

*36th*  

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*Annual Report*  

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*2011-2012*  

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**IST LIMITED**

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## **36th Annual Report 2011-2012**

**BOARD OF DIRECTORS**

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

SHRI MAYUR GUPTA, MANAGING DIRECTOR

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

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

**COMPANY SECRETARY**

MANISH MEHTA

**BANKERS**

STATE BANK OF INDIA

**AUDITORS**

O.P. DADU & CO.

**REGISTERED OFFICE & WORKS**

DHARUHERA INDUSTRIAL COMPLEX  
DELHI JAIPUR HIGHWAY NO. 8, KAPRIWAS,  
DHARUHERA, REWARI-123106 (HARYANA).

**HEAD OFFICE**

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

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

## NOTICE

Notice is hereby given that the 36th Annual General Meeting of the Company will be held on Friday, the 28th day of September, 2012 at 11:00 A.M. at its Registered Office at Dharuhera Industrial Complex, Delhi Jaipur Highway No. 8, Kapriwas, Dharuhera, Rewari – 123106 (Haryana), to transact the following business:

### ORDINARY BUSINESS

1. To receive, consider and adopt the Audited Balance Sheet as on 31st March, 2012 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 re-appointment as a Director.
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, New Delhi who retire at the ensuing Annual General Meeting and being eligible offer themselves for re-appointment.

### SPECIAL BUSINESS

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

“RESOLVED THAT subject to the approval by the members of the Company, pursuant to the provisions of Section 198, 269, 309 and other applicable provisions, if any, read with Schedule XIII of the Companies Act, 1956 for the time being in force including any modification(s) and / or any re-enactment thereof, appointment of Shri. Suresh Chand Jain as an Executive Director of the Company for a period, commencing from 14th August, 2012 and ending on 13th August, 2014 on the terms and conditions mentioned below, be and is hereby approved:

Basic Pay	: Rs.21,600/- per month.
Dearness Allowance	: Rs. 7,600/- per month.
House Rent Allowance	: Rs.20,000/- per month.
Special Allowances	: Rs.19,200/- per month.

### PERQUISITES

#### PART-A

- a) **Medical Benefit for Self and Family**  
Reimbursement of medical expenses actually incurred by the Executive Director and his family

subject to the ceiling of one month's basic pay in a year.

- b) **Leave Travel Allowance**

Expenses incurred by the Executive Director and his family subject to the ceiling of one month's basic pay in a year.

- c) **Reimbursement of Telephone Expenses**

Free use of one mobile for the purpose of official work.

### PART-B

- I. **Earned Leave**

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

- II. **Reimbursement of Expenses**

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

### OTHER CONDITIONS

If during the currency of tenure of the Executive Director, the Company has no profits or its profits are inadequate in any financial year, the payment of salary, perquisites and other allowances shall be governed by the limits prescribed under Section II of the Part – II of Schedule-XIII of the Companies Act, 1956.

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

“Resolved that Mr. Gaurav Guptaa, who was appointed as an additional Director in the meeting of Board of Directors of the Company held on 14th August, 2012 and who holds office as such up to the date of next Annual General Meeting and in respect of whom notice under section 257 of the Companies Act, 1956 has been received from member signifying the intention to propose Mr. Gaurav Guptaa, as a candidate for the office of Director of the Company, be and is hereby appointed as a Director of the Company.”

6. To consider and if thought fit, to pass with or without modifications, the following resolution as ordinary resolution :

“Resolved that Mr. Rishi Kumar Jain, who was appointed as an additional Director in the meeting of Board of Directors of the Company held on



14th August, 2012 and who holds office as such up to the date of next Annual General Meeting and in respect of whom notice under section 257 of the Companies Act, 1956 has been received from

member signifying the intention to propose Mr. Rishi Kumar Jain, as a candidate for the office of Director of the Company, be and is hereby appointed as a Director of the Company."

Place : New Delhi  
Date : 14th August, 2012

By order of the Board  
Manish Mehta  
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 20th September, 2012 to 28th September, 2012 (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 authorized 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 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 holder who is higher in the order of names will be entitled to vote.
7. Members are requested to notify immediately and change in their address to the Registrar & Transfer Agent quoting their Folio Number to the following address:  

**MAS SERVICES LIMITED**  
T – 34, 2nd Floor, Okhla Industrial Area, Phase – II,  
New Delhi – 110020
8. Members who have multiple ledger folios in identical names or joint names in same order are requested to intimate/ send the concerned share certificates quoting their folios of such accounts to enable the Registrar & Transfer Agent to consolidate all such shareholdings into one folio.
9. Members intending to seek any information on the annual accounts at the meeting are requested to inform the company in writing at least one week prior to the date of the meeting.
10. The details of the director seeking reappointment at the forthcoming annual general meeting :

Name	Shri. G. S. Sawhney
D.O.B.	26/02/1927
Qualification	Graduate in Science
Expertise	Ex. Director of Quality Assurance (Armament) Fellow Institute of Quality Assurance ( U.K.)
D.O.A.	29/03/1985
11. The details of the director seeking approval of the members at the forthcoming annual general meeting:
  - a) 

Name	Shri. Suresh Chand Jain
D.O.B.	06/09/1945
Qualification	B.Sc (Hons.), M.Sc Physics
Expertise	Business Development, Corporate Affairs
D.O.A.	14/08/2012
  - b) 

Name	Shri. Gaurav Guptaa
D.O.B.	21/10/1982
Qualification	Msc. in International Business Economics from City University, London(UK) Bachelor of Business Administration from IILM, New Delhi
Expertise	Corporate Finance International Business Economics
D.O.A.	14/08/2012
  - c) 

Name	Shri. Rishi Kumar Jain
D.O.B.	20/07/1946
Qualification	B.Sc. (Mechanical Engineering)
Expertise	Engineering
D.O.A.	14/08/2012



13. Pursuant to General Circular No. 2/2011 (No. : 51/12/2007 – CL – III) dated 8th February, 2011, the Company has not attached annual accounts of its Subsidiary Company with the Annual Report. Members who desire to obtain the annual accounts of Subsidiary Company, may write to the Company Secretary

at the Registered office of the Company. The annual accounts of the Subsidiary Company shall be kept available at the Registered office and the Head Office of the company for inspection by any member during Working Hours.

Place : New Delhi  
Date : 14th August, 2012

By order of the Board  
Manish Mehta  
Company Secretary

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

### **Item No. 4**

The resolution for appointment of Mr. Suresh Chand Jain as Executive Director of the Company for a period, commencing from 14th August, 2012 and ending on 13th August, 2014 is being proposed as Ordinary Resolution. Considering the ability, educational background, Knowledge and experience possessed by Mr. Suresh Chand Jain, it would be in the interest of the company to appoint him as Executive Director of the Company.

None of the Directors except Mr. Suresh Chand Jain is concerned or interested in this resolution.

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

### **Item No. 5**

The Board of Directors at its Meeting held on 14th Day of August, 2012 has appointed Mr. Gaurav Gupta as an Additional Director of the company, who holds office upto the AGM to be held on 28th Day of September, 2012. The proposed resolution seeks to confirm the appointment of Mr. Gaurav Gupta as Director of the Company.

None of the Directors except Mr. Gaurav Gupta is concerned or interested in this resolution.

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

### **Item No. 6**

The Board of Directors at its Meeting held on 14th Day of August, 2012 has appointed Mr. Rishi Kumar Jain as an Additional Director of the company, who holds office upto the AGM to be held on 28th Day of September, 2012. The proposed resolution seeks to confirm the appointment of Mr. Rishi Kumar Jain as Director of the Company.

None of the Directors except Mr. Rishi Kumar Jain is concerned or interested in this resolution.

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

By order of the Board

Place : New Delhi  
Date : 14th August, 2012

Manish Mehta  
Company Secretary

## DIRECTORS' REPORT

To the Members,

Your Directors are pleased to present their 36th 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, 2012.

### FINANCIAL RESULTS

The turnover of the Company during the year was Rs.1950.70 Lacs as against Rs. 2081.19 Lacs in the previous year. The profit before tax during the year was Rs. 776.13 as against Rs. 649.92 Lacs in the previous year. The profit after tax during the year was Rs. 616.75 Lacs as against Rs. 455.26 Lacs in the previous year. The profit after tax and prior period adjustment during the year was Rs. 613.37 Lacs as against Rs. 450.23 in the previous year.

The effort by your management towards cost control continue unabatedly.

### DIVIDEND

In order to conserve the resources for the modernization and upgradation of Plant of the Company, your Directors expressed their inability to recommend payment of dividend for the year 2011-2012.

### DIRECTORS

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

Shri. A.N.Mukherjee, Director of the Company died on 17th February, 2012.

### DIRECTORS' RESPONSIBILITY STATEMENT

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

- i) in the preparation of the annual accounts, the applicable accounting standards have been followed;
- ii) appropriate accounting policies have been selected and applied consistently, and such judgments and estimates have been made that are reasonable and prudent so as to give a true and fair view of the state of affairs of the company at the end of the financial year and of the profit of the company for that period.
- iii) proper and sufficient care has been taken for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956 for safeguarding the assets of the company and for preventing and detecting fraud and other irregularities.

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

### CORPORATE GOVERNANCE

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

### PARTICULARS OF EMPLOYEES

There is no employee in the company who is covered as per Ministry of Corporate Affairs General Circular No. 23/2011, who had drawn salary in excess of Rs. 60,00,000/- during the financial year 2011-12.

Your Directors wish to place on record their deep sense of appreciation for the devoted contribution made by the employees & associates at all levels.

### AUDITORS

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

### FIXED DEPOSITS

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

### SUBSIDIARY COMPANY

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

### LISTING OF SECURITIES

The Equity Shares of the Company continue to be listed on the Stock Exchange, Bombay and Delhi Stock Limited and Listing fee for the year 2011-2012 has been paid to each of 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**

A. The information in accordance with the provisions of Section 217(1) (e) of the Companies Act 1956, read with the Companies (Disclosure of Particulars in the Report of Board of Directors) Rules, 1988 is annexed hereto.

