

35th

Annual Report

2010-2011



IST LIMITED



**35th Annual Report
2010-2011**

BOARD OF DIRECTORS

AIR MARSHAL (RETD.) D. KEELOR, CHAIRMAN
P.V.S.M., K.C., A.V.S.M., V.r.c.

SHRI MAYUR GUPTA, MANAGING DIRECTOR

BRIG. (RETD.) G.S. SAWHNEY, *V.S.M.*

SHRI A. N. MUKHERJEE

LT. COL. (RETD.) N. L. KHITHA

COMPANY SECRETARY

SHRI R.K. SAPRA

BANKERS

STATE BANK OF INDIA

AUDITORS

O.P. DADU & CO.

REGISTERED OFFICE & WORKS

DHARUHERA INDUSTRIAL COMPLEX
DELHI JAIPUR HIGHWAY NO. 8, KAPRIWAS,
DHARUHERA, REWARI-123110 (HARYANA).

HEAD OFFICE

A-23, NEW OFFICE COMPLEX
DEFENCE COLONY, NEW DELHI-110024.

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

NOTICE

Notice is hereby given that the 35th Annual General Meeting of the Company will be held on Thursday, the 1st day of September, 2011 at 11.00 a.m. its Registered Office at Dharuhera Industrial Complex, Delhi Jaipur Highway No.8, Kapriwas, Dharuhera, Rewari (Haryana), to transact the following:

ORDINARY BUSINESS

1. To receive, consider and adopt the Audited Balance Sheet as on 31st March, 2011 and Profit & Loss Account for the year ended on that date together with the Reports of the Directors and Auditors thereon.
2. To appoint a Director in place of Air Marshal (Retd.) D. Keelor, who retires by rotation and being eligible, offers himself for re-appointment as a Director.
3. To appoint auditors to hold office from the conclusion of this Annual General Meeting until the conclusion of the next Annual General Meeting of the Company and to authorize the Board of Directors to fix their remuneration.

SPECIAL BUSINESS

4. To consider and if thought fit, to pass with or without modifications, the following resolution as Ordinary Resolution :

"RESOLVED THAT pursuant to Section 257 of the Companies Act, 1956, Lt. Col. (Retd.) N.L. Khitha, be and is hereby appointed as Director of the Company, liable to retire by rotation."

5. To consider and if thought fit, to pass with or without modifications, the following resolution as Special Resolution:

"RESOLVED THAT pursuant to the provisions of Section 198, 309 and other applicable provisions, if any, read with Schedule XIII of the Companies Act, 1956, for the time being in force including any modification(s) and/or re-enactment(s) thereof appointment of Lt Col (Retd.) N.L. Khitha as Director (Technical) of the Company for a period of two years, commencing from 1st June, 2011 and ending on 31st May, 2013, on the terms and conditions mentioned below, be and is hereby approved : -

Basic Pay	: Rs. 16,000/- per month
Dearness Allowance	: Rs. 5,000/- per month
House Rent Allowance	: Rs. 10,000/- per month
Other Allowances	: Rs. 9,000/- per month

PERQUISITES

PART – A

- a) **Medical Benefit for self and family** : Reimbursement of medical expenses actually incurred by the Director (Technical) and his family subject to the ceiling of Rs.15,000/- per annum.
- b) **Leave Travel Allowance** : Expenses incurred by the Director (Technical) and his family subject to the ceiling of one month's basic pay in a year.
- c) **Reimbursement of Car Maintenance** : All the expenses incurred by the Director (Technical) in connection with the running and maintenance of a car including Driver's Salary, for the purpose of Official Work.
- d) **Reimbursement of Telephone Expenses** : Free use of one telephone for the purpose of official work.

PART – B

I. Earned Leave

One month's leave as per the rules of the Company for every 11 months of service. Leave accumulated and not availed of during his tenure as Director (Technical) will be encashed as per rules of the company.

II. Reimbursement of Expenses

The Director (Technical) shall also be entitled to reimbursement of expenses actually and properly incurred for the purposes of business of the Company.

OTHER CONDITIONS

If during the currency of tenure of the Director (Technical), the 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 Section II of the Part – II of Schedule-XIII of the Companies Act, 1956.

By Order of the Board

Place: New Delhi

R.K. Sapra

Dated: 27th May 2011

Company Secretary

NOTES:

1. **A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE ON POLL INSTEAD OF HIMSELF AND A PROXY NEED NOT BE A MEMBER OF THE COMPANY. FORM OF PROXY IS SEPARATELY ANNEXED. THE PROXY FORM MUST BE DEPOSITED AT THE REGISTERED OFFICE OF THE COMPANY NOT LESS THAN 48 HOURS BEFORE THE COMMENCEMENT OF THE MEETING.**
2. The Register of Members and Share Transfer Books of the Company will remain closed from 24th August, 2011 to 1st September, 2011 (both days inclusive).



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3. Members/Proxies should bring the attendance slip duly filled in along with copy of Annual Report for attending the meeting.
4. Corporate members intending to send their authorised representatives to attend the meeting are requested to send a certified copy of the Board Resolution authorizing their representative to attend and vote on their behalf at the meeting.
5. Members who hold shares in dematerialised form are requested to write their Client ID and DP ID and those who hold shares in physical form are requested to write their folio number in the attendance slip for attending the meeting.
6. In case of joint holders attending the meeting, only such joint holders who is higher in the order of names will be entitled to vote.
7. Members are requested to notify immediately any change in their address to the Registrar & Transfer Agent quoting their Folio Number to the following address:

MAS Services Limited

T-34, 2nd Floor, Okhla Industrial Area Phase-II, New Delhi-110020

8. Members who have multiple ledger folios in identical names or joint names in same order are requested to intimate/send the concerned share certificates quoting their folios of such accounts to enable the Registrar & Transfer Agent to consolidate all such shareholdings into one folio.
9. Members intending to seek any information on the Annual Accounts at the meeting are requested to inform the company in writing at least one week prior to the date of the meeting.
10. Details of the Directors seeking appointment/reappointment at the forthcoming Annual General Meeting (Pursuant to clause 49 of the Listing Agreement):

(a)

Name	Air Marshal (Retd.) D. Keelor
Date of Birth	07th December 1933
Qualifications	PVSM, KC, AVSM, V.r.c.
Expertise in specific functional area	Held various distinguished positions in Air Force and Civil Aviation and has vast experience in Administration. He is one of the highest decorated Air Force Officers in the country.
Date of appointment as Director of the Company	27th December, 1996
Directorship of other companies	Lubetec India Pvt. Ltd.
Chairman/Member of Committees of other Companies	Nil

(b)

Name	Lt. Col. (Retd.) N.L. Khitha
Date of Birth	25th September, 1937
Qualifications	Lt. Col. (Retd.) from Indian Army.
Expertise in specific functional area	Held various distinguished positions in Army and has vast experience in Technical and Administration fields.
Date of appointment as Director of the Company	1st June, 2011
Directorship of other companies	GPC Technology Limited
Chairman/Member of Committees of other Companies	Chairman, Audit Committee, GPC Technology Limited Member, Shareholders Grievance Committee, GPC Technology Limited

11. Pursuant to General Circular No. 2/2011 (No.: 51/12/2007 - CL-III) dated 8th February, 2011, the Company has not attached annual accounts of its subsidiary Company with the Annual Report. Members who desire to obtain the annual accounts of subsidiary Company, may write to the Company Secretary at the Registered Office of the Company. The annual accounts of subsidiary Company shall be kept available at the Registered Office and the Head Office of the Company for inspection by any member during working hours.

Place: New Delhi
Dated: 27th May, 2011

By Order of the Board
R.K. Sapa
Company Secretary



Explanatory Statement Pursuant to Section 173(2) of the Companies Act, 1956.

Item No. 4

Lt. Col. (Retd.) N.L. Khitha, was appointed as Additional Director of the Company w.e.f. 1st June, 2011, by the Board of Directors in its meeting held on 27th May, 2011, to hold office of Director till the ensuing Annual General Meeting. The Company has received a notice from a member proposing his candidature for the office of Director.

Considering the ability, educational background, vast knowledge and experience of Lt. Col. (Retd.) N.L. Khitha, it would be in the interest of the Company to appoint him as a Director of the Company.

None of the Directors except Lt. Col. (Retd.) N.L. Khitha, is concerned or interested in the resolution.

The Board Recommend this resolution to the members for their approval.

Item No. 5

The Board of Directors of the Company, subject to approval by members, appointed Lt. Col. (Retd.) N.L. Khitha, as Director (Technical) of the Company w.e.f. 1st June, 2011, to hold office for a period of two years i.e. upto 31st May, 2013.

As the age of Lt. Col. N.L. Khitha is above 70 years, the resolution is being proposed as Special Resolution pursuant to Clause (c), Part-I of Schedule XIII to the Companies Act, 1956. Considering the ability, educational background, knowledge, and experience possessed by Lt. Col. (Retd.) N.L. Khitha, it would be in the interest of the Company to appoint him as Director (Technical) of the Company.

None of the Directors except Lt. Col. (Retd.) N.L. Khitha, is concerned or interested in the resolution.

The Board recommend this resolution to the members for their approval.

Place: New Delhi
Dated: 27th May, 2011

By Order of the Board
R.K. Sapra
Company Secretary



DIRECTORS' REPORT

To the Members,

Your Directors are pleased to present their 35th Annual Report together with the Audited Statements of Account of the Company and the report of the auditors thereon for the year ended 31st March 2011.

FINANCIAL RESULTS

The turnover of the Company during the year was Rs.2,243.15 Lacs as against Rs. 1,969.43 Lacs in the previous year. The profit before tax during the year was Rs.649.92 lacs as against Rs. 281.26 Lacs in the previous year. The profit after tax was Rs.450.23 Lacs as against Rs. 176.71 Lacs in the previous year.

The effort by your management towards cost control continue unabatedly.

DIVIDEND

In order to conserve the resources for the modernization and upgradation of Plant of the Company, your Directors express their inability to recommend payment of dividend for the year 2010-2011.

DIRECTORS

In accordance with the provisions of the Companies Act, 1956 and Articles of Association of the Company Air Marshal (Retd.) D Keelor retires by rotation and is eligible for re-appointment.

Lt. Col. (Retd.) N. L. Khitha has been appointed as Director (Technical) subject to approval by members of the Company.

DIRECTORS' RESPONSIBILITY STATEMENT

Pursuant to the requirement under section 217(2AA) of the Companies Act 1956, the Directors confirm that, to the best of their knowledge and belief;

- i) in the preparation of the annual accounts, the applicable accounting standards have been followed;
- ii) appropriate accounting policies have been selected and applied consistently, and such judgments and estimates have been made that are reasonable and prudent so as to give a true and fair view of the state of affairs of the company at the end of the financial year and of the profit of the company for that period.
- iii) proper and sufficient care has been taken for the maintenance of adequate accounting records in accordance with the provisions of the Companies

Act, 1956 for safeguarding the assets of the company and for preventing and detecting fraud and other irregularities.

- iv) the annual accounts have been prepared on a going concern basis.

CORPORATE GOVERNANCE

As per requirement of Clause 49 of the Listing Agreement with the Stock Exchanges, Corporate Governance Report as well as Corporate Governance Compliance certificate received from the Statutory Auditors is annexed as part of the Annual Report. The Corporate Governance Report interalia contains details of Audit Committee of Board of Directors of the Company.

PARTICULARS OF EMPLOYEES

There is no employee in the Company drawing remuneration more than the limits prescribed under Section 217 (2A) of the Companies Act, 1956 read with the Companies (Particulars of Employees) Rules, 1975.

AUDITORS

M/s O. P. Dadu & Co., Chartered Accountants, who are auditors of your company retire at the ensuing Annual General Meeting, and being eligible offer themselves for re-appointment.

FIXED DEPOSITS

During the year the Company has not accepted any deposit covered by Companies (Acceptance of Deposit) Rules 1975.

SUBSIDIARY COMPANY

The annual accounts of subsidiary of this Company i.e. Gurgaon Infospace Limited are not attached pursuant to General Circular No. 2/2011 (No.:51/12/2007-CL-III) dated 8th February, 2011. Members who desire to obtain the annual accounts of subsidiary Company, may write to the Company Secretary at the Registered Office of the Company. The annual accounts of subsidiary Company shall be kept available at the Registered Office and the Head office of the Company for inspection by any member during working hours. A statement pursuant to Section 212 of the Companies Act, 1956, is attached.

LISTING OF SECURITIES

The Equity Shares of the Company continue to be listed on the Stock Exchange, Mumbai and Delhi Stock



Exchange Limited and listing fee for the year 2010-11 has been paid to each of the above Stock Exchanges.

DEMATERIALIZATION OF SHARES

The Details on Dematerialisation of Equity Shares of the Company are given in the annexed Corporate Governance Report.

