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.



j) Employees Retirement Benefits :

Company's Contribution towards Provident Fund is charged to Profit & Loss Account. The amount of gratuity & leave encashment benefits on the basis of actuarial valuation is charged to Profit & Loss Account.

k) In determining earnings per share, the company considers the net profit after tax and includes the post-tax effect of any extraordinary items. The number of shares used in computing basic earnings per share is the number of shares outstanding during the period.

l) Claims :

Credits for certain claims such as interest on Telephone Deposits, Insurance, and Customs Duty Drawback etc. are taken as and when determined or received.

m) The liability for reimbursement of Medical Expenses and Leave Travel Allowance is provided for at the time when the same is due and the claim is made irrespective of the time of expenditure incurred by the employees.

n) Liquidated damages on Defence Sales are accounted for as and when ascertained.

o) Taxes on income

Current tax is the amount of tax payable on the taxable income for the year as determined in accordance with the applicable tax rates and the provisions of the Income Tax Act, 1961 and other applicable tax laws.

Deferred tax is recognised on timing differences, being the differences between the taxable income and the accounting income that originate in one period and are capable of reversal in one or more subsequent periods. Deferred tax is measured using the tax rates and the tax laws enacted or substantively enacted as at the reporting date. Deferred tax liabilities are recognised for all timing differences. Deferred tax assets are recognised for timing differences of items other than unabsorbed depreciation and carry forward losses only to the extent that reasonable certainty exists that sufficient future taxable income will be available against which these can be realised. However, if there are unabsorbed depreciation and carry forward of losses and items relating to capital losses, deferred tax assets are recognised only if there is virtual certainty supported by convincing evidence that there will be sufficient future taxable income available to realise the assets. Deferred tax assets and liabilities are offset if such items relate to taxes on income levied by the same governing tax laws and the Company has a legally enforceable right for such set off. Deferred tax assets are reviewed at each balance sheet date for their realisability.

Current and deferred tax relating to items directly recognised in reserves are recognised in reserves and not in the Statement of Profit and Loss.

p) Investments

Investments that are readily realisable and are intended to be held for not more than one year from the date, on which such investments are made, are classified as current investments. All other investments are classified as long term investments. Current investments are carried at cost or fair value, whichever is lower. Long-term investments are carried at cost. However, provision for diminution is made to recognise a decline, other than temporary, in the value of the investments, such reduction being determined and made for each investment individually

q) Provisions, Contingent Liabilities and Contingent Assets

i. Provisions are recognized in terms of Accounting Standard 29 – 'Provisions, Contingent Liabilities and Contingent Assets' as mandated by Rule 3 of the Companies (Accounting Standards) Rules, 2006, when there is a present obligation as a result of past events where it is probable that there will be outflow of resources to settle the obligation and a reliable estimate of the amount of the obligation can be made.

ii. Contingent Liabilities are recognized and disclosed only when there is a possible obligation arising from past events due to occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Company or where any present obligation cannot be measured in terms of future outflow of resources or where a reliable estimate of the obligation cannot be made. Obligations are assessed on an ongoing basis and only those having a largely probable outflow of resources are provided for.

iii. Contingent assets are not recognized in the financial statements.

r) Impairment of Assets

The Company reviews the carrying value of its fixed assets for any possible impairment at each Balance Sheet date. An impairment loss is recognized when the carrying amount of an asset exceeds its recoverable amount. The recoverable amount is the greater of net selling price and value in use. In assessing the value in use, the estimated future cash flows are discounted to their present value at an appropriate discount rate.



IST LIMITED

	As at 31.03.2016 Rs.	As at 31.03.2015 Rs.
Note 2: SHARE CAPITAL		
Authorised		
1,00,00,000 equity shares of Rs. 10/- each	<u>10,00,00,000</u>	<u>10,00,00,000</u>
Issued		
60,27,728 Equity Shares of Rs. 10/- each	<u>6,02,77,280</u>	<u>6,02,77,280</u>
Subscribed and fully paid up		
58,32,056 Equity Shares of Rs. 10/- each fully paid up	<u>5,83,20,560</u>	<u>5,83,20,560</u>
Add : Shares Forfeited	<u>1,46,986</u>	<u>1,46,986</u>
	<u>5,84,67,546</u>	<u>5,84,67,546</u>

a) Reconciliation of the Outstanding at the beginning and at the end of the reporting period

Ordinary Shares	31.03.2016		31.03.2015	
	No. of Shares	Rs.	No. of Shares	Rs.
At the beginning of the year	<u>58,32,056</u>	<u>5,83,20,560</u>	58,32,056	5,83,20,560
Issued during the year	—	—	—	—
Outstanding at the end of the period	<u>58,32,056</u>	<u>5,83,20,560</u>	<u>58,32,056</u>	<u>5,83,20,560</u>

b) Shareholder Holding more than 5% shares in the Company

	%	%
M/s Gupta International Investment Company Ltd 29,13,221 Shares (Previous year 29,13,221 Shares)	49.95	49.95
M/s Antique Investment Company Private Ltd 9,55,700 Shares (Previous year 9,55,700 Shares)	16.39	16.39

Note 3: RESERVES AND SURPLUS

Securities premium account

Share premium on 12,11,716 shares @ Rs.5/- each as per last year Balance Sheet	<u>60,58,580</u>	<u>60,58,580</u>
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General reserve

as per last year Balance Sheet	<u>1,10,80,04,235</u>	<u>1,10,80,04,235</u>
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Surplus in Statement of Profit & Loss

Opening Balance	<u>33,41,12,573</u>	30,93,95,416
Less: Depreciation on transition to Schedule II of the Companies Act 2013 on tangible fixed assets with nil remaining useful life(Net of deferred tax)	—	(547,140)

Add:Net Profit for the current year	<u>6,62,56,931</u>	<u>2,52,64,297</u>
	<u>40,03,69,504</u>	<u>33,41,12,573</u>
	<u>1,51,44,32,319</u>	<u>1,44,81,75,388</u>

Note 4: LONG TERM BORROWINGS

Term Loan

From Non Banking Financial Corporation Secured	<u>12,50,00,000</u>	—
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	<u>12,50,00,000</u>	—
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Secured by Pledge of 100 HUDCO and 100 IRFC Tax Free Bonds of Rs 20 Crores and repayable upto 24 months. Interest is payable @ 9.50% p.a. on monthly basis.



	As at 31.03.2016 Rs.	As at 31.03.2015 Rs.
Note 5: DEFERRED TAX LIABILITIES (NET)		
Difference of assets between Books of account and as per income-tax	7,08,90,575	6,83,06,102
Less: Expenses allowed for tax purpose on payment basis	<u>1,58,55,347</u>	<u>1,44,91,533</u>
	5,50,35,228	5,38,14,569
Deferred tax liabilities (Net)	<u>1,78,56,000</u>	<u>1,74,60,000</u>
Note 6: OTHER LONG TERM LIABILITIES		
Security Deposit	<u>2,03,22,006</u>	1,12,00,000
	<u>2,03,22,006</u>	<u>1,12,00,000</u>
Note 7: LONG-TERM PROVISIONS		
Provisions for employees benefits		
Provisions for Gratuity	62,34,740	55,87,556
Provisions for Leave Encashment	<u>29,82,644</u>	<u>28,34,809</u>
	<u>92,17,384</u>	<u>84,22,365</u>
Note 8: SHORT-TERM BORROWINGS		
Cash Credit from Bank (Secured)		
State Bank of India (Secured by hypothecation of charge on entire current assets, book debts, receivables, documentary bills, domestic, export of the company both present and future.)	12,27,868	—
	<u>12,27,868</u>	<u>—</u>
Note 9: TRADE PAYABLES		
For Goods	56,84,219	40,55,203
	<u>56,84,219</u>	<u>40,55,203</u>
Note 10: OTHER CURRENT LIABILITIES		
Statutory Remittances	13,60,476	9,54,448
Expenses Payable		
Director's	2,08,837	1,28,605
Others	<u>1,35,01,866</u>	<u>85,49,584</u>
	<u>1,50,71,179</u>	<u>96,32,637</u>
Note 11: SHORT-TERM PROVISIONS		
Provision for employee benefits		
Provisions for Gratuity	44,11,911	40,79,515
Provisions for Leave Encashment	22,26,052	19,89,653
Provision for Tax	<u>29,25,614</u>	<u>40,132</u>
[Note : Provision is net of Prepaid Tax Rs.2,66,74,386 (Rs.2,91,59,868)]	<u>95,63,577</u>	<u>61,09,300</u>



NOTE '12' FIXED ASSETS

Particulars	GROSS BLOCK				DEPRECIATION				NET BLOCK	
	Cost as at 31.3.2015 Rs.	Additions during the Year Rs.	Deductions during the Year Rs.	As at 31.3.2016 year Rs.	As at 31.3.2015 Rs.	For the Year Rs.	Adjustments during the year Rs.	Upto 31.3.2016 Rs.	As at 31.3.2016 Rs.	As at 31.3.2015 Rs.
Tangible Assets										
Freehold Land	3,61,94,802	—	—	3,61,94,802	—	—	—	—	3,61,94,802	3,61,94,802
Building	9,78,61,811	—	—	9,78,61,811	40,73,804	15,48,153	—	56,21,957	9,22,39,854	9,37,88,007
Plant & Machinery	25,79,10,153	67,56,314	4,80,450	26,41,86,017	15,47,45,855	1,48,79,421	2,54,309	16,93,70,967	9,48,15,050	10,31,64,298
Furniture	68,27,801	57,450	—	68,85,251	32,46,030	4,80,316	—	37,26,346	31,58,905	35,81,771
Office Equipments	1,04,30,162	4,35,920	4,400	1,08,61,682	60,40,270	13,60,783	1,538	73,99,515	34,62,167	43,89,892
Vehicles	1,83,40,245	—	—	1,83,40,245	81,43,956	21,20,155	—	1,02,64,111	80,76,134	1,01,96,289
Total	42,75,64,974	72,49,684	4,84,850	43,43,29,808	17,62,49,915	2,03,88,828	2,55,847	19,63,82,896	23,79,46,912	25,13,15,059
Intangible Assets										
Computer Software	19,49,835	48,456	—	19,98,291	11,07,787	330,701	—	14,38,488	5,59,803	8,42,048
Total	42,95,14,809	72,98,140	4,84,850	43,63,28,099	17,73,57,702	2,07,19,529	2,55,847	19,78,21,384	23,85,06,715	25,21,57,107
Previous year	41,65,10,164	1,53,29,923	23,25,278	42,95,14,809	15,71,33,886	2,10,93,807	(8,69,991)	17,73,57,702	25,21,57,107	