### **B. FOREIGN EXCHANGE EARNING AND OUTGO**

Your Company utilized foreign exchange equivalent to Rs. 82.96 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. 20.25 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 wish to 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 : 29th May 2012

## 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, 2012
3	Shares of the Subsidiary held by the Company on the above date	
	(a) Number of shares	
	Face value	1,00,000
	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, 2012	Nil
	(b) not dealt with in the accounts of the company for the year ended 31st March, 2012	Rs.32,10,28,858/-
5	Net aggregate amount of profits/ (losses) for previous years of the Subsidiary, since it became a subsidiary so far as they concern members of the company	
	(a) dealt with in the accounts of the Company for the year ended 31st March, 2011	Nil
	(b) not dealt with in the accounts of the company for the year ended 31st March, 2011	Rs. 43,79,70,431/-
6.	Change in the interest of the Company in the subsidiary between the end of the financial year of the subsidiary and that of the company	Nil
7.	Material changes between the end of the financial year of the subsidiary and end of the financial year of the company in respect of the Subsidiary's fixed assets, Investments, lending and borrowing for the purpose other than meeting their current liabilities.	Nil
8.	Remarks	Nil





## MANAGEMENT DISCUSSION AND ANALYSIS REPORT

### 1. INDUSTRY STRUCTURE AND DEVELOPMENT

The main streams of business of your Company are

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

As far as auto components industry is concerned, there is significant potential for growth in domestic as well as export markets. Information Technology has emerged as sunshine industry and has been contributing to exports vis-à-vis Indian Economy.

### 2. OPPORTUNITY AND THREATS

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

Your Company's wholly owned Subsidiary, namely, Gurgaon Infospace Limited has set up Sector Specific Special Economic Zone for IT/ ITES at Village Dundaheera, District Gurgaon, Haryana.

Indian IT Industry has been facing threat from the changing US policies which is one of the major markets for the Indian IT Industry. The developed countries, in order to protect jobs back home, are extending veiled protectionism, which is yet another threat to Indian IT Industry.

### 3. OUTLOOK

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

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

### 4. STATEMENT OF CAUTION

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

### 5. INTERNAL CONTROL SYSTEMS AND THEIR ADEQUACY

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

### 6. HUMAN RESOURCES/INDUSTRIAL RELATIONS

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



## CORPORATE GOVERNANCE REPORT

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

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

### COMPLIANCE OF MANDATORY REQUIREMENTS

#### 1. COMPANY'S PHILOSOPHY ON CODE OF GOVERNANCE

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

#### 2. BOARD OF DIRECTORS

##### COMPOSITION

The strength of the Board as on March 31, 2012 was 4 Directors including one Non-Executive Chairman and one Managing Director. The Board meets the requirement of not less than one-third being independent Directors. Lt. Col. (Retd.) N.L.Khitha was appointed as Director (Technical) w.e.f. 01/06/2011. We regret to inform regarding sad demise of Shri. A.N.Mukherjee ( Non Executive & Independent Director) on 17/02/2012.

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

During the year under review 4 Board meetings were held on 27th May, 2011, 6th August, 2011, 14th November, 2011 and 13th February, 2012. 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, 2012, are given below:-

Directors / Category	Shares held	Attendance		No. of other Directorships and Committee Memberships / Chairmanships in public Companies		
		Board Meetings	Last AGM	Directorships	Committee Memberships	Committee Chairmanships
Shri Mayur Gupta, Managing Director (Promoter)	—	4	Yes	2	2	—
Air Marshal (Retd.) D. Keelor, Chairman, (Non Executive & Independent )	—	4	Yes	—	—	—
Brig. (Retd.) G. S. Sawhney, (Non-Executive & Independent )	—	0	Yes	—	—	—
Shri A N Mukherjee, (Non Executive & Independent)	—	3	Yes	1	2	1
Lt. Col. (Retd.) N.L.Khitha (Executive Director)	—	3	Yes	1	1	—

\*No. of Directorship / Membership held in other Companies excludes Directorship / Membership in Private Companies.

**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, including the Audit Report.

**COMPOSITION**

The Audit Committee of the Company comprises of 3 Independent Non-Executive Directors. The Members of the Audit Committee are Financially Literate. The Company Secretary acts as the Secretary to the Audit Committee

The minutes of the Audit Committee meetings are noted by the Board of Directors at the subsequent Board meeting. During the year under review 4 Audit Committee meetings were held on 27th May, 2011, 6th August, 2011, 14th November, 2011 and 13th February, 2012. The Composition of Audit Committee and attendance at its meeting is as follows:-

Members	Category	No. of Meetings attended
Shri A N Mukherjee	Chairman, Independent, Non-Executive	4
Air Marshal (Retd.) D Keelor	Member, Independent, Non-Executive	4
Brig. (Retd.) G S Sawhney	Member, Independent, Non-Executive	0

**4. REMUNERATION TO DIRECTORS**

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

The details of remuneration paid to the Directors during the Financial year ended 31st March, 2012 are as under:-

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

Name	Salary (in Rs.)	Perquisites (Rs.)	Total (Rs.)
Shri Mayur Gupta	9,69,230/-	55,000/-	10,24,230/-

The tenure of the appointment of Managing Director is for a period of two years (01/10/2010 to 30/09/2012).

- b) The details of remuneration paid to Lt. Col. (Retd.) N.L.Khitha, Director( Technical) are as under:-

Name	Salary (in Rs.)	Perquisites (Rs.)	Total (Rs.)
Lt. Col. (Retd.) N.L.Khitha	4,00,000/-	—	4,00,000/-

The tenure of the appointment of Lt. Col. (Retd.) N.L.Khitha, Director( Technical) is for a period of two years (01/06/2011 to 31/05/2013).

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

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

**5. SHAREHOLDERS GRIEVANCE COMMITTEE**

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

**COMPOSITION**

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

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

**COMPLIANCE OFFICER**

The Board designated Mr. Manish Mehta, Company Secretary as Compliance Officer w.e.f. 17/11/2011. Earlier Mr. R.K. Sapra was Compliance officer.

Details of Shareholder's Complaints received and received and received and replied to the satisfaction of Shareholders.

Number of shareholders Complaints received during the period 01.04.2011 to 31.03.2012	5
Number of complaints not resolved to the satisfaction of shareholders	NIL
Number of pending complaints as on 31.03.2012,	NIL

**6. GENERAL BODY MEETINGS**

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

Financial year	Date	Location of the Meeting	Time
2008-09	04.09.2009	Registered Office at Dharuhera Industrial Complex, Delhi Jaipur Highway no. 8, Kapriwas, Dharuhera, Rewari (Haryana)	11.00 A.M.
2009-10	08.09.2010	Registered Office at Dharuhera Industrial Complex, Delhi Jaipur Highway no. 8, Kapriwas, Dharuhera, Rewari (Haryana)	11.00 A.M.
2010-11	01.09.2011	Registered Office at Dharuhera Industrial Complex, Delhi Jaipur Highway No. 8, Kapriwas, Dharuhera, Rewari (Haryana)	11.00 A.M.

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

(a) 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.

(b) In the AGM held on 04.09.2009, no special resolution was transacted.

(c) In the AGM held on 08.09.2010, no special resolution was transacted.

(d) In the AGM held on 01.09.2011, a special resolution was transacted to appoint Lt. Col. (Retd.) N.L.Khitha as Director (Technical) of the Company for a period of two years commencing from 01.06.2011 and ending on 31.05.2013

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

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

**ii) Accounting Standards**

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

**iii) Details on Non Compliance**

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

iv) Declaration by CEO with regard to Code of Conduct: Yes

v) CEO certificates : Yes

**8. MEANS OF COMMUNICATION**

The Company's financial results are forthwith communicated to all the Stock Exchanges with whom the Company has listing arrangements as soon as they are approved and taken on record by the Board of Directors of the Company. Thereafter the results are normally published in one National newspaper in English language and one Regional Newspaper in Hindi language.

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

Day, Date & Time

Friday, the 28th September, 2012 at 11.00 A.M.

Venue

Registered Office : IST Limited Factory, Dharuhera Industrial Complex, Delhi Jaipur Highway no. 8, Kapriwas, Dharuhera, Rewari (Haryana)

Financial year

1st April to 31st March

Book Closure

20th September, 2012 to 28th September, 2012 (both days inclusive)

**LISTING ON STOCK EXCHANGES:**

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

**Distribution of shareholding as on 31st March, 2012**

No. of Equity Shares held	No. of Shareholders	% of Shareholders	No. of Shares held	% of Shareholding
Upto 500	7185	97.56	664815	11.399
501-1000	106	1.439	74831	1.283
1001-2000	39	0.53	54600	0.936
2001-3000	9	0.122	23288	0.399
3001-4000	2	0.027	6727	0.115
4001-5000	4	0.054	18486	0.317
5001-10000	7	0.095	47857	0.821
10001 and above	13	0.177	4941452	84.729
<b>GRAND TOTAL</b>	<b>7365</b>	<b>100.00</b>	<b>5832056</b>	<b>100.000</b>

**Shareholding pattern: as on 31st March, 2012:**

<b>CATEGORY</b>	<b>NO. OF SHARES</b>	<b>% OF HOLDING</b>
Promoters	43,73,752	74.995
Financial Institutions, Mutual funds, Banks	300	0.005
Foreign Institutional Investors	0	0.000
Private Body Corporates	5,12,796	8.793
Indian Public	9,39,944	16.116
NRIs/ OCBs	4,243	0.073
Others	1,021	0.018
<b>Grand Total</b>	<b>5832056</b>	<b>100.000</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 (Rs.)	Low Price (Rs.)	No. of Shares
April, 2011	187.00	163.00	1,234
May, 2011	185.00	144.20	4,505
June, 2011	203.00	160.00	3,404
July, 2011	200.00	144.00	4,117
August, 2011	202.35	128.25	5,598
September, 2011	209.00	161.00	13,790
October, 2011	194.35	155.05	2,640
November, 2011	184.70	135.00	5,338
December, 2011	160.00	130.15	1,033
January, 2012	169.00	124.00	2,662
February, 2012	189.00	156.70	8,824
March, 2012	169.20	150.25	3,290

## DEMATERIALIZATION OF SHARES AND LIQUIDITY

The Company's shares are compulsorily traded in dematerialized form. As on 31st March, 2012, 23,38,694 (40.10) Equity shares of total paid up equity shares were held in Dematerialized form.

