

*33rd*  

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*Annual Report*  

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*2008-2009*  

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**IST LIMITED**



## **33rd Annual Report 2008-09**

**BOARD OF DIRECTORS**

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

SHRIMAYUR GUPTA *Managing Director*

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

SHRI A. N. MUKHERJEE

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

## NOTICE

Notice is hereby given that the 33rd Annual General Meeting of the Company will be held on Friday, the 4th day of September, 2009 at 11.00 a.m. at its Registered Office at Dharuhera Industrial Complex, Delhi Jaipur Highway No.8, Kapriwas, Dharuhera, Rewari (Haryana), to transact the following business :

1. To receive, consider and adopt the Audited Balance Sheet as on 31st March, 2009 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 Brig. (Retd.) G.S. Sawhney, who retires by rotation and being eligible, offers himself for reappointment.
3. To appoint statutory auditors of the Company to hold office until the conclusion of the next Annual General Meeting at a remuneration to be decided by the Board of Directors. M/s O.P. Dadu & Co., Chartered Accountants, Delhi retire at the ensuing Annual General Meeting and being eligible offer themselves for re-appointment.

By Order of the Board

Place: New Delhi  
Dated: 27th June, 2009

R.K. Sapra  
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 26th August, 2009 to 4th September, 2009 (both days inclusive)
3. *Members/ Proxies should bring the attendance slip duly filled in alongwith 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 No. and DP ID No. 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 who are holding shares in physical form 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

In case the shares are held in dematerialised form, the above information should be furnished directly to respective Depository participants.

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 Nos. to enable the Registrar & Transfer Agent to Consolidate all such shareholdings into one folio.



## IST LIMITED

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 reappointment at the forthcoming Annual General Meeting Pursuant to clause 49 of the Listing Agreement :

Name	Brig. (Retd.) G.S. Sawhney
Date of Birth	26th February, 1927
Qualifications	VSM, Brig. (Retd.).
Expertise in specific functional area	Ex. Director of Inspection (Armt.) in the Department of Defence Production; and Chairman, Technical Committee (Armt.) Stores.
Date of appointment as Director of the Company	29th March, 1985
Directorship of other companies	Nil
Chairman/ Member of Committees of other Companies	Nil

By Order of the Board

Place: New Delhi  
Dated: 27th June, 2009

R.K. Sapra  
Company Secretary



## DIRECTORS' REPORT

To the Members,

Your Directors are pleased to present their 33rd Annual Report together with the audited Statements of Accounts of the company and the report of the auditors thereon for the year ended 31st March, 2009.

### FINANCIAL RESULTS

The turnover of the Company during the year was Rs. 2030.18 Lacs as against Rs. 2111.00 Lacs in the previous year. The profit before tax during the year was Rs. 286.72 as against Rs. 343.60 Lacs in the previous year. The profit after tax was Rs. 173.85 Lacs as against Rs. 226.45 Lacs in the previous year.

The effort by your management towards cost control and diversifying activities of your company continue unabatedly.

### DIVIDEND

In order to conserve the resources for modernization and upgradation of Plant of the Company, your Directors express their inability to recommend payment of dividend for the year 2008-2009.

### DIRECTORS

In accordance with the provisions of the Companies Act, 1956 and Articles of Association of the Company Brig. (Retd.) G. S. Sawhney, V.S.M. retires by rotation and is eligible for re-appointment.

### DIRECTORS' RESPONSIBILITY STATEMENT

Pursuant to the requirement of 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, a report on Corporate Governance annexed which inter alia contains details of Audit Committee.

### 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, 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 Accounts of Gurgaon Infospace Limited, Subsidiary of this Company are annexed with a statement pursuant to Section 212 of the Companies Act, 1956. During the year, Western Indus Power Limited ceased to be subsidiary of the Company.

### 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 2009-10 has been paid to the above Stock Exchanges.

### DEMATERIALISATION 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

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 detailed below :

**A. CONSERVATION OF ENERGY :**

The company as always been conscious about the need for conservation of energy. Energy saving is one of the factor for the economic growth of the country and it remained an area of high priority for the company.

**B. TECHNOLOGY ABSORPTION :**

The company remain in constant endeavour to obtain technical assurance from outside.

**C. FOREIGN EXCHANGE EARNING AND OUTGO**

Your Company utilized foreign exchange equivalent to Rs. 76.30 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. 79.86 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 June, 2009

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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, 2009
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, 2009	Nil
	(b) not dealt with in the accounts of the company for the year ended 31st March, 2009	Rs. 8,12,80,316/-
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, 2009	Nil
	(b) not dealt with in the accounts of the company for the year ended 31st March, 2009	13,51,447/-
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

For and on behalf of the Board

Place : New Delhi

Dated : 27th June, 2009

D.N. Tulshyan  
*General Manager (Finance)*

R.K. Sapra  
*Company Secretary*

D. Keelor  
*Director*

Mayur Gupta  
*Managing Director*



## MANAGEMENT DISCUSSION AND ANALYSIS REPORT

### 1. INDUSTRY STRUCTURE AND DEVELOPMENT

Auto Components Manufacturing and the Infrastructural development for IT / ITES Sector are the main streams of business of your Company.

The Automotive Mission Plan 2016, published by the Government of India in consultation with SIAM and ACMA, envisages "India to emerge as the destination of choice in the world for design and manufacture of automobiles and auto Components with output reaching a level of US\$ 145 billion, accounting for more than 10 per cent of the GDP and providing additional employment to 25 million people by 2016."

The above figures indicate significant potential for growth in auto components industry, both for domestic market and exports from India.

Information Technology has emerged as sunrise industry and has been contributing to exports vis-a-vis Indian Economy. Recognizing the contribution of IT Industry to the overall Indian economy, Government of India is promoting infrastructure development for IT/ITES related projects.

### 2. OPPORTUNITIES AND THREATS

Your Company is engaged in High Precision Auto Component manufacturing. Its major customers include Maruti Suzuki and Tata-Fiat etc.

Tremendous opportunities for growth in the auto industry are available both in the domestic and overseas markets. The Company has been constantly striving to upgrade manufacturing technology to be able to increase its share with major automobile manufacturing companies.

Some of the industry specific features witnessed during the last few years are -

- i) Globally the industry is becoming high-tech day-by-day.
- ii) The industry has witnessed an intense competition in the domestic market
- iii) The industry as a whole remained sluggish

Your Company's wholly owned Subsidiary, namely, Gurgaon Infospace Limited has set up Sector Specific Special Economic Zone for IT/ITES over an area of 11.58 hectares at Village Dundahera, District Gurgaon, Haryana which is now functional.

Besides the impact caused by recessionary trend prevailing all over the globe, Indian IT Industry is facing threat from the changing US policies which continues to be the major market for the Indian IT

Industry. The developed countries, in order to protect jobs back home, are extending veiled protectionism, which is yet another threat looming on the horizon.

### 3. OUTLOOK

Auto Component Manufacturing sector remain the main stream of your Company. To upgrade the quality of its products in line with the Industry trend, the Company has planned to import New Age CNC machinery to replace the existing machinery in a phased manner. The Company look forward to continuous growth in future.

Though at present, the depressed market conditions in IT Sector, has impacted demand for the infrastructure for this industry but it is expected that as soon as world economy revives, the demand for the Company's infrastructure will grow.

The Company look forward for continuous growth, driven primarily by the emerging opportunities in above two areas.

### 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 conditions. Actual results may materially differ due to several factors, which could influence the Company's business operations such as demand and supply conditions, prices of inputs, changes in Government levies and 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 RESOURCES/INDUSTRIAL RELATIONS

The Company believes that human resources and industrial relations as the core areas of its business strategy. Employees participation 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, 2009 was 448.





## CORPORATE GOVERNANCE REPORT

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

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

### 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 this 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, 2009 was 4 Directors including one Non-Executive Independent Chairman and one Managing Director. The rest are Non-Executive 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 6 Board meetings were held on 30th April, 2008, 27th June, 2008, 30th July, 2008, 31st October, 2008, 31st January, 2009 and 9th March, 2009.

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, 2009 are given below:-

Directors	Category	Attendance			No. of other Directorships and Committee Memberships / Chairmanships in public Companies		
		Shares held	Board Meetings	Last AGM	Directorships	Committee Memberships	Committee Chairmanships
Sh. Mayur Gupta	MD	—	6	Yes	3	2	—
Air Marshal (Retd.) D. Keelor	C, NE*	—	6	Yes	—	—	—
Brig. (Retd.) G.S. Sawhney	NE*	—	2	Yes	—	—	—
Sh. A.N. Mukherjee	NE*	—	6	Yes	1	1	—

C = Chairman, MD = Managing Director, NE = Non-Executive Director

\* Also Independent in terms of Provisions of Clause 49 (1)(A)(iii)

### 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;
- Make recommendation to the Board on any matter relating to the financial management of the Company.

**COMPOSITION**

The Audit Committee of the Company comprises 3 Independent Non-executive Directors. All these Directors possess knowledge of Corporate Finance, Accounts and Company Law. The Chairman of the Committee present at the last Annual General Meeting of the Company. The Audit Committee meetings are attended by Statutory and Auditors Accounts & Finance Heads. The Company Secretary acts as the Secretary to the Audit Committee.

The minutes of the Audit Committee Meetings are placed before the Board of Directors at the subsequent Board Meeting.

During the year under review 6 Audit Committee meetings were held on 30th April, 2008, 27th June, 2008, 30th July, 2008, 31st October, 2008, 31st January, 2009 and 9th March, 2009. The Composition of Audit Committee and attendance at its meeting is as follows:-

Name	Category	No. of Meetings attended
Shri A.N. Mukherjee	Chairman, Independent, Non- executive	6
Air Marshal (Retd) D. Keelor	Member, Independent, Non- executive	6
Brig.(Retd.) G.S. Sawhney	Member, Independent, Non- executive	2

**4. REMUNERATION TO DIRECTORS**

The Company does not have a Remuneration Committee. Terms of appointment of the Managing Director are governed by Board and Members Resolutions.

- 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

- b) None of the Non executive Directors draw any remuneration from the Company except sitting fee of Rs. 2,500/- for attending each meeting of the Board of Directors. The details of remuneration paid to Non Executive Directors are as under:

Director	Sitting Fees (Rs.)
Air Marshal (Retd.) D. Keelor	15,000
Brig.(Retd.) G.S. Sawhney	5,000
Sh. A.N. Mukherjee	15,000

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/INVESTORS SHARE TRANSFER CUM GRIEVANCE COMMITTEE**

The Board has constituted a Committee of three members under the Chairmanship of a Non-executive Director. The Committee generally meets twice in a month, to approve inter-alia, transfer/ transmission of shares, issue of duplicate share certificates and 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

Number of Shareholders Complaints received during the period 01.04. 08 to 31.03.2009.	11
Number of Complaints not solved to the satisfaction of shareholders.	Nil
Number of pending complaints as on 31.03.2009, which are solved later on.	Nil

## 6. GENERAL BODY MEETINGS

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

Financial year	Date	Location of the Meeting	Time
2005-06	30.09.2006	IST Factory, Village Dundahera, Delhi Gurgaon Road, Gurgaon (Haryana)	11.00 A.M.
2006-07	28.09.2007	IST Factory, Dharuhera Industrial Complex, Delhi-Jaipur Highway No. 8, Kapriwas, Dharuhera, Rewari (Haryana)	12.00 Noon
2007-08	15.09.2008	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.

a) In the AGM held on 30.09.2006:

i) For delisting of equity shares from Delhi Stock Exchange Association Limited.

ii) Amendment in Article of Association.

b) In the Financial year 2006-07, following two Special Resolutions were passed through postal ballot:

i. To Sell, lease or otherwise dispose of the company's assets including and situated at Village Dundahera, Delhi Gurgaon Road, District Gurgaon (Haryana) and building constructed thereon.

ii. For shifting of registered office from Village Dundahera, Delhi Gurgaon Road, Gurgaon (Haryana) to Dharuhera Industrial Complex, Delhi Jaipur Highway No. 8, Village Kapriwas, Dharuhera, District Rewari-123110 (Haryana).

c) 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.

## 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 interests of the Company.

### ii) Accounting Standards

The Company follows the Accounting Standards laid down by the Institute of Chartered Accountant 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, Mr. 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, Mr. 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 published in English and Hindi Newspaper, as required under Clause-41 of the Listing Agreement.