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

- A. The information in accordance with the provisions of Section 217(1) (e) of the Companies Act 1956, read with the Companies (Disclosure of Particulars in the Report of Board of Directors) Rules, 1988 is annexed hereto.
- B. **FOREIGN EXCHANGE EARNING AND OUTGO**
Your Company utilized foreign exchange equivalent to Rs.257.39 lacs for import of raw material and

components, stores and spares, capital goods and expense on overseas traveling. The foreign exchange earned by your company was Rs.27.78 lacs in respect of exports made by it.

ACKNOWLEDGEMENTS

Your Directors wish to place on record their thanks and appreciation for the valuable cooperation and continued support received from the Government of Haryana and the Company's Bankers – State Bank of India.

Your Directors place on record their thanks to the company's business associates for their excellent effort and support especially under the prevalent stiff market conditions and their continued patronage of the Company's products.

Your Directors also wish to place on record their appreciation for the devoted services of the executives, staff and workers of the company at all levels.

For and on behalf of the Board

Air Marshal (Retd.) D. Keelor
Chairman

Place : New Delhi
Dated : 27th May 2011



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Statement pursuant to Section 212 of the Companies Act, 1956 relating to Subsidiary Companies

1	Name of the Subsidiary	Gurgaon Infospace Ltd.
2	Financial year of the Subsidiary ended on	31st March, 2011
3	Shares of the Subsidiary held by the Company on the above date	
	(a) Number of shares	1,00,000
	Face value	Equity shares of Rs. 100/- each
	(b) Extent of holding	100%
4	Net aggregate amount of profits/ (losses) of the Subsidiary for the above financial year so far as they concern members of the company	
	(a) dealt with in the accounts of the Company for the year ended 31st March, 2011	Nil
	(b) not dealt with in the accounts of the company for the year ended 31st March, 2011	Rs. 22,66,93,416/-
5	Net aggregate amount of profits/ (losses) for previous years of the Subsidiary, since it became a subsidiary so far as they concern members of the company	
	(a) dealt with in the accounts of the Company for the year ended 31st March, 2011	Nil
	(b) not dealt with in the accounts of the company for the year ended 31st March, 2011	21,12,77,015/-
6.	Change in the interest of the Company in the subsidiary between the end of the financial year of the subsidiary and that of the company	Nil
7.	Material changes between the end of the financial year of the subsidiary and end of the financial year of the company in respect of the Subsidiary's fixed assets, Investments, lending and borrowing for the purpose other than meeting their current liabilities.	Nil
8.	Remarks	Nil



MANAGEMENT DISCUSSION AND ANALYSIS REPORT

1. INDUSTRY STRUCTURE AND DEVELOPMENT

The main areas of business of your Company are - Auto Components Manufacturing and Development of Infrastructure for IT / ITES Sector. As far as auto components industry is concerned, there is significant potential for growth in domestic as well as export markets. Information Technology has emerged as sunshine industry and has been contributing to exports vis-a-vis Indian Economy.

2. OPPORTUNITIES AND THREATS

Your Company is engaged in High Precision Auto Component manufacturing. Tremendous opportunities for growth in the 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 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.

Your Company's wholly owned subsidiary, namely, Gurgaon Infospace Limited has set up a 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 markets 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.

3. OUTLOOK

Auto Component Manufacturing sector is 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.

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

4. 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 condition. 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 inputs, changes in Government levies, policies, regulations, industrial relations and other economic developments in the country.

5. INTERNAL CONTROL SYSTEMS AND THEIR ADEQUACY

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

6. HUMAN RESOURCE / INDUSTRIAL RELATIONS

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

The total number of employees as on 31st March, 2011 was 391.



CORPORATE GOVERNANCE REPORT

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

The details of the Corporate Governance compliance by the Company as per the Clause 49 of the Listing Agreement with Stock Exchanges are as under:-

COMPLIANCE OF MANDATORY REQUIREMENTS

1. COMPANY'S PHILOSOPHY ON CODE OF GOVERNANCE

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

2. BOARD OF DIRECTORS

Composition

The strength of the Board as on March 31, 2011 was 4 Directors including one Non-Executive Chairman and one Managing Director. The rest are Non-Executive Directors. 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 31st May, 2010, 10th August, 2010, 15th November, 2010 and 14th February, 2011.

The Composition of Board of Directors, their shareholding, attendance during the year and at the last Annual General Meeting, Number of other Directorships, Committee memberships and Chairmanships held by them as at 31st March, 2011 are given below:-

Directors / Category	Shares held	Attendance		No. of other Directorships and Committee Memberships / Chairmanships in public Companies		
		Board Meetings	Last AGM	Director-ships	Committee Member-ships	Committee Chairman-ships
Shri Mayur Gupta Managing Director (Promoter)	—	4	Yes	2	2	—
Air Marshal (Retd.) D Keelor Chairman, (Non Executive & Independent)	—	3	Yes	—	—	—
Brig. (Retd.) G S Sawhney (Non Executive & Independent)	—	2	No	—	—	—
Shri A N Mukherjee (Non Executive & Independent)	—	4	Yes	1	2	—

**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 as well as in Section 292A of the Companies Act, 1956.

The broad terms of reference of Audit Committee include inter-alia the following:-

- 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.

COMPOSITION

The Audit Committee of the Company comprises of 3 Independent Non-Executive Directors. The Members of the Audit Committee are Financially Literate and the Chairman of the Committee possess financial management expertise. The Chairman was present at the last Annual General Meeting of the Company. The Audit Committee meetings are attended by Statutory Auditors, Accounts and Finance heads. The Company Secretary acts as the Secretary to the Audit Committee.

The minutes of the Audit Committee meetings are noted by the Board of Directors at the subsequent Board meeting.

During the year under review 4 Board meetings were held on 31st May 2010, 10th August 2010, 15th November 2010 and 14th February 2011. The Composition of Audit Committee and attendance at its meeting is as follows:-

Members	Category	No. of Meetings attended
Shri A N Mukherjee	Chairman, Independent, Non-Executive	4
Air Marshal (Retd.) D Keelor	Member, Independent, Non-Executive	3
Brig. (Retd.) G S Sawhney	Member, Independent, Non-Executive	2

4. REMUNERATION TO DIRECTORS

The Company does not have a Remuneration Committee. Detailed terms of appointment of the Managing Director are governed under Board and Members resolutions. None of the Non-Executive Directors draw any remuneration from the Company except sitting fees of Rs. 2,500/- for attending each meeting of the Board of Directors.

The details of remuneration paid to the Directors during the Financial year ended 31st March, 2011 are as under:-

- a) The details of remuneration paid to Managing Director are as under:-

Name	Salary (in Rs.)	Perquisites (Rs.)	Total (Rs.)
Shri. Mayur Gupta	9,34,615/-	55,000/-	9,89,615/-

The tenure of the appointment of Managing Director is for a period of two years.

- b) The non-Executive Directors are paid by way of sitting fees for each meeting of the Board of Directors and details of sitting fee paid to Non-Executive Directors are as under:

Director	Sitting Fees (Rs.)
Air Marshal (Retd.) D Keelor	7,500/-
Brig. (Retd.) G S Sawhney	5,000/-
Shri A N Mukherjee	10,000/-

Apart from the above remuneration, no Director is entitled for any other benefit, bonus, severance fee or performance linked incentives. The Company has not issued any stock options to its employees or Directors.



5. SHAREHOLDERS GREIVENCE COMMITTEE

The Board has constituted a Committee of three members under the Chairmanship of a Non-executive Director. The Committee reviews the status of investor's grievances and redressal mechanism and recommends measures to improve the level of investor services. Details of shares transfers/ transmissions approved by the Committee are placed at the Board Meetings from time to time.

COMPOSITION

The constitution of the Committee of Directors is as under:-

Name of the Members	Category
Air Marshal (Retd.) D Keelor	Chairman, Non-executive
Brig. (Retd.) G S Sawhney	Member, Independent, Non-executive
Shri Mayur Gupta	Member, Executive

COMPLIANCE OFFICER

The Board designated Shri R.K. Sapra, Company Secretary as Compliance Officer.

DETAILS OF SHAREHOLDER'S COMPLAINTS RECEIVED AND REPLIED TO THE SATISFICATION OF SHAREHOLDERS.

Number of shareholders Complaints received during the period 01.04.2010 to 31.03.2011.	10
Number of complaints not resolved to the satisfaction of shareholders.	NIL
Number of pending complaints as on 31.03.2011, which are solved later on.	NIL

6. GENERAL BODY MEETINGS

(I) Details of the Location of the last three Annual General Meetings:

Financial year	Date	Location of the Meeting	Time
2007-08	15.09.2008	Registered Office at Dharuhera Industrial Complex, Delhi Jaipur Highway no. 8, Kapriwas, Dharuhera, Rewari (Haryana)	11.00 AM
2008-09	04.09.2009	Registered Office at Dharuhera Industrial Complex, Delhi Jaipur Highway no. 8, Kapriwas, Dharuhera, Rewari (Haryana)	11.00 AM
2009-10	08.09.2010	Registered Office at Dharuhera Industrial Complex, Delhi Jaipur Highway no. 8, Kapriwas, Dharuhera, Rewari (Haryana)	11.00 AM

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

- In the AGM held on 15-09-2008, No special resolution was transacted.
The following Special Resolutions were transacted through Postal Ballot during the year 2008-09 - Enhancement of Corporate Guarantee amount from Rs.1.75 Crore to Rs.8.75 Crore for working capital limit; For Fresh Working Capital Limit (Non fund based) Rs.0.75 Crore; and For term Loan and/or working Capital Limit or any other credit facility Rs.20.00 Crore, in favour of IST Steel & Power Limited.
- In the AGM held on 04.09.2009, no special resolution was transacted.
- In the AGM held on 08.09.2010, no special resolution was transacted.

7. DISCLOSURES

i) Related Party Transactions

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.

ii) 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.

**iii) Details on Non Compliance**

There are no instances of non-compliance by the Company on any matter relating to the Capital Market during the last 3 years.

iv) Declaration by CEO with regard to Code of Conduct

The Managing Director, Shri. Mayur Gupta has furnished a declaration affirming compliance of Code of Conduct by the Board of Directors and Senior Management Personnel.

v) CEO certificates

The Managing Director, Shri. Mayur Gupta has furnished the required certificate to the Board of Directors pursuant to clause 49 of the Listing Agreement.

8. MEANS OF COMMUNICATION

The Company's financial results are forthwith communicated to all the Stock Exchanges 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 normally published in one National newspaper in English language and one Regional Newspaper in Hindi language.

9. GENERAL SHAREHOLDERS INFORMATION**Annual General Meeting**

Day, Date & Time Thursday, the 1st September, 2011 at 11.00 A.M.
Venue Registered Office : IST Limited Factory, Dharuhera Industrial Complex, Delhi Jaipur Highway no. 8, Kapriwas, Dharuhera, Rewari (Haryana)

Financial year 1st April to 31st March

Book Closure 24th August, 2011 to 1st September, 2011 (both days inclusive)

Financial Calendar (Tentative) : 1st April, 2011 to 31st March, 2012

Financial reporting**Approval and Adoption of****Financial Results for the quarter ended On or before**

30th June, 2011	14th August , 2011
30th September, 2011	14th November, 2011
31st December, 2011	14th February, 2012
31st March, 2012	15th May, 2012 (in case of unaudited financial results) or 30th May, 2012, in case of Audited Financial Results.

Listing on Stock Exchanges:

The Equity shares of the Company are listed on Bombay Stock Exchange Ltd. (Stock Code 508807) and Delhi Stock Exchange Ltd.

Distribution of shareholding as on 31st March, 2011

No. of Equity Shares held	No. of Shareholders	% of Shareholders	No. of Shares held	% of Shareholding
Upto 500	7,331	97.591	6,80,757	11.673
501-1000	109	1.451	77,379	1.327
1001-2000	40	0.532	56,510	0.969
2001-3000	6	0.080	15,781	0.271
3001-4000	1	0.013	3,627	0.062
4001-5000	3	0.040	13,502	0.232
5001-10000	9	0.120	58,084	0.996
10001 and above	13	0.173	49,26,416	84.471
GRAND TOTAL	7,512	100.00	58,32,056	100.000



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Shareholding pattern as on 31st March, 2011:

CATEGORY	NO. OF SHARES	% OF HOLDING
Promoters	43,73,752	74.995
Financial Institutions, Mutual funds, Banks	300	0.005
Foreign Institutional Investors	0	0
Private Body Corporates	5,13,264	8.801
Indian Public	9,38,072	16.085
NRIs/ OCBs	4,110	0.070
Others	2,558	0.044
Grand Total	58,32,056	100.000

Stock Market Data – Bombay Stock Exchange

The monthly high and low quotations and volume of shares traded on the Bombay Stock Exchange are as under:

Month	High Price (Rs.)	Low Price (Rs.)	No. of Shares
April, 2010	239.90	163.00	33,555
May, 2010	249.25	186.00	41,217
June, 2010	226.30	192.00	17,222
July, 2010	215.00	183.10	12,259
August, 2010	249.00	185.00	12,987
September, 2010	249.00	182.00	15,718
October, 2010	230.00	190.15	9,162
November, 2010	239.40	186.55	6,229
December, 2010	232.00	159.85	12,179
January, 2011	269.75	171.00	18,601
February, 2011	220.00	147.70	4,931
March, 2011	187.50	149.00	3,637

Dematerialization of Shares and Liquidity

The Company's shares are compulsorily traded in dematerialized form. As on 31st March, 2011, 23,25,215 (39.87%) 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.