	As at 31.03.2016 Rs.	As at 31.03.2015 Rs.
Note 13: NON-CURRENT INVESTMENTS (AT COST)		
Other Investment		
Investments in Equity Instruments		
(A) Unquoted (Fully paid up)		
Subsidiary Company		
1,00,000 Equity Shares of Gurgaon Infospace Ltd of Rs.100/- each [Refer Note no.34]	1,00,00,000	1,00,00,000
Associate Company		
88,40,000 Equity Shares of IST Steel & Power Ltd of Rs.10/- each	8,84,00,000	8,84,00,000
	<u>9,84,00,000</u>	<u>9,84,00,000</u>
(B) Quoted (Fully paid up)		
Others		
4,800 Equity Shares of J.C.T.Ltd. of Rs.2.50 each	2,93,399	2,93,399
2,000 Equity Shares of C.T.Cotton Yarn Ltd. of Rs.10/- each	50,838	50,838
8,000 Equity Shares of Rossell India Ltd. of Rs.10/- each	11,66,452	
	<u>15,10,689</u>	<u>3,44,237</u>
Less: Demunition in value of Investment	<u>(3,20,861)</u>	<u>(3,29,837)</u>
	<u>11,89,828</u>	<u>14,400</u>
Investments in Preference Shares		
Associate Company		
15,00,000 9% Non Cumulative, Non Convertable Preference Shares of Rs.100/-each of IST Steel & Power Ltd, Redeemable at par	15,00,00,000	15,00,00,000
Others		
11,50,000 9% Non Cumulative, Non Convertable Preference Shares of Rs.100/-each of Subham Infradevelopers (P) Ltd	11,50,00,000	11,50,00,000
Investments in Bonds		
Quoted		
1,50,000 7.51%, HUDCO 15 Years Tax-free Bonds Rs.1000/- each	15,00,00,000	15,00,00,000
12,491 7.28% NTPC 15 Years Tax free Bond Series 2A Rs.1000/- each	1,24,91,000	—
Unquoted		
100 7.15% IRFC 10 Years Tax free Bond Series 100 Rs.10,00,000/-each	10,00,20,000	—
100 7.00%, HUDCO 10 Years Tax-free Bonds Series C Rs.10,00,000/- each	10,00,10,000	—
70 7.28% NHAI 15 Years Tax free Bond of Rs.10,00,000/-each	7,00,07,000	—
Investments in Mutual Fund		
Unquoted:		
0 / (2,18,132) SBI Premier Liquid Fund -Direct Plan -Growth	—	46,13,62,112
Investment in Immovable Property		
Sub Lease of commercial property at Noida (Pending Registration)	46,94,79,255	—
National Saving Certificate [Refer Note No. 32]	20,000	60,000
	<u>126,66,17,083</u>	<u>97,48,36,512</u>
i) Aggregated value of Quoted Investments Cost	16,40,01,689	15,03,44,237
Market value	17,34,24,554	15,48,14,400
Aggregated value of Unquoted Investments cost	63,34,37,000	82,47,62,112
ii) 100 Bonds of IRFC and 100 Bonds of HUDCO are pldged with HDB Financial Services Ltd against term loan of Rs. 12.50 Crores		



IST LIMITED

	As at 31.03.2016 Rs.	As at 31.03.2015 Rs.
Note 14.: LONG-TERM LOANS AND ADVANCES		
(Unsecured Considered good)		
Capital Advances		
Related Party	5,00,00,000	5,00,00,000
Others	—	12,32,49,906
Security Deposits		
Related Party	39,60,000	39,60,000
Others	66,34,229	17,69,479
Loan and Advance		
Related Party	4,06,65,923	3,76,18,800
	<u>10,12,60,152</u>	<u>21,65,98,185</u>
Note 15: OTHER NON-CURRENT ASSETS		
Term Deposits remaining maturity more than 12 months (Pledged with Sales Tax Dept. Rs.120740/- & State Bank of India Rs. 500000/-)	6,20,740	6,20,740
	<u>6,20,740</u>	<u>6,20,740</u>
Note 16: CURRENT INVESTMENTS (AT COST)		
Other Investment in Mutual funds (Unquoted)		
0 / (15) SBI Premier Liquid Fund Direct Plan Daily Dividend	—	15,022
	<u>—</u>	<u>15,022</u>
Note 17 : INVENTORIES		
(As taken, valued and certified by the management)		
Raw materials	88,05,837	86,25,796
Work in Progress	5,08,76,154	4,18,33,368
Finished Goods	49,09,163	37,76,208
Stores & Spare parts	77,61,834	71,42,972
Scrap	17,79,923	14,86,623
	<u>7,41,32,911</u>	<u>6,28,64,967</u>
Note : Refer Note 1 (a).for mode of valuation		
Note 18: TRADE RECEIVABLES		
Unsecured considered good		
Outstanding for a period exceeding six months from the due date	8,21,657	36,68,946
Others	5,15,39,032	2,13,37,641
	<u>5,23,60,689</u>	<u>2,50,06,587</u>



	As at 31.03.2016 Rs.	As at 31.03.2015 Rs.
Note 19: CASH & CASH EQUIVALENTS		
Cash in hand	6,37,788	5,96,913
Cheques / Drafts in Hand	3,50,798	1,83,228
With Scheduled Banks		
In Current Accounts	8,79,934	55,35,602
Term Deposit	94,75,681	94,06,485
Balance held as Margin Money	1,50,37,817	1,17,06,170
	<u>2,63,82,018</u>	<u>2,74,28,398</u>
Note 20 : SHORT TERM LOANS & ADVANCES		
Unsecured Considered good		
Loans to Empolyees	2,93,000	2,25,000
Advances Raw materials & Stores	5,54,590	3,81,226
Prepaid Expenses	13,62,685	4,14,993
Balance with Gov. Authorities	8,71,379	8,05,022
	<u>30,81,654</u>	<u>18,26,241</u>
Note 21: OTHER CURRENT ASSETS		
Unsecured Considered good		
Interest Accured	1,31,31,790	21,55,150
Others	7,48,346	13,530
	<u>1,38,80,136</u>	<u>21,68,680</u>



IST LIMITED

	For the year ended 31.03.2016 Rs.	For the year ended 31.03.2015 Rs.
Note 22: REVENUE FROM OPERATION		
Sale of Product		
Export Sales	84,14,681	75,18,752
Domestic Sales	18,84,63,118	19,73,57,415
Other Operating Revenue		
Job Charges	—	1,17,900
Revenue from Operations	19,68,77,799	20,49,94,067
Less: Excise duty	2,04,85,766	2,10,89,994
Revenue from Operations	<u>17,63,92,033</u>	<u>18,39,04,073</u>
Note 23: OTHER INCOME		
Interest		
Related Party	33,85,692	31,32,000
Tax Free Bonds	2,22,34,084	1,12,65,000
Others	19,43,800	16,43,865
Unspent liabilities written back	64,701	25,939
Dividend		
Current Investments	8,639	1,40,62,560
Profit on sale of Current Investments	28,625	5,90,980
Profit on sale of Non Current Investments	3,73,77,334	2,94,511
Provision on Investment written back	8,976	6,288
Exchange rate difference (Net)	1,07,168	—
Rent	3,79,78,566	2,43,60,000
Miscellaneous Receipts	10,98,869	10,55,632
	<u>10,42,36,454</u>	<u>5,64,36,775</u>
EXPENSES		
Note 24 : Cost of Material Consumed		
Indigenous	4,06,28,158	3,33,44,709
Imported	14,76,771	23,12,450
	<u>4,21,04,929</u>	<u>3,56,57,159</u>
Note 25 : PURCHASES OF STOCK-IN-TRADE		
	—	4,343
	—	4,343
Note 26 : CHANGE IN INVENTORIES		
Inventories at the end of the year		
Finished Goods	49,09,163	37,76,208
Goods under process	5,08,76,154	4,18,33,368
Scrap	17,79,923	14,86,623
	<u>5,75,65,240</u>	<u>4,70,96,199</u>
Inventories at the beginning of the year		
Finished Goods	37,76,208	56,48,518
Goods under process	4,18,33,368	4,82,07,162
Scrap	14,86,623	10,71,715
	<u>4,70,96,199</u>	<u>5,49,27,395</u>
	<u>(1,04,69,041)</u>	<u>78,31,196</u>



	For the year ended 31.03.2016 Rs.	For the year ended 31.03.2015 Rs.
Note 27: EMPLOYEE BENEFITS EXPENSE		
Directors' Remuneration [excluding Rs.60,000/- (previous year Rs.2,39,339/-) charged to other head of accounts]	15,90,000	15,05,590
Salaries, Wages, Bonus etc.	6,49,35,177	5,91,73,930
Gratuity	13,46,958	18,16,418
Contribution to P.F and Other Funds	34,41,124	33,01,086
Staff Welfare Expenses	40,83,279	47,85,708
	<u>7,53,96,538</u>	<u>7,05,82,732</u>
Note 28: FINANCE COSTS		
Interest	31,32,489	54,530
Bank Charges	2,10,623	2,01,522
	<u>33,43,112</u>	<u>2,56,052</u>
Note 29: OTHER EXPENSES		
Stores, Other Materials Consumed	1,19,05,341	1,33,91,392
Power and Fuel	1,31,62,904	1,38,99,419
Testing / Job Charges	2,44,611	2,49,264
Rent	56,44,500	41,40,000
Rates & Taxes	2,54,149	1,57,519
Insurance	5,80,105	5,70,356
Advertisement expenses	61,216	36,000
Repairs and maintenance		
Building	66,556	6,29,938
Plant & Machinery	24,81,462	22,36,810
Others	45,85,610	27,57,098
Travelling & Conveyance [including directors' travelling Rs.9,16,183/-(Previous year Rs.6,66,797/-)]	32,93,409	34,06,188
Selling Expenses		
Sales Tax	65,15,964	62,81,305
Export Expenses	3,86,185	3,72,384
Other Selling Expenses	7,80,211	8,99,566
Auditors' Remuneration		
Audit Fee	1,10,000	1,10,000
In Other Capacity		
For Tax Audit	35,000	35,000
For Certificates etc.	45,500	38,500
For Taxation & other matters	1,40,000	60,000
For Expenses	42,000	45,500
For Service Tax / Swachh Bharat Cess	53,766	35,721
Internal Audit Expenses	1,70,639	1,30,000
Directors' fee	57,613	42,500
Brokerage & Commission	—	84,00,000
Postage, Telegram & Telephone Expenses	8,43,286	9,01,939
Legal, Professional and Service Charges	26,15,613	27,44,716
Exchange Rate Difference	—	33,189
Previous year expenses (Net)	2,59,658	85,705
Discount & Liquidated Damages	11,31,213	57,96,872
Loss on sale of fixed Assets	1,22,165	2,37,147
Miscellaneous Expenses	51,06,826	45,05,137
Sundry Debit / Credit balances adjusted	4,59,011	2,52,194
	<u>6,11,54,513</u>	<u>7,24,81,359</u>



IST LIMITED

	As at 31.03.2016 Rs.	As at 31.3.2015 Rs.
30	Contingent Liabilities and Commitments (to the extent not provided for)	
	Contingent Liabilities:-	
	Gurantees given by the Bank	1,33,31,431
	Court case disputed by Company	97,55,140
	Income-tax demand disputed by Company	31,75,000
	Other Commitments:-	5,36,330
	Capital Contracts to be executed	—
		1,70,662
		6,02,04,800
31. a.	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.23,67,023/- (Year ended 31 March, 2015 Rs.22,40,746/-) for Provident Fund contributions and Rs. 10,74,101/- (Year ended 31 March, 2015 Rs.10,60,340/-) for Employee State Insurance Scheme contributions in the Statement of Profit and Loss. The contributions payable to these plans by the Company are at rates specified in the rules of the schemes.	
b.	The Company offers the following employee benefit schemes to its employees:	
	i) Gratuity included in Note no. 26 Employee benefit expenses.	
	ii) Earned leave included in Note no. 26 Employee benefit expenses.	