**9. GENERAL SHAREHOLDERS INFORMATION**

Annual General Meeting:

Date & Time	:	Friday, the 4th September, 2009 at 11.00 AM
Venue	:	<b>Registered Office</b> : IST Factory, Dharuhera Industrial Complex, Delhi-Jaipur Highway No. 8, Kapriwas, Dharuhera, Rewari-123110 (Haryana)
Financial Year	:	1st April to 31st March
Book Closure	:	26th August, 2009 to 4th September, 2009 (both days inclusive)

**Financial Calendar (Tentative) 1st April, 2008 to 31st March, 2009**

**Financial Reporting****Approval and Adoption of Financial Results for the quarter ended -**

30th June, 2009	July, 2009
30th September, 2009	October, 2009
31st December, 2009	January, 2010
31st March, 2010	April, 2010 (in case of Unaudited Financial Result) or June, 2010 (in case of Audited Financial Results)

**Listing on Stock Exchanges :**

The Equity Shares of the Company are listed on Bombay Stock Exchange Limited (Stock Code - BSE 508807) and Delhi Stock Exchange Limited.

**Distribution of shareholding as on 31st March 2009**

No. of Equity Shares held	No. of Shareholders	% of Shareholders	No. of Shares held	% of Shareholding
Upto 500	7,659	97.418	7,18,925	12.327
501 to 1000	108	1.374	75,968	1.303
1001 to 2000	54	0.687	75,143	1.288
2001 to 3000	12	0.153	29,355	0.503
3001 to 4000	6	0.076	20,579	0.353
4001 to 5000	2	0.025	9,112	0.156
5001 to 10000	7	0.089	45,610	0.782
10001 and above	14	0.178	48,57,364	83.287
<b>TOTAL</b>	<b>7,862</b>	<b>100.00</b>	<b>58,32,056</b>	<b>100.00</b>

**Shareholding Pattern as on 31st March, 2009:**

CATEGORY	NO. OF SHARES HELD	% OF HOLDING
Promoters	43,73,752	74.995
Financial Institutions, Mutual Funds, Banks	325	0.006
Foreign Institutional Investors	—	—
Private Body Corporates	4,85,905	8.332
Indian Public	9,66,990	16.581
NRIs / OCBs	3,713	0.064
Others	1,371	0.024
<b>TOTAL</b>	<b>58,32,056</b>	<b>100.00</b>

**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	Low Price	No. of Shares Traded
April, 2008	317.30	220.00	41,973
May, 2008	315.00	265.00	18,960
June, 2008	295.05	236.00	9,384
July, 2008	289.80	235.00	4,272
August, 2008	261.95	208.10	1,794
September, 2008	229.90	139.00	4,466
October, 2008	153.10	87.55	4,418
November, 2008	92.00	64.15	2,286
December, 2008	71.65	47.80	8,812
January, 2009	130.95	71.00	4,405
February, 2009	104.00	70.50	4,610
March, 2009	86.40	62.05	9,147

**Dematerialization of Shares and Liquidity**

The Company's shares are compulsorily traded in dematerialized form. 22,71,896 (38.95%) Equity shares of total paid up equity shares were held in Dematerialized form as on 31st March, 2009.

**NSDL/ CDSL –ISIN** : INE684B01011

**Outstanding GDR/ Warrants and Convertible Bonds etc. : NIL**

**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

**Share Transfer System**

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

**Investor correspondence address**

Shareholders correspondence should be addressed to the Registrar and Transfer Agents at the address given above or to the Corporate Office of the Company at 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, 2009 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*

Place : New Delhi  
Dated : 27th June, 2009

(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, 2009, 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 (Auditors' Report), Order 2003, issued by the Central Government of India in terms of sub-section (4A) of section 227 of the Companies Act, 1956, we enclose in 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 and Loss Account & 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, 2009 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 'S' thereto, subject to and in terms of the above and also subject to Note No. 1, regarding Accounting Policies, in Schedule S 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, 2009;
  - 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

Place : New Delhi  
Dated : 27th June, 2009

(O.P. DADU)  
Partner  
Membership 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/Advances of Rs. 47.00 Lacs to Five Companies covered in the register maintained under Section 301 of the Companies Act, 1956 during the year. The year end balance of Unsecured Loans/Advances granted to such party was Rs. 16.00.
- (b) In our opinion, the terms and conditions on which Unsecured Loans/ Advances have been granted to companies, listed in the register maintained under Section 301 of the Companies Act, 1956 are not, prima facie, prejudicial to the interest of the Company except the Loans/Advances are interest free.
- (c) Interest free Loans/ Advances given by company is repayable on demand.
- (d) The company has taken Unsecured Loan of Rs. 1030.00 Lacs from seven companies covered in register maintained under section 301 of the Companies Act, 1956 during the year. The year end balance of Unsecured Loans taken was NIL.
- (e) In our opinion, the terms and conditions on which Unsecured Loans have been taken by Companies, listed in register maintained under section 301 of Companies Act, 1956 are not, prima facie, prejudicial to the interest of the company and the Unsecured Loans are interest free.
- (f) The year balance of unsecured loan is NIL.
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 lacs 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, employee's 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, 2009 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.
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. The company has maintained proper records of transactions and contracts in respect of trading in securities, and other investments and timely entries have been made therein. All Shares and other investments have been held by the Company in its own name, except to the extent of the exemption granted under section 49 of the Act.
12. 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.
13. 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.
14. 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.
15. Matter specified in items x, xii, xiii, xvi, xviii, xix, xx of clause of para 4 of Companies (Auditor's Report) Order 2003 do not apply to the company.

For O.P. DADU & CO.  
*Chartered Accountants*

Place : New Delhi  
Dated : 27th June, 2009

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



# IST LIMITED

## BALANCE SHEET AS AT 31ST MARCH 2009

	Schedule	As at 31.03.2009 Rs.	As at 31.03.2008 Rs.
<b>SOURCES OF FUNDS</b>			
<b>SHAREHOLDERS' FUNDS</b>			
(a) Capital	A	5,84,67,546	5,84,67,546
(b) Reserves and Surplus	B	1,19,24,27,812	1,17,50,43,169
		<b>1,25,08,95,358</b>	<b>1,23,35,10,715</b>
<b>LOAN FUNDS</b>			
Secured Loans	C	1,53,368	92,43,664
Unsecured Loans	D	—	4,90,00,000
Deferred Tax Liability		65,00,000	63,69,000
		<b>66,53,368</b>	<b>6,46,12,664</b>
		<b>1,25,75,48,726</b>	<b>1,29,81,23,379</b>
<b>APPLICATION OF FUNDS</b>			
<b>FIXED ASSETS</b>			
(a) Gross Block	E	27,39,96,466	19,09,25,594
Less : Depreciation		10,26,85,350	9,75,40,137
(b) Net Block		17,13,11,116	9,33,85,457
Add. Capital Works in Progress		2,89,703	—
		<b>17,16,00,819</b>	<b>9,33,85,457</b>
<b>INVESTMENTS</b>	F	<b>7,29,26,631</b>	<b>6,20,18,687</b>
<b>CURRENT ASSETS, LOANS AND ADVANCES</b>			
(a) inventories	G	4,31,12,358	5,31,47,210
(b) Sundry Debtors	H	2,56,48,467	7,86,18,464
(c) Cash and Bank Balances	I	90,46,540	1,10,63,395
(d) Loans & Advances	J	1,02,11,10,309	1,10,49,06,979
		<b>1,09,89,17,674</b>	<b>1,24,77,36,048</b>
Less : Current Liabilities & Provisions	K	8,58,96,398	10,50,16,813
<b>NET CURRENT ASSETS</b>		<b>1,01,30,21,276</b>	<b>1,14,27,19,235</b>
		<b>1,25,75,48,726</b>	<b>1,29,81,23,379</b>

### NOTES

S

Schedules A to S form an 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 : 27th June, 2009

# IST LIMITED



## PROFIT & LOSS ACCOUNT FOR THE YEAR ENDED 31ST MARCH 2009

	Schedule	For the year ended 31.03.2009 Rs.	For the year ended 31.03.2008 Rs.
<b>INCOME</b>			
Sales & Services	L	20,30,17,529	21,10,99,704
Other Income	M	26,62,669	41,48,071
Increase/(Decrease) in Stock	N	(85,55,515)	2,10,96,340
		<b>19,71,24,683</b>	<b>23,63,44,115</b>
<b>EXPENDITURE</b>			
Raw-Material & Components Consumed		4,61,61,281	4,51,45,150
Purchases		—	4,23,55,422
Payments to and Provisions for Employees	O	4,64,93,188	4,61,99,617
Excise Duty		1,50,23,881	1,04,49,200
Manufacturing Expenses	P	1,88,40,744	2,04,97,909
Other Expenses	Q	3,04,05,758	2,83,87,838
Finance Charges	R	60,17,298	35,03,449
		<b>16,29,42,150</b>	<b>19,65,38,585</b>
Profit before Depreciation		3,41,82,533	3,98,05,530
Depreciation		(55,10,458)	(54,44,832)
Profit before tax		2,86,72,075	3,43,60,698
Less: Provision for current tax			
Income Tax		(1,03,50,000)	(1,14,00,000)
Fringe Benefit Tax		(4,05,500)	(4,30,000)
(Less) / Add: Deferred Tax Credit		(1,31,000)	7,39,000
Profit after tax		1,77,85,575	2,32,69,698
(Less) / Add: Prior period Adjustment Income tax		(4,00,932)	(6,24,449)
Profit after Tax and adjustment		1,73,84,643	2,26,45,249
Credit Balance brought forward from previous year		6,09,80,354	3,83,35,105
Balance carried forward to Balance Sheet		7,83,64,997	6,09,80,354
Earning per share			
Basic & Diluted		2.98	3.88

### NOTES

S

Schedules A to S form an 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 : 27th June, 2009



# IST LIMITED

## SCHEDULES FORMING PART OF THE ACCOUNTS

	As at 31.03.2009 Rs.	As at 31.03.2008 Rs.
<b>SCHEDULE 'A' SHARE CAPITAL</b>		
<b>AUTHORISED</b>		
1,00,00,000 Equity Shares of Rs. 10/- each	10,00,00,000	10,00,00,000
<b>ISSUED</b>		
60,27,728 Equity Shares of Rs. 10/- each	6,02,77,280	6,02,77,280
<b>SUBSCRIBED AND PAID UP</b>		
58,32,056 Equity Shares of Rs. 10/- each fully paid up	5,83,20,560	5,83,20,560
Add : Shares Forfeited	1,46,986	1,46,986
	<u>5,84,67,546</u>	<u>5,84,67,546</u>
<b>SCHEDULE 'B' RESERVES AND SURPLUS</b>		
<b>CAPITAL RESERVE</b>		
Cash Subsidy	—	50,000
Less : Transferred to General Reserve	—	50,000
	—	—
<b>SHARE PREMIUM ACCOUNT</b>		
Share Premium on 12,11,716 shares @ Rs. 5/- each	60,58,580	60,58,580
<b>GENERAL RESERVE</b>		
As per last year Balance Sheet	1,10,80,04,235	1,10,79,54,235
Add : Transferred from Capital Reserve Account	—	50,000
	<u>1,10,80,04,235</u>	<u>1,10,80,04,235</u>
<b>PROFIT &amp; LOSS</b>		
Credit Balance Brought forward	6,09,80,354	3,83,35,105
Add : Profit for the Year	1,73,84,643	2,26,45,249
	<u>7,83,64,997</u>	<u>6,09,80,354</u>
	<u>1,19,24,27,812</u>	<u>1,17,50,43,169</u>
<b>SCHEDULE 'C' SECURED LOANS</b>		
<b>CASH CREDIT LOAN</b>	—	87,43,445
From State Bank of India (Secured by first charge on current assets consisting raw materials, 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 or to be purchased out of the term loan financed; and equitable mortgage on land of an associate company, GPC Technology Limited admeasuring 11.26696 acres situated at Village Malapura, Tehsil Rewari, Distt. Mahandergarh, Haryana		
<b>VEHICLES LOAN</b>		
From ICICI Bank Ltd (Secured by hypothecation of vehicles, by way of first charge)	1,53,368	5,00,219
	<u>1,53,368</u>	<u>92,43,664</u>
<b>SCHEDULE 'D' UNSECURED LOANS</b>		
From Bodies Corporate	—	4,90,00,000