Registrar and Share Transfer Agents

MAS Services Ltd.
T-34, 2nd Floor, Okhla Industrial Area,
Phase - II, New Delhi-110020.
Phone: 011- 26387281, 26387282, 26387283
Fax: 011-26387384
e-mail: info@masserv.com

IST LIMITED



Share Transfer System

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

PLANT LOCATION

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

Investor correspondence address

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

MAS Services Ltd.

T-34, 2nd Floor, Okhla Industrial Area,
Phase - II, New Delhi-110020.

IST Limited

Registered Office: Dharuhera Industrial Complex
Delhi-Jaipur Highway No. 8, Rewari (Haryana).

Corporate Office: A-23, New Office Complex,
Defence Colony, New Delhi-110024.



AUDITORS' REPORT

We have examined the compliance of conditions of Corporate Governance by IST Limited for the year ended 31st March, 2011 as stipulated in Clause 49 of the Listing Agreement entered into with the Stock Exchange.

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

In our opinion and to the best 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.

We state that no investor grievances are pending for a period exceeding one month against the company as per the records maintained by the Shareholders / Investors Grievance Committee.

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

Place : New Delhi
Dated : 27th May 2011

(O.P. DADU)
Partner
Membership No. 10871



AUDITORS' REPORT

TO THE MEMBERS OF M/S. IST LIMITED

We have audited the attached Balance Sheet of M/S. IST LIMITED, as at 31st March, 2011, the Profit & Loss Account and also the Cash Flow Statement for the year ended on that date, annexed thereto. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audit.

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

As required by the Companies (Auditor's Report), Order 2003 issued by the Central Government of India in terms of sub-section (4A) of section 227 of the Companies Act, 1956, we enclose in Annexure, a statement on the matters specified in paragraph 4 & 5 of the said order.

Further to our comments in the Annexure referred to above, we report that :

- i) We have obtained all the information and explanations, which to the best of our knowledge and belief were necessary for the purpose of our audit;
- ii) In our opinion, proper books of accounts as required by law, have been kept by the Company so far as appears from our examination of those books;
- iii) The Balance Sheet, Profit & Loss Account and Cash Flow Statement dealt with by this report are in agreement with the books of account;
- iv) In our opinion, the Balance Sheet, Profit & Loss Account and Cash Flow Statement dealt with by this report comply with the accounting standards referred to in sub-section (3C) of Section 211 of the Companies Act, 1956,
- v) In our opinion, and based on information and explanations given to us, none of the directors is disqualified as on 31st March, 2011 from being appointed as a director in terms of clause(g) of sub-section (1) of Section 274 of the Companies Act, 1956; and
- vi) In our opinion, and to the best of our information and according to the explanations given to us, the said accounts, together with Schedules 'A' to 'Q' thereto, subject to and in terms of the above and also subject to Note No.1, regarding Accounting Policies, in schedule 'Q' of Notes, give the information required by the Companies Act, 1956, in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India:
 - i) in the case of the Balance Sheet, of the state of affairs of the Company as at 31st March, 2011:
 - ii) in the case of the Profit & Loss Account, of the 'Profit' for the year ended on that date; and
 - iii) in the case of Cash Flow Statement, of the Cash Flows of the Company for the year ended on that date.

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

Place : New Delhi
Dated : 27th May 2011

(O.P.DADU)
Partner
M.No.10871



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 showing full particulars including quantitative details and situation of fixed assets.
 - b) The management has certified that the fixed assets of the Company have been physically verified during the year and that no material discrepancy was noticed between the physical verification and the book records. In our opinion, the frequency of physical verification of fixed assets is reasonable having regard to the size of the Company and the nature of the assets.
 - c) In our opinion, the Company has not disposed of substantial part of fixed assets during the year, and the going concern status of the Company is not affected.
2.
 - a) The inventory has been physically verified during the year by the management. In our opinion, the frequency of verification is reasonable.
 - b) The procedures of physical verification of inventories followed by the management are reasonable and adequate in relation to the size of the company and the nature of its business.
 - c) The Company is maintaining proper records of inventory. The discrepancies noticed on verification between the physical stocks and the book records were not material.
3.
 - a) The Company has granted Unsecured Loans to seven parties covered in the register maintained under section 301 of the Companies Act, 1956 during the year. The maximum amount involved during the year was Rs.23.77 Crores and the year end balance of Loan granted was Rs.10.03 Crores.
 - b) In our opinion, rate of interest and the terms and conditions on which Unsecured Loans have been granted to parties, listed in the register maintained under Section 301 of the Companies Act, 1956 are not, prima facie, prejudicial to the interest of the Company.
 - c) The principal amount is repayable on demand and interest have been repaid regularly by the parties.
 - d) There is no overdue amount of Loans granted to parties listed in the register maintained under section 301 of the Companies Act, 1956.
 - e) The Company has not taken Unsecured Loan from Companies covered in register maintained under section 301 of the Companies Act, 1956 during the year.
4. In our opinion and according to the information and explanations given to us, there are adequate internal control system commensurate with the size of the company and the nature of its business with regard to purchases of inventory, fixed assets and with regard to the sale of goods. During the course of our audit we have not observed any continuing failure to correct major weaknesses in internal control system.
5.
 - a) According to the information and explanations given to us, we are of the opinion that the particulars of all contracts and arrangements that need to be entered into the register maintained under section 301 of the Companies Act, 1956 have been so entered.
 - b) In our opinion and according to the information and explanations given to us, the transactions made in pursuance of contracts or arrangements entered in the register maintained under section 301 of the Companies Act, 1956 and exceeding the value of rupees five lakhs in respect of any party during the year have been made at prices which are reasonable having regard to prevailing market prices at the relevant time.
6. The company has not accepted any deposit with in the meaning of section 58A and 58AA or any other relevant provision of the Companies Act, 1956.
7. In our opinion, the company has an internal audit system commensurate with the size and nature of its business.
8. We are informed that the Company is not required to maintain cost records U/s 209(1) (d) of the Companies Act, 1956 for any of its products.



9. a) The Company is regular in depositing with appropriate authorities undisputed statutory dues including provident fund, investor education protection fund, employees' state insurance, income tax, sales tax, wealth tax, service tax, custom duty, excise duty, cess and other material statutory dues, wherever applicable to it.
- b) According to the information and explanations given to us, no undisputed amounts payable in respect of income tax, wealth tax, service tax, sales tax, custom duty, excise duty and cess were in arrears, as at 31st March, 2011 for a period of more than six months from the date they became payable.
- c) According to the information and explanations given to us, there are no dues of Sales tax, income tax, customs duty, wealth tax, excise duty and cess which have not been deposited on account of any dispute except Rs.1,47,380/- due to Income Tax and Application is pending before Assessing Officer.
10. In our opinion and according to the information and explanations given to us, the company has not defaulted in repayment of dues to bank.
11. In our opinion, the terms and conditions on which the company has given guarantees for loans taken by others from banks are not prejudicial to the interest of the company.
12. According to the information and explanations given to us and on an overall examination of the balance sheet of the company, we report that no funds raised on short-term basis have been used for long-term investment.
13. 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.
14. Matter specified in items x, xii, xiii, xiv, xvi, xviii, xix, xx of clause to para 4 of Companies (Auditor's Report) Order 2003 do not apply to the Company.

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

Place : New Delhi
Dated : 27th May 2011

(O.P. DADU)
Partner
M.No.10871



IST LIMITED

BALANCE SHEET AS AT 31ST MARCH 2011

	Schedule	As at 31.03.2011 Rs.	As at 31.03.2010 Rs.
SOURCES OF FUNDS			
SHAREHOLDERS' FUNDS			
(a) Capital	A	5,84,67,546	5,84,67,546
(b) Reserves and Surplus	B	1,25,51,21,817	1,21,00,98,577
		1,31,35,89,363	1,26,85,66,123
LOAN FUNDS			
Deferred Tax Liability		1,35,05,000	1,07,71,000
		1,32,70,94,363	1,27,93,37,123
APPLICATION OF FUNDS			
FIXED ASSETS			
(a) Gross Block	C	27,52,93,207	25,53,66,466
Less : Depreciation		11,82,85,630	10,93,36,964
(b) Net Block		15,70,07,577	14,60,29,502
Add.Capital Works in Progress		3,93,08,573	77,32,442
		19,63,16,150	15,37,61,944
INVESTMENTS	D	38,99,47,860	7,30,75,852
CURRENT ASSETS, LOANS AND ADVANCES			
(a) Inventories	E	3,98,67,070	4,54,88,442
(b) Sundry Debtors	F	5,31,70,544	1,85,21,183
(c) Cash and Bank Balances	G	1,39,96,849	14,86,79,478
(d) Loans & Advances	H	67,82,85,315	88,16,99,419
		78,53,19,778	1,09,43,88,522
Less : Current Liabilities & Provisions	I	4,44,89,425	4,18,89,195
NET CURRENT ASSETS		74,08,30,353	1,05,24,99,327
		1,32,70,94,363	1,27,93,37,123
NOTES	Q		

Schedules A to Q form integral part of Balance Sheet and Profit & Loss Account.

As per our Report of even date

For and on behalf of the Board

for O.P. DADU & CO.
Chartered Accountants

O.P. Dadu
Partner

D.N. Tulshyan
General Manager (Finance)

R.K. Sapra
Company Secretary

D. Keeloor
Director

Mayur Gupta
Managing Director

Place : New Delhi
Dated : 27.05.2011

IST LIMITED



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

	Schedule	For the year ended 31.03.2011 Rs.	For the year ended 31.03.2010 Rs.
INCOME			
Sale & Services	J	22,43,15,053	19,69,43,360
Other Income	K	2,18,23,067	58,20,944
Increase/ (Decrease) in Stock	L	22,69,671	(32,89,692)
		<u>24,84,07,791</u>	<u>19,94,74,612</u>
EXPENDITURE			
Raw-Material & Components Consumed		4,89,32,100	3,53,83,345
Purchases		—	2,39,56,413
Payments to and Provisions for Employees	M	5,55,55,377	5,10,00,404
Excise Duty		1,34,24,665	83,15,155
Manufacturing Expenses	N	2,35,56,201	1,99,47,513
Other Expenses	O	3,03,12,290	2,42,36,304
Finance Charges	P	6,95,251	4,62,393
		<u>17,24,75,884</u>	<u>16,33,01,527</u>
Profit before Depreciation		7,59,31,907	3,61,73,085
Depreciation		(1,09,40,127)	(80,47,086)
Profit before tax		6,49,91,780	2,81,25,999
Less: Provision For Current Tax			
Income Tax & Wealth Tax		1,67,32,000	49,50,000
Less : Deferred Tax Credit		27,34,000	42,71,000
Profit after tax		4,55,25,780	1,89,04,999
Prior period Adjustment Income tax		(5,02,540)	(12,34,234)
Profit after Tax and adjustment		4,50,23,240	1,76,70,765
Credit Balance brought forward from previous year		9,60,35,762	7,83,64,997
Balance carried forward to Balance Sheet		<u>14,10,59,002</u>	<u>9,60,35,762</u>
Earning per Share			
Basic & Diluted		7.72	3.03
(Refer note no.11 of schedule Q)			

NOTES

Q

Schedules A to Q form integral part of Balance Sheet and Profit & Loss Account.