The following table sets out the funded status of the defined benefit schemes and the amount recognised in the financial statements:

Particulars	Year ended 31 March, 2016		Year ended 31 March, 2015	
	Gratuity	Earned Leave	Gratuity	Earned Leave
Components of employer's expense				
Current service cost	7,20,875	9,08,622	6,77,887	9,17,001
Interest cost	7,49,198	3,73,896	7,19,116	3,50,881
Expected return on plan assets	—	—	—	—
Curtailement cost / (credit)	—	—	—	—
Settlement cost / (credit)	—	—	—	—
Past service cost	—	—	—	—
Actuarial losses/(gains)	(1,23,115)	1,17,946	4,19,415	4,16,673
Total expense recognised in the Statement of Profit and Loss	13,46,958	14,00,464	18,16,418	16,84,555
Actual contribution and benefit payments for the year				
Actual benefit payments	3,67,378	10,16,230	6,09,539	9,88,102
Actual contributions				
Net asset / (liability) recognised in the Balance Sheet				
Present value of defined benefit obligation	1,06,46,651	52,08,696	96,67,071	48,24,462
Fair value of plan assets				
Funded status [Surplus / (Deficit)]	(1,06,46,651)	(52,08,696)	(96,67,071)	(48,24,462)
Unrecognised past service costs				



Net asset / (liability) recognised in the Balance Sheet	(1,06,46,651)	(52,08,696)	(96,67,071)	(48,24,462)
Change in defined benefit obligations (DBO) during the year				
Present value of DBO at beginning of the year	96,67,071	48,24,462	84,60,192	41,28,009
Current service cost	7,20,875	9,08,622	6,77,887	9,17,001
Interest cost	7,49,198	3,73,896	7,19,116	3,50,881
Curtailement cost / (credit)	—	—	—	—
Settlement cost / (credit)	—	—	—	—
Plan amendments	—	—	—	—
Acquisitions	—	—	—	—
Actuarial (gains) / losses	(1,23,115)	1,17,946	4,19,415	4,16,673
Past service cost	—	—	—	—
Benefits paid	(3,67,378)	(10,16,230)	(6,09,539)	(9,88,102)
Present value of DBO at the end of the year	1,06,46,651	52,08,696	96,67,071	48,24,462
Actuarial assumptions				
Discount rate	8.00	8.00	7.75	7.75
Salary escalation	6.00	6.00	6.00	6.00
Estimate of amount of contribution in the immediate next year	14,32,382	8,99,904	12,78,108	8,93,370
32	NSC for Rs.20,000/-(Previous year Rs.60,000/-) shown under Non Current Investments are in the name of Company's executive.			
33	Previous year expenses/income aggregate Rs. 2,59,658/- / 0 respectively (Previous year Rs.1,34,703/- Rs.48,998/-)			
34	The company's investment in its wholly owned subsidiary namely Gurgaon Infospace Limited are held in its own name except six equity shares which are held in the name of its nominees.			
35	Based on information available with the company there are no dues to Micro, Small & Medium Enterprises as defined in Micro, SME development Act,2006 as at 31.03.2016			
36		Year ended	Year ended	
Earning per Share		31 March, 2016	31 March, 2015	
Profit after tax		6,62,56,931	2,52,64,297	
Weighted average No of share		58,32,056	58,32,056	
Nominal Value		10	10	
Basic & Diluted		11.36	4.33	
37	Consequent to the adoption of the Accounting Standard 22 on "Accounting For Taxes on Income", the Company has recognized a deferred tax liability of Rs.1,78,56,000/- accumulated till 31st March, 2016 (Previous year Rs.1,74,60,000/-)			
38	Details of leasing arrangements:-			
	<u>As Lessor</u>			
	The Company has entered into operating lease arrangements for building. The lease is non-cancellable for a period of 3 years from 19/02/2014.			
	Future minimum lease income			
not later than one year		2,98,00,000	3,36,00,000	
later than one year and not later than five years		—	15,08,27,586	
later than five years		—	12,82,82,500	
Rents recognised as income during the year		3,79,78,566	2,43,60,000	
Depreciation recognised on the leased assets		15,48,153	15,48,153	
Accumulated depreciation on the leased assets		56,21,956	40,73,804	



IST LIMITED

As Lessee

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.

Future minimum lease payments		
not later than one year	56,40,000	56,40,000
later than one year and not later than five years	47,59,355	1,03,99,355
Lease payments recognised in the Statement of Profit and Loss	56,40,000	41,40,000

39 Information on Related Parties transactions as required by Accounting Standard(AS18)

a. Details of related parties:

Description of relationship	Names of related parties
(i) Subsidiary	M/s Gurgaon Infospace Limited
(ii) Associates Company	M/s IST Steel and Power Limited
(iii) Key Management Personnel (KMP)	Shri S.C Jain, Lt. Col N.L. Khitha (Retd.), Mr. Mayur Gupta, Mr.Gaurav Gupta, Mrs. Sarla Gupta
(iv) Relatives of KMP	Mr. Prem Chand Gupta,
(v) Entities in which KMP / Relatives of KMP can exercise significant influence	GPC Technology Ltd, Mercantile Realtors(P) Ltd, Delux Associates LLP, IST Technology Infrastructure Pvt. Ltd, IST Softech Pvt. Ltd.

b. Details of related party transactions during the year ended 31 March, 2016 and balances outstanding as at 31 March, 2016

Particulars	Subsidiary	Associates	Key KMP	Relatives of KMP	Entities in which KMP can exercise significant influence
	Rs.	Rs.	Rs.	Rs.	Rs.
During the year ending 31st March, 2016					
Remuneration				16,50,000 (17,44,929)	
Service Charges					9,00,000 (7,80,000)
Rent			7,20,000 (—)	7,20,000 (9,60,000)	42,00,000 (31,80,000)
Interest Income					33,85,692 (31,32,000)
Director Meeting Fees			22,500 (15,000)		
Outstanding Balance as on 31st March, 2016					
Amount Payable			208,837 (1,25,000)		
Deposits					39,60,000 (39,60,000)
Capital Advance					5,00,00,000 (5,00,00,000)
Loan					4,06,65,923 (3,76,18,800)
Equity Contribution	1,00,00,000 (1,00,00,000)	8,84,00,000 (8,84,00,000)			
Redeemable Preference Shares		15,00,00,000 (15,00,00,000)			



40 Segment Reporting :

The Company Operates in only one operational segment viz. precision engineering components / assemblies and one Geographical segment viz. India.

41- I RAW MATERIAL AND COMPONENTS CONSUMED

	Kgs.	Amount (Rs.)
Steel / Brass / Aluminium etc.	1,87,049 (1,95,968)	2,71,20,238 (2,90,11,481)
Others		1,49,84,691 (66,45,678)

II DETAILS OF CONSUMPTION OF IMPORTED AND INDIGENOUS ITEMS:-

Particulars	Total value of Consumption			Percentage of Total Consumption	
	Total	Imported	Indigenous	Imported	Indigenous
Raw Material & Components	4,21,04,929 (3,56,57,159)	14,76,771 (23,12,450)	4,06,28,158 (3,33,44,709)	3.51 (6.49)	96.49 (93.51)
Stores & Spares	1,19,05,341 (1,33,91,392)	8,90,663 (11,71,258)	1,10,14,678 (1,22,20,134)	7.48 (8.75)	92.52 (91.25)

III C.I.F. VALUE OF IMPORTS

	Amount (Rs.)
a) Raw material & Components	6,98,233 (5,97,493)
b) Stores & Spare parts including Tools	14,66,053 (11,20,205)
c) Plant and Machinery	4,18,986 (—)

IV EXPENDITURE IN FOREIGN CURRENCY

Overseas Travelling	3,93,128 (3,91,607)
Other Expenses	— (4,682)
Exchange Rate Difference (Net)	— (33,189)

V INCOME IN FOREIGN CURRENCY

Export Sales	84,14,681 (75,18,752)
Exchange Rate Difference (Net)	1,07,168 (—)

Previous year's figures have been regrouped and rearranged wherever necessary to make them comparable with those of the current year.

As per our Report of even date
for O.P. DADU & CO.

Chartered Accountants

FRN 001201N

O.P.Dadu

Partner

M.No. 010871

Place : New Delhi

Dated : 30.05.2016

For and on behalf of the Board of Directors

D.N.Tulshyan
Chief Financial Officer

R.K. Sapra
Company Secretary

Gaurav Gupta
Director
DIN : 00047372

S.C.Jain
Executive Director
DIN: 00092079



INDEPENDENT AUDITORS' REPORT ON CONSOLIDATED FINANCIAL STATEMENTS

To
The Members of
IST Limited

Report on the Consolidated Financial Statements

We have audited the accompanying consolidated financial statements of IST Limited ("the Holding Company") and its wholly owned subsidiary and an associate (collectively referred to as "the Company" or "the Group"), comprising of the consolidated balance sheet as at 31 March 2016, the consolidated statement of profit and loss, the consolidated cash flow statement for the year then ended, and a summary of the significant accounting policies and other explanatory information (hereinafter referred to as "the consolidated financial statements").