**SCHEDULE 'E' FIXED ASSETS**

Description of Assets	GROSS BLOCK				DEPRECIATION				NET BLOCK	
	Cost as at 31.3.2008 Rs.	Additions during the Year Rs.	Deductions during the Year Rs.	As at 31.3.2009 Rs.	As at 31.3.2008 Rs.	For the Year Rs.	Deductions during the year Rs.	Upto 31.3.2009 Rs.	As at 31.3.2009 Rs.	As at 31.3.2008 Rs.
Freehold Land	3,77,01,296	7,57,69,280	—	11,34,70,576	—	—	—	—	11,34,70,576	3,77,01,296
Building	—	—	—	—	—	—	—	—	—	—
Plant & Machinery	14,11,94,432	62,95,023	3,92,942	14,70,96,513	9,19,82,697	45,56,675	3,65,245	9,61,74,127	5,09,22,386	4,92,11,735
Furniture & Office Equipment	55,61,277	1,99,511	—	57,60,788	32,32,960	3,12,931	—	35,45,891	22,14,897	23,28,317
Vehicles	64,68,589	12,00,000	—	76,68,589	23,24,480	6,40,852	—	29,65,332	47,03,257	41,44,109
Total	19,09,25,594	8,34,63,814	3,92,942	27,39,96,466	9,75,40,137	55,10,458	3,65,245	10,26,85,350	17,13,11,116	9,33,85,457
Previous year	18,44,34,794	79,38,783	14,47,983	19,09,25,594	9,33,57,538	54,44,832	12,62,233	9,75,40,137	9,33,85,457	
Capital Work in Progress										
Machinery under installation	—	2,89,703	—	2,89,703	—	—	—	—	2,89,703	—
Previous Year	—	—	—	—	—	—	—	—	—	—

	As at 31.03.2009 Rs.	As at 31.03.2008 Rs.
<b>SCHEDULE 'F' INVESTMENTS (AT COST)</b>		
<b>A) LONG TERM (Unquoted Fully paid up)</b>		
<b>Subsidiary Company</b>		
100000 Equity Shares of Gurgaon Infospace Ltd. of Rs. 100/- each	1,00,00,000	1,00,00,000
<b>Other Companies</b>		
10 Equity Shares of Galaxy Mercantiles Ltd. of Rs. 100/- each	1,005	1,005
0/(80000) Equity Shares of Lubetec India Pvt. Ltd. Rs. 10/- each	—	80,000
4500 Equity Shares of Galaxy International Hotels Ltd. of Rs. 100/- each	2,25,000	2,25,000
6240000/ (4990000) Equity Shares of IST Steels & Power Ltd. of Rs. 10/- each	6,24,00,000	4,99,00,000
	<u>7,26,26,005</u>	<u>6,02,06,005</u>
<b>B) QUOTED (Fully paid up)</b>		
4800 Equity Shares of J.C.T. Ltd. of Rs. 2.50 each	2,93,399	2,93,399
2000 Equity Shares of C.T. Cotton Yarn Ltd. of Rs. 10/- each	50,838	50,838
10000 Equity Shares of Ricoh India Ltd. Rs. 10/- each	6,09,706	6,09,706
3000 Equity Shares of JMT Auto Ltd. Rs. 10/- each	4,25,795	4,25,795
1000 Equity Shares of DCM Shriram Consolidated Ltd. Rs. 2/- each	1,07,767	1,07,767
1500 Equity Shares of UFLEX Ltd. Rs. 10/- each	3,25,177	3,25,177
	<u>18,12,682</u>	<u>18,12,682</u>
Less : Demerit value of investment	<u>(15,12,056)</u>	—
	<u>3,00,626</u>	<u>18,12,686</u>
	<u>7,29,26,631</u>	<u>6,20,18,687</u>
Aggregate Market Value of Quoted Investment	<u>3,00,626</u>	<u>7,20,010</u>

### **Schedule 'G' Inventories**

(As taken, valued and certified by the management as per Accounting Policies)

Finished Goods	89,81,126	80,89,955
Goods under process	1,61,70,949	2,64,54,120
Raw materials and components	1,12,13,861	1,25,59,245
Stores & Spare parts	23,56,227	24,90,180
Scrap (Other)	43,90,195	35,53,710
	<u>4,31,12,358</u>	<u>5,31,47,210</u>

# IST LIMITED



	As at 31.03.2009 Rs.	As at 31.03.2008 Rs.
<b>SCHEDULE 'H' SUNDRY DEBTORS</b>		
Debts Outstanding for a period exceeding six months	8,78,680	20,11,593
Others Debts	2,47,69,787	7,66,06,871
	<u>2,56,48,467</u>	<u>7,86,18,464</u>
Notes : Classification of Sundry Debtors		
Unsecured, Considered Good	2,56,48,467	7,86,18,464
	<u>2,56,48,467</u>	<u>7,86,18,464</u>
<b>SCHEDULE 'I' CASH &amp; BANK BALANCES</b>		
Cash in hand	3,56,569	2,36,850
Cheques/Drafts in Hand	35,90,949	39,61,518
WITH SCHEDULED BANKS :		
In Current Accounts including Margin Money	46,07,472	64,68,588
[(Rs. 8,42,443/- (Previous Year Rs. 64,22,543/-)]		
In Fixed Deposit Account (Pledged with Sales Tax Authorities Delhi)	85,000	85,000
With other Bank	4,06,550	3,11,439
	<u>90,46,540</u>	<u>1,10,63,395</u>
<b>SCHEDULE 'J' LOANS &amp; ADVANCES</b>		
Advance recoverable in cash or in kind or for value to be received or pending adjustments	1,07,95,951	22,98,389
Amount Recoverable from 100% Subsidiary Company	93,02,00,000	1,04,97,50,000
Share application Money (Pending allotment)	4,00,00,000	—
Advance against capital goods	5,17,021	1,89,51,411
Sundry Deposits	50,11,830	50,11,125
Loan to Employees	1,10,500	2,61,865
National Saving Certificate Account (Pledged with Mining Engineering Nagore)	40,000	—
Income Tax & Fringe Benefit Tax	3,39,13,125	2,84,67,535
Other Receivables	4,67,463	87,853
Balance with Central Excise Deptt.	54,419	78,801
	<u>1,02,11,10,309</u>	<u>1,10,49,06,979</u>
NOTES :		
Classification of Loans and Advances :		
Unsecured, Considered Good	1,02,11,10,309	1,10,49,06,979
<b>SCHEDULE 'K' CURRENT LIABILITIES AND PROVISIONS</b>		
<b>CURRENT LIABILITIES</b>		
Sundry Creditors		
For Capital Goods	2,88,60,000	54,14,063
For Goods, Services, Expenses etc.	1,04,41,690	5,75,32,044
For Other Finance	2,79,538	17,62,446
Payable to Customers	30,01,517	—
Director's Remuneration etc Payable	75,747	48,200
<b>PROVISIONS :</b>		
Gratuity & Earned Leave	85,32,406	82,20,060
Income Tax & Fringe Benefit Tax	3,47,05,500	3,20,40,000
	<u>8,58,96,398</u>	<u>10,50,16,813</u>



# IST LIMITED

	For the year ended 31.03.2009 Rs.	For the year ended 31.03.2008 Rs.
<b>SCHEDULE 'L' SALES &amp; SERVICES</b>		
Export Sales	74,11,714	82,73,011
Domestic Sales	19,37,66,239	19,78,53,256
Job Charges (T.D.S. Rs. 1,22,697/- previous Year Rs. 1,22,019/-)	42,77,975	51,63,600
	<b>20,54,55,928</b>	<b>21,12,89,867</b>
Less : Returns out of earlier year's sale	—	53,501
Less : Discount & Liquidated Damages	24,38,399	1,36,662
	<b>20,30,17,529</b>	<b>21,10,99,704</b>
<b>SCHEDULE 'M' OTHER INCOME</b>		
Consultancy Fee (T.D.S. Rs. 2,01,657/-)	16,47,700	—
Interest (T.D.S. Rs. 29,537/- Previous Year Rs. 3,24,393/-)	1,35,207	9,76,587
Unspent liabilities written back	4,594	4,14,187
Sundry Debit / Credit Balances W/off	—	1,07,928
Profit on Sale of Fixed Assets	2,87,302	4,19,577
Profit on Sale of Investments (net)	2,99,552	9,19,259
(including Profit Rs. NIL on long term investments Previous Year Loss Rs. 9,04,058/-)		
Dividend Received	14,400	8,78,974
Miscellaneous Receipts	2,73,914	4,31,559
	<b>26,62,669</b>	<b>41,48,071</b>
<b>SCHEDULE 'N' INCREASE / (DECREASE) IN STOCK</b>		
STOCK AS ON 31st MARCH, 2009		
Finished Goods	89,81,126	80,89,955
Goods under process	1,61,70,949	2,64,54,120
Scrap	43,90,195	35,53,710
	<b>295,42,270</b>	<b>3,80,97,785</b>
STOCK AS ON 31st MARCH, 2008		
Finished Goods	80,89,955	—
Goods under process	2,64,54,120	1,66,80,623
Scrap	35,53,710	3,20,822
	<b>3,80,97,785</b>	<b>1,70,01,445</b>
	<b>(85,55,515)</b>	<b>2,10,96,340</b>
<b>SCHEDULE 'O' PAYMENT TO &amp; PROVISION FOR EMPLOYEES</b>		
Salaries, Wages, Bonus etc.	3,85,31,320	3,74,52,541
Gratuity	3,48,185	10,94,406
Contribution to P.F., E.S.I. and other Funds	37,31,529	37,18,983
Staff Welfare Expenses	38,82,154	39,33,687
	<b>4,64,93,188</b>	<b>4,61,99,617</b>
<b>SCHEDULE 'P' MANUFACTURING EXPENSES</b>		
Stores, Spare Parts & Packing Materials Consumed	1,03,78,713	1,02,12,107
Power and Fuel	82,42,935	1,01,42,190
Testing / Job Charges	2,19,096	1,43,612
	<b>1,88,40,744</b>	<b>2,04,97,909</b>





	For the year ended 31.03.2009 Rs.	For the year ended 31.03.2008 Rs.
<b>SCHEDULE 'Q' OTHER EXPENSES</b>		
Rent	35,84,280	35,96,640
Rates & Taxes	61,672	1,30,804
Insurance	5,32,024	6,31,486
Advertisement Expenses	1,83,625	64,245
Repairs & Maintenance		
Building	1,27,281	5,37,179
Plant & Machinery	16,71,344	19,34,508
Others	10,59,014	14,50,392
Travelling & Conveyance (including directors' travelling Rs. 4,64,853/- (Previous Year Rs. 3,97,552/-)	23,48,525	20,34,859
Selling Expenses		
Sales Tax	71,85,937	79,90,386
Export Expenses	1,51,332	11,40,559
Other Selling Expenses	7,46,856	6,72,736
Auditors' Remuneration		
Audit Fee	65,000	65,000
In other Capacity		
For Company Law Matters	10,000	10,000
For Tax Audit	25,000	25,000
For Certificates etc.	39,500	55,000
For Taxation & other matters	30,000	20,000
For Expenses	31,350	30,900
For Service Tax / Education Cess	18,294	21,762
Internal Audit Fees	67,107	67,434
Directors' Remuneration	9,34,615	7,84,615
[excluding Rs. 55,000/- (previous year Rs. 34,080/-) charged to other head of accounts]		
Directors' Fee	35,000	19,000
Postage, Telegram & Telephone Expenses	6,91,753	7,23,630
Legal, Professional and Service Charges	20,91,277	21,08,815
Previous Year's Expenses (Net)	1,59,733	1,06,497
Demunition in value of Investment	15,12,056	—
Shifting charges of plant	11,460	1,17,436
Miscellaneous Expenses	36,91,546	40,48,955
Sundry Debit / Credit balances adjusted	33,40,177	—
	<b>3,04,05,758</b>	<b>2,83,87,838</b>
<b>SCHEDULE 'R' FINANCE CHARGES</b>		
Interest to Bank & others	51,80,469	21,05,751
Bank Charges, Guarantee Commission and Other Finance Charges	8,36,829	13,97,698
	<b>60,17,298</b>	<b>35,03,449</b>