As per our Report of even date

For and on behalf of the Board

for O.P. DADU & CO.
Chartered Accountants

O.P. Dadu
Partner

D.N. Tulshyan
General Manager (Finance)

R.K. Sapra
Company Secretary

D. Keelor
Director

Mayur Gupta
Managing Director

Place : New Delhi
Dated : 27.05.2011



IST LIMITED

SCHEDULES FORMING PART OF THE ACCOUNTS

	As at 31.03.2011 Rs.	As at 31.03.2010 Rs.
SCHEDULE 'A' 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 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>
 SCHEDULE 'B' RESERVES AND SURPLUS		
SHARE PREMIUM ACCOUNT		
Share Premium on 12,11,716 Shares @ Rs.5/- each	<u>60,58,580</u>	<u>60,58,580</u>
GENERAL RESERVE		
As per last year Balance Sheet	<u>1,10,80,04,235</u>	<u>1,10,80,04,235</u>
PROFIT & LOSS		
Credit Balance Brought forward	<u>9,60,35,762</u>	<u>7,83,64,997</u>
Add: Profit for the year	<u>4,50,23,240</u>	<u>1,76,70,765</u>
	<u>14,10,59,002</u>	<u>9,60,35,762</u>
	<u>1,25,51,21,817</u>	<u>1,21,00,98,577</u>



SCHEDULE 'C' FIXED ASSETS

Description of Assets	GROSS BLOCK					DEPRECIATION				NET BLOCK	
	Cost as at 31.3.2010 Rs.	Additions during the Year Rs.	Deductions during the Year Rs.	As at 31.3.2011 Rs.	As at 31.3.2010 Rs.	For the Year Rs.	Deductions during the year Rs.	Upto 31.3.2011 Rs.	As at 31.3.2011 Rs.	As at 31.3.2010 Rs.	
Freehold Land	4,09,24,526	54,88,850	1,22,55,026	3,41,58,350	—	—	—	—	3,41,58,350	4,09,24,526	
Plant & Machinery	19,53,98,044	2,53,63,746	21,25,275	21,86,36,515	10,15,41,382	92,96,277	19,91,461	10,88,46,198	10,97,90,317	9,38,56,662	
Furniture & Office Equipment	64,69,084	9,33,831	—	74,02,915	38,45,533	3,38,327	—	41,83,860	32,19,055	26,23,551	
Vehicles	1,25,74,812	25,20,615	—	1,50,95,427	39,50,049	13,05,523	—	52,55,572	98,39,855	86,24,763	
Total	25,53,66,466	3,43,07,042	1,43,80,301	27,52,93,207	10,93,36,964	1,09,40,127	19,91,461	11,82,85,630	15,70,07,577	14,60,29,502	
Previous year	27,39,96,466	6,04,93,528	7,91,23,528	25,53,66,466	10,26,85,350	80,47,086	13,95,472	10,93,36,964	14,60,29,502		
Capital Work in Progress:									3,93,08,573	77,32,442	



IST LIMITED

	As at 31.03.2011 Rs.	As at 31.03.2010 Rs.
SCHEDULE 'D' INVESTMENTS (AT COST)		
LONG TERM		
(A) Unquoted (Fully paid up)		
Subsidiary Company		
1,00,000 Equity Shares of Gurgaon Infospace Ltd. of Rs. 100/- each	1,00,00,000	1,00,00,000
Other Companies		
10 Equity Shares of Galaxy Mercantiles Ltd. of Rs.100/-each	1,005	1,005
62,40,000 Equity Shares of IST Steel & Power Ltd. of Rs.10/- each	<u>6,24,00,000</u>	<u>6,24,00,000</u>
	<u>7,24,01,005</u>	<u>7,24,01,005</u>
(B) Quoted (Fully paid up)		
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
10,000 Equity Shares of Ricoh India Ltd. Rs.10/- each	6,09,706	6,09,706
3,000 Equity Shares of JMT Auto Ltd. Rs.10/- each	4,25,795	4,25,795
1,000 Equity Shares of DCM Shriram Consolidatated Ltd. Rs.2/- each	1,07,767	1,07,767
0/1,500 Equity Shares of UFLEX Ltd. Rs.10/- each	—	3,25,177
	<u>14,87,505</u>	<u>18,12,682</u>
Less: Demunition in value of Investment	<u>(8,79,839)</u>	<u>(11,37,835)</u>
Aggregate Market value of Quoted Investment	<u>6,07,666</u>	<u>6,74,847</u>
(C) Matual Funds		
20,55,623.293 Units Principal Mutual Fund Rs. 10.0123 each	2,05,81,517	—
2,96,17,996.444 Units SBI SHF ULTRA Short Fund Rs.10.006 each	29,63,57,672	—
	<u>31,69,39,189</u>	<u>—</u>
	<u>38,99,47,860</u>	<u>7,30,75,852</u>
Aggregate Market value of Quoted Investment	<u>6,07,666</u>	<u>6,74,847</u>
SCHEDULE 'E' INVENTORIES		
(As taken, valued and certified by the management as per Accounting Policies)		
Finished Goods	11,88,409	95,783
Goods under process	2,56,55,726	2,54,93,035
Raw materials and components	84,28,258	1,63,13,284
Stores & Spare parts	29,16,563	29,22,580
Scrap (Other)	16,78,114	6,63,760
	<u>3,98,67,070</u>	<u>4,54,88,442</u>
SCHEDULE 'F' SUNDRY DEBTORS		
Debts Outstanding for a period exceeding six months	41,34,982	12,80,964
Other Debts	4,90,35,562	1,72,40,219
	<u>5,31,70,544</u>	<u>1,85,21,183</u>
Notes : Classification of Sundry Debtors		
Unsecured, Considered Good	<u>5,31,70,544</u>	<u>1,85,21,183</u>
	<u>5,31,70,544</u>	<u>1,85,21,183</u>



	As at 31.03.2011 Rs.	As at 31.03.2010 Rs.
SCHEDULE 'G' CASH & BANK BALANCES		
Cash in hand	3,99,711	5,25,793
Cheques / Drafts in Hand	6,03,584	4,50,000
WITH SCHEDULED BANKS		
In Current Accounts including Margin Money Rs. 32,35,282/- (Previous year Rs 31,38,859/-)	55,96,571	54,34,656
In Fixed Deposit Account	73,96,983	14,19,16,974
With Other Bank	—	3,52,055
	<u>1,39,96,849</u>	<u>14,86,79,478</u>
SCHEDULE 'H' LOANS & ADVANCES		
Advance recoverable in cash or in kind or for value to be received or pending adjustments	9,48,724	6,10,441
Amount Recoverable from 100% Subsidiary Company	55,37,00,000	85,82,00,000
Advance against Capital goods	4,58,722	—
Advance to Body Corporates	10,02,86,551	—
Sundry Deposits	44,76,925	49,81,975
Loan to Employees	3,02,542	2,32,000
National Saving Certificate Account (Includes Rs.40,000/- Pledged with Mining Engineers Nagore)	60,000	40,000
Income Tax & Fringe Benefit Tax	1,56,72,123	1,44,43,221
Other Receivables	23,56,876	31,75,588
Balance with Central Excise Deptt.	22,852	16,194
	<u>67,82,85,315</u>	<u>88,16,99,419</u>
NOTES :		
Classification of Loans and Advances :		
Unsecured, Considered Good	<u>67,82,85,315</u>	<u>88,16,99,419</u>
SCHEDULE 'I' CURRENT LIABILITIES AND PROVISIONS		
Current Liabilities		
Sundry Creditors :		
For Goods, Services, Expenses etc.	88,31,634	1,25,54,938
For Other Finance	10,48,978	8,22,713
Payable to Customers	26,47,267	26,47,267
Director's Remuneration etc. Payable	75,000	20,049
PROVISIONS :		
Gratuity & Earned Leave	1,02,04,546	1,01,38,728
Income Tax & Wealth Tax	2,16,82,000	1,57,05,500
	<u>4,44,89,425</u>	<u>4,18,89,195</u>



IST LIMITED

	For the year ended 31.03.2011 Rs.	For the year ended 31.03.2010 Rs.
SCHEDULE 'J' SALES & SERVICES		
Export Sales	27,77,817	2,54,19,559
Domestic Sales	21,62,70,264	16,83,28,773
Job Charges (T.D.S. Rs.1,38,358/- Previous Year Rs.1,08,559/-)	68,74,796	50,13,125
	<u>22,59,22,877</u>	<u>19,87,61,457</u>
Less: Returns out of earlier year's sale	1,13,749	8,45,444
Less : Discount & Liquidated Damages	14,94,075	9,72,653
	<u>22,43,15,053</u>	<u>19,69,43,360</u>
SCHEDULE 'K' OTHER INCOME		
Interest (T.D.S Rs.9,49,387/- Previous year Rs.5,16,622/-)	95,48,831	48,56,411
Unspent Liabilities written back	20,097	1,52,407
Profit on Sale of Fixed Assets	7,23,219	—
Profit on sale of Investments (net) [including profit Rs.1,31,227/- on long term investments Previous year Rs.2,25,000/-]	1,31,227	2,25,000
Dividend Received	84,47,839	7,500
Previous year expenses (Net)	—	1,42,226
Provision on investment written back	2,57,996	3,74,221
Miscellaneous Receipts	26,93,858	63,179
	<u>2,18,23,067</u>	<u>58,20,944</u>
SCHEDULE 'L' INCREASE / (DECREASE) IN STOCK		
STOCK AS ON 31ST MARCH 2011		
Finished Goods	11,88,409	95,783
Goods under process	2,56,55,726	2,54,93,035
Scrap	16,78,114	6,63,760
	<u>2,85,22,249</u>	<u>2,62,52,578</u>
STOCK AS ON 31ST MARCH 2010		
Finished Goods	95,783	89,81,126
Goods under process	2,54,93,035	1,61,70,949
Scrap	6,63,760	43,90,195
	<u>2,62,52,578</u>	<u>2,95,42,270</u>
	<u>22,69,671</u>	<u>(32,89,692)</u>
SCHEDULE 'M' PAYMENT TO & PROVISION FOR EMPLOYEES		
Salaries, Wages, Bonus etc.	4,73,56,119	4,22,79,811
Gratuity	6,85,971	10,88,281
Contribution to P.F, E.S.I and Other Funds	28,92,806	34,55,484
Staff Welfare Expenses	46,20,481	41,76,828
	<u>5,55,55,377</u>	<u>5,10,00,404</u>
SCHEDULE 'N' MANUFACTURING EXPENSES		
Stores, Spare Parts & Packing Materials Consumed	1,36,98,241	1,06,92,402
Power and Fuel	97,08,044	91,29,038
Testing / Job Charges	1,49,916	1,26,073
	<u>2,35,56,201</u>	<u>1,99,47,513</u>



	For the year ended 31.03.2011 Rs.	For the year ended 31.03.2010 Rs.
SCHEDULE 'O' OTHER EXPENSES		
Rent	43,49,420	40,27,200
Rates & Taxes	55,716	46,587
Insurance	5,21,885	4,40,776
Advertisement Expenses	1,79,454	57,000
Repairs & Maintenance		
Building	2,24,757	1,47,325
Plant & Machinery	28,58,349	14,91,268
Others	15,93,075	14,03,015
Travelling & Conveyance [including directors' travelling Rs.8,45,842/-(Previous year Rs.3,77,244/-)]	32,68,258	21,79,085
Selling Expenses		
Sales Tax	62,48,365	38,77,475
Export Expenses	—	5,31,927
Other Selling Expenses	9,35,590	9,95,498
Auditors' Remuneration		
Audit Fee	85,000	65,000
In Other Capacity		
For Company Law Matters	10,000	10,000
For Tax Audit	25,000	25,000
For Certificates etc.	38,000	35,500
For Taxation & other matters	20,000	20,000
For Expenses	34,500	31,400
For Service Tax / Education Cess	18,336	16,018
Internal Audit Fees	88,240	88,240
Directors' Remuneration [excluding Rs.55,000/- (previous year Rs.55,000/-) charged to other head of accounts]	9,34,615	9,34,615
Directors' Fee	22,500	25,000
Postage, Telegram & Telephone Expenses	7,27,083	6,47,959
Legal, Professional and Service Charges	28,24,253	19,61,445
Previous Year's Expenses (Net)	5,146	—
Miscellaneous Expenses	41,95,689	49,38,088
Sundry Debit / Credit balances adjusted	10,49,059	2,40,883
	3,03,12,290	2,42,36,304
SCHEDULE 'P' FINANCE CHARGES		
Interest to Bank & Others	1,23,978	1,39,931
Bank Charges, Guarantee Commission and Other Finance Charges	5,71,273	3,22,462
	6,95,251	4,62,393



SCHEDULE 'Q' NOTES

1. ACCOUNTING POLICIES

The significant Accounting Policies adopted in the preparation of these accounts are as under :

(i) Basis of Accounting :

The financial statements are prepared under the historical cost convention in accordance with the generally accepted accounting principles in India and the provisions of the Companies Act, 1956.

(ii) Fixed Assets :

- a) Fixed Assets are stated at Cost less Depreciation.
- b) Plant & Machinery manufactured within the plant is stated at Cost (less Depreciation wherever applicable). The over head expenses are, however, allocated on estimates given by Technical Personnel.

(iii) Depreciation :

Depreciation is calculated on Straight Line Method at the rates prescribed in schedule XIV of the Companies Act, 1956.

(iv) Valuation of Inventories :

- a) 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 whichever ever is lower.
- b) Tools and Instruments are valued at cost less depletion in value.
- c) Stock of Scrap is valued at estimated realisable value.

(v) Revenue Recognition

- a) Sales are recognized when goods are supplied and are inclusive of excise duty and sales tax.
- b) Processing Income : Processing income is recognized after services are rendered.

(vi) 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.

(vii) Investments:

Investments are stated at cost and diminution in value is provide for.

(viii) 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.

(ix) Excise Duty :

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

(x) Claims :

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

(xi) 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.

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

(xiii) 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.

(xiv) Income Tax

Provision is made for income tax annually based on the tax liability computed after considering tax allowances and exemptions.

The differences that result between the profit offered for income tax and the profit as per the financial statement are identified and thereafter a deferred tax assets or deferred tax liability is recorded for timing differences,



namely the differences that originate in one accounting period and reverse in another, based on the tax effect of the aggregate being considered.

(xv) Impairment of Assets

The management assesses the performance of its unit to arrive at the value in use to check for impairment, if any, in Fixed Assets, as required under AS 28 of the ICAI and provides for any impairment thereof in Profit & Loss Account.