Management's Responsibility for the Consolidated Financial Statements

The Holding Company's Board of Directors is responsible for the preparation of the consolidated financial statements in terms of the requirements of the Companies Act, 2013 ("the Act") that give a true and fair view of the consolidated financial position, consolidated financial performance and consolidated cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Companies Act, 2013 (hereinafter referred to as "the Act") read with Rule 7 of the Companies (Accounts) Rules, 2014. The Board of Directors of the Company are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; the selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the 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 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 financial statements by the Directors of the Holding Company, as aforesaid.

Auditors' Responsibility

Our responsibility is to express an opinion on the consolidated financial statements based on our audit. While conducting the 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 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 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 financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Holding Company's preparation of the consolidated financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of 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 financial statements.

We believe that the audit evidence obtained by us is sufficient and appropriate to provide a basis for our audit opinion on the consolidated financial statements.

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid consolidated 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 of the Company, as at 31 March 2016, and their consolidated profit and their consolidated cash flows for the year ended on that date.

Report on Other Legal and Regulatory Requirements

1. As required by sub-section 3 of Section 143 of the Act, 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 purposes of our audit of the aforesaid consolidated financial statements.
 - (b) In our opinion, proper books of account as required by law relating to preparation of the aforesaid consolidated financial statements have been kept so far as it appears from our examination of those books.
 - (c) The consolidated balance sheet, the consolidated statement of profit and loss, and the consolidated cash flow statement dealt with by this Report are in agreement with the relevant books of account maintained for the purpose of preparation of the consolidated financial statements.
 - (d) In our opinion, the aforesaid consolidated financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
 - (e) On the basis of the written representations received from the directors of the Holding Company as on 31 March 2016 taken on record by the Board of Directors of the Holding Company and the report of the statutory auditors of its subsidiary companies incorporated in India, none of the Directors of the Group companies incorporated in India is disqualified as on 31 March 2016 from being appointed as a Director of that company in terms of sub-section 2 of Section 164 of the Act.
 - (f) With respect to the adequacy of the internal financial controls over financial reporting of the Group 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, in our opinion and to the best of our information and according to the explanations given to us:
 - i) The consolidated financial statements disclose the impact of pending litigations on the consolidated financial position of the Group. Refer Note 30 to the consolidated financial statements;
 - ii) The Group did not have any material foreseeable losses on long-term contracts including derivative contracts
 - 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 companies and associate company incorporated in India.

For O.P. DADU & CO.
Chartered Accountants
FRN. 001201N

Place : New Delhi
Dated : 30.05.2016

(O.P. DADU)
Partner
Membership No. 010871



ANNEXURE TO THE AUDITORS' REPORT

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 financial statements of the Company as of and for the year ended 31 March 2016, we have audited the internal financial controls over financial reporting of IST Limited ("the Holding Company") and its subsidiary companies 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 and its subsidiary companies, 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 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") issued by ICAI 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 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, the Holding Company and its subsidiary companies, 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 31 March 2016, 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 ICAI.

For O.P. DADU & CO.
Chartered Accountants
FRN. 001201N

Place : New Delhi
Dated : 30.05.2016

(O.P. DADU)
Partner
Membership No. 010871



IST LIMITED

CONSOLIDATED BALANCE SHEET AS AT 31ST MARCH, 2016

Particulars	Note No.	As at 31.03.2016 Rs.	As at 31.03.2015 Rs.
EQUITY AND LIABILITY			
Shareholders' funds			
Share capital	2	5,84,67,546	5,84,67,546
Reserves and Surplus	3	4,38,83,82,342	3,68,42,35,452
		4,44,68,49,888	3,74,27,02,998
Non-current liabilities			
Long term borrowings	4	12,50,00,000	—
Deferred tax liabilities (net)	5	1,78,56,000	1,74,60,000
Other Long Term Liabilities	6	36,90,08,348	33,28,39,074
Long-term provisions	7	1,00,76,990	91,65,537
		52,19,41,338	35,94,64,611
Current liabilities			
Short-term borrowings	8	12,27,868	—
Trade payables	9	56,84,219	40,55,203
Other current liabilities	10	2,60,72,198	1,47,78,263
Short-term provisions	11	1,30,58,942	73,75,609
		4,60,43,227	2,62,09,075
		5,01,48,34,453	4,12,83,76,684
ASSETS			
Non-current assets			
Fixed Assets	12		
Tangible assets		1,41,29,90,788	1,43,15,41,102
Intangible assets		5,59,803	8,42,048
Capital work- in-progress		—	—
		1,41,35,50,591	1,43,23,83,150
Non-current investments	13	2,51,96,86,837	1,54,10,64,537
Long-term loans and advances	14	67,70,39,233	84,64,09,338
Other Non-current Assets	15	6,20,740	6,20,740
		4,61,08,97,401	3,82,04,77,765
Current assets			
Current Investments	16	—	15,022
Inventories	17	7,41,32,911	6,28,64,967
Trade receivables	18	6,68,59,410	4,27,18,064
Cash and cash equivalents	19	4,12,89,472	3,37,24,565
Short-term loans and advances	20	16,42,45,457	15,93,51,404
Other current assets	21	5,74,09,802	92,24,897
		40,39,37,052	30,78,98,919
		5,01,48,34,453	4,12,83,76,684

Accompanying notes forming part of the financial statements

As per our Report of even date
for O.P. DADU & CO.

Chartered Accountants

FRN 001201N

O.P.Dadu

Partner

M.No. 010871

Place : New Delhi

Dated : 30.05.2016

D.N.Tulshyan
Chief Financial Officer

R.K. Sapra
Company Secretary

Gaurav Gupta
Director
DIN : 00047372

S.C.Jain
Executive Director
DIN: 00092079

For and on behalf of the Board of Directors



CONSOLIDATED PROFIT & LOSS ACCOUNT FOR THE YEAR ENDED 31ST MARCH, 2016

Particulars	Note No.	For the year ended 31.03.2016 Rs.	For the year ended 31.03.2015 Rs.
INCOME			
Revenue from operations	22	78,67,04,810	76,94,73,481
Other income	23	23,84,53,257	9,47,63,036
Total Revenue		1,02,51,58,067	86,42,36,517
Expenses			
Cost of materials consumed	24	4,21,04,929	3,56,57,159
Purchases of Stock-in-trade	25	—	4,343
Change in inventories	26	(1,04,69,041)	78,31,196
Employees benefit expense	27	8,52,41,305	8,13,77,443
Finance charges	28	33,43,112	2,56,052
Depreciation		2,59,01,696	2,62,75,974
Other expenses	29	11,12,48,989	9,42,37,492
		25,73,70,990	24,56,39,659
Profit before tax		76,77,87,077	61,85,96,858
Tax expenses			
Current tax		16,13,00,000	13,06,00,000
Less: Mat Credit		(9,12,00,000)	(9,69,00,000)
Deferred tax		3,96,000	(6,77,000)
Profit after tax		69,72,91,077	58,55,73,858
Prior period adjustment Income tax/ Interest		7,53,936	(46,569)
Profit after tax and adjustment but before share of profit from associates		69,80,45,013	58,55,27,289
Share of profit from Associates		61,01,877	(29,35,643)
		70,41,46,890	58,25,91,646
Earning per share			
Basic & Diluted		120.74	99.89
(Refer note no.36)			
Accompanying notes forming part of the financial statements			

As per our Report of even date
for O.P. DADU & CO.
Chartered Accountants
FRN 001201N
O.P.Dadu
Partner
M.No. 010871
Place : New Delhi
Dated : 30.05.2016

D.N.Tulshyan
Chief Financial Officer

R.K. Sapra
Company Secretary

Gaurav Gupta
Director
DIN : 00047372

S.C.Jain
Executive Director
DIN: 00092079

For and on behalf of the Board of Directors



IST LIMITED

CONSOLIDATED CASH FLOW STATEMENT FOR THE PERIOD ENDED 31ST MARCH, 2016

(Pursuant to clause 32 of the Listing Agreement)

Amount in Rs.

Particulars	2015-2016	2014-2015
CASH FLOW FROM OPERATING ACTIVITIES		
Net Profit before tax and extra ordinary item	76,77,87,077	61,85,96,858
Depreciation	2,59,01,696	2,62,75,974
Interest (Net)	(8,16,79,219)	(3,36,25,178)
Sundry Dr/Cr Balances Adjusted	4,19,011	2,52,194
Investment written Off (NSC)	40,000	—
Discount & Liquidated Damages	11,31,213	57,96,872
Amount written back (net)	(64,701)	(25,939)
(Profit)/ Loss on sale of Fixed Assets	1,22,165	2,37,147
(Profit)/ Loss on Investments & Derivatives	(9,20,03,344)	(1,29,82,324)
Demunition in value of Investment	(8,976)	(6,288)
Dividend	(8,639)	(1,40,62,560)
	(14,61,50,794)	(2,81,40,102)
Operating Profit before working capital changes	62,16,36,283	59,04,56,756
Change in :		
Trade receivables	(2,56,91,568)	86,93,327
Inventories	(1,12,67,944)	86,97,175
Short term Loan & Advances	(49,37,096)	(9,29,46,945)
Other current Assets	(4,81,84,905)	(55,61,884)
Other non current Assets	—	(5,00,000)
Long term Loan & Advances	26,05,70,105	(1,44,55,532)
Other Long Term Liabilities	3,61,69,274	67,43,341
Long term provisions	9,11,453	9,74,054
Short term Provisions	6,71,190	12,59,342
Trade Payables	16,29,016	(3,08,759)
Other current liabilities	1,13,58,636	18,22,723
	22,12,28,161	(8,55,83,158)
	84,28,64,444	50,48,73,598
Interest paid	(31,32,489)	(54,530)
Direct Taxes paid	(15,54,90,880)	(13,21,34,852)
	(15,54,90,880)	(13,21,34,852)
Net Cash from Operating Activities	68,42,41,075	37,26,84,216
CASH FLOW FROM INVESTING ACTIVITIES		
Purchase of Fixed assets	(72,98,140)	(73,57,633)
Sale of Fixed assets	1,06,838	4,08,000
Interest Received	8,48,11,708	3,36,79,708
Sale of Non Current Investment	1,78,00,72,091	53,42,19,203
Purchase of Non Current Investment	(2,66,06,05,172)	(95,61,70,911)
Dividend	8,639	1,40,62,560
Net Cash used in Investing Activities	(80,29,04,036)	(38,11,59,073)
CASH FLOW FROM FINANCING ACTIVITIES		
Borrowings /(Repayment) of borrowings- Cash Credit	12,27,868	(16,39,172)
Borrowings /(Repayment) of borrowings- Term Loan	12,50,00,000	—
Net Cash from Financing Activities	12,62,27,868	(16,39,172)
Net change in Cash & cash		
Equivalents (A+B+C)	75,64,907	(1,01,14,029)
Cash & Cash Equivalents		
- Opening Balance	3,37,24,565	4,38,38,594
- Closing Balance	4,12,89,472	3,37,24,565
	75,64,907	(1,01,14,029)

As per our Report of even date
for O.P. DADU & CO.