## SCHEDULE 'S' 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 and Spares and purchased components, Finished Goods and Goods under process are valued at estimated cost on weighted average basis on net realisable value which 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 started 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 and estimates respectively 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, Customs Duty Draw Back 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 31.03.2009 Rs.	As at 31.03.2008 Rs.
2. Contingent Liabilities not provided for in respect of :		
i) Counter Guarantees given by the Company against Guarantees given by the Bank	28,61,275	9,33,775
ii) Guarantees given by the Company on behalf of other Company	69,50,00,000	61,75,00,000
iii) Claims/Demands against the Company not acknowledged as debts : Demand raised by various Workmen being disputed by the Company	Unascertainable	Unascertainable
3. 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 respectively.		
4. Defective stocks are accounted for in production as and when used after rectification.		
5. NSC for Rs. 40,000/- pledged with M/s. Minning Engineers, Nagore shown under Loans & Advances are in the name of Company's executive.		
6. During the year inventories have been valued as per AS-2. Due to the change in valuation method the value of inventories has been reduced by the Rs. 3,09,595/-.		
7. Previous year's expenses / Income aggregate Rs. 7,29,553 / Rs. 5,69,820 respectively. (Previous year Rs. 1,39,021 / Rs. 32,524).		
8. 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.		
9. Based on information available with the company there are no dues to Micro, Small and Medium Enterprises as defined in Micro, SME Development Act, 2006 as at 31.03.2009		
10. The company has filed SLP with the Hon'ble Supreme Court of India against the order of the Hon'ble Punjab & Haryana High Court setting aside allotment of a Free Hold Plot by HUDA. The Apex Court has been pleased to admit the SLP and has ordered to maintain status quo in the meantime. In view of the Order of the Hon'ble Supreme Court the Order of the Hon'ble High Court will remain in abeyance.		
11. Earning per Share		
Profit after tax	1,73,84,643	2,26,45,249
Weighted average No. of share	58,32,056	58,32,056
Nominal Value	10	10
Basic & Diluted	2.98	3.88

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. 65.00 Lacs accumulated till 31st March 2009 (previous year Rs. 63.69 Lacs) is in respect of

	Current Year (Rs.)	Previous Year (Rs.)
Difference between the WDV of assets as per books of accounts and WDV for Income Tax purpose as per Income Tax Act, 1961	2,76,53,859	2,69,56,878
Expenses allowed for tax purpose on payment basis	-85,32,406	-82,20,060
	1,91,21,453	1,87,36,818
Net Deferred Tax Liability	65,00,000	63,69,000

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, 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. 35.84 Lacs. (Previous Year Rs. 35.97 Lacs)

14. **Information on Related Parties transactions as required by Accounting Standard (AS 18)**

	Subsidiary Company Rs.	Associate Companies Rs.	Key Management Personnel Rs.	Others Rs.
<b>For the year ending 31st March 2009</b>				
Paid for services and other charges		2,10,000 (1,80,000)		
Purchase of Investment		1,25,00,000 (—)		
Sale of Investment				80,000 (—)
Remuneration			10,24,615 (8,37,695)	
Rent		29,84,280 (29,96,640)		4,80,000 (4,80,000)
<b>Outstanding Balance as on 31st March 2009</b>				
Unsecured Loans		— (4,90,00,000)		
Amount Payable			2,36,716 (2,03,969)	
Amount Receivable	93,02,00,000 (1,04,97,50,000)	65,60,000 (—)		
Equity Contribution		7,26,26,005 (6,02,05,000)		
Share Application Money		4,00,00,000 (—)		
Security Deposit		39,60,000 (39,60,000)		
Guarantees given by the Company on behalf of other Company		69,50,00,000 (61,75,00,000)		

**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 & Mining Co. Pvt. Ltd., Neil Builders (P) Ltd., IST Technology Infrastructure Pvt. Ltd., Gupta International Investment Co. Ltd, IST Steel & Power Limited, AS Plastics Pvt. Ltd., Rex Probuild Private Ltd., Western Indus Power Ltd, Delight Softech Private Ltd., Eastern Softech Private Ltd., AVG Auto Parts Pvt. 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.)
<b>Opening Stock</b>			
Own Manufactured Defence Store Components			73,08,365
			(—)
Own Manufactured Other Components			7,81,590
			(—)
<b>Production</b>			
Own Manufactured Defence Stores Components			5,33,33,568
			(2,14,37,584)
Own Manufactured other Components			5,40,30,656
			(6,52,79,594)
Purchases Copper Wire Rod for Sale	Kgs	—	—
		(98,161)	(4,23,55,422)
<b>Sales &amp; Services</b>			
Own Manufactured Defence Stores Components			8,18,50,805
			(4,60,92,825)
Own Manufactured Other Components			10,64,42,383
			(10,79,07,236)
Scrap and Other Sales			1,04,46,366
			(83,32,927)
Job Charges			42,77,975
			(51,63,600)
Transit Sales Copper Wire Rod	Kgs.	—	—
		(98,161)	(4,36,03,116)
<b>Closing Stock</b>			
Own Manufactured Defence Stores Components			85,59,275
			(73,08,365)
Own Manufactured other Components			4,21,851
			(7,81,590)

**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.	1,50,692	4,19,85,000
		(1,38,643)	(3,96,05,197)
Others			41,76,281
			(55,39,953)



# IST LIMITED

## IV. VALUE OF IMPORTED AND INDIGENOUS RAW MATERIALS, STORES AND SPARE PARTS CONSUMED AND PERCENTAGE THEREOF.

	Total value of Consumption			Percentage of Total Consumption	
	Total	Imported	Indigenous	Imported	Indigenous
Raw Material	4,61,61,281	49,17,114	4,12,44,167	10.65	89.35
& Components	(4,51,45,150)	(65,68,735)	(3,85,76,415)	(14.55)	(85.45)
Stores & Spares	1,03,78,713	19,73,818	84,04,895	19.02	80.98
	(1,02,12,108)	(16,35,323)	(85,76,785)	(16.01)	(83.99)

## V. C.I.F. VALUE OF IMPORTS

Amount (Rs.)

a) Raw Material & Components	32,82,474
	(45,91,615)
b) Stores & Spare parts including Tools	14,23,060
	(10,96,478)
d) Capital Goods	27,02,769
	(—)

## VI. EXPENDITURE IN FOREIGN CURRENCY

Overseas Travelling	1,03,360
	(2,00,066)
Export Sales & other Expenses	1,18,068
	(10,84,026)
Exchange Rate Difference (Net)	—
	(2,78,090)

## VII. INCOME IN FOREIGN CURRENCY

Export Sales	74,11,714
	(82,73,011)
Exchange Rate Difference (Net)	2,07,864
	(—)
Other Miscellaneous	3,66,698
	(—)

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

Signature to Schedules 'A' to 'S'.

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 : 27th June, 2009



**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 0 9  
 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)**

Sources of Funds  
 Total Liabilities  
 1 3 4 3 4 4 5

Total Assets  
 1 3 4 3 4 4 5

Paid-up Capital  
 0 0 5 8 4 6 8

Reserve & Surplus  
 1 1 9 2 4 2 8

Secured Loans  
 0 0 0 0 1 5 3

Unsecured Loans  
 0 0 0 0 0 0 0

Deferred Tax Liability  
 0 0 0 6 5 0 0

Investments  
 0 0 7 2 9 2 7

Application of Funds  
 Net Fixed Assets  
 0 1 7 1 6 0 1

Misc. Expenditure  
 NIL

Net Current Assets  
 1 0 1 3 0 2 1

Accumulated Losses  
 NIL

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

Turnover  
 0 2 0 5 6 8 0

Total Expenditure  
 0 0 0 1 7 7 0 0 8

Profit Before Tax  
 + 0 0 2 8 6 7 2

Profit After Tax  
 + 0 0 1 7 3 8 5

Earning Per Share in Rs.  
 0 0 0 2 . 9 8

Dividend Rate %  
 0 0

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

Item Code No.	NOT APPLICABLE
Product Description	AUTOMOBILE COMPONENTS
Item Code No.	NOT APPLICABLE
Product Description	DEFENCE COMPONENTS
Item Code No.	NOT APPLICABLE
Product Description	ELECTRONIC MEDICAL
	DENTAL INSTRUMENT PARTS

For and on behalf of the Board

Place : New Delhi  
Dated : 27th June, 2009

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, 2009

(Pursuant to clause 32 of the Listing Agreement)

Amount in Rs .

Particulars	2008-2009	2007-2008
<b>(A) CASH FLOW FROM</b>		
<b>OPERATING ACTIVITIES</b>		
Net Profit before tax and extraordinary items	2,86,72,075	3,43,60,698
Adjusted for:		
Depreciation	55,10,458	54,44,832
Interest (Net)	50,45,262	11,29,164
Amount written back (Net)	33,40,177	(1,07,928)
Profit /Loss on sale of Fixed Assets	(2,87,302)	(4,19,577)
Loss / Profit on Investments & Derivatives	(2,99,552)	(9,19,259)
Dividend	14,400	<u>(8,78,974)</u>
	<u>1,32,94,643</u>	<u>42,48,258</u>
<b>Operating Profit before working capital changes</b>	<b>4,19,66,718</b>	<b>3,86,08,956</b>
Change in :		
Trade receivables	4,96,29,820	(5,45,58,808)
Inventories	1,00,34,852	(2,05,02,659)
Provisions	18,24,402	10,83,064
Trade Payables	(2,20,98,262)	(8,08,51,008)
Loan & advances	<u>96,92,260</u>	<u>14,09,594</u>
	<u>4,90,83,072</u>	<u>(15,34,19,817)</u>
Cash from operations	9,10,49,790	(11,48,10,861)
Interest paid	(51,80,469)	(21,05,751)
Direct Taxes paid	(1,39,36,522)	(99,98,916)
Net Cash from Operating Activities	<b>7,19,32,799</b>	<b>(12,69,15,528)</b>
<b>(B) CASH FLOW FROM</b>		
<b>INVESTING ACTIVITIES</b>		
Purchase of fixed assets	(8,37,53,517)	(79,38,783)
Sale of fixed asset	3,15,000	29,61,532
Amount Recoverable (Fixed Assets)	11,95,50,000	5,02,50,000
Interest Received	1,35,207	9,76,587
Investment in shares	(1,24,20,000)	50,59,358
Investment in Shares Application Money	(4,00,00,000)	—
Profit on Investments & Derivatives	2,99,552	9,19,259
Dividend	14,400	8,78,974
Net Cash used in Investing Activities	<b>(1,58,59,358)</b>	<b>5,31,06,927</b>



# IST LIMITED

Particulars	2008-2009	2007-2008
<b>(C) CASH FLOW FROM FINANCING</b>		
<b>ACTIVITIES</b>		
Borrowings/ Repayment of borrowings (Net)	(90,90,296)	(73,83,694)
Unsecured Loan	(4,90,00,000)	4,66,30,000
Net Cash from Financing Activities	(5,80,90,296)	3,92,46,306
Net change in Cash & cash		
Equivalents (A+B+C)	(20,16,855)	(3,45,62,295)
Cash & Cash Equivalents		
- Opening Balance	1,10,63,395	4,56,25,690
- Closing Balance	90,46,540	1,10,63,395
	(20,16,855)	(3,45,62,295)

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 : 27th June, 2009

**DIRECTORS' REPORT**

To the Members,  
Gurgaon Infospace Limited.

Your Directors are pleased to present their 2nd Annual Report together with the audited Statements of Accounts of the company and the report of the auditors thereon for the year ended 31st March, 2009.

**OPERATIONS**

During the year under review the profit before tax was Rs. 812.80 Lacs as against Rs. 20.65 Lacs in previous year. The profit after tax during the year was 812.80 lacs as against Rs. 13.65 lacs in previous year.

**DIVIDEND**

In order to conserve the resources, your Directors expressed their inability to recommend payment of dividend for the year 2008-2009.

**DIRECTORS**

In accordance with the provisions of the Companies Act, 1956 and Articles of Association of the Company Shri Nath Mal Kakrania, retires by rotation and is eligible for re-appointment.