(xvi) Provision,Contingent Liabilities and Contingent Assets

The Company creates a provision when there is a present obligation as a result of a past event where the out flow of economic resources is probable and a reliable estimate of the amount of obligation can be made. The disclosure is made for possible or present obligation that may, but probably will not, require out flow of resources as contingent liabilities in the financial statements. Contingent assets are not recognized in the financial statements.

	As at 31.3.2011 Rs.	As at 31.3.2010 Rs.
2 Contingent Liabilities not provided for in respect of :		
(i) Bank Gurantees given by the Bank	60,82,863	36,82,500
(ii) Gurantees given by the Company on behalf of other Company	54,28,00,000	69,50,00,000
(iii) Capital Contracts to be executed	1,82,09,131	—
3 Cash Credit Loan from State Bank of India (Secured by first charge on current assets consisting raw material, work in process, finished goods, book-debts & other current assets of the company; first charge on fixed assets consisting movable tangible property both present and future; plant & machinery purchased ; and equitable mortgage on land of an associate company, GPC Technology Limited admeasuring 11.26696 acres situated at Village Malapura Dist.Riwari,(Haryana).		
4 In view of accounting standard on “Accounting for retirement benefits in the Financial statement of Employer’s” issued by ICAI being mandatory, the company has made provision for gratuity & leave encashment on acturial valuation.		
5 Defective stocks are accounted for in production as and when used after rectification.		
6 Fixed Deposits Rs.73,11,983/- and Rs.85,000/- are pledged with Punjab National Bank and Sales Tax Authorities Delhi respectively (Previous year Rs.69,00,000/- and Rs.85,000/-).		
7 NSC for Rs.60,000/-(Previous year Rs.40,000/-) shown under Loans & Advances are in the name of Company’s executives.		
8 Previous year’s expenses / income aggregate Rs.1,54,586/- Rs.1,49,440/- respectively (Previous year Rs.49,360/- Rs.1,91,586/-).		
9 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.		
10 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 31.03.2011.		
11 Earning per Share		
Profit after tax	4,50,23,240	1,76,70,765
Weighted average No. of shares	58,32,056	58,32,056
Nominal Value	10	10
Basic & Diluted	7.72	3.03
12 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.135.05 lacs accumulated till 31st March, 2011 (Previous year Rs.107.71 lacs) is in respect of:		



IST LIMITED

	Current Year	Previous Year
Difference between the WDV of assets as per books of accounts and WDV for Income Tax purpose as per Income Tax Act, 1961.	4,99,38,529	4,18,27,906
Expenses allowed for tax purpose on payment basis	-1,02,04,546	-1,01,38,728
	3,97,33,983	3,16,89,178
Net Deferred Tax Liability	1,35,05,000	1,07,71,000

13 Information on Leases as per Accounting Standard 19 on "Accounting for Leases"

Operating Lease Expenses :

The Company has various operating leases for office facilities, factory, generator, guest house and residential premises for employee that are renewable on a periodic basis cancellable at its option. Rental expenses for operating leases recognised in the profit & loss account for the year is Rs.43.49 Lacs. (Previous year Rs.40.27 Lacs).

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

	Subsidiary Company Rs.	Associate Companies Rs.	Key Management Personnel Rs.	Others Rs.
For the year ending 31st March,2011				
Paid for Services & other charges		5,40,000 (4,65,000)		
Sale of Investment				— (2,25,000)
Sale of Fixed Assets		1,25,00,000 (—)		
Remuneration			10,12,115 (10,14,615)	
Rent		32,11,920 (29,47,200)		9,60,000 (9,60,000)
Outstanding Balance as on 31st March,2011				
Amount Payable			75,000 (20,049)	
Amount Receivable	55,37,00,000 (85,82,00,000)			
Equity Contribution		7,24,01,005 (7,24,01,005)		
Security Deposit		39,60,000 (39,60,000)		
Gurantees given by the Company on behalf of other Company		69,50,00,000 (69,50,00,000)		
FDR Pledged by the Company on behalf of other Company		73,11,983 (69,00,000)		

Subsidiary Company

Gurgaon Infospace Ltd.

Associate Companies:

GPC Technology Ltd. (Galaxy Power Cables Ltd.), Delight Marketing Co. Pvt. Ltd., Delux Investments Pvt. Ltd., Lubetec India Pvt. Ltd., Antique Investment Co. Ltd., Galaxy International Hotels Pvt Ltd., Eastern India Power and Mining Co. Pvt Ltd., Neil Builders (P) Ltd., IST Technology Infrastructure (P) Ltd., Gupta International Investment Co. Ltd., IST Steel and Power Ltd., IST Softect Pvt. Ltd. (AS Plastics Pvt Ltd.), Rex Probuild Private Ltd., Western Indus Power Pvt. Ltd., Delight Softech Private Ltd., Eastern Softech Private Ltd., AVG Realtors Pvt Ltd., Vinayak Infradevelopers Pvt. Ltd., Galaxy Indus Power Private Ltd., IST Green Power Pvt. Ltd., Wardha Valley Coal Field Pvt. Ltd., IST Finvest Ltd.

Key Management Personnel : Shri Mayur Gupta



15 Information pursuant to the provisions of Part-II of Schedule VI of the Companies Act, 1956.

I. LICENCED AND INSTALLED CAPACITY (AS CERTIFIED BY THE MANAGEMENT)

Licensed Capacity

The Government of India, Ministry of Commerce & Industry, have granted an Industrial Licence no.DIL 99(2005) dt.24.11.2005.

II. QUANTITATIVE INFORMATION WITH REGARD TO FINISHED GOODS.

	Unit	Quantity	Value (Rs.)
Opening Stock			
Own Manufactured Defence Stores Components			—
			(85,59,275)
Own Manufactured Other Components			95,783
			(4,21,851)
Production			
Own Manufactured Defence Stores Components			5,22,09,736
			(4,52,94,553)
Own Manufactured Other Components			8,00,50,435
			(6,69,32,593)
Purchases of Rap Seed Meal	Kgs.	—	—
		(2,024.360)	(2,39,56,413)
Sales & Services			
Own Manufactured Defence Stores Components			7,06,68,976
			(3,20,89,684)
Own Manufactured Other Components			13,24,70,680
			(12,39,89,269)
Scrap and Other Sales			1,43,00,602
			(1,39,05,363)
Job Charges			68,74,795
			(50,13,125)
Sale of Rap Seed Meal	Kgs.	—	—
		(1,975.160)	(2,19,45,919)
Closing Stock			
Own Manufactured Defence Stores Components			—
			11,88,409
Own Manufactured Other Components			(95,783)

NOTE :

Components consist of a large number of items for which it is not practicable to furnish quantitative information. Hence, only the aggregate value of such items has been shown.

III. RAW MATERIAL AND COMPONENTS CONSUMED

Steel / Brass / Aluminium etc.	Kgs.	1,69,044	4,52,55,658
		(1,34,680)	(3,16,21,844)
Others			36,76,442
			(37,61,501)



IST LIMITED

IV. VALUE OF IMPORTED AND INDIGENOUS RAW MATERIAL, STORE AND SPARE PARTS CONSUMED AND PERCENTAGE THEREOF.

	Total value of Consumption			Percentage of Total Consumption	
	Total	Imported	Indigenous	Imported	Indigenous
Raw Material & Components	4,89,32,100 (3,53,83,345)	20,25,248 (30,05,521)	4,69,06,852 (3,23,77,824)	4.14 (8.49)	95.86 (91.51)
Stores & Spares	1,36,98,241 (1,06,92,402)	15,84,791 (12,63,672)	1,21,13,450 (94,28,730)	11.57 (11.82)	88.43 (88.18)

V. C.I.F. VALUE OF IMPORTS	Amount(Rs.)
a) Raw material & Components	12,68,468 (31,22,155)
b) Stores & Spare parts including Tools	11,02,077 (12,00,228)
c) Capital Goods	2,27,00,340 (4,19,37,797)

VI. EXPENDITURE IN FOREIGN CURRENCY	
Overseas Travelling	5,23,115 (63,725)
Other Expenses	23,853 (1,273)
Exchange Rate Difference (Net)	1,20,804 (1,30,281)

VII. INCOME IN FOREIGN CURRENCY	
Export Sales	27,77,817 (2,54,19,559)

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

Signature to schedule 'A' to 'Q'

As per our Report of even date

For and on behalf of the Board

For O.P. DADU & CO.
Chartered Accountants

O.P. Dadu
Partner

D.N. Tulshyan
General Manager (Finance)

R.K. Sapra
Company Secretary

D. Keelor
Director

Mayur Gupta
Managing Director

Place : New Delhi
Dated : 27.05.2011

IST LIMITED



STATEMENT PURSUANT TO PART IV OF SCHEDULE VI OF THE COMPANIES ACT, 1956 BALANCE SHEET ABSTRACT AND COMPANY'S GENERAL BUSINESS PROFILE

I. Registration Details

Registration No. 0 5 5 - 8 3 1 6

State Code 0 5

Balance Sheet Date 3 1 0 3 2 0 1 1
Date Month Year

II. Capital Raised during the year (Amount in Rs. Thousands)

Public Issue	0 0 0 0 0 0 0	Rights Issue	0 0 0 0 0 0 0
Bonus Issue	0 0 0 0 0 0 0	Private Placement	0 0 0 0 0 0 0

III. Position of Mobilisation and Deployment of Funds (Amount in Rs. Thousands)

	Total Liabilities	1 3 7 1 5 8 4	Total Assets	1 3 7 1 5 8 4
Sources of Funds	Paid-up Capital	0 0 5 8 4 6 8	Reserve & Surplus	1 2 5 5 1 2 2
	Secured Loans	0 0 0 0 0 0 0	Unsecured Loans	0 0 0 0 0 0 0
	Deferred Tax Liability	0 0 1 3 5 0 5	Investments	0 3 8 9 9 4 8
Application of Funds	Net Fixed Assets	0 1 9 6 3 1 6	Misc. Expenditure	N I L
	Net Current Assets	0 7 4 0 8 3 0		
	Accumulated Losses	N I L		

IV. Performance of Company (Amount in Rs. Thousands)

	Turnover	0 2 4 6 1 3 8	Total Expenditure	0 0 0 1 8 1 1 4 6
	Profit Before Tax	0 0 6 4 9 9 2	Profit After Tax	0 0 4 5 0 2 3
	Earning Per Share in Rs.	0 0 0 7 . 7 2	Dividend Rate %	0 0



IST LIMITED

V. Generic Names of Three Principal Product/Services of Company (As per monetary term)

Item Code No.	N O T A P P L I C A B L E
Product Description	A U T O M O B I L E C O M P O N E N T S
Item Code No.	N O T A P P L I C A B L E
Product Description	D E F E N C E C O M P O N E N T S
Item Code No.	N O T A P P L I C A B L E
Product Description	E L E C T R O N I C M E D I C A L
	D E N T A L I N S T R U M E N T P A R T S

For and on behalf of the Board

Place : New Delhi
Dated : 27.05.2011

D.N. Tulshyan
General Manager (Finance)

R.K. Sapra
Company Secretary

D. Keelor
Director

Mayur Gupta
Managing Director



CASH FLOW STATEMENT FOR THE YEAR ENDING 31ST MARCH, 2011

(Pursuant to clause 32 of the Listing Agreement)

Amount in Rs .

Particulars	2010-2011	2009-2010
(A) CASH FLOW FROM OPERATING ACTIVITIES		
Net Profit before tax and extra ordinary items	6,49,91,780	2,81,25,999
Adjusted for:		
Depreciation	1,09,40,127	80,47,086
Interest (Net)	(94,24,853)	(47,16,480)
Amount written back (net)	10,49,059	2,40,883
Loss on Surrender of Land	—	10,91,255
(Profit) / Loss on sale of Fixed Assets	(7,23,219)	33,897
(Profit) / Loss on Investments & Derivatives	(1,31,227)	(2,25,000)
Demuntion in value of Investment	(2,57,996)	(3,74,221)
Dividend	(84,47,839)	(7,500)
Operating Profit before working capital changes	5,79,95,832	3,22,15,919
Change in :		
Trade receivables	(3,56,99,926)	68,85,289
Inventories	56,21,372	(23,76,084)
Provisions	65,818	16,06,322
Trade Payables	(34,42,088)	22,46,475
Loans & advances	(9,98,56,994)	(13,33,11,818)
Cash from operations	(7,53,15,986)	4,85,18,907
Interest paid	(1,23,978)	(1,39,931)
Direct Taxes paid	(1,24,85,436)	(57,13,218)
Net Cash from Operating Activities	(8,79,25,400)	4,26,65,758
(B) CASH FLOW FROM INVESTING ACTIVITIES		
Purchase of Fixed assets	(6,58,83,173)	(6,79,36,267)
Sale of Fixed assets	1,31,12,059	4,77,42,904
Amount Recoverable (Fixed Assets)	30,45,00,000	7,20,00,000
Interest Received	95,48,831	48,56,411
Investment in Shares & Mutual Fund	(31,66,14,012)	2,25,000
Investment in Shares Application Money	—	4,00,00,000
Profit on Investments & Derivatives	1,31,227	2,25,000
Dividend	84,47,839	7,500
Net Cash used in Investing Activities	(4,67,57,229)	9,71,20,548



IST LIMITED

(C) CASH FLOW FROM FINANCING ACTIVITIES

Borrowings / Repayment of borrowings (Net)		(1,53,368)
Net change in Cash & cash		
Equivalents (A+B+C)	(13,46,82,629)	13,96,32,938
Cash & Cash Equivalents		
- Opening Balance	14,86,79,478	90,46,540
- Closing Balance	1,39,96,849	14,86,79,478
	(13,46,82,629)	13,96,32,938

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

For and on behalf of the Board

O.P. Dadu
Partner

D.N. Tulshyan
General Manager (Finance)

R.K. Sapra
Company Secretary

D. Keelor
Director

Mayur Gupta
Managing Director

Place : New Delhi
Dated : 27.05.2011



CONSOLIDATED ACCOUNTS

AUDITORS' REPORT

To
The Board of Directors,
IST Limited

To the Board of Directors of IST Limited on the consolidated financial statements of IST Limited and its subsidiary, Gurgaon Infospace Limited.