Chartered Accountants

FRN 001201N

O.P.Dadu

Partner

M.No. 010871

Place : New Delhi

Dated : 30.05.2016

D.N.Tulshyan

Chief Financial Officer

R.K. Sapra

Company Secretary

For and on behalf of the Board of Directors

Gaurav Gupta

Director

DIN : 00047372

S.C.Jain

Executive Director

DIN: 00092079



NOTES TO CONSOLIDATED FINANCIAL STATEMENTS AS AT 31ST MARCH, 2016

NOTE 1: SIGNIFICANT ACCOUNTING POLICIES

Basis of accounting and preparation of consolidated financial statements

The consolidated financial statements of the Company, its subsidiary and associate entity have been prepared in accordance with the Generally Accepted Accounting Principles in India (Indian GAAP) to comply with the Accounting Standards specified under Section 133 of the Companies Act, 2013, read with Rule 7 of the Companies (Accounts) Rules, 2014 and the relevant provisions of the Companies Act, 2013 ("the 2013 Act") / Companies Act, 1956 ("the 1956 Act"), as applicable. The consolidated financial statements have been prepared on accrual basis under the historical cost convention. The accounting policies adopted in the preparation of the consolidated financial statements are consistent with those followed in the previous year.

a) Principles of consolidation

The consolidated financial statements relate to IST Limited, its subsidiary company, and the share of profit / loss in its associates. The consolidated financial statements have been prepared on the following basis:

- i) The financial statements of the subsidiary company and associate used in the consolidation are drawn upto the same reporting date as that of the Company i.e., 31 March, 2016.
- ii) The financial statements of the Company and its subsidiary companies have been combined on a line-by-line basis by adding together like items of assets, liabilities, income and expenses, after eliminating intra-group balances, intra-group transactions and resulting unrealised profits or losses, unless cost cannot be recovered.
- iii) The consolidated financial statements include the share of profit / loss of the associate companies which have been accounted for using equity method as per AS 23 *Accounting for Investments in Associates in Consolidated Financial Statements*. Accordingly, the share of profit/ loss of associate company (the loss being restricted to the cost of investment) has been added to / deducted from the cost of investment.
- iv) The difference between the cost of investment in the associate and the share of net assets at the time of acquisition of shares in the associate is identified in the consolidated financial statements as Goodwill or Capital reserve as the case may be.

b) Valuation of Inventories :

- i) Raw Material, Stores, Spares and purchased components, Finished Goods, and Goods under process are valued at cost on weighted average basis or net realisable value which ever is lower.
- ii) Tools and Instruments are valued at cost less depletion in value.
- iii) Stock of Scrap is valued at estimated realisable value.

c) Cash and cash equivalents (for purposes of Cash Flow Statement)

Cash comprises cash on hand and demand deposits with banks. Cash equivalents are short-term balances (with an original maturity of three months or less from the date of acquisition), highly liquid investments that are readily convertible into known amounts of cash and which are subject to insignificant risk of changes in value.

d) Cash flow statement

Cash flows are reported using the indirect method, whereby profit / (loss) before extraordinary items and tax is adjusted for the effects of transactions of non-cash nature and any deferrals or accruals of past or future cash receipts or payments. The cash flows from operating, investing and financing activities of the Company are segregated based on the available information.

e) Revenue Recognition:-

- i) Sales are recognized when goods are supplied
- ii) Processing Income: Processing income is recognized after services are rendered.

f) Other Income

Interest income is accounted on accrual basis. Dividend income is accounted for when the right to receive it is established

g) Foreign Exchange Transactions:-

Foreign Exchange transactions are recorded at the exchange rate prevailing on the date of transaction. The difference in realized gains and losses on foreign exchange transactions other than those relating to the fixed assets are recognized in the profit and loss account.

h) Excise Duty :

The Excise Duty is accounted for at the time of dispatch of goods from the Factory.

i) Tangible and Intangible fixed assets

Tangible fixed assets are stated at cost less accumulated depreciation / amortization and impairment losses, if any. Cost includes expenses incidental to the acquisition/installation of assets.. Intangible assets are recorded at the consideration paid for acquisition of such assets and are carried at cost less accumulated amortization and impairment. Interest on loans to acquire qualifying assets is added to the cost of fixed assets in accordance with Accounting Standard 16 on "Borrowing Costs"



j) Depreciation / Amortization

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.

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.

k) Employees Retirement Benefits :

Company's Contribution towards Provident Fund is charged to Profit & Loss Account. The amount of gratuity & leave encashment benefits on the basis of actuarial valuation is charged to Profit & Loss Account.

l) In determining earnings per share, the company considers the net profit after tax and includes the post-tax effect of any extraordinary items. The number of shares used in computing basic earnings per share is the number of shares outstanding during the period.

m) Claims :

Credits for certain claims such as interest on Telephone Deposits, Insurance, and Customs Duty Drawback etc. are taken as and when determined or received.

n) The liability for reimbursement of Medical Expenses and Leave Travel Allowance is provided for at the time when the same is due and the claim is made irrespective of the time of expenditure incurred by the employees.

o) Liquidated damages on Defence Sales are accounted for as and when ascertained.

p) Taxes on income

Current tax is the amount of tax payable on the taxable income for the year as determined in accordance with the applicable tax rates and the provisions of the Income Tax Act, 1961 and other applicable tax laws.

Deferred tax is recognised on timing differences, being the differences between the taxable income and the accounting income that originate in one period and are capable of reversal in one or more subsequent periods. Deferred tax is measured using the tax rates and the tax laws enacted or substantively enacted as at the reporting date. Deferred tax liabilities are recognised for all timing differences. Deferred tax assets are recognised for timing differences of items other than unabsorbed depreciation and carry forward losses only to the extent that reasonable certainty exists that sufficient future taxable income will be available against which these can be realised. However, if there are unabsorbed depreciation and carry forward of losses and items relating to capital losses, deferred tax assets are recognised only if there is virtual certainty supported by convincing evidence that there will be sufficient future taxable income available to realise the assets. Deferred tax assets and liabilities are offset if such items relate to taxes on income levied by the same governing tax laws and the Company has a legally enforceable right for such set off. Deferred tax assets are reviewed at each balance sheet date for their realisability.

Current and deferred tax relating to items directly recognised in reserves are recognised in reserves and not in the Statement of Profit and Loss.

q) Investments

Investments that are readily realisable and are intended to be held for not more than one year from the date, on which such investments are made, are classified as current investments. All other investments are classified as long term investments. Current investments are carried at cost or fair value, whichever is lower. Long-term investments are carried at cost. However, provision for diminution is made to recognise a decline, other than temporary, in the value of the investments, such reduction being determined and made for each investment individually

r) Provisions, Contingent Liabilities and Contingent Assets

i. Provisions are recognized in terms of Accounting Standard 29 – 'Provisions, Contingent Liabilities and Contingent Assets' as mandated by Rule 3 of the Companies (Accounting Standards) Rules, 2006, when there is a present obligation as a result of past events where it is probable that there will be outflow of resources to settle the obligation and a reliable estimate of the amount of the obligation can be made.

ii. Contingent Liabilities are recognized and disclosed only when there is a possible obligation arising from past events due to occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Company or where any present obligation cannot be measured in terms of future outflow of resources or where a reliable estimate of the obligation cannot be made. Obligations are assessed on an ongoing basis and only those having a largely probable outflow of resources are provided for.

iii. Contingent assets are not recognized in the financial statements.

s) Impairment of Assets

The Company reviews the carrying value of its fixed assets for any possible impairment at each Balance Sheet date. An impairment loss is recognized when the carrying amount of an asset exceeds its recoverable amount. The recoverable amount is the greater of net selling price and value in use. In assessing the value in use, the estimated future cash flows are discounted to their present value at an appropriate discount rate.

IST LIMITED



	As at 31.03.2016 Rs.	As at 31.03.2015 Rs.
Note 2: SHARE CAPITAL		
Authorised		
1,00,00,000 equity shares of Rs. 10/- each	10,00,00,000	10,00,00,000
Issued		
60,27,728 Equity Shares of Rs. 10/- each	6,02,77,280	6,02,77,280
Subscribed and fully paid up		
58,32,056 Equity Shares of Rs. 10/- each fully paid up	5,83,20,560	5,83,20,560
Add : Shares Forfeited	1,46,986	1,46,986
	5,84,67,546	5,84,67,546

a) Reconciliation of the Outstanding at the beginning and at the end of the reporting period

	31.03.2016		31.03.2015	
	No. of Shares	Rs.	No. of Shares	Rs.
Ordinary Shares				
At the beginning of the year	58,32,056	5,83,20,560	58,32,056	5,83,20,560
Issued during the year	—	—	—	—
Outstanding at the end of the period	58,32,056	5,83,20,560	58,32,056	5,83,20,560

b) Shareholder Holding more than 5% shares in the Company

	%	%
M/s Gupta International Investment Company Ltd 29,13,221 Shares (Previous year 29,13,221 Shares)	49.95	49.95
M/s Antique Investment Company Private Ltd 9,55,700 Shares (Previous year 9,55,700 Shares)	16.39	16.39

Note 3: RESERVES AND SURPLUS

Securities premium account		
Share premium on 12,11,716 shares @ Rs.5/- each as per last year Balance Sheet	60,58,580	60,58,580
General reserve		
as per last year Balance Sheet	1,10,80,04,235	1,10,80,04,235
Surplus in Statement of Profit & Loss		
Opening Balance	2,57,01,72,637	1,98,81,28,131
Less: Depreciation on transition to Schedule II of the Companies Act 2013 on tangible fixed assets with nil remaining useful life(Net of deferred tax)	—	(5,47,140)
	2,57,01,72,637	1,98,75,80,991
Add: Net Profit for the current year	70,41,46,890	58,25,91,646
	3,27,43,19,527	2,57,01,72,637
	4,38,83,82,342	3,68,42,35,452

Note 4: LONG TERM BORROWINGS

Term Loan		
From Non Banking Financial Corporation		
Secured	12,50,00,000	—
	12,50,00,000	—

Secured by Pledge of 100 HUDCO and 100 IRFC Tax Free Bonds of Rs 20 Crores and repayable upto 24 months. Interest is payable @ 9.50% p.a. on monthly basis.