NSDL/ CDSL – ISIN : INE684B01011

## OUTSTANDING GDR/ WARRANTS AND CONVERTIBLE BONDS ETC.

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

## REGISTRAR AND SHARE TRANSFER AGENTS

### MAS Services Ltd.

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

Phone: 011- 26387281, 26387282, 26387283

Fax: 011-26387384 e-mail: info@masserv.com

## SHARE TRANSFER SYSTEM

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

## PLANT LOCATION

Dharuhera Industrial Complex

Delhi – Jaipur Highway No. 8

Rewari (Haryana)

## INVESTOR CORRESPONDENCE ADDRESS

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

### MAS Services Ltd.

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

### IST Limited

#### Registered Office:

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

#### Corporate Office:

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



## AUDITORS' REPORT

We have examined the compliance of conditions of Corporate Governance by 1ST Limited for the year ended 31st March, 2012 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 further state that such compliance is neither an assurance as to the future viability of the company nor the efficiency or effectiveness with which the management has conducted the affairs of the Company.

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

Place : New Delhi  
Dated : 29th May 2012

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



## 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, 2012, Statement of Profit & Loss and also the Cash Flow Statement for the year ended on that date, annexed thereto. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audit.

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

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

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

- i) We have obtained all the information and explanations, which to the best of our knowledge and belief were necessary for the purpose of our audit;
- ii) In our opinion, proper books of accounts as required by law, have been kept by the Company so far as appears from our examination of those books;
- iii) The Balance Sheet, Statement of Profit & Loss and Cash Flow Statement dealt with by this report are in agreement with the books of account;
- iv) In our opinion, the Balance Sheet, Statement of Profit & Loss Account and Cash Flow Statement dealt with by this report comply with the accounting standards referred to in sub-section (3C) of Section 211 of the Companies Act, 1956,
- v) In our opinion, and based on information and explanations given to us, none of the directors is disqualified as on 31st March, 2012 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 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, 2012:
  - ii) in the case of the Statement of Profit & Loss of the 'Profit' for the year ended on that date; and
  - iii) in the case of Cash Flow Statement, of the Cash Flows of the Company for the year ended on that date.

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

Place : New Delhi  
Dated : 29th May 2012

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



**ANNEXURE TO THE AUDITORS' REPORT**

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

1. a) The Company has maintained proper records showing full particulars including quantitative details and situation of fixed assets.  
b) The management has certified that the fixed assets of the Company have been physically verified during the year and that no material discrepancy was noticed between the physical verification and the book records. In our opinion, the frequency of physical verification of fixed assets is reasonable having regard to the size of the Company and the nature of the assets.  
c) In our opinion, the Company has not disposed of substantial part of fixed assets during the year, and the going concern status of the Company is not affected.
2. a) The inventory has been physically verified during the year by the management. In our opinion, the frequency of verification is reasonable.  
b) The procedures of physical verification of inventories followed by the management are reasonable and adequate in relation to the size of the company and the nature of its business.  
c) The Company is maintaining proper records of inventory. The discrepancies noticed on verification between the physical stocks and the book records were not material.
3. a) The Company has granted Unsecured Loans to eight parties covered in the register maintained under section 301 of the Companies Act, 1956 during the year. The maximum amount involved during the year was Rs.33.13 Crores and the year end balance of Loan granted was Rs.12.90 Crores.  
b) In our opinion, rate of interest and the terms and conditions on which Unsecured Loans have been granted to parties, listed in the register maintained under Section 301 of the Companies Act, 1956 are not, prima facie, prejudicial to the interest of the Company.  
c) The principal amount are repayable over a period of one year, while the interest is payable annually at the discretion of the Company.  
d) There is no overdue amount of Loans granted to parties listed in the register maintained under section 301 of the Companies Act, 1956.  
e) The Company has not taken Unsecured Loan from Companies covered in register maintained under section 301 of the Companies Act, 1956 during the year.
4. In our opinion and according to the information and explanations given to us, there are adequate internal control system commensurate with the size of the company and the nature of its business with regard to purchases of inventory, fixed assets and with regard to the sale of goods. During the course of our audit we have not observed any continuing failure to correct major weaknesses in internal control system.
5. a) According to the information and explanations given to us, we are of the opinion that the particulars of all contracts and arrangements that need to be entered into the register maintained under section 301 of the Companies Act, 1956 have been so entered.  
b) In our opinion and according to the information and explanations given to us, the transactions made in pursuance of contracts or arrangements entered in the register maintained under section 301 of the Companies Act, 1956 and exceeding the value of rupees five lakhs in respect of any party during the year have been made at prices which appear reasonable as per information available with the Company.
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 have broadly reviewed the books of account relating to materials, Labour and other items of cost maintained by the company pursuant to the Rules made by the Central Government for the maintenance of cost records under section 209(1) (d) of the Companies Act, 1956 and we are of the opinion that prima facie the prescribed accounts and records have been made and maintained.

9. a) The Company is regular in depositing with appropriate authorities undisputed statutory dues including provident fund, investor education protection fund, employees' state insurance, income tax, sales tax, wealth tax, service tax, custom duty, excise duty, cess and other material statutory dues, wherever applicable to it.
  - b) According to the information and explanations given to us, no undisputed amounts payable in respect of income tax, wealth tax, service tax, sales tax, custom duty, excise duty and cess were in arrears, as at 31st March, 2012 for a period of more than six months from the date they became payable.
  - c) According to the information and explanations given to us, there are no dues of sales tax, income tax, customs duty, wealth tax, excise duty and cess which have not been deposited on account of any dispute except Rs.1,47,380/- due to Income Tax and Application is pending before Assessing Officer.
10. In our opinion and according to the information and explanations given to us, the company has not defaulted in repayment of dues to bank.
  11. In our opinion, the terms and conditions on which the company has given guarantees for loans taken by others from banks are not prejudicial to the interest of the company.
  12. According to the information and explanations given to us and on an overall examination of the balance sheet of the company, we report that no funds raised on short-term basis have been used for long-term investment.
  13. According to the information and explanations given to us, no fraud on or by the company has been noticed or reported during the course of our audit.
  14. Matter specified in items x, xii, xiii, xiv, xvi, xviii, xix, xx of clause to para 4 of Companies (Auditor's Report) Order 2003 do not apply to the Company.

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

Place : New Delhi  
Dated : 29th May 2012

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

**BALANCE SHEET AS AT 31ST MARCH 2012**

	Note	As at 31.03.2012 Rs.	As at 31.03.2011 Rs.
<b>EQUITY AND LIABILITY</b>			
<b>SHAREHOLDERS' FUNDS</b>			
(a) Share Capital	1	5,84,67,546	5,84,67,546
(b) Reserves and Surplus	2	1,31,64,59,177	1,25,51,21,817
		<u>1,37,49,26,723</u>	<u>1,31,35,89,363</u>
<b>NON-CURRENT LIABILITIES</b>			
Deferred Tax Liability (Net)	3	1,31,33,000	1,35,05,000
Long-Term Provisions	4	1,14,55,426	1,02,04,546
		<u>2,45,88,426</u>	<u>2,37,09,546</u>
<b>CURRENT LIABILITIES</b>			
Short-Term Borrowings	5	14,31,144	5,000
Trade Payables	6	74,64,911	31,16,772
Other Current Liabilities	7	1,90,95,553	94,81,104
Short-Term Provisions	8	40,31,466	60,09,877
		<u>3,20,23,074</u>	<u>1,86,12,753</u>
		<u>1,43,15,38,223</u>	<u>1,35,59,11,662</u>
<b>ASSETS</b>			
<b>NON-CURRENT ASSETS</b>			
<b>Fixed Assets</b>	9		
Tangible Assets		15,73,71,255	15,67,82,481
Intangible Assets		17,63,268	2,25,093
Capital Works in Progress		10,65,79,531	3,93,08,573
		<u>26,57,14,054</u>	<u>19,63,16,147</u>
<b>NON CURRENT INVESTMENTS</b>	10	22,30,06,660	7,30,68,671
<b>Long Term Loans and Advances</b>	11	13,83,19,478	7,50,19,698
<b>Other Non Current Asset</b>	12	18,02,00,000	55,37,00,000
<b>CURRENT ASSETS</b>			
Current Investment	13	3,09,26,627	31,69,39,189
Inventories	14	5,86,01,686	3,98,67,070
Trade Receivables	15	3,00,08,364	5,31,70,544
Cash & Cash Equivalents	16	38,32,50,949	1,39,96,849
Short Term Loans & Advances	17	11,45,42,927	3,31,89,557
Other Current Asset	18	69,67,478	6,43,937
		<u>62,42,98,031</u>	<u>45,78,07,146</u>
		<u>1,43,15,38,223</u>	<u>1,35,59,11,662</u>
<b>Accounting Policy &amp; Notes</b>	26		

1 to 26 form integral part of Balance Sheet and Profit &amp; Loss Account.