We have examined the attached Consolidated Balance Sheet of IST Limited and its subsidiary Gurgaon Infospace Limited, as at 31st March, 2011, Consolidated Profit & Loss Account and also the Consolidated Cash Flow Statement for the year then ended.

These consolidated financial statements are the responsibility of IST Limited management. Our responsibility is to express an opinion on these financial statements based on our audit. We have conducted our audit in accordance with the generally accepted auditing standards in India. These Standards require that we plan and perform the audit to obtain reasonable assurance whether the financial statements are prepared, in all material respects, in accordance with an identified financial reporting frame work and are free of material misstatement. An audit includes, examining on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statements. We believe that our audit provides a reasonable basis for our opinion.

We report that the consolidated financial statements have been prepared by the Company in accordance with the requirements of Accounting Standard (AS) 21- Consolidated Financial Statements, issued by The Institute of Chartered Accountants of India and on the basis of the separate audited financial statements of the IST Limited, Gurgaon Infospace Limited, included in the consolidated financial statements.

On the basis of the information and explanations given to us, and on the consideration of the separate audit reports on the individual audited financial statements of IST Limited and its subsidiary, we are of the opinion that:

- a) The Consolidated Balance Sheet gives a true and fair view of the consolidated state of affairs of IST Limited and its subsidiary as at 31st March 2011.
- b) The Consolidated Profit and Loss Account gives a true and fair view of the consolidated results of operations of IST Limited and its subsidiary for the year then ended and
- c) The Consolidated Cash Flow Statement gives a true and fair view of the consolidated cash flows of IST Limited and its subsidiary for the year then ended.

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

Place : New Delhi
Dated : 27.05.2011

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



IST LIMITED

CONSOLIDATED BALANCE SHEET AS AT 31ST MARCH 2011

	Schedule	As at 31.03.2011 Rs.	As at 31.03.2010 Rs.
SOURCES OF FUNDS			
SHAREHOLDERS' FUNDS			
(a) Capital	A	5,84,67,546	5,84,67,546
(b) Reserves and Surplus	B	1,69,30,92,248	1,42,13,75,592
		<u>1,75,15,59,794</u>	<u>1,47,98,43,138</u>
LOAN FUNDS			
Deferred Tax Liability		1,35,05,000	1,07,71,000
		<u>1,76,50,64,794</u>	<u>1,49,06,14,138</u>
APPLICATION OF FUNDS			
FIXED ASSETS			
(a) Gross Block	C	1,38,53,08,757	1,36,53,82,016
Less : Depreciation		11,82,85,630	10,93,36,964
(b) Net Block		1,26,70,23,127	1,25,60,45,052
Add.Capital Works in Progress		9,20,43,274	5,39,46,535
		<u>1,35,90,66,401</u>	<u>1,30,99,91,587</u>
INVESTMENTS	D	<u>37,99,47,860</u>	<u>6,30,75,852</u>
CURRENT ASSETS, LOANS AND ADVANCES			
(a) Inventories	E	3,98,67,070	4,54,88,442
(b) Sundry Debtors	F	5,52,07,669	2,10,41,302
(c) Cash and Bank Balances	G	2,22,67,072	15,04,02,760
(d) Loans & Advances	H	17,38,47,914	5,96,34,548
		<u>29,11,89,725</u>	<u>27,65,67,052</u>
Less : Current Liabilities & Provisions	I	26,51,39,192	15,90,20,353
NET CURRENT ASSETS		<u>2,60,50,533</u>	<u>11,75,46,699</u>
		<u>1,76,50,64,794</u>	<u>1,49,06,14,138</u>

NOTES

Q

Schedules A to Q form integral part of Balance Sheet and Profit & Loss Account.

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

For and on behalf of the Board

O.P. Dadu
Partner

D.N. Tulshyan
General Manager (Finance)

R.K. Sapra
Company Secretary

D. Keelor
Director

Mayur Gupta
Managing Director

Place : New Delhi
Dated : 27.05.2011

IST LIMITED



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

	Schedule	For the year ended 31.03.2011 Rs.	For the year ended 31.03.2010 Rs.
INCOME			
Sale & Services	J	47,08,41,680	33,75,89,135
Other Income	K	2,18,23,067	58,20,944
Increase/ (Decrease) in Stock	L	22,69,671	(32,89,692)
		<u>49,49,34,418</u>	<u>34,01,20,387</u>
EXPENDITURE			
Raw-Material & Components Consumed		4,89,32,100	3,53,83,345
Purchases		—	2,39,56,413
Payments to and Provisions for Employees	M	5,58,35,377	5,11,80,404
Excise Duty		1,34,24,665	83,15,155
Manufacturing Expenses	N	2,35,56,201	1,99,47,513
Other Expenses	O	4,98,62,034	3,60,55,110
Finance Charges	P	6,98,559	4,64,110
		<u>19,23,08,936</u>	<u>17,53,02,050</u>
Profit before Depreciation		30,26,25,482	16,48,18,337
Depreciation		(1,09,40,127)	(80,47,086)
Profit before tax		29,16,85,355	15,67,71,251
Less: Provision For Current Tax			
Income Tax		1,67,32,000	49,50,000
(Less) / Add : Deferred Tax Credit		27,34,000	42,71,000
Profit after tax		27,22,19,355	14,75,50,251
(Less) : Prior period Adjustment Income tax		5,02,699	12,34,234
Profit after Tax and adjustment		27,17,16,656	14,63,16,017
Credit Balance brought forward from previous year		30,73,12,777	16,09,96,760
Balance carried forward to Balance Sheet		57,90,29,433	30,73,12,777
Earning per Share			
Basic & Diluted		46.59	25.09
(Refer note no.11 of schedule Q)			

NOTES

Q

Schedules A to Q form integral part of Balance Sheet and Profit & Loss Account.

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

For and on behalf of the Board

O.P. Dadu
Partner

D.N. Tulshyan
General Manager (Finance)

R.K. Sapra
Company Secretary

D. Keelor
Director

Mayur Gupta
Managing Director

Place : New Delhi
Dated : 27.05.2011



IST LIMITED

SCHEDULES FORMING PART OF THE CONSOLIDATED ACCOUNTS

	As at 31.03.2011 Rs.	As at 31.03.2010 Rs.
SCHEDULE 'A' 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 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><u>5,84,67,546</u></u>	<u><u>5,84,67,546</u></u>
 SCHEDULE 'B' RESERVES AND SURPLUS		
SHARE PREMIUM ACCOUNT		
Share Premium on 12,11,716 Shares @ Rs.5/- each	<u>60,58,580</u>	<u>60,58,580</u>
GENERAL RESERVE		
As per last year Balance Sheet	<u>1,10,80,04,235</u>	<u>1,10,80,04,235</u>
	<u>1,10,80,04,235</u>	<u>1,10,80,04,235</u>
 Profit & Loss		
Credit Balance Brought forward	<u>30,73,12,777</u>	<u>16,09,96,760</u>
Add: Profit for the year	<u>27,17,16,656</u>	<u>14,63,16,017</u>
	<u>57,90,29,433</u>	<u>30,73,12,777</u>
	<u><u>1,69,30,92,248</u></u>	<u><u>1,42,13,75,592</u></u>



SCHEDULE 'C' FIXED ASSETS

Description of Assets	GROSS BLOCK				DEPRECIATION				NET BLOCK	
	Cost as at 31.3.2010 Rs.	Additions during the Year Rs.	Deductions during the Year Rs.	As at 31.3.2011 Rs.	As at 30.3.2010 Rs.	For the year Rs.	Deductions during the year Rs.	Upto 31.3.2011 Rs.	As at 30.3.2011 Rs.	As at 31.3.2010 Rs.
Freehold Land	1,15,09,40,076	54,88,850	1,22,55,026	1,14,41,73,900	—	—	—	—	1,14,41,73,900	1,15,09,40,076
Plant & Machinery	19,53,98,044	2,53,63,746	21,25,275	21,86,36,515	10,15,41,382	92,96,277	19,91,461	10,88,46,198	10,97,90,317	9,38,56,662
Furniture & Office Equipment	64,69,084	9,33,831	—	74,02,915	38,45,533	3,38,327	—	41,83,860	32,19,055	26,23,551
Vehicles	1,25,74,812	25,20,615	—	1,50,95,427	39,50,049	13,05,523	—	52,55,572	98,39,855	86,24,763
Total	1,36,53,82,016	3,43,07,042	1,43,80,301	1,38,53,08,757	10,93,36,964	1,09,40,127	19,91,461	11,82,85,630	1,26,70,23,127	1,25,60,45,052
Previous year	1,38,40,12,016	6,04,93,528	7,91,23,528	1,36,53,82,016	10,26,85,350	80,47,066	13,95,472	10,93,36,964	1,25,60,45,052	
Capital Work in Progress									9,20,43,274	5,39,46,535



IST LIMITED

	As at 31.03.2011 Rs.	As at 31.03.2010 Rs.
SCHEDULE 'D' INVESTMENTS (AT COST)		
LONG TERM		
(A) Unquoted (Fully paid up)		
10 Equity Shares of Galaxy Mercantiles Ltd. of Rs.100/- each	1,005	1,005
62,40,000 Equity Shares of IST Steel & Power Ltd of Rs.10/- each	6,24,00,000	6,24,00,000
	<u>6,24,01,005</u>	<u>6,24,01,005</u>
(B) Quoted (Fully paid up)		
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
10,000 Equity Shares of Ricoh India Ltd Rs.10/- each	6,09,706	6,09,706
3,000 Equity Shares of JMT Auto Ltd Rs.10/- each	4,25,795	4,25,795
1,000 Equity Shares of DCM Shriram Consolidated Ltd Rs.2/- each	1,07,767	1,07,767
0/1,500 Equity Shares of UFLEX Ltd Rs.10/- each	—	3,25,177
	<u>14,87,505</u>	<u>18,12,682</u>
Less: Demunition in value of Investment	(8,79,839)	(11,37,835)
	<u>6,07,666</u>	<u>6,74,847</u>
(C) Mutual Funds		
20,55,623.293 Units Principal Mutual Fund Rs. 10.0123 each	2,05,81,517	—
2,96,17,996.444 units SBI SHF ULTRA Short Fund Rs. 10.006 each	29,63,57,672	—
	<u>31,69,39,189</u>	—
	<u>37,99,47,860</u>	<u>6,30,75,852</u>
Aggregate Market value of Quoted Investment	<u>6,07,666</u>	<u>6,74,847</u>
SCHEDULE 'E' INVENTORIES		
(As taken, valued and certified by the management as per Accounting Policies)		
Finished Goods	11,88,409	95,783
Goods under process	2,56,55,726	2,54,93,035
Raw materials and components	84,28,258	1,63,13,284
Stores & Spare parts	29,16,563	29,22,580
Scrap (Other)	16,78,114	6,63,760
	<u>3,98,67,070</u>	<u>4,54,88,442</u>
SCHEDULE 'F' SUNDRY DEBTORS		
Debts Outstanding for a period exceeding six months	41,34,982	12,80,964
Other Debts	5,10,72,687	1,97,60,338
	<u>5,52,07,669</u>	<u>2,10,41,302</u>
Notes : Classification of Sundry Debtors		
Unsecured, Considered Good	5,52,07,669	2,10,41,302
	<u>5,52,07,669</u>	<u>2,10,41,302</u>