IST LIMITED

	As at 31.03.2016 Rs.	As at 31.03.2015 Rs.
Note 5: DEFERRED TAX LIABILITIES (NET)		
Difference of assets between Books of account and as per income-tax	708,90,575	6,83,06,102
Less: Expenses allowed for tax purpose on payment basis	<u>158,55,347</u>	<u>1,44,91,533</u>
	550,35,228	5,38,14,569
Deferred tax liabilities (Net)	<u>178,56,000</u>	<u>1,74,60,000</u>
Note 6: OTHER LONG TERM LIABILITIES		
Security Deposit	<u>36,90,08,348</u>	<u>33,28,39,074</u>
	<u>36,90,08,348</u>	<u>33,28,39,074</u>
Note 7: LONG-TERM PROVISIONS		
Provisions for employees benefits		
Provisions for Gratuity	66,12,796	58,58,084
Provisions for Leave Encashment	<u>34,64,194</u>	<u>33,07,453</u>
	<u>1,00,76,990</u>	<u>91,65,537</u>
Note 8: SHORT-TERM BORROWINGS		
Cash Credit from Bank (Secured)		
State Bank of India (Secured by hypothecation of charge on entire current assets, book debts, receivables, documentary bills, domestic, export of the company both present and future.)	<u>12,27,868</u>	—
	<u>12,27,868</u>	—
Note 9: TRADE PAYABLES		
For Goods	<u>56,84,219</u>	<u>40,55,203</u>
	<u>56,84,219</u>	<u>40,55,203</u>
Note 10: OTHER CURRENT LIABILITIES		
Retention Money	—	11,40,578
Capital Expenses	—	6,14,670
Statutory Remittances	21,03,050	14,51,397
Book overdraft	39,43,429	18,06,495
Expenses Payable		
Director's	2,09,837	2,76,605
Others	<u>1,98,15,882</u>	<u>94,88,518</u>
	<u>2,60,72,198</u>	<u>1,47,78,263</u>
Note 11: SHORT-TERM PROVISIONS		
Provision for employee benefits		
Provisions for Gratuity	53,85,994	49,52,201
Provisions for Leave Encashment	26,60,805	24,23,408
Provision for Tax	50,12,143	—
Note : Provision is net of Prepaid Tax Rs. 39,98,87,857	<u>1,30,58,942</u>	<u>73,75,609</u>



NOTE '12' FIXED ASSETS

Particulars	GROSS BLOCK				DEPRECIATION				NET BLOCK	
	Cost as at 31.3.2015 Rs.	Additions during the Year Rs.	Deductions during the Year Rs.	As at 31.3.2016 Rs.	As at 31.3.2015 Rs.	For the year Rs.	Adjustments during the year Rs.	Upto 31.3.2016 Rs.	As at 31.3.2016 Rs.	As at 31.3.2015 Rs.
Tangible Assets										
Freehold Land	1,14,62,10,352	—	—	1,14,62,10,352	—	—	—	—	1,14,62,10,352	1,14,62,10,352
Building	13,02,94,056	—	—	13,02,94,056	56,23,694	20,61,170	—	76,84,864	12,26,09,192	12,46,70,362
Plant & Machinery	26,59,62,153	67,56,314	4,80,450	27,22,38,017	15,57,21,006	1,54,00,847	2,54,309	17,08,67,544	10,13,70,473	11,02,41,147
Furniture	4,72,59,511	57,450	—	4,73,16,961	1,15,98,467	45,82,946	—	1,61,81,413	3,11,35,548	3,56,61,044
Office Equipments	1,06,51,935	4,35,920	4,400	1,10,83,455	60,90,027	14,05,877	1,538	74,94,366	35,89,089	45,61,908
Vehicles	1,83,40,245	—	—	1,83,40,245	81,43,956	21,20,155	—	1,02,64,111	80,76,134	1,01,96,289
Total	1,61,87,18,252	72,49,684	4,84,850	1,62,54,83,086	18,71,77,150	2,55,70,995	2,55,847	21,24,92,298	1,41,29,90,788	1,43,15,41,102
Intangible Assets										
Computer Software	19,49,835	48,456	—	19,98,291	11,07,787	3,30,701	—	14,38,488	5,59,803	8,42,048
Total	1,62,06,68,087	72,98,140	4,84,850	1,62,74,81,377	18,82,84,937	2,59,01,696	2,55,847	21,39,30,786	1,41,35,50,591	1,43,23,83,150
Previous year	1,60,76,63,442	1,53,29,923	23,25,278	1,62,06,68,087	16,28,78,954	2,62,75,974	(8,69,991)	18,82,84,937	1,43,23,83,150	



IST LIMITED

	As at 31.03.2016 Rs.	As at 31.03.2015 Rs.
Note 13: NON-CURRENT INVESTMENTS (AT COST)		
Other Investment		
Investments in Equity Instruments		
(A) Unquoted (Fully paid up)		
In Associate Company		
88,40,000 Equity Shares of IST Steel & Power Ltd of Rs.10/- each (including goodwill on acquisition of stake of associates of Rs. 54,92,481/-) Add: Share in post acquisition accumulated profit	8,84,00,000	8,84,00,000
	65,00,135	3,98,258
	9,49,00,135	8,87,98,258
(B) Quoted (Fully paid up)		
Others		
4,800 Equity Shares of J.C.T.Ltd. of Rs.2.50 each	2,93,399	2,93,399
2,000 Equity Shares of C.T.Cotton Yarn Ltd. of Rs.10/- each	50,838	50,838
8,000 Equity Shares of Rossel India Ltd. of Rs.10/- each	11,66,452	—
	15,10,689	3,44,237
Less: Demuntion in value of Investment	(3,20,861)	(3,29,837)
	11,89,828	14,400
Investments in Preference Shares		
Associate Company		
15,00,000 9% Non Cumulative, Non Convertible Preference Shares of Rs.100/-each of IST Steel & Power Ltd, Redeemable at par	15,00,00,000	15,00,00,000
Related Parties		
3,59,000 9%Non Cumulative,Non Convertible Redeemable Preference Shares of Vinayakinfra Developers Pvt Ltd. of face value of Rs.100/- each	3,59,89,750	—
4,50,000 9% Non Cumulative,Non Convertible Redeemable Preference Shares of IST SOFTECH Pvt Ltd. of face value of Rs.100/- each	4,51,12,500	—
Others		
11,50,000 9% Non Cumulative, Non Convertible Preference Shares of Rs.100/-each of Subham Infradevelopers (P) Ltd	11,50,00,000	11,50,00,000
Investments in Bonds		
Quoted		
1,58,255/(1,58,255) 7.51%, HUDCO 15 Years Tax-free Bonds of Rs.1000/- each	15,83,08,799	15,83,08,799
24,982 7.28% NTPC 15 Years Tax free Bond Series 2A Rs.1000/- each	2,49,82,000	—
Unquoted:		
100 7.15% IRFC 10 Years Tax free Bond Series 100 Rs.10,00,000/-each	10,00,20,000	—
200 7.00%, HUDCO 10 Years Tax-free Bonds Series C Rs.10,00,000/- each	20,00,20,000	—
600 7.28% NHAI 15 Years Tax free Bond of Rs.10,00,000/-each	59,70,25,602	—
205 7.07 %, HUDCO 10 Years Tax-free Bond of Rs.10,00,000/- each	20,35,28,960	—
Investments in Debenture		
Quoted		
1,00,000 9.90%, IFCI Secured, Redeemable, Non convertible Debenture of face value of Rs1000/-each	10,00,00,000	10,00,00,000
Investments in Mutual Fund		
Unquoted:		
10,996 / (4,43,888) SBI Premier Liquid Fund -Direct Plan -Growth	2,61,16,440	92,88,83,080
Investment in Immovable Property		
Sub Lease of commercial property at Noida (Pending Registration)	46,94,79,255	—
Sub Lease of commercial property at Noida (Pending Registration)	19,79,93,568	—
National Saving Certificate [Refer Note No. 32]	20,000	60,000
	2,51,96,86,837	1,54,10,64,537
i) Aggregated value of Quoted Investments		
Cost	28,48,01,488	25,86,53,036
Market value	30,12,73,894	26,68,17,050
Aggregated value of Unquoted Investments cost	1,56,12,13,252	1,28,22,83,080
ii) 100 Bonds of IRFC and 100 Bonds of HUDCO are pldged with HDB Financial Services Ltd against term loan of Rs. 12.50 Crores		



	As at 31.03.2016 Rs.	As at 31.03.2015 Rs.
Note 14: LONG-TERM LOANS AND ADVANCES		
(Unsecured Considered good)		
Capital Advances		
Related Party	5,00,00,000	5,00,00,000
Others	15,85,46,324	42,97,52,002
Security Deposits		
Related Party	39,60,000	39,60,000
Others	93,57,929	17,69,479
Loans & Advances		
Related Party	4,06,65,923	3,76,18,800
Mat Credit Receivable	41,45,09,057	32,33,09,057
	<u>67,70,39,233</u>	<u>84,64,09,338</u>
Note 15: OTHER NON-CURRENT ASSETS		
Term Deposits remaining maturity more than 12 months (Pledged with Sales Tax Dept. Rs.120740/- & State Bank of India Rs. 500000/-)	6,20,740	6,20,740
	<u>6,20,740</u>	<u>6,20,740</u>
Note 16: CURRENT INVESTMENTS (AT COST)		
Other Investment in Mutual funds (Unquoted)		
0 / (15) SBI Premier Liquid Fund Direct Plan Daily Dividend	—	15,022
	<u>—</u>	<u>15,022</u>
Note 17 : INVENTORIES		
(As taken, valued and certified by the management)		
Raw materials	88,05,837	86,25,796
Work in Progress	5,08,76,154	4,18,33,368
Finished Goods	49,09,163	37,76,208
Stores & Spare parts	77,61,834	71,42,972
Scrap	17,79,923	14,86,623
	<u>7,41,32,911</u>	<u>6,28,64,967</u>
Note : Refer Note 1 (b).for mode of valuation		
Note 18: TRADE RECEIVABLES		
Unsecured considered good		
Outstanding for a period exceeding six months from the due date	17,58,595	47,92,839
Others	6,51,00,815	3,79,25,225
	<u>6,68,59,410</u>	<u>4,27,18,064</u>