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

Chartered Accountants

FRN 001201N

O.P. Dadu

Partner

M.No. 010871

Place : New Delhi

Dated : 29.05.2012

D.N. Tulshyan  
General Manager (Finance)Manish Mehta  
Company SecretaryD. Keelor  
DirectorMayur Gupta  
Managing Director

For and on behalf of the Board



## STATEMENT OF PROFIT & LOSS ACCOUNT FOR THE YEAR ENDED 31ST MARCH 2012

	Note	For the year ended 31.03.2012 Rs.	For the year ended 31.03.2011 Rs.
<b>INCOME</b>			
Revenue from operations	19	19,50,70,090	20,81,19,100
Other Income	20	5,55,04,822	2,18,23,067
<b>Total Revenue</b>		<b>25,05,74,912</b>	<b>22,99,42,167</b>
<b>EXPENSES</b>			
Cost of materials consumed	21	4,83,57,331	4,54,94,934
Change in inventories	22	(87,15,595)	(22,69,671)
Employees benefit expense	23	6,40,43,710	5,55,55,377
Finance Charges	24	7,10,433	6,95,251
Depreciation		1,21,69,573	1,09,40,127
Other Expenses	25	5,63,95,996	5,45,34,369
		<b>17,29,61,448</b>	<b>16,49,50,387</b>
Profit before tax		7,76,13,464	6,49,91,780
Tax Expenses			
Current Tax		1,63,10,000	1,67,32,000
Deferred Tax		(3,72,000)	27,34,000
Profit after tax		6,16,75,464	4,55,25,780
Prior period Adjustment Income tax		(3,38,104)	(5,02,540)
Profit after Tax and adjustment		<b>6,13,37,360</b>	<b>4,50,23,240</b>
Earning per Share			
Basic & Diluted		10.52	7.72
(Refer note no.26(9))			

### Accounting Policy & Notes

26

1 to 26 form integral part of Balance Sheet and Profit & Loss Account.

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

FRN 001201N

O.P. Dadu  
Partner

M.No. 010871

Place : New Delhi

Dated : 29.05.2012

For and on behalf of the Board

D.N. Tuishyan  
General Manager (Finance)

Manish Mehta  
Company Secretary

D. Keelor  
Director

Mayur Gupta  
Managing Director



# IST LIMITED

## NOTES TO FINANCIAL STATEMENTS AS 31 MARCH 2012

	As at 31.03.2012 Rs.		As at 31.03.2011 Rs.	
<b>Note '1' SHARE CAPITAL</b>				
<b>AUTHORISED</b>				
1,00,00,000 Equity Shares of Rs.10/- each		<u>10,00,00,000</u>		<u>10,00,00,000</u>
<b>ISSUED</b>				
60,27,728 Equity Shares of Rs. 10/- each		<u>6,02,77,280</u>		<u>6,02,77,280</u>
<b>SUBSCRIBED AND PAID UP</b>				
58,32,056 Equity Shares of Rs. 10/- each fully paid up		<u>5,83,20,560</u>		<u>5,83,20,560</u>
Add : Shares Forfeited		<u>1,46,986</u>		<u>1,46,986</u>
		<u><b>5,84,67,546</b></u>		<u><b>5,84,67,546</b></u>
(a) Reconciliation of the Outstanding at the beginning and at the end of the reporting period				
		<b>31.03.2012</b>		<b>31.03.2011</b>
<b>Ordinary Shares</b>	<b>No. of Shares</b>	<b>Rs.</b>	<b>No. of Shares</b>	<b>Rs.</b>
At the beginning of the year	<u>58,32,056</u>	<u>5,83,20,560</u>	58,32,056	5,83,20,560
Issued during the year	<u>—</u>	<u>—</u>	<u>—</u>	<u>—</u>
Outstanding at the end of the period	<u><b>58,32,056</b></u>	<u><b>5,83,20,560</b></u>	<u>58,32,056</u>	<u>5,83,20,560</u>
(b) Shareholder Holding more than 5% shares in the Company				
			%	%
M/s Gupta International Investment Company Ltd.				
29,13,221 Shares (Previous year 29,13,221 Shares)			49.95	49.95
M/s Antique Investment Company Ltd.				
9,55,700 Shares (Previous year 9,55,700 Shares)			16.39	16.39
<b>Note '2' RESERVES AND SURPLUS</b>				
<b>SECURITIES PREMIUM RESERVE</b>				
Share Premium on 12,11,716 Shares @ Rs.5/- each				
As per last year Balance Sheet		<u>60,58,580</u>		<u>60,58,580</u>
<b>GENERAL RESERVE</b>				
As per last year Balance Sheet		<u>1,10,80,04,235</u>		<u>1,10,80,04,235</u>
<b>SURPLUS IN PROFIT &amp; LOSS ACCOUNT</b>				
Opening Balance		<u>14,10,59,002</u>		<u>9,60,35,762</u>
Add: Net Profit for the current year		<u>6,13,37,360</u>		<u>4,50,23,240</u>
		<u><b>20,23,96,362</b></u>		<u><b>14,10,59,002</b></u>
		<u><b>1,31,64,59,177</b></u>		<u><b>1,25,51,21,817</b></u>
<b>Note '3' DEFERRED TAX LIABILITIES (NET)</b>				
Difference of Assets between book of account and as per Income-tax		<u>5,19,33,306</u>		<u>4,99,38,529</u>
Less : Expenses allowed for tax purpose on payment basis		<u>1,14,55,426</u>		<u>1,02,04,546</u>
		<u><b>4,04,77,880</b></u>		<u><b>3,97,33,983</b></u>
Deferred tax liabilities (Net)		<u><b>1,31,33,000</b></u>		<u><b>1,35,05,000</b></u>



	As at 31.03.2012 Rs.	As at 31.03.2011 Rs.
<b>Note '4' LONG TERM PROVISIONS</b>		
Provisions for employees benefis	1,14,55,426	1,02,04,546
	<u>1,14,55,426</u>	<u>1,02,04,546</u>
<b>Note 5: SHORT-TERM BORROWINGS</b>		
<b>Cash Credit from Bank (Secured)</b>		
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 10.968 acres (Previous year 11.26696 acres) situated at Vill. Malpura, Tehsil Dharuhera, Dist. Rewari, Haryana.		
	14,31,144	—
	<u>14,31,144</u>	<u>—</u>
<b>Deposits (Unsecured)</b>		
	—	5,000
	<u>14,31,144</u>	<u>5,000</u>
<b>Note 6: TRADE PAYABLES</b>		
For Goods	74,64,911	31,16,772
	<u>74,64,911</u>	<u>31,16,772</u>
<b>Note 7: OTHER CURRENT LIABILITIES</b>		
Taxes & Other Payables	7,44,339	10,48,978
Expenses Payable		
Director's	1,08,919	75,000
Others	1,82,42,295	83,57,126
	<u>1,90,95,553</u>	<u>94,81,104</u>
<b>Note 8: SHORT-TERM PROVISIONS</b>		
Provision for Tax (Net of advance tax)	40,31,466	60,09,877
[Note : Provision is net of Prepaid tax Rs.2,90,10,534 (Rs. 1,56,72,123)]	<u>40,31,466</u>	<u>60,09,877</u>


**NOTE '9' FIXED ASSETS**

Particulars	GROSS BLOCK					DEPRECIATION				NET BLOCK	
	Cost as at 31.3.2011 Rs.	Additions during the Year Rs.	Deductions during the Year Rs.	As at 31.3.2012 Rs.	As at 31.3.2011 Rs.	For the Year Rs.	Deductions during the year Rs.	Upto 31.3.2012 Rs.	As at 31.3.2012 Rs.	As at 31.3.2011 Rs.	
<b>Tangible Assets</b>											
Freehold Land	3,41,58,350	20,36,452	—	3,61,94,802	—	—	—	—	3,61,94,802	3,41,58,350	
Plant & Machinery	21,86,36,514	82,74,553	4,42,704	22,64,68,363	10,88,46,198	1,02,55,830	4,07,072	11,86,94,956	10,77,73,407	10,97,90,316	
Furniture	30,89,297	3,29,130	33,937	33,84,490	19,48,293	1,16,034	32,240	20,32,087	13,52,403	11,41,004	
Office											
Equipment	40,79,016	14,24,079	—	55,03,095	22,26,060	3,04,047	—	25,30,107	29,72,988	18,52,956	
Vehicles	150,95,427	13,51,708	22,57,849	1,41,89,286	52,55,572	13,61,276	15,05,217	51,11,631	90,77,655	98,39,855	
<b>Total</b>	<b>27,50,58,604</b>	<b>1,34,15,922</b>	<b>27,34,490</b>	<b>28,57,40,036</b>	<b>11,82,76,123</b>	<b>1,20,37,187</b>	<b>19,44,529</b>	<b>12,83,68,781</b>	<b>15,73,71,255</b>	<b>15,67,82,481</b>	
<b>Intangible Assets</b>											
Computer Software	2,34,600	16,70,561	—	19,05,161	9,507	1,32,386	—	1,41,893	17,63,268	2,25,093	
<b>Total</b>	<b>27,52,93,204</b>	<b>1,50,86,483</b>	<b>27,34,490</b>	<b>28,76,45,197</b>	<b>11,82,85,630</b>	<b>1,21,69,573</b>	<b>19,44,529</b>	<b>12,85,10,674</b>	<b>15,91,34,523</b>	<b>15,70,07,574</b>	
<b>Previous Year</b>	<b>25,53,66,463</b>	<b>3,43,07,042</b>	<b>1,43,80,301</b>	<b>27,52,93,204</b>	<b>10,93,36,964</b>	<b>1,09,40,127</b>	<b>19,91,461</b>	<b>11,82,85,630</b>	<b>15,70,07,574</b>	<b>15,70,07,574</b>	
<b>Capital Work in Progress :</b>											
	—	—	—	—	—	—	—	—	10,65,79,531	3,93,08,573	