**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.

**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 the Companies (Acceptance of Deposit) Rules 1975.

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

As your Company did not carry on any manufacturing activity, information as required under the provisions of Sec. 217 (1) (e) of Companies Act, 1956, read with the Companies (Disclosure of Particulars in the Report of Board of Directors) Rules, 1988 in respect of conservation of energy and technology absorption is not applicable.

**FOREIGN EXCHANGE EARNING AND OUTGO**

There has been no inflow and outgo of foreign exchange.

**SECRETARIAL COMPLIANCE CERTIFICATE**

A Secretarial Compliance Certificate, pursuant to proviso to sub section (1) of Section 383A of the Companies Act, 1956 is annexed.

**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.

*For and on behalf of the Board*

**Air Marshal (Retd.) D. Keelor**  
Chairman

Place : New Delhi  
Dated : 26th June, 2009



## **AUDITORS' REPORT TO THE MEMBERS**

We have audited the attached Balance Sheet of 'M/s Gurgaon Infospace Ltd.', as at 31st March, 2009, the Profit and Loss Account and also the Cash Flow Statement for the year ended on that date annexed thereto. These financial Statement 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 the Annexure a statement on the matters specified in paragraph 4 and 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 purposes 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 and 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 and 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, 2009 from being appointed as director in terms of clause (g) of sub-section (1) of Section 274 of the Companies Act, 1956;
- vi) In our opinion and to the best of our information and according to the explanations given to us, the said accounts give the information required by the Companies Act, 1956, in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India;
  - a) in the case of Balance Sheet, of the State of affairs of the Company as at 31st March, 2009;
  - b) in the case of the Profit and Loss Account of the 'Profit' for the year ended on that date;
  - c) in the case of Cash Flow Statement, of the Cash Flows of the company for the year ending on that date.

For O.P. DADU & CO.  
Chartered Accountants

Place : New Delhi  
Dated : 26th June, 2009

(ABHEY DADU)  
Partner  
Membership No. 093313

## 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 asset has been physically verified by the Management during the year. No discrepancies were noticed on such verification.
- (c) The Company has not disposed of Fixed Assets during the year.
2. a) The Company has granted Unsecured Loans/Advances of Rs. 72 Lacs to one Company covered in the register maintained under section 301 of the Companies Act, 1956 during the year. The year end balance of the Unsecured Loans/Advances granted to such party is NIL.
- b) In our opinion, the terms and conditions on which Unsecured Loans/Advances have been granted to companies, listed in the register maintained under Section 301 of the Companies Act, 1956 are not, prima facie, prejudicial to the interest of the company except the Loans/Advances interest free.
- c) The Company has taken Unsecured Loan of Rs. 10 Lacs from one Company covered in register maintained under section 301 of the Companies Act, 1956 during the year. The year end balance of Unsecured Loans taken is NIL.
- d) In our opinion, the terms and conditions on which Unsecured Loans have been taken by Companies, listed in register maintained under section 301 of Companies Act, 1956 are not, prima facie, prejudicial to the interest of the Company.
3. 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.
4. 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.
5. In our opinion, the company has an internal audit system commensurate with the size and nature of its business.
6. We are informed that the company is not required to maintain cost record U/s 209 (1) (d) of the Companies Act, 1956.
7. 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 amount 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, 2009 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, custom duty, wealth tax, excise duty and cess which have not been deposited on account of any dispute.
8. 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.
9. 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.
10. Matter specified in items ii, v, x, xi, xii, xiii, xiv, xv, 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

Place : New Delhi  
Dated : 26th June, 2009

(ABHEY DADU)  
Partner

Membership No. 093313



## GURGAON INFOSPACE LTD.

### BALANCE SHEET AS AT 31ST MARCH 2009

	SCHEDULE	AS AT 31ST MARCH, 2009 Rs.	AS AT 31ST MARCH, 2008 Rs.
<b>SOURCES OF FUNDS</b>			
<b>Shareholders' Fund</b>			
Capital	'1'	1,00,00,000	1,00,00,000
Reserve & Surplus	'2'	8,26,31,763	13,51,447
		<u>9,26,31,763</u>	<u>1,13,51,447</u>
<b>APPLICATION OF FUNDS</b>			
<b>Fixed Assets</b>			
Gross Block	'3'	1,11,00,15,550	1,11,00,15,550
Net Block		<u>1,11,00,15,550</u>	<u>1,11,00,15,550</u>
Work in Progress		35,85,326	—
<b>CURRENT ASSETS, LOANS AND ADVANCES</b>			
Cash and Bank Balance	'4'	4,29,646	54,45,761
Loans & Advances		<u>3,27,41,086</u>	<u>23,57,601</u>
		<u>3,31,70,732</u>	<u>78,03,362</u>
Less : Current Liabilities and Provision	'5'	<u>1,05,41,39,845</u>	<u>1,10,64,67,465</u>
<b>NET CURRENT ASSETS</b>		<u>(1,02,09,69,113)</u>	<u>(1,09,86,64,103)</u>
		<u>9,26,31,763</u>	<u>1,13,51,447</u>
<b>NOTES ON ACCOUNTS</b>			
	'8'		

Schedules '1' to '8' form an integral part of Balance Sheet and Profit & Loss Account.

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

(ABHEY DADU)  
Partner

Place : New Delhi  
Dated : 26 June, 2009

For and on behalf of the Board

(Mayur Gupta)  
Director

(Mrs. Sarla Gupta)  
Director



**PROFIT & LOSS ACCOUNT**  
**For the year ended 31st March, 2009**

	SCHEDULE	FOR THE YEAR ENDED 31ST MARCH 2009 (Rs.)	FOR THE YEAR ENDING 31ST MARCH 2008 (Rs.)
<b>INCOME</b>			
Income from SEZ Operation			
[TDS Rs. 1,88,67,778/- (Rs. 23,57,601/-)]		9,11,64,180	1,04,04,223
		<u>9,11,64,180</u>	<u>1,04,04,223</u>
<b>EXPENDITURE</b>			
Administrative Expenses	'6'	98,80,289	83,37,862
Finance Charges	'7'	3,575	1,410
		<u>98,83,864</u>	<u>83,39,272</u>
Profit/(Loss) before tax		8,12,80,316	20,64,951
Provision for tax		—	7,00,000
Profit after tax		8,12,80,316	13,64,951
Credit/(Debit) Balance Brought forward from last year		13,51,447	(13,504)
Balance Carried to Balance Sheet		<u>8,26,31,763</u>	<u>13,51,447</u>
Basic & Diluted Earning per share (refer Point no.7 of Schedule 8)		812.80	13.64

**NOTES ON ACCOUNTS**

'8'

Schedules '1' to '8' form an 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

(ABHEY DADU)  
*Partner*

(Mayur Gupta)  
*Director*

(Mrs. Sarla Gupta)  
*Director*

Place : New Delhi  
 Dated : 26 June, 2009



# GURGAON INFOSPACE LTD.

## SCHEDULES FORMING PART OF ACCOUNTS

AS AT  
31ST MARCH 2009  
Rs.

AS AT  
31ST MARCH 2008  
Rs.

### SCHEDULE '1' SHARE CAPITAL

#### AUTHORISED

2,00,000 Equity Shares of Rs. 100/- each 2,00,00,000 2,00,00,000

#### ISSUED, SUBSCRIBED AND PAID UP

1,00,000 Equity Shares of Rs. 100/- each fully paid up 1,00,00,000 1,00,00,000

### SCHEDULE '2' RESERVE & SURPLUS

#### PROFIT & LOSS ACCOUNT

As per last year 13,51,447 (13,504)

Profit for the year 8,12,80,316 13,64,951

8,26,31,763 13,51,447

### SCHEDULE '3' FIXED ASSETS

PARTICULAR	GROSS BLOCK			DEPRECIATION		NET BLOCK	
	W.D.V. AS ON 31.03.2008	ADDITION DURING THE YEAR	AS AT 31.03.2009	FOR THE YEAR	UPTO 31.03.2009	AS ON 31.03.2009	AS ON 31.03.2008
Free Hold Land	1,11,00,15,550	—	1,11,00,15,550	—	—	1,11,00,15,550	1,11,00,15,550
Previous Year	1,11,00,15,550	—	(1,11,00,15,550)	—	—	(1,11,00,15,550)	—

### SCHEDULE '4' CURRENT ASSETS

AS AT  
31ST MARCH 2009  
Rs.

AS AT  
31ST MARCH 2008  
Rs.

#### CASH & BANK BALANCES

Cash in hand 1,770 8,978

Bank Balance in Current Account with Schedule Bank 4,27,876 34,45,775

Cheques in hand — 19,91,008

4,29,646 54,45,761

#### LOANS & ADVANCES

(Considered Good)

Amount Recoverable in Cash in kind 5,08,375 —

Prepaid Tax 3,22,32,711 23,57,601

3,27,41,086 23,57,601





	AS AT 31ST MARCH 2009 Rs.	AS AT 31ST MARCH 2008 Rs.
<b>SCHEDULE '5' CURRENT LIABILITIES &amp; PROVISION</b>		
<b>Current Liabilities</b>		
Sundry Creditors		
For Capital Goods (Holding Company)	93,02,00,000	1,04,97,50,000
For Services	4,75,800	3,06,152
Security Deposit	7,14,46,106	5,53,53,094
Advance Rent Received	4,85,76,040	—
Due to Director	26,000	43,330
Other Liability	25,83,514	—
TDS Payable	1,32,385	3,14,889
	<u>1,05,34,39,845</u>	<u>1,10,57,67,465</u>
<b>Provisions</b>		
Income Tax	7,00,000	7,00,000
	<u>1,05,41,39,845</u>	<u>1,10,64,67,465</u>

	FOR THE YEAR ENDED 31ST MARCH 2009 Rs.	FOR THE YEAR ENDED 31ST MARCH 2008 Rs.
<b>SCHEDULE '6' ADMINISTRATIVE EXPENSES</b>		
Director Remuneration	5,40,000	1,80,000
Brokerage & Commission	92,38,137	78,70,780
Director Travelling Expenses	37,642	—
<b>AUDIT FEE</b>		
Audit Fee	20,000	20,000
Tax Audit	5,000	—
Certification	—	3,000
Service Tax	2,678	2,839
Legal Fee	32,024	3,000
Miscellaneous Expenses	4,808	9,717
Deferred Revenue Expenses written off	—	2,19,280
Preliminary Expenses written off	—	29,246
	<u>98,80,289</u>	<u>83,37,862</u>

<b>SCHEDULE '7' FINANCE CHARGES</b>		
Bank Charges	3,575	1,410
	<u>3,575</u>	<u>1,410</u>



**SCHEDULE '8' NOTES ON ACCOUNT**

**1. SIGNIFICANT ACCOUNTING POLICIES**

**(a) Basis of Accounting :**

The financial statements are prepared in accordance with the historical cost convention and on the accounting principles of a going concern.

**(b) Revenue Recognition**

Income & Expenditure are accounted for on accrual basis except otherwise stated.

**(c) Fixed Assets:**

Fixed Assets are stated at Cost. Cost of acquisition of Fixed Assets is Inclusive of all direct and indirect expenditure.

**(d) Provision, Contingent Liabilities and Contingent Assets**

The Company creates a provision when there is a present obligation as 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 obligations 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.

**(e) 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.**

**(f) 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.

2. Contingent Liabilities	Current Year Rs.	Previous Year Rs.
a) Against the Loan taken by Co-Developer (Unitech Developer and Projects Limited) from Bank	1,41,10,95,431	NIL
b) Estimated amount of contracts remaining to be executed on capital Account and not provided for	2,33,26,750	Nil
3. The Company is wholly owned subsidiary company of M/s. IST Limited.		
4. Quantity wise details of the Turnover is not required to be disclosed as Income comprises of Rent Income from SEZ operation.		
5. Information on leases as per Accounting Standard 19 on "Accounting for Lease".		

**Income**

Receipts During the year is Rs. 9,11,64,180 (Rs. 1,04,04,223/-) from SEZ Operation.