IST LIMITED

	As at 31.03.2016 Rs.	As at 31.03.2015 Rs.
Note 19: CASH & CASH EQUIVALENTS		
Cash in hand	6,97,828	6,29,996
Cheques / Drafts in Hand	1,44,98,025	63,02,728
Foreign exchange in hand	7,00,187	1,43,584
With Scheduled Banks		
In Current Accounts	8,79,934	55,35,602
Term Deposit	94,75,681	94,06,485
Balance held as Margin Money	1,50,37,817	1,17,06,170
	<u>4,12,89,472</u>	<u>3,37,24,565</u>

Note 20 : SHORT TERM LOANS & ADVANCES

Unsecured Considered good

Loans & Advances		
Related Party	3,26,12,048	—
Others	11,85,51,755	15,74,81,621
Loans to Empolyees	2,93,000	2,25,000
Advances Raw materials & Stores	5,54,590	3,81,226
Advance against Contract		
Others	1,00,00,000	—
Prepaid Expenses	13,62,685	4,14,993
Prepaid Taxes (net of provisions)	—	43,042
Balance with Gov.Authorities	8,71,379	8,05,022
Others	—	500
	<u>16,42,45,457</u>	<u>15,93,51,404</u>

(Note : Prepaid Tax net of provisions (Rs.34,60,00,000/-)

Note 21: OTHER CURRENT ASSETS

Unsecured Considered good

Interest Accured	4,81,87,690	55,10,104
Others	92,22,112	37,14,793
	<u>5,74,09,802</u>	<u>92,24,897</u>



	For the year ended 31.03.2016 Rs.	For the year ended 31.03.2015 Rs.
Note 22: REVENUE FROM OPERATION		
Sale of Product		
Export Sales	84,14,681	75,18,752
Domestic Sales	18,84,63,118	19,73,57,415
Other Operating Revenue		
Job Charges	—	1,17,900
Income from SEZ Operation	61,03,12,777	58,55,69,408
Revenue from Operations	80,71,90,576	79,05,63,475
Less: Excise duty	2,04,85,766	2,10,89,994
Revenue from Operations	<u>78,67,04,810</u>	<u>76,94,73,481</u>
Note 23: OTHER INCOME		
Interest		
Related Party	62,87,968	31,32,000
Tax Free Bonds	5,00,50,043	1,12,65,000
Others	2,84,73,697	1,92,82,708
Unspent liabilities written back	64,701	25,939
Dividend		
Current Investments	8,639	1,40,62,560
Profit on sale of Current Investments	28,625	5,90,980
Profit on sale of Non Current Investments	9,19,74,719	2,94,511
Profit on Sale of Units	—	1,20,96,833
Provision on Investment written back	8,976	6,288
Exchange rate difference (Net)	1,07,168	—
Rent	4,20,64,116	2,43,60,000
Sundry Debit / Credit balances adjusted	59,48,192	—
Income from Assured Return	1,23,37,544	85,90,585
Miscellaneous Receipts	10,98,869	10,55,632
	<u>23,84,53,257</u>	<u>9,47,63,036</u>
EXPENSES		
Note 24 : COST OF MATERIAL CONSUMED		
Indigenous	4,06,28,158	3,33,44,709
Imported	14,76,771	23,12,450
	<u>4,21,04,929</u>	<u>3,56,57,159</u>
Note 25 : PURCHASES OF STOCK-IN-TRADE		
	—	4,343
	—	4,343
Note 26 : CHANGE IN INVENTORIES		
Inventories at the end of the year		
Finished Goods	49,09,163	37,76,208
Goods under process	5,08,76,154	4,18,33,368
Scrap	17,79,923	14,86,623
	<u>5,75,65,240</u>	<u>4,70,96,199</u>
Inventories at the beginning of the year		
Finished Goods	37,76,208	56,48,518
Goods under process	4,18,33,368	4,82,07,162
Scrap	14,86,623	10,71,715
	<u>4,70,96,199</u>	<u>5,49,27,395</u>
	<u>(1,04,69,041)</u>	<u>78,31,196</u>



IST LIMITED

	For the year ended 31.03.2016 Rs.	For the year ended 31.03.2015 Rs.
Note 27: EMPLOYEE BENEFITS EXPENSES		
Directors' Remuneration [excluding Rs.60,000/- (previous year Rs.2,39,339/-) charged to other head of accounts]	45,90,000	45,05,590
Salaries, Wages, Bonus etc.	7,15,71,019	6,66,67,243
Gratuity	15,55,883	20,19,031
Contribution to P.F and Other Funds	34,41,124	33,01,086
Staff Welfare Expenses	40,83,279	48,84,493
	8,52,41,305	8,13,77,443
Note 28: FINANCE COSTS		
Interest	31,32,489	54,530
Bank Charges	2,10,623	2,01,522
	33,43,112	2,56,052
Note 29: OTHER EXPENSES		
Stores, Other Materials Consumed	1,19,05,341	1,33,91,392
Power and Fuel	1,31,62,904	1,38,99,419
Testing / Job Charges	2,44,611	2,49,264
Rent	56,44,500	59,40,000
Rates & Taxes	2,54,149	1,57,519
Insurance	5,80,105	5,70,356
Advertisement expenses	2,61,216	2,36,000
Repairs and maintenance		
Building	66,556	6,29,938
Plant & Machinery	24,81,462	22,36,810
Others	45,85,610	27,57,098
Travelling & Conveyance [including directors' travelling Rs.40,29,152/- (Previous year Rs.28,07,967/-)]	77,06,640	59,86,895
Selling Expenses		
Sales Tax	65,15,964	62,81,305
Export Expenses	3,86,185	3,72,384
Other Selling Expenses	7,80,211	8,99,566
Auditors' Remuneration		
Audit Fee	2,40,000	2,40,000
In Other Capacity		
For Tax Audit	85,000	85,000
For Certificates etc.	55,500	48,500
For Taxation & other matters	2,20,000	1,80,000
For Expenses	54,000	45,500
For Service Tax / Education Cess	95,446	74,037
Internal Audit Expenses	1,70,639	1,30,000
Property Tax	2,52,93,930	—
Directors' fee	57,613	42,500
Brokerage & Commission	1,31,74,927	2,07,45,335
Claim Paid	43,98,489	17,06,582
Postage, Telegram & Telephone Expenses	8,56,133	9,12,644
Business Promotion Expenses	1,47,833	9,55,382
Security Service Charges	—	66,300
Legal, Professional and Service Charges	45,26,981	34,25,421
Exchange Rate Diff	—	33,189
Previous year expenses (Net)	2,63,224	1,31,639
Discount & Liquidated Damages	11,31,213	57,96,872
Loss on sale of fixed Assets	1,22,165	2,37,147
Miscellaneous Expenses	53,21,431	47,48,361
Sundry Debit / Credit balances adjusted	4,59,011	10,25,137
	11,12,48,989	9,42,37,492



	As at 31.03.2016	As at 31.3.2015
30 Contingent Liabilities and Commitments (to the extent not provided for)		
Contingent Liabilities:-		
Guarantees given by the Bank	1,33,31,431	97,55,140
Against the Loan taken by Co-Developer (Unitech Developers and Projects Ltd) from NBFC	—	6,20,48,02,399
Court case disputed by Company	31,75,000	31,75,000
Share of Group in Contingent Liabilities of Associate	—	47,49,695
Income-tax demand disputed by Company	85,29,110	—
Other Commitments:-		
Capital Contracts to be executed	1,77,26,690	12,74,25,680
31. a. 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. 23,67,023/- (Year ended 31 March, 2015 Rs.22,40,746/-) for Provident Fund contributions and Rs. 10,74,101/- (Year ended 31 March, 2015 Rs.10,60,340/-) for Employee State Insurance Scheme contributions in the Statement of Profit and Loss. The contributions payable to these plans by the Company are at rates specified in the rules of the schemes.		
b. The Company offers the following employee benefit schemes to its employees:		
i) Gratuity included in Note no. 26 Employee benefit expenses.		
ii) Earned leave included in Note no. 26 Employee benefit expenses.		

The following table sets out the funded status of the defined benefit schemes and the amount recognised in the financial statements:

Particulars	Year ended 31 March, 2016		Year ended 31 March, 2015	
	Gratuity	Earned Leave	Gratuity	Earned Leave
Components of employer's expense				
Current service cost	9,37,453	11,10,252	8,98,177	11,85,031
Interest cost	8,37,797	4,44,142	7,99,067	4,17,092
Expected return on plan assets	—	—	—	—
Curtailment cost / (credit)	—	—	—	—
Settlement cost / (credit)	—	—	—	—
Past service cost	—	—	—	—
Actuarial losses/(gains)	(2,19,367)	(83,368)	3,21,787	5,62,246
Total expense recognised in the Statement of Profit and Loss	15,55,883	14,71,026	20,19,031	21,64,369
Actual contribution and benefit payments for the year				
Actual benefit payments	3,67,378	10,76,888	6,09,539	13,40,465
Actual contributions	—	—	—	—
Net asset / (liability) recognised in the Balance Sheet				
Present value of defined benefit obligation	1,19,98,790	61,24,999	1,08,10,285	57,30,861
Fair value of plan assets	—	—	—	—
Funded status [Surplus / (Deficit)]	(1,19,98,790)	(61,24,999)	(1,08,10,285)	(57,30,861)
Unrecognised past service costs	—	—	—	—
Net asset / (liability) recognised in the Balance Sheet	(1,19,98,790)	(61,24,999)	(1,08,10,285)	(57,30,861)
Change in defined benefit obligations (DBO) during the year				
Present value of DBO at beginning of the year	1,08,10,285	57,30,861	94,00,793	49,06,957
Current service cost	9,37,453	11,10,252	8,98,177	11,85,031
Interest cost	8,37,797	4,44,142	7,99,067	4,17,092
Curtailment cost / (credit)	—	—	—	—
Settlement cost / (credit)	—	—	—	—
Plan amendments	—	—	—	—
Acquisitions	—	—	—	—
Actuarial (gains) / losses	(2,19,367)	(83,368)	3,21,787	5,62,246
Past service cost	—	—	—	—
Benefits paid	(3,67,378)	(10,76,888)	(6,09,539)	(13,40,465)
Present value of DBO at the end of the year	1,19,98,790	61,24,999	1,08,10,285	57,30,861
Actuarial assumptions				
Discount rate	8.00	8.00	7.75	7.75
Salary escalation	6.00	6.00	6.00	6.00
Estimate of amount of contribution in the immediate next year	16,24,196	10,40,409	14,59,575	10,35,781



IST LIMITED

- 32 NSC for Rs.20,000/-(Previous year Rs.60,000/-) shown under Non Current Investments are in the name of Company's executive.
- 33 Previous year expenses/income aggregate Rs. 2,63,224/- Rs.Nil/- respectively(Previous year Rs.1,80,637/- Rs.48,998/-)
- 34 The company's investment in its wholly owned subsidiary namely Gurgaon Infospace Limited are held in its own name except six equity shares which are held in the name of its nominees.
- 35 Based on information available with the company there are no dues to Micro, Small & Medium Enterprises as defined in Micro, SME development Act,2006 as at 31.03.2016

	Year ended 31 March, 2016	Year ended 31 March, 2015
36 Earning per Share		
Profit after tax	70,41,46,890	58,25,91,646
Weighted average No of share	58,32,056	58,32,056
Nominal Value	10	10
Basic & Diluted	120.74	99.89

- 37 Consequent to the adoption of the Accounting Standard 22 on "Accounting For Taxes on Income", the Company has recognized a deferred tax liability of Rs.1,78,56,000/- accumulated till 31st March, 2016 (Previous year Rs.1,74,60,000/-)

- 38 The Company has received approval dated 19th June, 2007 from Department of Commerce (SEZ Section), Ministry of Commerce and Industry, Government of India for the development, operation and maintenance of the sector specific Special Economic Zone for IT/ITES on its land. The Company is nearing completion of development Special Economic Zone alongwith the Unitech Developers and Projects Limited in terms of Co-Development Agreement dated 17-09-2007 in terms of which receipts shall be shared between the parties in 28(GIL): 72(UDPL) ratio. The SEZ is being developed and operated in terms of the SEZ Act, 2005 and the rules framed thereunder.