	As at 31.03.2011 Rs.	As at 31.03.2010 Rs.
SCHEDULE 'G' CASH & BANK BALANCES		
Cash in hand	4,03,816	5,34,623
Cheques / Drafts in Hand	15,59,023	9,70,000
WITH SCHEDULED BANKS		
In Current Accounts including Margin Money Rs. 32,35,282/- (Previous year Rs. 31,38,859/-)	1,29,07,250	66,29,108
In Fixed Deposit Account	73,96,983	14,19,16,974
With Other Bank	—	3,52,055
	<u>2,22,67,072</u>	<u>15,04,02,760</u>
SCHEDULE 'H' LOANS & ADVANCES		
Advance recoverable in cash or in kind or for value to be received or pending adjustments	13,08,945	11,18,816
Advance against Capital goods	4,58,722	—
Advances to Body Corporates	10,02,86,551	—
Sundry Deposits	44,76,925	49,81,975
Loan to Employees	3,02,542	2,32,000
National Saving Certificate Account (Includes Rs. 40,000/- Pledged with Mining Engineers Nagore)	60,000	40,000
Income Tax & Fringe Benefit Tax	6,45,74,501	5,00,69,975
Other Receivables	23,56,876	31,75,588
Balance with Central Excise Deptt.	22,852	16,194
	<u>17,38,47,914</u>	<u>5,96,34,548</u>
NOTES :		
Classification of Loans and Advances :		
Unsecured, Considered Good	17,38,47,914	5,96,34,548
	<u>17,38,47,914</u>	<u>5,96,34,548</u>
SCHEDULE 'I' CURRENT LIABILITIES AND PROVISIONS		
Current Liabilities		
Sundry Creditors :		
For Capital Goods	48,86,992	1,11,13,372
For Goods, Services, Expenses etc.	89,22,740	1,35,83,439
For Other Finance	22,56,784	11,40,677
Payable to Customers	26,47,267	26,47,267
Other Liability	19,07,199	27,46,725
Security Deposit	21,24,56,664	10,12,24,596
Advance Rent Received	—	—
Director's Remuneration etc Payable	1,75,000	20,049
PROVISIONS :		
Gratuity & Earned Leave	1,02,04,546	1,01,38,728
Income Tax & Fringe Benefit Tax	2,16,82,000	1,64,05,500
	<u>26,51,39,192</u>	<u>15,90,20,353</u>



IST LIMITED

	For the year ended 31.03.2011 Rs.	For the year ended 31.03.2010 Rs.
SCHEDULE 'J' SALES & SERVICES		
Export Sales	27,77,817	2,54,19,559
Domestic Sales	21,62,70,264	16,83,28,773
Job Charges (T.D.S. Rs.1,38,358/- Previous year Rs 1,08,559/-)	68,74,796	50,13,125
Income from SEZ Operations (TDS Rs.1,39,47,963/- Previous year Rs.1,44,00,772/-)	<u>24,65,26,627</u>	<u>14,06,45,775</u>
	47,24,49,504	33,94,07,232
Less: Returns out of earlier year's sale	1,13,749	8,45,444
Less : Discount & Liquidated Damages	<u>14,94,075</u>	<u>9,72,653</u>
	47,08,41,680	33,75,89,135
SCHEDULE 'K' OTHER INCOME		
Interest (TDS Rs.9,49,387/- Previous year Rs.5,16,622/-)	95,48,831	48,56,411
Unspent Liabilities written back	20,097	1,52,407
Profit on Sale of Fixed Assets	7,23,219	—
Profit on sale of Investments (net) [including profit Rs.1,31,227/- on long term investments Previous year loss Rs.2,25,000/-]	1,31,227	2,25,000
Dividend Received	84,47,839	7,500
Previous year Income (Net)	—	1,42,226
Provision for Investment written back	2,57,996	3,74,221
Miscellaneous Receipts	<u>26,93,858</u>	<u>63,179</u>
	2,18,23,067	58,20,944
SCHEDULE 'L' INCREASE / (DECREASE) IN STOCK		
STOCK AS ON 31ST MARCH 2011		
Finished Goods	11,88,409	95,783
Goods under process	2,56,55,726	2,54,93,035
Scrap	<u>16,78,114</u>	<u>6,63,760</u>
	2,85,22,249	2,62,52,578
STOCK AS ON 31ST MARCH 2010		
Finished Goods	95,783	89,81,126
Goods under process	2,54,93,035	1,61,70,949
Scrap	<u>6,63,760</u>	<u>43,90,195</u>
	2,62,52,578	2,95,42,270
	22,69,671	(32,89,692)
SCHEDULE 'M' PAYMENT TO & PROVISION FOR EMPLOYEES		
Salaries, Wages, Bonus etc.	4,76,36,119	4,24,59,811
Gratuity	6,85,971	10,88,281
Contribution to P.F, E.S.I and Other Funds	28,92,806	34,55,484
Staff Welfare Expenses (Net)	<u>46,20,481</u>	<u>41,76,828</u>
	5,58,35,377	5,11,80,404
SCHEDULE 'N' MANUFACTURING EXPENSES		
Stores, Spare Parts & Packing Materials Consumed	1,36,98,241	1,06,92,402
Power and Fuel	97,08,044	91,29,038
Testing / Job Charges	<u>1,49,916</u>	<u>1,26,073</u>
	2,35,56,201	1,99,47,513



	For the year ended 31.03.2011 Rs.	For the year ended 31.03.2010 Rs.
SCHEDULE 'O' OTHER EXPENSES		
Rent	43,49,420	40,27,200
Rates & Taxes	55,716	46,587
Insurance	5,21,885	4,40,776
Advertisement Expenses	1,89,454	57,000
Repairs & Maintenance		
Building	2,24,757	1,47,325
Plant & Machinery	28,58,349	14,91,268
Others	15,93,075	14,03,015
Travelling & Conveyance (including directors' travelling Rs.8,45,842/- Previous year Rs.3,77,244/-)	32,72,540	23,57,585
Selling Expenses		
Sales Tax	62,48,365	38,77,475
Export Expenses	—	5,31,927
Other Selling Expenses	9,35,590	9,95,498
Brokerage & Commission	1,75,89,697	1,06,65,234
Auditors' Remuneration		
Audit Fee	1,15,000	85,000
In Other Capacity		
For Company Law Matters	10,000	10,000
For Tax Audit	40,000	30,000
For Certificates etc.	38,000	35,500
For Taxation & other matters	54,193	20,000
For Expenses	34,500	31,400
For Service Tax / Education Cess	22,971	18,593
Internal Audit Fees	88,240	88,240
Directors' Remuneration (excluding Rs.55,000/- previous year Rs.55,000/- charged to other heads of accounts)	21,34,615	18,04,615
Directors' Fee	22,500	25,000
Postage, Telegram & Telephone Expenses	7,27,756	6,47,959
Legal, Professional and Service Charges	28,73,453	19,94,345
Previous Year's Expenses (Net)	5,146	—
Miscellaneous Expenses	42,99,389	49,82,685
Sundry Debit/Credit balances adjusted	15,57,423	2,40,883
	<u>4,98,62,034</u>	<u>3,60,55,110</u>
SCHEDULE 'P' FINANCE CHARGES		
Interest to Bank & Others	1,23,978	1,39,931
Bank Charges, Guarantee Commission and Other Finance Charges	5,74,581	3,24,179
	<u>6,98,559</u>	<u>4,64,110</u>



SCHEDULE 'Q' NOTES

1 ACCOUNTING POLICIES

The significant Accounting Policies adopted in the preparation of these accounts are as under :

(i) Principles of Consolidation

The Consolidated financial statements relate to IST Limited ('the company') and to its wholly owned Subsidiary Company Gurgaon Infospace Limited.

The Consolidated financial statements have been prepared on the following basis.

- a) The financial statements of the Company and its wholly owned Subsidiary Company are combined on a line-by-line basis by adding together the book values of like items of assets, liabilities, income and expenses, after fully eliminating intra group balances and/or transactions resulting in unrealized profits or losses in accordance with Accounting Standard (AS)-21 "Consolidated Financial Statements" issued by Institute of Chartered Accountants of India.
- b) As far as possible, the consolidated financial statements are prepared using uniform accounting policies for like transactions and other events in similar circumstances and are presented in the same manner as the Company's separate financial statements.

(ii) Basis of Accounting :

The financial statements are prepared under the historical cost convention in accordance with the generally accepted accounting principles in India and the provisions of the Companies Act, 1956.

(iii) Fixed Assets :

- a) Fixed Assets are stated at Cost less Depreciation.
- b) Plant & Machinery manufactured within the plant is stated at Cost (less Depreciation wherever applicable). The over head expenses are, however, allocated on estimates given by Technical Personnel.

(iv) Depreciation :

Depreciation is calculated on Straight Line Method at the rates prescribed in schedule XIV of the Companies Act, 1956.

(v) Valuation of Inventories :

- a) 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 whichever ever is lower.
- b) Tools and Instruments are valued at cost less depletion in value.
- c) Stock of Scrap is valued at estimated realisable value.

(vi) Revenue Recognition

- a) Sales are recognized when goods are supplied and are inclusive of excise duty and sales tax.
- b) Processing Income : Processing income is recognized after services are rendered.
- c) Income from SEZ are recognized on accrual basis except otherwise stated.

(vii) 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.

(viii) Investments:

Investments are stated at cost and diminution in value is provide for.

(ix) 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.

(x) Excise Duty :

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

(xi) Claims :

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

- (xii) 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.



- (xiii) Liquidated damages on Defence Sales are accounted for as and when ascertained.
- (xiv) 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.
- (xv) **Income Tax**
Provision is made for income tax annually based on the tax liability computed after considering tax allowances and exemptions.
The differences that result between the profit offered for income tax and the profit as per the financial statement are identified and thereafter a deferred tax assets or deferred tax liability is recorded for timing differences, namely the differences that originate in one accounting period and reverse in another, based on the tax effect of the aggregate being considered.
- (xvi) **Impairment of Assets**
The management assesses the performance of its unit to arrive at the value in use to check for impairment, if any, in Fixed Assets, as required under AS 28 of the ICAI and provides for any impairment thereof in Profit & Loss Account.
- (xvii) **Provision,Contingent Liabilities and Contingent Assets**
Provisions are recognised in term of Accounting Standard 29 - 'Provisions, Contingent Liabilities and Contingent Assets' issued by the ICAI, when there is a present legal or statutory obligation as a result of past event where it is probable that there will be outflow of resources to settle the obligation and when a reliable estimate of the amount of the obligation can be made. Contingent Liabilities are recognized only when there is a possible obligation arising from past event 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 can not be made. Obligations are assessed on an ongoing basis and only those having a largely probable outflow of sources are provided for. Contingent assets are not recognized in the financial statements.

	As at 31.3.2011 Rs.	As at 31.3.2010 Rs.
2	Contingent Liabilities not provided for in respect of :	
(i)	60,82,863	36,82,500
(ii)	54,28,00,000	69,50,00,000
(iii)	2,25,94,628	1,24,74,693
3	Company has Cash Credit Limit from State Bank of India (Secured by first charge on current assets consisting raw material, work in process finished goods, book-debts & other current assets of the company; first charge on fixed assets consisting movable tangible property both present and future; plant & machinery purchased; and equitable mortgage on land of an associated company, GPC Technology Limited admeasuring 11.26696 acres situated at Village Malapura Distt. Rewari,(Haryana).	
4	In view of accounting standard on "Accounting for retirement benefits in the Financial statement of Employer's" issued by ICAI being mandatory, the company has made provision for gratuity & leave encashment on actuarial valuation & estimated basis respectivley.	
5	Defective stocks are accounted for in production as and when used after rectification.	
6	Fixed Deposits Rs.73,11,983/- and Rs.85,000/- are pledged with Punjab National Bank and Sales Tax Authorities Delhi respectively (Previous year Rs.69,00,000/- and Rs.85,000/-).	
7	NSC for Rs.60,000/- (Previous year Rs.40,000/-) shown under Loans & Advances are in the name of Company's executive.	
8	Previous year's expenses / income aggregate Rs. 1,54,586/- / Rs.1,49,440/- respectively (Previous year Rs.49,360/- / Rs.1,91,586/-).	
9	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.	



IST LIMITED

10 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 31.03.2011.

11 Earning per Share		
Profit after tax	27,17,16,656	14,63,16,017
Weighted average No of share	58,32,056	58,32,056
Nominal Value	10	10
Basic & Diluted	46.59	25.09

12 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.135.05 lacs accumulated till 31st March, 2011 (Previous year Rs.107.71 lacs) is in respect of

	Current year	Previous year
Difference between the WDV of assets as per books of accounts and WDV for Income Tax purpose as per Income Tax Act, 1961.	4,99,38,529	4,18,27,906
Expenses allowed for tax purpose on payment basis	-1,02,04,546	(1,01,38,728)
	3,97,33,983	3,16,89,178
Net Deferred Tax Liability	1,35,05,000	1,07,71,000

13 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 developing 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 shall be developed and operated in terms of the SEZ Act, 2005 and the rules framed thereunder.

14 Information on Leases as per Accounting Standard 19 on "Accounting for Leases".

Operating Lease Expenses :

The Company has various operating leases for office facilities, factory, guest house and residential premises for employee that are renewable on a periodic basis cancellable at its option. Rental expenses for operating leases recognised in the profit & loss account for the year is Rs.43.49 lacs (Previous year Rs. 40.27 lacs).