6. Based on information available with the Company, there are no dues to Micro, Small and Medium Enterprises as defined in the Micro, Small and Medium Enterprises Development Act, 2006, as at March, 31, 2009



7. Earning Per Share	Current Year Rs.	Previous Year Rs.
a) Profit after tax	8,12,80,316	13,64,951
b) Weighted average number of shares	1,00,000	1,00,000
c) Nominal value of share (Rupees)	100	100
d) Basic and diluted earnings per Share (Rupees)	812.80	13.64

## 8. Deferred Tax

During the year there is no timing difference, namely the difference that originate in one accounting period and reverse in another. Consequently the company has not recognized a deferred tax assets/liability

## 9. Related Party Transactions :-

Detail of transactions with related parties during the year

Particular	Holding Company Rs. in Lacs	Key Management Personnel Rs. in Lacs
Balance at the year end	9,302.00 (10,497.50)	
Director Remuneration		5.40 (1.80)

### Holding Company

IST Limited

### Associate Companies :

GPC Technology Ltd. (Galaxy Power Cables Ltd.) Delight Marketing Co. Pvt. Ltd., Delux Investments Pvt. Ltd., Lubetech India Pvt. Ltd., Antique Investment Co. Ltd., Galaxy International Hotels Pvt. Ltd., Eastern India Power & Mining Co. Pvt. Ltd., IST Technology Infrastructure Pvt. Ltd., Gupta International Investment Co. Ltd. IST Steel & Power Limited, AS Plastics Pvt. Ltd., Neil Builders Pvt. Ltd., Rex Probuild Pvt. Ltd., Western Indus Power Ltd., Delight Softech Pvt. Ltd., Eastern Softech Pvt. Ltd., AVG Autoparts Pvt. Ltd.

### Key Management Personnel:

Mrs. Sarla Gupta

## 10. Segment Reporting

The Company operates in only one operational segment viz. SEZ Developer and one Geographical segment viz. India.

- 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.
- The Company has received approval dated 19th June, 2007 from Department of Commerce (SEZ Section), Ministry of Commerce & 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 there under.



## **GURGAON INFOSPACE LTD.**

13. The Company have created an equitable Mortgage over the land parcel admeasuring 13.35 acres, to the extent of 72% of the said land out of total parcel admeasuring 27.6812 acres of land, in favour of Bank of India in respect of loan taken by Co-Developer (Unitech Developer and Projects Limited) by deposit of title deed.
14. Previous year's figures have been regrouped /rearranged wherever necessary to make them comparable with those of the Current Year.

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

For and on behalf of the Board

(ABHEY DADU)  
*Partner*

(Mayur Gupta)  
*Director*

(Mrs. Sarla Gupta)  
*Director*

Place : New Delhi  
Dated : 26th June, 2009



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

### I. Registration Details

Registration No. U72900DL2006PLC151879

State Code **55**

Balance Sheet Date **31** **03** **2009**  
Date Month Year

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

Public Issue  
**N I L**

Right Issue  
**N I L**

Bonus Issue

Private Placement

**N I L**

**N I L**

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

Total Liabilities

**92632**

Total Assets

**92632**

Sources of Funds

Paid-up Capital

**10000**

Reserves & Surplus

**82632**

Secured Loans

**N I L**

Unsecured Loans

**N I L**

Application of Funds

Net Fixed Assets

**1113601**

Investments

**N I L**

Net Current Assets

**-1020969**

Misc. Expenditure

**N I L**

Accumulated Losses

**N I L**

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

Turnover (Including other Income)

**91164**

Total Expenditure

**9884**

Profit Before Tax

**81280**

Profit After Tax

**81280**

Earning Per Share in Rs.

**812.80**

Dividend Rate %

**00**

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

Item Code No.  
(ITC Code)

**NOT KNOWN**

Product Description

**NOT APPLICABLE**

For and on behalf of the Board

Place : New Delhi  
Dated : 26th June, 2009

(Mayur Gupta)  
Director

(Mrs. Sarla Gupta)  
Director



## GURGAON INFOSPACE LTD.

### CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2009

Amount in Rs .

Particulars	2008-2009	2007-2008
<b>(A) CASH FLOW FROM OPERATING ACTIVITIES</b>		
Profit/(Loss) before tax	8,12,80,316	20,64,951
Adjustment for :		
Misc. & Preliminary Expenses W/o	—	2,48,526
Depreciation	—	—
Operating (Profit / Loss) before working capital changes	8,12,80,316	23,13,477
Adjustment for :		
Loans & Advances	(5,08,375)	—
Inventories	—	—
Trade & Other Payables	6,72,22,380	5,59,92,353
Cash Generated from Operating Activities	14,79,94,321	5,83,05,830
Less : Direct Tax Paid	(2,98,75,110)	(23,57,601)
Net Cash from Operating Activities	11,81,19,211	5,59,48,229
<b>B. CASH FLOW FROM INVESTING ACTIVITIES</b>		
Adjustments for Changes in :		
Purchase of Assets	(35,85,326)	—
Amount payable for purchase of Fixed Assets	(11,95,50,000)	(5,02,50,000)
Miscellaneous Expenditure	—	—
Interest	—	—
Net Cash used in Investing activities	(12,31,35,326)	(5,02,50,000)
<b>C. CASH FLOW FROM FINANCING ACTIVITIES</b>		
Share Capital		
Share Application Money	—	(3,00,000)
Cash from financing Activities	—	(3,00,000)
<b>D. NET INCREASE / IN CASH AND CASH EQUIVALENTS</b>	(50,16,115)	53,98,229
Opening Balance of Cash and Cash Equivalent	54,45,761	47,532
Closing Balance of Cash and Cash Equivalent	4,29,646	54,45,761

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

For and on behalf of the Board

(ABHEY DADU)  
Partner

(Mayur Gupta)  
Director

(Mrs. Sarla Gupta)  
Director

Place : New Delhi  
Dated : 26th June, 2009

**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 2009, the 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 2009.
- b. The Consolidated Profit & 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

Place : New Delhi  
Dated : 27th June, 2009

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



# IST LIMITED

## CONSOLIDATED BALANCE SHEET AS AT 31ST MARCH 2009

	Schedule	As at 31.03.2009 Rs.	As at 31.03.2008 Rs.
<b>SOURCES OF FUNDS</b>			
<b>SHAREHOLDERS' FUNDS</b>			
(a) Capital	A	5,84,67,546	5,84,67,546
(b) Reserves and Surplus	B	1,27,50,59,575	1,17,63,94,616
		<u>1,33,35,27,121</u>	<u>1,23,48,62,162</u>
<b>LOAN FUNDS</b>			
Secured Loans	C	1,53,368	92,43,664
Unsecured Loans	D	—	4,90,00,000
Deferred Tax Liability		65,00,000	63,69,000
		<u>66,53,368</u>	<u>6,46,12,664</u>
		<u>1,34,01,80,489</u>	<u>1,29,94,74,826</u>
<b>APPLICATION OF FUNDS</b>			
<b>FIXED ASSETS</b>			
(a) Gross Block	E	1,38,40,12,016	1,30,09,41,144
Less : Depreciation		<u>10,26,85,350</u>	<u>9,75,40,137</u>
(b) Net Block		1,28,13,26,666	1,20,34,01,007
Add. Capital Works in Progress		38,75,029	—
		<u>1,28,52,01,695</u>	<u>1,20,34,01,007</u>
<b>INVESTMENTS</b>	F	6,29,26,631	5,20,18,687
<b>CURRENT ASSETS, LOANS AND ADVANCES</b>			
(a) Inventories	G	4,31,12,358	5,31,47,210
(b) Sundry Debtors	H	2,56,48,467	7,86,18,464
(c) Cash and Bank Balances	I	94,76,186	1,65,09,156
(d) Loans & Advances	J	12,36,51,395	5,75,14,580
		<u>20,18,88,406</u>	<u>20,57,89,410</u>
Less : Current Liabilities & Provisions	K	<u>20,98,36,243</u>	<u>16,17,34,278</u>
<b>NET CURRENT ASSETS</b>		<u>(79,47,837)</u>	<u>4,40,55,132</u>
		<u>1,34,01,80,489</u>	<u>1,29,94,74,826</u>
<b>NOTES</b>	S		

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

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

Chartered Accountants  
O.P. Dadu  
Partner

D.N. Tulshyan  
General Manager (Finance)

R.K. Sapra  
Company Secretary

For and on behalf of the Board

D. Keelor  
Director

Mayur Gupta  
Managing Director

Place : New Delhi

Dated : 27th June, 2009



# IST LIMITED



## CONSOLIDATED PROFIT & LOSS ACCOUNT FOR THE YEAR ENDED 31ST MARCH 2009

	Schedule	For the year ended 31.03.2009 Rs.	For the year ended 31.03.2008 Rs.
<b>INCOME</b>			
Sales & Services	L	29,41,81,709	22,15,03,927
Other Income	M	26,62,669	41,48,071
Increase/(Decrease) in Stock	N	(85,55,515)	2,10,96,340
		<b>28,82,88,863</b>	<b>24,67,48,338</b>
<b>EXPENDITURE</b>			
Raw-Material & Components Consumed		4,61,61,281	4,51,45,150
Purchases		—	4,23,55,422
Payments to and Provisions for Employees	O	4,64,93,188	4,61,99,617
Excise Duty		1,50,23,881	1,04,49,200
Manufacturing Expenses	P	1,88,40,744	2,04,97,909
Other Expenses	Q	4,02,86,047	3,67,25,700
Finance Charges	R	60,20,873	35,04,859
		<b>17,28,26,014</b>	<b>20,48,77,857</b>
Profit before Depreciation		<b>11,54,62,849</b>	<b>4,18,70,481</b>
Depreciation		(55,10,458)	(54,44,832)
Profit before tax		<b>10,99,52,391</b>	<b>3,64,25,649</b>
Less: Provision for current tax			
Income Tax		(1,03,50,000)	(1,21,00,000)
Fringe Benefit Tax		(4,05,500)	(4,30,000)
(Less)/Add : Deferred Tax Credit		(1,31,000)	7,39,000
Profit after tax		<b>9,90,65,891</b>	<b>2,46,34,649</b>
(Less) / Add: Prior period Adjustment Income tax		(4,00,932)	(6,24,449)
Profit after Tax and adjustment		<b>9,86,64,959</b>	<b>2,40,10,200</b>
Credit Balance brought forward from previous year		<b>6,23,31,801</b>	<b>3,83,21,601</b>
Balance carried forward to Balance Sheet		<b>16,09,96,760</b>	<b>6,23,31,801</b>
<b>Earning per share</b>			
Basic & Diluted		<b>16.92</b>	<b>4.12</b>
(Refer Note No. 11 of Schedule S)			

### NOTES

S

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

As per our Report of even date  
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 : 27th June, 2009

For and on behalf of the Board



# IST LIMITED

## SCHEDULES FORMING PART OF THE CONSOLIDATED ACCOUNTS

	As at 31.03.2009 Rs.	As at 31.03.2008 Rs.
<b>SCHEDULE 'A' SHARE CAPITAL</b>		
<b>AUTHORISED</b>		
1,00,00,000 Equity Shares of Rs. 10/- each	10,00,00,000	10,00,00,000
<b>ISSUED</b>		
60,27,728 Equity Shares of Rs. 10/- each	6,02,77,280	6,02,77,280
<b>SUBSCRIBED AND PAID UP</b>		
58,32,056 Equity Shares of Rs. 10/- each fully paid up	5,83,20,560	5,83,20,560
Add : Shares Forfeited	1,46,986	1,46,986
	<u>5,84,67,546</u>	<u>5,84,67,546</u>
<b>SCHEDULE 'B' RESERVES AND SURPLUS</b>		
<b>CAPITAL RESERVE</b>		
Cash Subsidy	—	50,000
Less: Transferred to General Reserve Account	—	50,000
	—	—
<b>SHARE PREMIUM ACCOUNT</b>		
Share Premium on 12,11,716 shares @ Rs. 5/- each	60,58,580	60,58,580
<b>GENERAL RESERVE</b>		
As per last year Balance Sheet	1,10,80,04,235	1,10,79,54,235
Add : Transferred from Capital Reserve Account	—	50,000
	<u>1,10,80,04,235</u>	<u>1,10,80,04,235</u>
<b>PROFIT &amp; LOSS</b>		
Credit Balance Brought forward	6,23,31,801	3,83,21,601
Add : Profit for the Year	9,86,64,959	2,40,10,200
	<u>16,09,96,760</u>	<u>6,23,31,801</u>
	<u>1,27,50,59,575</u>	<u>1,17,63,94,616</u>
<b>SCHEDULE 'C' SECURED LOANS</b>		
<b>CASH CREDIT LOAN</b>	—	87,43,445
From State Bank of India (Secured by first charge on current assets consisting raw materials, work in progress, 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 or to be purchased out of the term loan financed; and equitable mortgage on land of an associate company, GPC Technology Limited admeasuring 11.26696 acres situated at Village Malapura Dist. Rewari, Haryana		
<b>VEHICLES' LOAN</b>		
From ICICI Bank Ltd (Secured by hypothecation of vehicles, by way of first charge)	1,53,368	5,00,219
	<u>1,53,368</u>	<u>92,43,664</u>
<b>SCHEDULE 'D' UNSECURED LOANS</b>		
From Bodies Corporate	—	4,90,00,000