	As at 31.03.2012 Rs.	As at 31.03.2011 Rs.
<b>NOTE '10' NON CURRENT INVESTMENTS (AT COST)</b>		
<b>OTHER INVESTMENT IN EQUITY INSTRUMENTS</b>		
<b>(A) Unquoted (Fully paid up)</b>		
<b>Subsidiary Company</b>		
1,00,000 Equity Shares of Gurgaon Infospace Ltd. of Rs. 100/- each [Refer Note No. 26.7]	1,00,00,000	1,00,00,000
<b>Related Parties</b>		
10 Equity Shares of Galaxy Mercantiles Ltd. of Rs.100/-each	—	1,005
62,40,000 Equity Shares of IST Steel & Power Ltd. of Rs.10/- each	6,24,00,000	6,24,00,000
	<u>7,24,00,000</u>	<u>7,24,01,005</u>
<b>(B) Quoted (Fully paid up)</b>		
<b>Others</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
	<u>14,87,505</u>	<u>14,87,505</u>
Less: Demerit in value of Investment	<u>(9,40,845)</u>	<u>(8,79,839)</u>
	<u>5,46,660</u>	<u>6,07,666</u>
<b>Investment in Preference Shares</b>		
<b>Related Parties</b>		
15,00,000 9% Non Cumulative, Non Convertible Preference Shares of Rs. 100/- each of IST Steel & Power Ltd., Redeemable at par National Saving Certificate (Rs. 40,000/- Pledged with Mining Engineers Nagore. [Refer Note 26.5]	15,00,00,000	—
	<u>60,000</u>	<u>60,000</u>
	<u>22,30,06,660</u>	<u>7,30,68,671</u>
Aggregate value of Quoted Investment		
Cost	14,87,505	14,87,505
Market Value	5,46,660	6,07,666
Aggregate value of UnQuoted Investment		
Cost	<u>22,24,00,000</u>	<u>7,24,01,005</u>
<b>NOTE '11' LONG-TERM LOANS AND ADVANCES</b>		
<b>Unsecured Considered Good</b>		
Capital Advances	43,35,053	4,58,722
Security Deposits		
Related Parties [Refer Note. no 26.12]	39,60,000	39,60,000
Others	10,73,425	5,16,925
Loans & Advances		
Related Parties [Refer Note. no 26.12]	<u>12,89,51,000</u>	<u>7,00,84,051</u>
	<u>13,83,19,478</u>	<u>7,50,19,698</u>





	As at 31.03.2012 Rs.	As at 31.03.2011 Rs.
<b>Note '12' OTHER NON CURRENT ASSETS</b>		
Recoverable from Subsidiary Company		
Gurgaon Infospace Ltd for Sale of Land	18,02,00,000	55,37,00,000
	<u>18,02,00,000</u>	<u>55,37,00,000</u>
<b>Note '13' CURRENT INVESTMENT (AT COST)</b>		
<b>Other Investment in Mutual Funds (Unquoted)</b>		
0 / (20,55,623.293) PNB Principal Mutual Fund	—	2,05,81,517
30,826.4411 / (0) SBI Premier Liquid Fund	3,09,26,627	—
0 / (2,96,17,996.444) SBI Shf Ultra Short Fund	—	29,63,57,672
	<u>3,09,26,627</u>	<u>31,69,39,189</u>
<b>Note '14' INVENTORIES</b>		
(As taken, valued and certified by the management)		
Raw Materials	1,43,35,654	84,28,258
Work in Progress	2,79,94,753	2,56,55,726
Finished Goods	44,48,146	11,88,409
Stores & Spare Parts	70,28,188	29,16,563
Scrap	47,94,945	16,78,114
	<u>5,86,01,686</u>	<u>3,98,67,070</u>
Note : Refer note 26 (1iv) for mode of valuation		
<b>Note '15' TRADE RECEIVABLES</b>		
<b>Unsecured Considered Good</b>		
Outstanding for a period exceeding six months from the due date	48,95,425	41,34,982
Others	2,51,12,939	4,90,35,562
	<u>3,00,08,364</u>	<u>5,31,70,544</u>
<b>Note '16' CASH &amp; CASH EQUIVALENTS</b>		
With Scheduled Banks		
In Current Accounts	1,65,088	23,61,289
Term Deposits remaining maturity more than 12 months (Pledged with Sales Tax Dept.)	1,20,740	85,000
Term Deposit [Rs. 7749124 (Rs. 7311983) Pledged with Bank]	37,29,49,124	73,11,983
Balance held as Margin Money	90,47,250	32,35,282
Cheques / Drafts on Hand	3,41,062	6,03,584
Cash on hand	6,27,685	3,99,711
	<u>38,32,50,949</u>	<u>1,39,96,849</u>
<b>Note '17' SHORT TERM LOANS &amp; ADVANCES</b>		
<b>Unsecured Considered Good</b>		
Loans & Advances	11,10,45,023	3,02,02,500
Loans to Employees	11,05,468	3,02,542
Advances Raw Materials & Stores	13,06,110	5,32,684
Prepaid Expenses	2,73,839	3,28,846
Balance with Central Excise Deptt.	8,12,487	18,22,985
	<u>11,45,42,927</u>	<u>3,31,89,557</u>

	As at 31.03.2012 Rs.	As at 31.03.2011 Rs.
<b>Note '18' OTHER CURRENT ASSETS</b>		
<b>Unsecured Considered Good</b>		
Share Application money pending allotment	50,00,000	—
Interest Accrued	19,05,870	4,72,434
Insurance Claim	—	78,818
Others	61,608	92,685
	<u>69,67,478</u>	<u>6,43,937</u>

For the year ended 31.03.2012 Rs.	For the year ended 31.03.2011 Rs.
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## Note '19' REVENUE FROM OPERATON

Sales of Product		
Export Sales	19,44,727	27,77,817
Domestic Sales	19,95,40,583	21,61,56,515
Other Operating Revenue		
Job Charges	1,00,27,401	68,74,796
Revenue from Operations	21,15,12,711	22,58,09,128
Less : Excise Duty	1,64,42,621	1,76,90,028
Revenue from Operations	<u>19,50,70,090</u>	<u>20,81,19,100</u>

## Note '20' OTHER INCOME

Interest		
Related Parties	2,51,69,472	57,81,330
Others	24,13,188	37,67,501
Unspent Liabilities Written Back	10,803	20,097
Dividend		
Current Investments	2,76,45,002	84,39,189
Others	1,900	8,650
Profit on sale of Long term Investments	995	1,31,227
Profit on sale of Fixed Assets	—	7,23,219
Provision on Investment written back	—	2,57,996
Exchange rate difference (Net)	80,554	—
Sundry Debit / Credit balances adjusted	8,140	25,00,000
Miscellaneous Receipts	1,74,768	1,93,858
	<u>5,55,04,822</u>	<u>2,18,23,067</u>

## EXPENSES

### Note '21' COST OF MATERIAL CONSUMED

Indigenous	4,64,16,822	4,35,07,854
Imported	19,40,509	19,87,080
	<u>4,83,57,331</u>	<u>4,54,94,934</u>



	For the year ended 31.03.2012 Rs.	For the year ended 31.03.2011 Rs.
<b>Note '22' CHANGE IN INVENTORIES</b>		
Inventories at the end of the year		
Finished Goods	44,48,146	11,88,409
Goods under process	2,79,94,753	2,56,55,726
Scrap	47,94,945	16,78,114
	<u>3,72,37,844</u>	<u>2,85,22,249</u>
Inventories at the beginning of the year		
Finished Goods	11,88,409	95,783
Goods under process	2,56,55,726	2,54,93,035
Scrap	16,78,114	6,63,760
	<u>2,85,22,249</u>	<u>2,62,52,578</u>
	<u>(87,15,595)</u>	<u>(22,69,671)</u>
<b>Note '23' EMPLOYEE BENEFITS EXPENSES</b>		
Salaries, Wages, Bonus etc.	5,42,16,012	4,73,56,119
Gratuity	17,51,420	6,85,971
Contribution to P.F, E.S.I and Other Funds	31,54,114	28,92,806
Staff Welfare Expenses	49,22,164	46,20,481
	<u>6,40,43,710</u>	<u>5,55,55,377</u>
<b>Note '24' FINANCE COSTS</b>		
Interest	72,765	1,23,978
Bank Charges	6,37,668	5,71,273
	<u>7,10,433</u>	<u>6,95,251</u>



	For the year ended 31.03.2012 Rs.	For the year ended 31.03.2011 Rs.
<b>Note '25' OTHER EXPENSES</b>		
Stores, Other Materials Consumed	1,26,28,483	1,28,70,044
Power and Fuel	94,10,173	97,08,044
Testing / Job Charges	1,94,266	1,49,916
Rent	41,83,533	43,49,420
Rates & Taxes	88,160	55,716
Insurance	5,50,321	5,21,885
Advertisement Expenses	2,80,110	1,79,454
Repairs & Maintenance		
Building	12,45,939	2,24,757
Plant & Machinery	29,51,131	28,58,349
Others	15,82,463	15,93,075
Travelling & Conveyance [including directors' travelling Rs.10,61,962/- (Previous year Rs.8,45,842/-)]	34,88,935	32,68,258
Selling Expenses		
Sales Tax	41,05,946	62,48,365
Export Expenses	3,861	—
Other Selling Expenses	9,14,517	9,35,590
Auditors' Remuneration		
Audit Fee	85,000	85,000
In Other Capacity		
For Company Law Matters		10,000
For Tax Audit	35,000	25,000
For Certificates etc.	41,500	38,000
For Taxation & other matters	20,000	20,000
For Expenses	35,400	34,500
For Service Tax / Education Cess	21,683	18,336
Internal Audit Fees	88,652	88,240
Directors' Remuneration [excluding Rs.55,000/- (previous year Rs.55,000/-) charged to other head of accounts]	13,69,230	9,34,615
Directors' Fee	17,500	22,500
Postage, Telegram & Telephone Expenses	7,82,626	7,27,083
Legal, Professional and Service Charges	30,74,838	28,24,253
Exchange rate differences	—	1,20,805
Previous Year's Expenses (Net)	81,100	5,146
Discount & Liquidated Damages	43,48,199	14,94,075
Miscellaneous Expenses	47,67,430	40,74,884
Sundry Debit / Credit balances adjusted	—	10,49,059
	<b>5,63,95,996</b>	<b>5,45,34,369</b>



## Note '26'

### 1. ACCOUNTING POLICIES

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

(i) **Basis of Accounting :**

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

(ii) **Fixed Assets :**

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

(iii) **Depreciation :**

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

(iv) **Valuation of Inventories :**

- a) Raw Material, Stores, Spares and purchased components, Finished Goods, and Goods under process are valued at cost on weighted average basis or net realisable value whichever 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.
- b) Processing Income : Processing income is recognized after services are rendered.