39 Details of leasing arrangements:-

As Lessor

The Company has entered into operating lease arrangements for building. The lease is non-cancellable for a period of 3 years from 19/02/2014.

	Year ended 31 March, 2016	Year ended 31 March, 2015
Future minimum lease income		
not later than one year	2,98,00,000	3,36,00,000
later than one year and not later than five years	—	15,08,27,586
later than five years	—	12,82,82,500
Rents recognised as income during the year	3,79,78,566	2,43,60,000
Depreciation recognised on the leased assets	15,48,153	15,48,153
Accumulated depreciation on the leased assets	56,21,956	40,73,804
The Company has entered into various operating lease arrangements for building situated in SEZ area.		
Future minimum lease receipts		
not later than one year	69,73,00,000	56,95,00,000
later than one year and not later than five years	2,91,82,00,000	2,48,15,00,000
Rents recognised as income during the year	58,37,74,921	56,86,81,716
Depreciation recognised on the leased assets	51,82,167	51,82,167
Accumulated depreciation on the leased assets	1,61,09,402	1,09,27,235

As Lessee

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.

	Year ended 31 March, 2016	Year ended 31 March, 2015
Future minimum lease payments		
not later than one year	56,40,000	56,40,000
later than one year and not later than five years	47,59,355	1,03,99,355
Lease payments recognised in the Statement of Profit and Loss	56,40,000	59,40,000

Income received Rs.61,03,33,357 /- (Rs. 58,55,69,408/-) from SEZ operation during the year on the assets cost Rs.1,19,11,53,278 (Rs.1,19,11,53,278),WDV Rs.1,17,50,43,876 (Rs.1,18,02,26,043) and Depreciation of Rs.51,82,167 (Rs.51,82,167).



40 Information on Related Parties transactions as required by Accounting Standard(AS18)

a. Details of related parties:

Description of relationship

- (i) Associates Company
- (ii) Key Management Personnel (KMP)

Names of related parties

M/s IST Steel and Power Limited
 Shri S.C Jain, Lt. Col N.L. Khitha(Retd.),
 Mr. Mayur Gupta, Mr. Gaurav Gupta,
 Mrs. Sarla Gupta
 Mr. Prem Chand Gupta,
 Mrs. Shweta Gupta and Mrs. Priyanka Gupta

- (iii) Relatives of KMP

- (iv) Entities in which KMP / Relatives of KMP can exercise significant influence

GPC Technology Ltd, Mercantile Realtors(P) Ltd,
 Delux Associates LLP,
 IST Technology Infrastructure Pvt. Ltd,
 IST Softech Pvt. Ltd, Delight Softech Pvt Ltd,
 Eastern India Power & Mining Pvt Ltd,
 Vinayakinfra Developers Pvt Ltd

b. Details of related party transactions during the year ended 31 March, 2016 and balances outstanding as at 31 March, 2016

Particulars	Associates	Key Management Personnel	Relatives of KMP	Entities in which KMP can exercise significant influence
	Rs.	Rs.	Rs.	Rs.
During the year ending 31st March, 2016				
Remuneration		46,50,000 (47,44,929)	48,00,000 (48,00,000)	
Service Charges				9,00,000 (7,80,000)
Rent		7,20,000 (—)	7,20,000 (9,60,000)	42,00,000 (49,80,000)
Purchase of Investment				8,11,02,250 (—)
Interest Income				62,87,968 (31,32,000)
Director Meeting Fees		22,500 (15,000)		
Outstanding Balance as on 31st March, 2016				
Amount Payable		2,09,837 (2,73,000)	3,32,743 (1,79,720)	
Amount Receivable			— (-)	
Deposits				39,60,000 (39,60,000)
Capital Advance				5,00,00,000 (5,00,00,000)
Loan				7,32,77,971 (3,76,18,800)
Equity Contribution	8,84,00,000 (8,84,00,000)			
Redeemable Preference Shares	15,00,00,000 (15,00,00,000)			8,11,02,250 (—)



41 Segment Reporting :

The Company Operates in only one operational segment viz. precision engineering components / assemblies and the subsidiary company is SEZ Developer and one Geographical Segment viz. India.

42 The company has exercised its option to claim deduction u/s 80IAB of the Income Tax Act, 1961 w.e.f. Assessment year 2009-10 in respect of the profit derived by the company from the business of developing SEZ Act, 2005.

43- I RAW MATERIAL AND COMPONENTS CONSUMED

	Kgs.	Amount(Rs.)
Steel / Brass / Aluminium etc.	1,87,049	2,71,20,238
	(1,95,968)	(2,90,11,481)
Others		1,49,84,691
		(66,45,678)

II DETAILS OF CONSUMPTION OF IMPORTED AND INDIGENOUS ITEMS:-

Particulars	Total value of Consumption			Percentage of Total Consumption	
	Total	Imported	Indigenous	Imported	Indigenous
Raw Material & Components	4,21,04,929	14,76,771	4,06,28,158	3.51	96.49
	(3,56,57,159)	(23,12,450)	(3,33,44,709)	(6.49)	(93.51)
Stores & Spares	1,19,05,341	8,90,663	1,10,14,678	7.48	92.52
	(1,33,91,392)	(11,71,258)	(1,22,20,134)	(8.75)	(91.25)

III C.I.F. VALUE OF IMPORTS

	Amount(Rs.)
a) Raw material & Components	6,98,233
	(5,97,493)
b) Stores & Spare parts including Tools	14,66,053
	(11,20,205)
c) Plant and Machinery	4,18,986
	(—)

IV EXPENDITURE IN FOREIGN CURRENCY

Overseas Travelling	10,65,771
	(7,47,575)
Other Expenses	—
	(4,682)
Exchange Rate Difference (Net)	—
	(33,189)

V INCOME IN FOREIGN CURRENCY

Export Sales	84,14,681
	(75,18,752)
Exchange Rate Difference (Net)	1,07,168
	(—)

44 The property Tax in respect of SEZ at Gurgaon was determined and settled during the financial Year 2015-16 by the concerned authorities -Municipal Corporation Gurgaon under Haryana Government Notification No.14/06/2015-3CII dated 26Th June,2015. The property tax charged to the statement of profit and loss account consist of property tax for the period from 2006-07 to 2015-16.

45 Enterprises consolidated as subsidiary in accordance with Accounting Standard 21- Consolidated Financial Statements and significant enterprises consolidated as associate in accordance with Accounting Standard 23- Accounting for Investments in Associates in Consolidated Financial Statement .

IST LIMITED



Name of the entity	Relationship	Country of Incorporation	Proportion of ownership interest
Gurgaon Infospace Limited	Subsidiary	India	100%
IST Steel and Power Limited	Associate	India	25.476%

46 Additional information, as required under Schedule III to the Companies Act, 2013, of enterprises consolidated as Subsidiary/Associate.

Name of the entity	Net Assets i.e. total assets minus total liabilities		Share in profit or loss	
	As % of Consolidated Net Assets	Amount (in Rs.)	As % of Consolidated Profit or Loss	Amount (in Rs.)
IST Limited	33.16%	1,47,44,99,865	9.41%	6,62,56,931
Gurgaon Infospace Limited	64.71%	2,87,74,49,888	89.72%	63,17,88,082
IST Steel and Power Limited	2.13%	9,49,00,135	0.87%	61,01,877
Total	100.00%	4,44,68,49,888	100.00%	70,41,46,890

Previous year's figures have been regrouped and rearranged wherever necessary to make them comparable with those of the current year.

As per our Report of even date

for O.P. DADU & CO.

Chartered Accountants

FRN 001201N

O.P.Dadu

Partner

M.No. 010871

Place : New Delhi

Dated : 30.05.2016

For and on behalf of the Board of Directors

D.N.Tulshyan
Chief Financial Officer

R.K. Sapra
Company Secretary

Gaurav Gupta
Director
DIN : 00047372

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 40th Annual General Meeting of the Company held on Thursday, the 29th September, 2016 at 11.30 A.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.



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 40th Annual General Meeting of the Company to be held on Thursday, the 29th September, 2016 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. Adoption of Audited Financial Statements (including Consolidated) for the financial year ended March 31, 2016 together with the reports of the Directors' and Auditors' thereon			
2. Re-appointment of Shri S.C. Jain, who retires by rotation and being eligible offers himself for re-appointment as Director of the Company			
3. Re-appointment of Mrs. Sarla Gupta, who retires by rotation and being eligible offers himself for re-appointment as Director of the Company			
4. Ratification of appointment of M/s. O.P. Dadu & Co., Chartered Accountant, as Statutory Auditors and fixing their remuneration.			
B. SPECIAL BUSINESS			
5. Re-appointment of Shri Suresh Chand Jain, as Whole Time Director designated as Executive Director of the Company.			
6. Re-appointment of Mrs. Sarla Gupta, as Whole Time Director in wholly owned Subsidiary			

Affix
 Revenue
 Stamp
 of Rs.1/-

Signed this _____ day of _____ 2016

Signature of the Shareholder _____ Signature of proxy holder(s) _____

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.