**SCHEDULE 'E' FIXED ASSETS**

GROSS BLOCK					DEPRECIATION				NET BLOCK	
Description of Assets	Cost as at 31.3.2008 Rs.	Additions revaluation during the Year Rs.	Deductions during the Year Rs.	As at 31.3.2009 Rs.	As at 31.3.2008 Rs.	For the year Rs.	Deduction during the year Rs.	Upto 31.3.2009 Rs.	As at 31.3.2009 Rs.	As at 31.3.2008 Rs.
Freehold Land	1,14,77,16,846	7,57,69,280	—	1,22,34,86,126	—	—	—	—	1,22,34,86,126	1,14,77,16,846
Building	—	—	—	—	—	—	—	—	—	—
Plant & Machinery	14,11,94,432	62,95,023	3,92,942	14,70,96,513	9,19,82,697	45,56,675	3,65,245	9,61,74,127	5,09,22,386	4,92,11,735
Fur. & Office Equipment	55,61,277	1,99,511	—	57,60,788	32,32,960	3,12,931	—	35,45,891	22,14,897	23,28,317
Vehicles	64,68,589	12,00,000	—	76,68,589	23,24,480	6,40,852	—	29,65,332	47,03,257	41,44,109
<b>Total</b>	<b>1,30,09,41,144</b>	<b>8,34,63,814</b>	<b>3,92,942</b>	<b>1,38,40,12,016</b>	<b>9,75,40,137</b>	<b>55,10,458</b>	<b>3,65,245</b>	<b>10,26,85,350</b>	<b>1,28,13,26,666</b>	<b>1,20,34,01,007</b>
Previous year	1,29,44,50,344	79,38,783	14,47,983	1,30,09,41,144	9,33,57,538	54,44,832	12,62,233	9,75,40,137	1,20,34,01,007	
<b>Capital Work in Progress</b>										
Machinery under Installation	—	2,89,703	—	2,89,703	—	—	—	—	2,89,703	—
Building work under Construction	—	35,85,326	—	35,85,326	—	—	—	—	35,85,326	—
<b>Total</b>	<b>—</b>	<b>38,75,029</b>	<b>—</b>	<b>38,75,029</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>38,75,029</b>	<b>—</b>
Previous Year	—	—	—	—	—	—	—	—	—	



# IST LIMITED

	As at 31.03.2009 Rs.	As at 31.03.2008 Rs.
<b>SCHEDULE 'F' INVESTMENTS (AT COST)</b>		
<b>LONG TERM</b>		
<b>Unquoted (Fully paid up)</b>		
10 Equity Shares of Galaxy Mercantiles Ltd. of Rs. 100/- each	1,005	1,005
0/(80000) Equity Shares of Lubetec India Pvt. Ltd. of Rs. 10/- each	—	80,000
4500 Equity Shares of Galaxy International Hotels Pvt. Ltd. of Rs. 100/- each	2,25,000	2,25,000
62,40,000/(49,90,000) Equity Shares of IST Steel & Power Ltd. of Rs. 10/- each	6,24,00,000	4,99,00,000
	<u>6,26,26,005</u>	<u>5,02,06,005</u>
<b>Quoted (Fully paid up)</b>		
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
1,500 Equity Shares of UFLEX Ltd. Rs. 10/- each	3,25,177	3,25,177
	<u>18,12,682</u>	<u>18,12,682</u>
	<u>(15,12,056)</u>	<u>—</u>
Less: Demerit in value of investment	<u>3,00,626</u>	<u>18,12,682</u>
	<u>6,29,26,631</u>	<u>5,20,18,687</u>
Aggregate Market Value of Quoted Investment	<u>3,00,626</u>	<u>7,20,010</u>
<b>SCHEDULE 'G' INVENTORIES</b>		
(As taken, valued and certified by the management as per Accounting Policies)		
Finished Goods	89,81,126	80,89,955
Goods under process	1,61,70,949	2,64,54,120
Raw Materials and components	1,12,13,861	1,25,59,245
Stores & Spare parts	23,56,227	24,90,180
Scrap (Other)	43,90,195	35,53,710
	<u>4,31,12,358</u>	<u>5,31,47,210</u>
<b>SCHEDULE 'H' SUNDRY DEBTORS</b>		
Debts Outstanding for a period exceeding six months	8,78,680	20,11,593
Others Debts	2,47,69,787	7,66,06,871
	<u>2,56,48,467</u>	<u>7,86,18,464</u>
Notes : Classification of Sundry Debtors		
Unsecured, Considered Good	<u>2,56,48,467</u>	<u>7,86,18,464</u>
	<u>2,56,48,467</u>	<u>7,86,18,464</u>

	As at 31.03.2009 Rs.	As at 31.03.2008 Rs.
<b>SCHEDULE 'I' CASH &amp; BANK BALANCES</b>		
Cash in hand	3,58,339	2,45,828
Cheques/Drafts in Hand	35,90,949	59,52,526
<b>WITH SCHEDULED BANKS :</b>		
In Current Accounts including Margin Money Rs. 8,42,443/- (Previous Year 64,22,543/-)	50,35,348	99,14,363
In Fixed Deposit Account	85,000	85,000
With other Bank	4,06,550	3,11,439
	<u>94,76,186</u>	<u>1,65,09,156</u>
<b>SCHEDULE 'J' LOANS &amp; ADVANCES</b>		
Advance recoverable in cash or in kind or for value to be received or pending adjustments	1,13,04,326	22,98,389
Share application Money (Pending allotment)	4,00,00,000	—
Advance against Capital goods	5,17,021	1,89,51,411
Sundry Deposits	50,11,830	50,11,125
Loans to Employees	1,10,500	2,61,865
National Saving Certificate Account (Pledged with Mining Engineers Nagore)	40,000	—
Income Tax & Fringe Benefit Tax	6,61,45,836	3,08,25,136
Other Receivables	4,67,463	87,853
Balance with Central Excise Deptt.	54,419	78,801
	<u>12,36,51,395</u>	<u>5,75,14,580</u>
<b>NOTES :</b>		
Classification of Loans and Advances :		
Unsecured, Considered Good	<u>12,36,51,395</u>	<u>5,75,14,580</u>
<b>SCHEDULE 'K' CURRENT LIABILITIES AND PROVISIONS</b>		
<b>CURRENT LIABILITIES :</b>		
<b>Sundry Creditors :</b>		
For Capital Goods	2,88,60,000	54,14,063
For Goods, Services, Expenses etc.	1,09,17,490	5,78,38,196
For other Finance	4,11,923	20,77,335
Payable to Customers	30,01,517	—
Other Liabilities	25,83,514	—
Security Deposit	7,14,46,106	5,53,53,094
Advances Rent Received	4,85,76,040	—
Director's Remuneration etc. Payable	1,01,747	91,530
<b>PROVISIONS :</b>		
Gratuity & Earned Leave	85,32,406	82,20,060
Income Tax & Fringe Benefit Tax	—	—
	<u>3,54,05,500</u>	<u>3,27,40,000</u>
	<u>20,98,36,243</u>	<u>16,17,34,278</u>



# IST LIMITED

	For the year ended 31.03.2009 Rs.	For the year ended 31.03.2008 Rs.
<b>SCHEDULE 'L' SALES &amp; SERVICES</b>		
Export Sales	74,11,714	82,73,011
Domestic Sales	19,37,66,239	19,78,53,256
Job Charges (T.D.S. Rs. 1,22,697/- Previous year Rs. 1,22,019/-)	42,77,975	51,63,600
Income from SEZ Operations (TDS Rs. 1,88,67,778 Previous year 23,57,601)	9,11,64,180	1,04,04,223
	<u>29,66,20,108</u>	<u>22,16,94,090</u>
Less : Returns out of earlier year's sale	—	53,501
Less : Discount & Liquidated Damages	24,38,399	1,36,662
	<u>29,41,81,709</u>	<u>22,15,03,927</u>
<b>SCHEDULE 'M' OTHER INCOME</b>		
Consultancy Fe (T.D.S. Rs. 2,01,657/-)	16,47,700	—
Interest (T.D.S. Rs. 29,537/- Previous year Rs. 3,24,393/-)	1,35,207	9,76,587
Unspent liabilities written back	4,594	4,14,187
Sundry Debit/Credit Balances W/off	—	1,07,928
Profit on Sale of Fixed Assets	2,87,302	4,19,577
Profit on Sale of Investments (net) (including profit Rs. Nil on long term investments Previous Year loss Rs. 9,04,058/-)	2,99,552	9,19,259
Dividend Received	14,400	8,78,974
Miscellaneous Receipts	2,73,914	4,31,559
	<u>26,62,669</u>	<u>41,48,071</u>
<b>SCHEDULE 'N' INCREASE / (DECREASE) IN STOCK</b>		
STOCK AS ON 31ST MARCH-2009		
Finished Goods	89,81,126	80,89,955
Goods under process	1,61,70,949	2,64,54,120
Scrap	43,90,195	35,53,710
	<u>2,95,42,270</u>	<u>3,80,97,785</u>
STOCK AS ON 31ST MARCH- 2008		
Finished Goods	80,89,955	—
Goods under process	2,64,54,120	1,66,80,623
Scrap	35,53,710	3,20,822
	<u>3,80,97,785</u>	<u>1,70,01,445</u>
	<u>(85,55,515)</u>	<u>2,10,96,340</u>
<b>SCHEDULE 'O' PAYMENT TO &amp; PROVISION FOR EMPLOYEES</b>		
Salaries, Wages, Bonus etc.	3,85,31,320	3,74,52,541
Gratuity	3,48,185	10,94,406
Contribution to P.F., E.S.I. and other Funds	37,31,529	37,18,983
Staff Welfare Expenses (Net)	38,82,154	39,33,687
	<u>4,64,93,188</u>	<u>4,61,99,617</u>
<b>SCHEDULE 'P' MANUFACTURING EXPENSES</b>		
Stores, Spare Parts & Packing Materials Consumed	1,03,78,713	1,02,12,107
Power and Fuel	82,42,935	1,01,42,190
Testing / Job Charges	2,19,096	1,43,612
	<u>1,88,40,744</u>	<u>2,04,97,909</u>



	For the year ended 31.03.2009 Rs.	For the year ended 31.03.2008 Rs.
<b>SCHEDULE 'Q' OTHER EXPENSES</b>		
Rent	35,84,280	35,96,640
Rates & Taxes	61,672	1,30,804
Insurance	5,32,024	6,31,486
Advertisement Expenses	1,83,625	64,245
Repairs & Maintenance		
Building	1,27,281	5,37,179
Plant & Machinery	16,71,344	19,34,508
Others	10,59,014	14,50,392
Travelling & Conveyance (including directors' travelling Rs. 5,02,495/- Previous year Rs. 3,97,552/-)	23,86,167	20,34,859
Selling Expenses		
Sales Tax	71,85,937	79,90,386
Export Expenses	1,51,332	11,40,559
Other Selling Expenses	7,46,856	6,72,736
Brokerage & Commission	92,38,137	78,70,780
Auditors' Remuneration		
Audit Fee	85,000	85,000
In other Capacity		
For Company Law Matters	10,000	10,000
For Tax Audit	30,000	25,000
For Certificates etc.	39,500	58,000
For Taxation & other matters	30,000	20,000
For Expenses	31,350	30,900
For Service Tax / Education Cess	20,972	24,601
Internal Audit Fees	67,107	67,434
Directors' Remuneration (excluding Rs. 55,000/- previous year Rs. 34,080/- charged to other heads of accounts)	14,74,615	9,64,615
Directors' Fee	35,000	19,000
Postage, Telegram & Telephone Expenses	6,91,753	7,23,630
Legal, Professional and Service Charges	21,23,301	21,11,815
Previous Year's Expenses (Net)	1,59,733	1,06,497
Demution in value of Investment	15,12,056	
Shifting Charges of plant	11,460	1,17,436
Miscellaneous Expenses	36,96,354	40,58,672
Sundry Debit / Credit balances adjusted	33,40,177	—
Deferred Revenue & Preliminary Expenses Written off	—	2,48,526
	<b>4,02,86,047</b>	<b>3,67,25,700</b>
<b>SCHEDULE 'R' FINANCE CHARGES</b>		
Interest to Bank & others	51,80,469	21,05,751
Bank Charges, Guarantee Commission and Other Finance Charges	8,40,404	13,99,108
	<b>60,20,873</b>	<b>35,04,859</b>



## SCHEDULE 'S' 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 which 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.