(vi) **Foreign Exchange Transactions**

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

(vii) **Investments:**

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

(viii) **Employees Retirement Benefits :**

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

(ix) **Excise Duty :**

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

(x) **Claims :**

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

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

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

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

(xiv) **Income Tax**

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

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

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

**(xv) Impairment of Assets**

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

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

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

	As at 31.3.2012 Rs.	As at 31.3.2011 Rs.
<b>2</b> Contingent Liabilities and Commitments :		
(i) Bank Gurantees given by the Bank	91,64,160	60,82,863
(ii) Gurantees given by the Company on behalf of other Company	41,93,83,000	54,28,00,000
(iii) Capital Contracts to be executed	1,86,77,233	1,82,09,131
<b>3</b> 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.		
<b>4</b> Defective stocks are accounted for in production as and when used after rectification.		
<b>5</b> NSC for Rs.60,000/- (Previous year Rs.60,000/-) shown under Loans & Advances are in the name of Company's executives.		
<b>6</b> Previous year's expenses / income aggregate Rs.82,206/- Rs.1,106/- respectively (Previous year Rs.1,54,586/- Rs.1,49,440/- ).		
<b>7</b> 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.		
<b>8</b> Based on information available with the company there are no dues to Micro, Small & Medium Enterprises as defined in Micro, SME development Act, 2006 as at 31.03.2012.		
<b>9</b> Earning per Share		
Profit after tax	6,13,37,360	4,50,23,240
Weighted average No. of shares	58,32,056	58,32,056
Nominal Value	10	10
Basic & Diluted	10.52	7.72
<b>10</b> Consequent to the adoption of the Accounting Standard 22 on "Accounting for Taxes on Income", the Company has recognized a deferred tax liability of Rs.1,31,33,000 accumulated till 31st March, 2012 (Previous year Rs.1,35,05,000).		
<b>11</b> 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.41,83,533. (Previous year Rs.43,49,420).		



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

	Subsidiary Company Rs.	Associate Companies Rs.	Key Management Personnel Rs.	Others Rs.
<b>For the year ending 31st March, 2012</b>				
Paid for Services & other charges		7,80,000 (5,40,000)		
Sale of Investment				1,005 (—)
Sale of Fixed Assets		— (1,25,00,000)		
Remuneration			14,24,230 (10,12,115)	
Rent		32,11,920 (32,11,920)		9,60,000 (9,60,000)
<b>Outstanding Balance as on 31st March, 2012</b>				
Amount Payable			1,08,919 (75,000)	
Amount Receivable	18,02,00,000 (55,37,00,000)			
Equity Contribution		7,24,00,000 (7,24,01,005)		
Redeemable Preference Shares		15,00,00,000 (—)		
Security Deposit		39,60,000 (39,60,000)		
Gurantees given by the Company on behalf of other Company		69,50,00,000 (69,50,00,000)		
FDR Pledged by the Company on behalf of other Company		77,49,124 (73,11,983)		
Loans & Advances		12,89,51,000 (10,02,86,551)		

**Subsidiary Company**  
Gurgaon Infospace Ltd.

**Associate Companies:**

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

**Key Management Personnel**

Shri Mayur Gupta, Lt. Col. N.L. Khitha (Retd.)

## 13. I. RAW MATERIAL AND COMPONENTS CONSUMED

Steel / Brass / Aluminium etc.	Kgs.	1,73,617 (1,69,044)	4,10,99,335 (4,18,18,492)
Others			72,57,996 (36,76,442)



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

	Total value of Consumption			Percentage of Total Consumption	
	Total	Imported	Indigenous	Imported	Indigenous
Raw Material & Components	4,83,57,331 (4,54,94,934)	19,40,509 (19,87,080)	4,64,16,822 (4,35,07,854)	4.01 (4.37)	95.99 (95.63)
Stores & Spares	1,26,28,483 (1,28,70,044)	10,16,913 (15,36,946)	1,16,11,570 (1,13,33,098)	8.05 (11.94)	91.95 (88.06)

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

	Amount (Rs.)
a) Raw material & Components	26,08,510 (12,68,468)
b) Stores & Spare parts including Tools	22,20,266 (11,02,077)
c) Capital Goods	28,95,667 (2,27,00,340)

### IV. EXPENDITURE IN FOREIGN CURRENCY

Overseas Travelling	5,71,319 (5,23,115)
Export Sales & Other Expenses	— (23,853)
Exchange Rate Difference (Net)	— (1,20,804)

### V. INCOME IN FOREIGN CURRENCY

Export Sales	19,44,727 (27,77,817)
Exchange Rate Difference (Net)	80,554 (—)

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

Signature to Note '1' to '26'

As per our Report of even date  
for O.P. DADU & CO.  
Chartered Accountants  
FRN 001201N  
O.P. Dadu  
Partner  
M.No. 010871  
Place : New Delhi  
Dated : 29.05.2012

For and on behalf of the Board

D.N. Tulshyan  
General Manager (Finance)

Manish Mehta  
Company Secretary

D. Keelor  
Director

Mayur Gupta  
Managing Director



**CASH FLOW STATEMENT FOR THE PERIOD ENDED 31ST MARCH, 2012**

(Pursuant to clause 32 of the Listing Agreement)

Amount in Rs .

Particulars	2011-2012	2010-2011
<b>(A) CASH FLOW FROM OPERATING ACTIVITIES</b>		
<b>Net Profit before tax and extra ordinary items</b>	<b>7,76,13,464</b>	<b>6,49,91,980</b>
Depreciation	1,21,69,573	1,09,40,127
Interest (Net)	(2,75,09,895)	(94,24,853)
Amount written back (net)	—	(14,50,941)
(Profit) / Loss on Sale of Fixed Assets	51,353	(7,23,219)
(Profit) / Loss on Investments & Derivatives	(995)	(1,31,227)
Demuniton in Value of Investment	61,006	(2,57,996)
Dividend	(2,76,46,902)	(84,47,839)
<b>Operating Profit before working capital changes</b>	<b>3,47,37,604</b>	<b>5,54,95,832</b>
Change in :		
Trade Receivables	2,31,62,180	(3,56,99,926)
Inventories	(1,87,34,616)	56,21,372
Short term Loan & Advances	(8,13,53,370)	(2,92,87,889)
Other current Assets	(63,23,541)	(5,11,382)
Longterm Loan & Advances	(6,32,99,780)	(7,00,37,723)
Long Term Provision	12,50,880	65,818
Trade Payables	43,48,139	(13,34,526)
Other Current liabilities	96,14,449	3,92,438
	<b>(13,13,35,659)</b>	<b>(13,07,91,818)</b>
	<b>(9,65,98,055)</b>	<b>(7,52,95,986)</b>
Cash from Operations		
Interest paid	(72,765)	(1,23,978)
Direct Taxes paid	(1,86,26,515)	(1,24,85,436)
Net Cash from Operating Activities	<b>(11,52,97,335)</b>	<b>(8,79,05,400)</b>
<b>(B) CASH FLOW FROM INVESTING ACTIVITIES</b>		
Purchase of Fixed assets	(8,23,57,441)	(6,58,83,173)
Sale of Fixed assets	7,38,608	1,31,12,059
Amount Recoverable (Fixed Assets)	37,35,00,000	30,45,00,000
Interest Received	2,75,82,660	95,48,831
<b>Non Current Investment</b>	<b>(14,99,98,995)</b>	<b>3,05,177</b>
<b>Current Investment</b>	<b>28,60,12,562</b>	<b>(31,69,39,189)</b>
<b>Profit on Investments</b>	<b>995</b>	<b>1,31,227</b>
Dividend	2,76,46,902	84,47,839
Net Cash used in Investing Activities	<b>48,31,25,291</b>	<b>(4,67,77,229)</b>



## (C) CASH FLOW FROM FINANCING ACTIVITIES

Borrowings / Repayment of borrowings (Net)	14,26,144	—
Unsecured Loan	—	—
Net Cash From Financing Activities	14,26,144	—
Net change in Cash & Cash Equivalents (A+B+C)	36,92,54,100	(13,46,82,629)
Cash & Cash Equivalents		
- Opening Balance	1,39,96,849	14,86,79,478
- Closing Balance	38,32,50,949	1,39,96,849
	<u>36,92,54,100</u>	<u>(13,46,82,629)</u>

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

*Chartered Accountants*

FRN 001201N

O.P. Dadu

*Partner*

M.No. 010871

Place : New Delhi

Dated : 29.05.2012

For and on behalf of the Board

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

Manish Mehta  
*Company Secretary*

D. Keelor  
*Director*

Mayur Gupta  
*Managing Director*

**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, 2012, Consolidated Statement of Profit & Loss 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 2012.
- b) The Consolidated Statement of Profit and Loss gives a true and fair view of the consolidated results of operations of IST Limited and its subsidiary for the year then ended and
- c) The Consolidated Cash Flow Statement gives a true and fair view of the consolidated cash flows of IST Limited and its subsidiary for the year then ended.