Income from lease recognised in the profit & loss account for the year is Rs. 2,465.27 lacs.(Previous year Rs.1,406.46 lacs).

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

	Associate Companies Rs.	Key Management Personnel Rs.	Others Rs.
For the year ending 31st March,2011			
Paid for Services & other charges	5,40,000	—	—
	(4,65,000)	(—)	(—)
Sale of Investment	—	—	—
	(—)	(—)	(2,25,000)
Sale of Fixed Assets	1,25,00,000	—	—
	(—)	(—)	(—)
Remuneration	—	22,12,115	—
	(—)	(18,84,615)	(—)
Rent	32,11,920	—	9,60,000
	(29,47,000)	(—)	(9,60,000)
Outstanding Balance as on 31st March 2010			
Amount Payable	—	1,75,000	—
	(—)	(20,049)	(—)
Equity Contribution	6,24,01,005	—	—
	(6,24,01,005)	(—)	(—)



Security Deposit	39,60,000	—	—
	(39,60,000)	(—)	(—)
Gurantees given by the Company on behalf of other Company	69,50,00,000	—	—
	(69,50,00,000)	(—)	(—)
FDR Pledged by the Company on behalf of other Company	73,11,983	—	—
	(69,00,000)	(—)	(—)

Associate Companies:

GPC Technology Ltd (Galaxy Power Cables Ltd), Delight Marketing Co. Pvt. Ltd, Delux Investments Pvt. Ltd, Lubetec India Pvt. Ltd, Antique Investment Co. Ltd, Galaxy International Hotels Pvt Ltd, Eastern India Power and Mining Co. Pvt Ltd., Neil Builders (P) Ltd, IST Technology Infrastructure P. Ltd, Gupta International Invsrment Co. Ltd, IST Steel and Power Ltd., IST Softech Pvt. Ltd. (AS Plastics Pvt Ltd.), Rex Propbuild Private Ltd, Western Indus Power Pvt. Ltd, Delight Softech Private Ltd, Eastern Softech Private Ltd, AVG Realtors Pvt Ltd., Vinayak Infradevelopers Pvt. Ltd, Galaxy Indus Power Private Ltd., IST Green Power Pvt. Ltd., Wardha Vaalley Coal Field Pvt. Ltd., IST Finvest LLP.

Key Management Personnel

Shri Mayur Gupta

Mrs. Sarla Gupta

16 The Company has exercised its option to claim deduction U/s 80 IAB of the Income Tax Act 1961 w.e.f., Assessment Year 2009-2010 in respect of the profit derived by the Company from the business of Developing SEZ, notified under SEZ Act, 2005. Hence no provision for Income Tax has been made during the year in respect of income from the business of Developing SEZ.

17 **Information pursuant to the provisions of Part-II of Schedule VI of the Companies Act, 1956.**

I. LICENCED AND INSTALLED CAPACITY (AS CERTIFIED BY THE MANAGEMENT)

Licenced Capacity

The Government of India, Ministry of Commerce & Industry, have granted an Industrial Licence no.DIL 99(2005) dt.24.11.2005

II. QUANTITATIVE INFORMATION WITH REGARD TO FINISHED GOODS.

	Unit	Quantity	Value(Rs.)
Opening Stock			
Own Manufactured Defence Stores Components			—
			(85,59,275)
Own Manufactured Other Components			95,783
			(4,21,851)
Production			
Own Manufactured Defence Stores Components			5,22,09,736
			(4,52,94,553)
Own Manufactured Other Components			8,00,50,435
			(6,69,32,593)
Purchases of Rap Seed Meal	Kgs	—	—
		(2,024.360)	(2,39,56,413)
Sales & Services			
Own Manufactured Defence Stores Components			7,06,68,976
			(3,20,89,684)
Own Manufactured Other Components			13,24,70,680
			(12,39,89,269)



IST LIMITED

Scrap and Other Sales			1,43,00,602
			(1,39,05,363)
Job Charges			68,74,795
			(50,13,125)
Income from SEZ Operations			—
			(14,06,45,775)
Sale of Rap Seed Meal	Kgs	—	—
		(1,975.160)	(2,19,45,919)
Closing Stock			
Own Manufactured Defence Stores Components	Pcs.		—
			(—)
Own Manufactured Other Components			11,88,409
			(95,783)

NOTE :

Components consist of a large number of items for which it is not practicable to furnish quantitative information. Hence, only the aggregate value of such items has been shown.

III. RAW MATERIAL AND COMPONENTS CONSUMED

	Unit	Quantity	Value(Rs.)
Steel / Brass / Aluminium Etc.	Kgs.	1,69,044	4,52,55,658
		(1,34,680)	(3,16,21,844)
Others			36,76,442
			(37,61,501)

IV. VALUE OF IMPORTED AND INDIGENOUS RAW MATERIAL, STORE AND SPARE PARTS CONSUMED AND PERCENTAGE THEREOF

	Total value of consumption			Percentage of Total consumption	
	Total	Imported	Indigenous	Imported	Indigenous
Raw material & Components	4,89,32,100	20,25,248	4,69,06,852	4.14	95.86
	(3,53,83,345)	(30,05,521)	(3,23,77,824)	(8.49)	(91.51)
Stores & Spares	1,36,98,241	15,84,791	1,21,13,450	11.57	88.43
	(1,06,92,402)	(12,63,672)	(94,28,730)	(11.82)	(88.18)

V. C.I.F. VALUE OF IMPORTS

a) Raw material & Components	Amount(Rs.)
	12,68,468
	(31,22,155)
b) Stores & Spare parts including Tools	11,02,077
	(12,00,228)
c) Capital Goods	2,27,00,340
	(4,19,37,797)

VI. EXPENDITURE IN FOREIGN CURRENCY

Overseas Travelling	5,23,115
Export Sales and	(63,725)
Other Expenses	23,853
	(1,273)
Exchange Rate Difference (Net)	1,20,804
	(1,30,281)

IST LIMITED



VII. INCOME IN FOREIGN CURRENCY

Export Sales

27,77,817
(2,54,19,559)

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

Signature to Schedule 'A' to 'Q'

As per our Report of even date
For O.P. DADU & CO.
Chartered Accountants

For and on behalf of the Board

O.P. Dadu
Partner

D.N. Tulshyan
General Manager (Finance)

R.K. Sapra
Company Secretary

D. Keelor
Director

Mayur Gupta
Managing Director

Place : New Delhi
Dated : 27.05.2011



IST LIMITED

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

(Pursuant to clause 32 of the listing Agreement)

Amount in Rs.

Particulars	2010-2011	2009-2010
(A) CASH FLOW FROM OPERATING ACTIVITIES		
Net Profit before tax and extraordinary items	29,16,85,355	15,67,71,251
Adjusted for:		
Depreciation	1,09,40,127	80,47,086
Interest (Net)	(94,24,853)	(47,16,480)
Amount written back (net)	15,57,434	2,40,883
Deferred Revenue & Preliminary Expenses Written off		
Loss on Surrender of Land	—	10,91,255
(Profit) / Loss on sale of Fixed Assets	(7,23,219)	33,897
(Loss) / Profit on Investments & Derivatives	(1,31,227)	(2,25,000)
Demunition in value of Investment	(2,57,996)	(3,74,221)
Dividend	(84,47,839)	(7,500)
	(64,87,573)	40,89,920
Operating Profit before working capital changes	28,51,97,782	16,08,61,171
Change in :		
Trade receivables	(3,52,16,932)	43,65,170
Inventories	56,21,372	(23,76,084)
Provisions	65,818	16,06,322
Trade Payables	10,07,76,521	(45,62,212)
Loans & advances	(10,02,17,215)	79,40,986
	(2,89,70,436)	69,74,182
Cash from operations	25,62,27,346	16,78,35,353
Interest paid	(1,23,978)	(1,39,931)
Direct Taxes paid	(2,64,61,219)	(91,07,261)
	(2,88,85,175)	(75,11,839)
Net Cash from Operating Activities	22,96,42,149	15,85,88,161
(B) CASH FLOW FROM INVESTING ACTIVITIES		
Purchase of Fixed assets	(7,24,03,781)	(11,05,65,034)
Sale of Fixed assets	1,31,12,059	4,77,42,904
Interest Received	95,48,831	48,56,411
Investment in Shares & Mutual Fund	(31,66,14,012)	2,25,000
Investment in Shares Application Money	—	4,00,00,000
Profit on Investments & Derivatives	1,31,227	2,25,000
Dividend	84,47,839	7,500
	(35,77,77,837)	(1,75,08,219)
Net Cash used in Investing Activities		
(C) CASH FLOW FROM FINANCING ACTIVITIES		
Borrowings / Repayment of borrowings (Net)	—	(1,53,368)
Unsecured Loan	—	—
	—	(1,53,368)
Net Cash from Financing Activities		
Net change in Cash & cash		
Equivalents (A+B+C)	(12,81,35,688)	14,09,26,574
Cash & Cash Equivalents		
- Opening Balance	15,04,02,760	94,76,186
- Closing Balance	2,22,67,072	15,04,02,760
	12,81,35,688	14,09,26,574

As per our Report of even date

For and on behalf of the Board

For O.P. DADU & CO.
Chartered Accountants

O.P. Dadu
Partner

D.N. Tulshyan
General Manager (Finance)

R.K. Sapra
Company Secretary

D. Keelor
Director

Mayur Gupta
Managing Director

Place : New Delhi
Dated : 27.05.2011



IST LIMITED

Regd. Office : Dharuhera Industrial Complex, Delhi Jaipur Highway No. 8,
Kapriwas, Dharuhera, Rewari 123110 (Haryana)

Head Office : A-23, New Office Complex, Defence Colony, New Delhi 110024.

27th May, 2011

Dear Shareholder (s),

As you are aware, the Ministry of Corporate Affairs (MCA), Government of India, vide Circular Nos. 17/2011 dated 21st April, 2011 and 18/2011 dated 29th April, 2011 has introduced a "Green Initiative in the Corporate Governance" by allowing paperless compliances by companies for service of documents to its Members through electronic mode, which will be in compliance with Section 53 of the Companies Act, 1956.

Your Company, being a supporter of all environment friendly initiatives, encourages this Green Initiative of the MCA and proposes to send all documents and communication as required to be sent to its Members, e.g., notices postal ballots, annual reports, abstracts under Section 302 of the Companies Act, 1956, etc. in electronic mode to your registered e-mail address.

In view of the above, we request all the members (holding shares in Physical and / or Dematerialised Form), to inform **e-mail address** to their Depository Participant and also register e-mail ID with our Registrar and Share Transfer Agents viz. "M/s Mas Services Limited" at the website www.masserv.com, in case the same has not been registered by them.

You are also requested to intimate to the Depository Participants (DP), changes, if any, in your registered addresses, e-mail ID and /or changes in your bank account details.

Please note that, members of the Company, on requisition, will be furnished, free of cost, a printed copy of the Balance Sheet of the Company and all other documents required by law to be attached thereto including the Profit & Loss Account and Auditors' Report etc. and all other communication that may be sent to you, through electronic mode of Communication.

Soliciting your co-operation and continued patronage.

Thanking You,
For IST Limited

R.K. Sapra
Company Secretary



IST Limited

Regd. Office : Dharuhera Industrial Complex
Delhi-Jaipur Highway No. 8, Kapriwas, Dharuhera,
Rewari-123110 (Haryana)

ATTENDANCE SLIP

Please Complete Attendance Slip and hand it over at the Entrance of the Meeting Hall

Folio No. _____ D.P. ID No. _____ Client ID No. _____

Name in Full.....

I Certify that I am a Shareholder of the Company and hold.....shares.

I hereby record my presence at the 35th Annual General Meeting of the Company to be held at the Registered Office at Dharuhera Industrial Complex, Delhi Jaipur Highway No. 8, Kapriwas Dharuhera, Rewari (Haryana), on Thursday, the 1st September, 2011 at 11.00 A.M.

Signature of the Member or Proxy *

* Please indicate whether Member or Proxy.



IST Limited

Regd. Office : Dharuhera Industrial Complex
Delhi-Jaipur Highway No. 8, Kapriwas, Dharuhera,
Rewari-123110 (Haryana)

FORM OF PROXY

Folio No. _____ D.P. ID No. _____ Client ID No. _____

I/We _____

of _____ in the district of _____

being member(s) of IST Limited, holding _____ Shares hereby appoint Mr. / Ms. _____

_____ of _____ or failing him

Mr./Ms. _____ of _____ in the district

of _____ as my/our proxy to attend and vote for me / us on my /

our behalf at the 35th Annual General Meeting of the Company to be held at the Registered Office at Dharuhera Industrial Complex, Delhi Jaipur Highway No.8, Kapriwas, Dharuhera, Rewari (Haryana), on Thursday, the 1st September, 2011 at 11.00 A.M. and at every adjournment thereof.

Affix
Revenue
Stamp

Signed this _____ day of _____ 2011.

BOOK POST

If undelivered please return to :



IST Limited

A-23 New Office Complex,
Defence Colony,
New Delhi-110 024 (INDIA).