#### (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 provided 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 and estimates respectively 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 and Loss Account.

**(xvii) Provision, Contingent Liabilities and Contingent Assets**

Provisions are recognized 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 31.03.2009 Rs.	As at 31.03.2008 Rs.
2. Contingent Liabilities not provided for in respect of :		
i) Counter Guarantees given by the Company against		
Guarantees given by the Bank	28,61,275	9,33,775
ii) Guarantees given by the Company on behalf of other Company	69,50,00,000	61,75,00,000
iii) Against the loan taken by Co-Developer (Unitech Developer and projects Ltd.) from Bank	1,41,10,95,431	Nil
(iv) Estimated amount of contracts remaining to be executed on Capital account not provided for	2,33,26,750	Nil
v) Claims/demands against the Company not acknowledged as debts :		
Demand raised by various Workmen being disputed by the Company	Unascertainable	Unascertainable
3. 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 respectively.		



4. Defective stocks are accounted for in production as and when used after rectification.
5. NSC for Rs. 40,000/- pledged with M/s Minning Engineers, Nagore shown under Loans & Advances are in the name of Company's executive.
6. During the year inventories have been valued as per AS-2. Due to the change in valuation method the value of inventories has been reduced by Rs. 3,09,595/-.
7. Previous year's Expenses / Income aggregate Rs. 7,29,553 / Rs. 5,69,820 respectively (Previous year Rs. 1,39,021/- / Rs. 32,524/-).
8. 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.
9. Based on information available with the company there are no dues to Micro, Small and Medium Enterprises as defined in Micro, SME development Act, 2006 as at 31.03.2009.
10. The Company has filed SLP with the Hon'ble Supreme Court of India against the order of the Hon'ble Punjab and Haryana High Court setting aside allotment of a Free Hold Plot by HUDA. The Apex Court has been pleased to admit the SLP and has ordered to maintain status quo in the meantime. In view of the Order of the Hon'ble Supreme Court the Order of the Hon'ble High Court will remain in abeyance.

11. Earning per share	Current Year	Previous Year
Profit after tax	9,86,64,959	2,40,10,200
Weighted average No. of share	58,32,056	58,32,056
Nominal Value	10	10
Basic and Diluted	16.92	4.12

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. 65.00 Lacs accumulated till 31st March 2009 (Up to previous year Rs. 63.69 lacs) is in respect of:

	Current Year	Previous Year
Difference between the WDV of assets as per books of accounts and WDV for IncomeTax purpose as per Income Tax Act, 1961.	2,76,53,859	2,69,56,878
Expenses allowed for tax purpose on payment basis	(85,32,406)	(82,20,060)
	1,91,21,453	1,87,36,818
Net Deferred Tax Liability	65,00,000	63,69,000

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"

i) 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. 35.84 Lacs (previous year Rs. 35.97 Lacs).

- (ii) Income from lease recognised in the Profit & Loss account for the year is 911.64 lacs (previous year Rs. 104.04).

**15. Information on related parties transactions as required by Accounting Standard (AS 18)**

	Associate Companies	Key Management Personnel	Others
	Rs.	Rs.	Rs.
<b>For the year ending 31st March 2009</b>			
Paid for services & other charges	2,10,000 (1,80,000)		
Purchase of Investment	1,25,00,000 (—)		
Sale of Investment			80,000 (—)
Remuneration		15,64,615 (10,17,695)	
Rent	29,84,280 (26,96,640)		4,80,000 (4,80,000)
<b>Outstanding Balance as on 31st March 2009</b>			
Unsecured Loans	— (4,90,00,000)		
Amount Payable		2,36,716 (2,03,969)	
Amount Receivable	65,60,000 (—)		
Equity Contribution	7,26,26,005 (6,02,05,000)		
Share Application Money	4,00,00,000 (—)		
Security Deposit	39,60,000 (39,60,000)		
Guarantee given by the Company on behalf of other company	6,95,00,000 (61,75,00,000)		

**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 & Mining Co. Pvt. Ltd., Neil Buildes (P) Ltd., IST Technology Infrastructure P. Ltd., Gupta International Investment Co. Ltd, IST Steel & Power Limited., AS Plastics Pvt. Ltd., Rex Probuild Private Ltd., Western Indus Power and Mining Co. Pvt. Ltd., Delight Softech Private Ltd., Eastern Softech Private Ltd., AVG Auto Parts Pvt. Ltd.

**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 ben made duiring the year in respect of income from the business of Developing SEZ.
17. The subsidiary Company have created an equitable Mortgage over the land parcel admeasuring 13.35 acres, to the extent of 72% of the said land out of total parcel admeasuring 27.6812 acres of land in favour of Bank of India in respect of loan taken by Co-Developer (Unitech Developer and Projects Limited) by depositing the title deed.



# IST LIMITED

## 18. 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

- i) 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.)
<b>Opening Stock</b>			
Own Manufactured Defence Store Components			73,08,365 (—)
Own Manufactured other Components			7,81,590 (—)
<b>Production</b>			
Own Manufactured Defence Stores Components			5,33,33,568 (2,14,37,584)
Own Manufactured other Components			5,40,30,656 (6,52,79,594)
Transit Sales Copper Wire Rod	Kgs	— (98,161)	— (4,23,55,422)
<b>Sales &amp; Services</b>			
Own Manufactured Defence Stores Components			8,18,50,805 (4,60,92,825)
Own Manufactured Other Components			10,64,42,383 (10,79,07,236)
Scrap and Other Sales			1,04,46,366 (83,32,927)
Job Charges			42,77,975 (51,63,600)
Income from SEZ Operations			9,11,64,180 (1,04,04,223)
Transit Sales Copper Wire Rod	Kgs	— (98,161)	— (4,36,03,116)
<b>Closing Stock</b>			
Own Manufactured Defence Stores Components	Pcs.		85,59,275 (73,08,365)
Own Manufactured other Components			4,21,851 (7,81,590)

**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.	1,50,692 (1,38,643)	4,19,85,000 (3,96,05,197)
Others			41,76,281 (55,39,953)



## IV. VALUE OF IMPORTED AND INDIGENOUS RAW MATERIALS, STORES AND SPARE PARTS CONSUMED AND PERCENTAGE THEREOF.

	Total	Total value of Consumption		Percentage of Total Consumption	
		Imported	Indigenous	Imported	Indigenous
Raw Material & Components	<b>4,61,61,281</b> (4,51,45,150)	<b>49,17,114</b> (65,68,735)	<b>4,12,44,167</b> (3,85,76,415)	<b>10.65</b> (14.55)	<b>89.35</b> (85.45)
Stores & Spares	<b>1,03,78,713</b> (1,02,12,108)	<b>19,73,818</b> (16,35,323)	<b>84,04,895</b> (85,76,785)	<b>19.02</b> (16.01)	<b>80.98</b> (83.99)

Amount (Rs.)

## V. C.I.F. VALUE OF IMPORTS

a) Raw Material & Components	<b>32,82,474</b> (45,91,615)
b) Stores & Spare parts including Tools	<b>14,23,060</b> (10,96,478)
d) Capital Goods	<b>27,02,769</b> (—)

## VI. EXPENDITURE IN FOREIGN CURRENCY

Overseas Travelling	<b>1,03,360</b> (2,00,066)
Export Sales & other Expenses	<b>1,18,068</b> (10,84,056)
Exchange Rate Difference (Net)	— (2,78,090)

## VII. INCOME IN FOREIGN CURRENCY

Export Sales	<b>74,11,714</b> (82,73,011)
Exchange Rate Difference (Net)	<b>2,07,864</b> (—)
Other Miscellaneous	<b>3,66,698</b> (—)

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

Signature to Schedule 'A' to 'S'

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 : 27th June, 2009



# IST LIMITED

## CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDING 31ST MARCH, 2009

(Pursuant to clause 32 of the listing Agreement)

Amount in Rs.

Particulars	2008-2009	2007-2008
<b>(A) CASH FLOW FROM OPERATING ACTIVITIES</b>		
Net Profit before tax and extraordinary items	10,99,52,391	3,64,25,649
Adjusted for:		
Depreciation	55,10,458	54,44,832
Interest (Net)	50,45,262	11,29,164
Amount written back (Net)	33,40,177	(1,07,928)
Deferred Revenue & Preliminary Expenses Written off		2,48,526
Profit /Loss on sale of Fixed Assets	(2,87,302)	(4,19,577)
Loss / Profit on Investments & Derivatives	(2,99,552)	(9,19,259)
Dividend	(14,400)	(8,78,974)
	<b>1,32,94,643</b>	<b>44,96,784</b>
<b>Operating Profit before working capital changes</b>	<b>12,32,47,034</b>	<b>4,09,22,433</b>
Change in :		
Trade receivables	4,91,21,445	(5,45,58,808)
Inventories	1,00,34,852	(2,05,02,659)
Provisions	18,24,402	10,83,064
Trade Payables	4,51,24,118	(2,48,58,655)
Loan & advances	96,92,260	11,09,594
	<b>11,57,97,077</b>	<b>(9,77,27,464)</b>
Cash from operations	23,90,44,111	(5,68,05,031)
Interest paid	(51,80,469)	(21,05,751)
Direct Taxes paid	(4,38,11,632)	(1,23,56,517)
Net Cash from Operating Activities	<b>19,00,52,010</b>	<b>(7,12,67,299)</b>
<b>(B) CASH FLOW FROM INVESTING ACTIVITIES</b>		
Purchase of fixed assets	(8,73,38,843)	(79,38,783)
Sale of fixed asset	3,15,000	29,61,532
Miscellaneous Expenditure	—	—
Interest Received	1,35,207	9,76,587
Investment in shares	(1,24,20,000)	50,59,358
Investment in shares Application Money	(4,00,00,000)	—
Profit on Investments & Derivatives	2,99,552	9,19,259
Dividend	14,400	8,78,974
Net Cash used in Investing Activities	<b>(13,89,94,684)</b>	<b>28,56,927</b>
<b>(C) CASH FLOW FROM FINANCING ACTIVITIES</b>		
Borrowings/ Repayment of borrowings (Net)	90,90,296	(73,83,694)
Unsecured Loan	(4,90,00,000)	4,66,30,000
Net Cash from Financing Activities	<b>(5,80,90,296)</b>	<b>3,92,46,306</b>
Net change in Cash & Cash Equivalents (A+B+C)	<b>(70,32,970)</b>	<b>(2,91,64,066)</b>
Cash & Cash Equivalents		
- Opening Balance	1,65,09,156	4,56,73,222
- Closing Balance	<b>94,76,186</b>	<b>1,65,09,156</b>
	<b>70,32,970</b>	<b>(2,91,64,066)</b>

As per our Report of even date  
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 : 27th June, 2009

For and on behalf of the Board



# 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 33rd 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 Friday, the 4th September, 2009 at 11.00 A.M.

Signature of the Member or Proxy \*

\* Please indicate whether Member or Proxy.



## FORM OF 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 33rd 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 Friday, the 4th September, 2009 at 11.00 A.M. and at every adjournment thereof.

Affix  
Revenue  
Stamp

Signed this \_\_\_\_\_ day of \_\_\_\_\_ 2009.

**BOOK POST**

*If undelivered please return to :*



**IST Limited**

A23 New Office Complex,  
Defence Colony,  
New Delhi-110 024.