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

Place : New Delhi  
Dated : 29.05.2012

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

## CONSOLIDATED BALANCE SHEET AS AT 31ST MARCH 2012

	Note	As at 31.03.2012 Rs.	As at 31.03.2011 Rs.
<b>EQUITY AND LIABILITY</b>			
<b>SHAREHOLDERS' FUNDS</b>			
(a) Share Capital	1	5,84,67,546	5,84,67,546
(b) Reserves and Surplus	2	2,07,54,58,466	1,69,30,92,248
		<u>2,13,39,26,012</u>	<u>1,75,15,59,794</u>
<b>NON-CURRENT LIABILITIES</b>			
Deferred Tax Liability (Net)	3	1,31,33,000	1,35,05,000
Long-Term Provisions	4	1,14,55,426	1,02,04,546
Other Long-Term Liabilities	5	24,45,24,962	21,24,56,664
		<u>26,91,13,388</u>	<u>23,61,66,210</u>
<b>CURRENT LIABILITIES</b>			
Short-Term Borrowings	6	14,31,144	5,000
Trade Payables	7	86,95,441	31,16,772
Other Current Liabilities	8	9,87,36,384	1,76,74,207
		<u>10,88,62,969</u>	<u>2,07,95,979</u>
		<u>2,51,19,02,369</u>	<u>2,00,85,21,983</u>
<b>ASSETS</b>			
<b>NON-CURRENT ASSETS</b>			
<b>Fixed Assets</b>			
Tangible Assets	9	1,26,88,24,073	1,26,67,98,031
Intangible Assets		17,63,268	2,25,093
Capital Works in Progress		17,95,88,865	9,20,43,274
		<u>1,45,01,76,206</u>	<u>1,35,90,66,398</u>
<b>NON CURRENT INVESTMENTS</b>	10	<u>21,30,06,660</u>	<u>6,30,68,671</u>
<b>Long Term Loans and Advances</b>	11	<u>19,96,01,804</u>	<u>7,50,19,698</u>
<b>CURRENT ASSETS</b>			
Current Investment	12	3,09,26,627	31,69,39,189
Inventories	13	5,86,01,686	3,98,67,070
Trade Receivables	14	3,18,34,450	5,52,07,669
Cash & Cash Equivalents	15	39,00,86,012	2,22,67,072
Short Term Loans & Advances	16	13,07,01,446	7,64,42,279
Other Current Asset	17	69,67,478	6,43,937
		<u>64,91,17,699</u>	<u>51,13,67,216</u>
		<u>2,51,19,02,369</u>	<u>2,00,85,21,983</u>
<b>Accounting Policy &amp; Notes</b>	25		

1 to 25 form integral part of Balance Sheet and Profit & Loss Account.

As per our Report of even date  
for O.P. DADU & CO.  
Chartered Accountants  
FRN. 001201N

For and on behalf of the Board

O.P. Dadu  
Partner

D.N. Tulshyan  
General Manager (Finance)

Manish Mehta  
Company Secretary

D. Keelor  
Director

Mayur Gupta  
Managing Director

MNo. 010871

Place : New Delhi

Dated : 29.05.2012



# IST LIMITED

## CONSOLIDATED PROFIT & LOSS ACCOUNT FOR THE YEAR ENDED 31ST MARCH 2012

	Note	As at 31.03.2012 Rs.	As at 31.03.2011 Rs.
<b>INCOME</b>			
Revenue from operations	18	52,68,64,644	45,46,45,727
Other Income	19	5,90,51,210	2,18,23,067
<b>Total Revenue</b>		<b>58,59,15,854</b>	<b>47,64,68,794</b>
<b>EXPENSES</b>			
Cost of materials consumed	20	4,83,57,331	4,54,94,934
Change in inventories	21	(87,15,595)	(22,69,671)
Employees benefit expense	22	6,44,56,583	5,58,35,377
Finance Charges	23	7,10,433	6,95,251
Depreciation		1,22,08,626	1,09,40,127
Other Expenses	24	6,40,70,056	7,40,87,420
		<b>18,10,87,434</b>	<b>18,47,83,438</b>
Profit before tax		<b>40,48,28,420</b>	<b>29,16,85,356</b>
Tax Expenses			
Current Tax		2,23,36,954	1,67,32,000
Deferred Tax		(3,72,000)	27,34,000
Profit after tax		<b>38,28,63,466</b>	<b>27,22,19,356</b>
Prior period Adjustment Income tax		(4,97,248)	(5,02,699)
Profit after Tax and adjustment		<b>38,23,66,218</b>	<b>27,17,16,657</b>
Earning per Share			
Basic & Diluted		65.56	46.59
(Refer note no.25(9))			
<b>Accounting Policy &amp; Notes</b>	25		
1 to 25 form integral part of Balance Sheet and Profit & Loss Account.			

As per our Report of even date  
for O.P. DADU & CO.  
Chartered Accountants  
FRN. 001201N

For and on behalf of the Board

O.P. Dadu  
Partner  
MNo. 010871

D.N. Tulshyan  
General Manager (Finance)

Manish Mehta  
Company Secretary

D. Keelor  
Director

Mayur Gupta  
Managing Director

Place : New Delhi  
Dated : 29.05.2012

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

	As at 31.03.2012 Rs.		As at 31.03.2011 Rs.	
<b>Note '1' SHARE CAPITAL</b>				
<b>AUTHORISED</b>				
1,00,00,000 Equity Shares of Rs.10/- each	<u>10,00,00,000</u>		<u>10,00,00,000</u>	
<b>ISSUED</b>				
60,27,728 Equity Shares of Rs. 10/- each	<u>6,02,77,280</u>		<u>6,02,77,280</u>	
<b>SUBSCRIBED AND PAID UP</b>				
58,32,056 Equity Shares of Rs. 10/- each fully paid up	<u>5,83,20,560</u>		<u>5,83,20,560</u>	
Add : Shares Forfeited	<u>1,46,986</u>		<u>1,46,986</u>	
	<u><b>5,84,67,546</b></u>		<u><b>5,84,67,546</b></u>	
<b>(a) Reconciliation of the Outstanding at the beginning and at the end of the reporting period</b>				
	31.03.2012		31.03.2011	
<b>Ordinary Shares</b>	<b>No. of Shares</b>	<b>Rs.</b>	<b>No. of Shares</b>	<b>Rs.</b>
At the beginning of the year	<u>58,32,056</u>	<u>5,83,20,560</u>	58,32,056	5,83,20,560
Issued during the year	—	—	—	—
Outstanding at the end of the period	<u><b>58,32,056</b></u>	<u><b>5,83,20,560</b></u>	<u>58,32,056</u>	<u>5,83,20,560</u>
<b>(b) Shareholder Holding more than 5% shares in the Company</b>				
			%	%
M/s Gupta International Investment Company Ltd.				
29,13,221 Shares (Previous year 29,13,221 Shares)			49.95	49.95
M/s Antique Investment Company Ltd.				
9,55,700 Shares (Previous year 9,55,700 Shares)			16.39	16.39
<b>Note '2' RESERVES AND SURPLUS</b>				
<b>SECURITIES PREMIUM RESERVE</b>				
Share Premium on 12,11,716 Shares @ Rs.5/- each				
As per last year Balance Sheet			<u>60,58,580</u>	<u>60,58,580</u>
<b>GENERAL RESERVE</b>				
As per last year Balance Sheet			<u>1,10,80,04,235</u>	<u>1,10,80,04,235</u>
<b>SURPLUS IN PROFIT &amp; LOSS ACCOUNT</b>				
Opening Balance		<u>57,90,29,433</u>	30,73,12,776	
Add: Net Profit for the current year		<u>38,23,66,218</u>	27,17,16,657	
		<u><b>96,13,95,651</b></u>	<u>57,90,29,433</u>	
		<u><b>2,07,54,58,466</b></u>	<u>1,69,30,92,248</u>	
<b>Note '3' DEFERRED TAX LIABILITIES (NET)</b>				
Difference of Assets between book of account and as per Income-tax		<u>5,19,33,306</u>	4,99,38,529	
Less : Expenses allowed for tax purpose on payment basis		<u>1,14,55,426</u>	1,02,04,546	
		<u><b>4,04,77,880</b></u>	<u>3,97,33,983</u>	
Deferred tax liabilities (Net)		<u><b>1,31,33,000</b></u>	<u>1,35,05,000</u>	



	As at 31.03.2012 Rs.	As at 31.03.2011 Rs.
<b>Note '4' LONG TERM PROVISIONS</b>		
Provisions for employees benefits	1,14,55,426	1,02,04,546
	<u>1,14,55,426</u>	<u>1,02,04,546</u>
<b>Note '5' OTHER LONG TERM LIABILITIES</b>		
Security Deposits	24,45,24,962	21,24,56,664
	<u>24,45,24,962</u>	<u>21,24,56,664</u>
<b>Note '6' : SHORT-TERM BORROWINGS</b>		
<b>Cash Credit from Bank (Secured)</b>		
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 10.968 acres (Previous year 11.26696 acres) situated at Vill. Malpura. Tehsil Dharuhera, Dist. Rewari, Haryana.	14,31,144	—
	<u>14,31,144</u>	<u>—</u>
Deposits (Unsecured)	—	5,000
	<u>14,31,144</u>	<u>5,000</u>
<b>Note '7' : TRADE PAYABLES</b>		
For Goods & Services	86,95,441	31,16,772
	<u>86,95,441</u>	<u>31,16,772</u>
<b>Note '8' : OTHER CURRENT LIABILITIES</b>		
Capital Expenses	65,08,505	48,86,992
Advance Rent Received	7,06,88,733	—
Taxes & Other Payable	10,51,787	24,66,078
Expenses Payable		
Director's	1,58,919	1,75,000
Others	2,03,28,440	1,01,46,137
	<u>9,87,36,384</u>	<u>1,76,74,207</u>

## NOTE '9' FIXED ASSETS

Particulars	GROSS BLOCK			DEPRECIATION			NET BLOCK		
	Cost as at 31.3.2011 Rs.	Additions during the Year Rs.	Deductions during the Year Rs.	As at 30.3.2011 Rs.	For the year Rs.	Deductions during the year Rs.	Upto 31.3.2012 Rs.	As at 30.3.2012 Rs.	As at 31.3.2011 Rs.
<b>Tangible Assets</b>									
Freehold Land (refer note 1 below)	1,14,41,73,900	20,36,452	—	—	—	—	—	1,14,62,10,352	1,14,41,73,900
Plant & Machinery	21,86,36,514	82,74,553	4,42,704	10,88,46,198	1,02,55,830	4,07,072	11,86,94,956	10,77,73,407	10,97,90,316
Furniture	30,89,297	18,05,451	33,937	19,48,293	1,55,087	32,240	20,71,140	27,89,671	11,41,004
Office Equipment	40,79,016	14,24,079	—	22,26,060	3,04,047	—	25,30,107	29,72,988	18,52,956
Vehicles	1,50,95,427	13,51,708	22,57,849	52,55,572	13,61,276	15,05,217	51,11,631	90,77,655	98,39,855
<b>Total</b>	<b>1,38,50,74,154</b>	<b>1,48,92,243</b>	<b>27,34,490</b>	<b>11,82,76,123</b>	<b>1,20,76,240</b>	<b>19,44,529</b>	<b>12,84,07,934</b>	<b>1,26,88,24,073</b>	<b>1,26,67,98,031</b>
<b>Intangible Assets</b>									
Computer Software	2,34,600	16,70,561	—	9,507	1,32,386	—	1,41,893	17,63,268	2,25,093
<b>Total</b>	<b>1,38,53,08,754</b>	<b>1,65,62,804</b>	<b>27,34,490</b>	<b>11,82,85,630</b>	<b>1,22,08,626</b>	<b>19,44,529</b>	<b>12,85,49,727</b>	<b>1,27,05,87,341</b>	<b>1,26,70,23,124</b>
<b>Previous year</b>	<b>1,36,53,82,013</b>	<b>3,43,07,042</b>	<b>1,43,80,301</b>	<b>10,93,36,964</b>	<b>1,09,40,127</b>	<b>19,91,461</b>	<b>11,82,85,630</b>	<b>1,26,70,23,124</b>	<b>—</b>
<b>Capital Work in Progress</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>17,95,88,865</b>	<b>9,20,43,274</b>

**Note:** 1 The Gurgaon Infospace Ltd. has created an equitable mortgage to the extents of undivided 72% of land admeasuring 27.6812 acres in favour of India Bulls Financial Services Ltd. in respect of loan taken by Co-developer (Unitech Developer & Projects Ltd.) by deposits of Title deed.





	As at 31.03.2012 Rs.	As at 31.03.2011 Rs.
<b>NOTE '10' : NON CURRENT INVESTMENTS (AT COST)</b>		
<b>OTHER INVESTMENT IN EQUITY INSTRUMENTS</b>		
<b>(A) Unquoted (Fully paid up)</b>		
<b>Related Parties</b>		
10 Equity Shares of Galaxy Mercantiles Ltd. of Rs.100/-each	—	1,005
62,40,000 Equity Shares of IST Steel & Power Ltd. of Rs.10/- each	<b>6,24,00,000</b>	6,24,00,000
	<b>6,24,00,000</b>	6,24,01,005
<b>(B) Quoted (Fully paid up)</b>		
<b>Others</b>		
4,800 Equity Shares of J.C.T.Ltd. of Rs.2.50 each	<b>2,93,399</b>	2,93,399
2,000 Equity Shares of C.T.Cotton Yarn Ltd. of Rs.10/- each	<b>50,838</b>	50,838
10,000 Equity Shares of Ricoh India Ltd. Rs.10/- each	<b>6,09,706</b>	6,09,706
3,000 Equity Shares of JMT Auto Ltd. Rs.10/- each	<b>4,25,795</b>	4,25,795
1,000 Equity Shares of DCM Shriram Consolidated Ltd. Rs.2/- each	<b>1,07,767</b>	1,07,767
	<b>14,87,505</b>	14,87,505
Less: Demunition in value of Investment	<b>(9,40,845)</b>	(8,79,839)
	<b>5,46,660</b>	6,07,666
<b>Investment in Preference Shares</b>		
<b>Related Parties</b>		
15,00,000 9% Non Cumulative, Non Convertible Preference Shares of Rs. 100/- each of IST Steel & Power Ltd., Redeemable at par	<b>15,00,00,000</b>	—
National Saving Certificate (Rs. 40,000/- Pledged with Mining Engineers Nagore. [Refer Note 25.5]	<b>60,000</b>	60,000
	<b>21,30,06,660</b>	6,30,68,671
Aggregate value of Quoted Investment		
Cost	<b>14,87,505</b>	14,87,505
Market Value	<b>5,46,660</b>	6,07,666
Aggregate value of UnQuoted Investment		
Cost	<b>21,24,00,000</b>	6,24,01,005
<b>NOTE '11' : LONG-TERM LOANS AND ADVANCES</b>		
<b>Unsecured Considered Good</b>		
Capital Advances	<b>61,44,333</b>	4,58,722
Security Deposits		
Related Parties [Refer Note. no 25.13]	<b>39,60,000</b>	39,60,000
Others	<b>10,73,425</b>	5,16,925
Loans & Advances		
Related Parties [Refer Note. no 25.13]	<b>12,89,51,000</b>	7,00,84,051
MAT Credit Receivable	<b>5,94,73,046</b>	—
	<b>19,96,01,804</b>	7,50,19,698
<b>NOTE '12' : CURRENT INVESTMENT (AT COST)</b>		
<b>Other Investment in Mutual Funds (Unquoted)</b>		
0 / (20,55,623.293) PNB Principal Mutual Fund	—	2,05,81,517
30,826.4411 / (0) SBI Premier Liquid Fund	<b>3,09,26,627</b>	—
0 / (2,96,17,996.444) SBI Shf Ultra Short Fund	—	29,63,57,672
	<b>3,09,26,627</b>	31,69,39,189



	As at 31.03.2012 Rs.	As at 31.03.2011 Rs.
<b>NOTE '13' : INVENTORIES</b>		
(As taken, valued and certified by the management)		
Raw Materials	1,43,35,654	84,28,258
Work in Progress	2,79,94,753	2,56,55,726
Finished Goods	44,48,146	11,88,409
Stores & Spare Parts	70,28,188	29,16,563
Scrap	47,94,945	16,78,114
	<b>5,86,01,686</b>	<b>3,98,67,070</b>
Note : Refer note 25 (1v) for mode of valuation		
<b>NOTE '14' : TRADE RECEIVABLES</b>		
<b>Unsecured Considered Good</b>		
Outstanding for a period exceeding six months from the due date	49,33,480	41,34,982
Others	2,69,00,970	5,10,72,687
	<b>3,18,34,450</b>	<b>5,52,07,669</b>
<b>NOTE '15' : CASH &amp; CASH EQUIVALENTS</b>		
With Scheduled Banks		
In Current Accounts	69,90,956	96,71,968
Term Deposits remaining maturity more than 12 months (Pledged with Sales Tax Dept.)	1,20,740	85,000
Term Deposit [Rs. 7749124 (Rs. 7311983) Pledged with Bank]	37,29,49,124	73,11,983
Balance held as Margin Money	90,47,250	32,35,282
Cheques / Drafts on Hand	3,42,649	15,59,023
Cash on hand	6,35,293	4,03,816
	<b>39,00,86,012</b>	<b>2,22,67,072</b>
<b>NOTE '16' : SHORT TERM LOANS &amp; ADVANCES</b>		
<b>Unsecured Considered Good</b>		
Loans & Advances	11,10,45,023	3,02,02,500
Loans to Employees	11,05,468	3,02,542
Advances Raw Materials & Stores	13,06,110	5,32,684
Prepaid Expenses	2,73,839	6,89,067
Prepaid Taxes [Net of Provision Rs.9,85,42,000 (Rs.2,16,82,000)]	1,61,58,519	4,28,92,501
Balance with Central Excise Deptt.	8,12,487	18,22,985
	<b>13,07,01,446</b>	<b>7,64,42,279</b>
<b>NOTE '17' : OTHER CURRENT ASSETS</b>		
<b>Unsecured Considered Good</b>		
Share Application money pending allotment	50,00,000	—
Interest Accrued	19,05,870	4,72,434
Insurance Claim	—	78,818
Others	61,608	92,685
	<b>69,67,478</b>	<b>6,43,937</b>



# IST LIMITED

For the year ended  
31.03.2012  
Rs.

For the year ended  
31.03.2011  
Rs.

## NOTE '18' : REVENUE FROM OPERATON

Sales of Product		
Export Sales	19,44,727	27,77,817
Domestic Sales	19,95,40,583	21,61,56,515
<b>Other Operating Revenue</b>		
Job Charges	1,00,27,401	68,74,796
<b>Income from SEZ Operations</b>	<b>33,17,94,554</b>	<b>24,65,26,627</b>
Revenue from Operations	54,33,07,265	47,23,35,755
Less : Excise Duty	1,64,42,621	1,76,90,028
Revenue from Operations	<u>52,68,64,644</u>	<u>45,46,45,727</u>

## NOTE '19' : OTHER INCOME

Interest		
Related Parties	2,51,69,472	57,81,330
Others (Refer Note 1 Below)	59,52,072	37,67,501
Unspent Liabilities Written Back	10,803	20,097
Dividend		
Current Investments	2,76,45,002	84,39,189
Others	1,900	8,650
Profit on sale of Long term Investments	995	1,31,227
Profit on sale of Fixed Assets	—	7,23,219
Provision on Investment written back	—	2,57,996
Exchange rate difference (Net)	80,554	—
Sundry Debit / Credit balances adjusted	8,140	25,00,000
Miscellaneous Receipts	1,82,272	1,93,858
	<u>5,90,51,210</u>	<u>2,18,23,067</u>

[Note 1: Interest includes Rs. 34,66,950 on Income Tax Refund.]

## EXPENSES

### NOTE '20' : COST OF MATERIAL CONSUMED

Indigenous	4,64,16,822	4,35,07,854
Imported	19,40,509	19,87,080
	<u>4,83,57,331</u>	<u>4,54,94,934</u>

### NOTE '21' : CHANGE IN INVENTORIES

Inventories at the end of the year		
Finished Goods	44,48,146	11,88,409
Goods under process	2,79,94,753	2,56,55,726
Scrap	47,94,945	16,78,114
	<u>3,72,37,844</u>	<u>2,85,22,249</u>
Inventories at the beginning of the year		
Finished Goods	11,88,409	95,783
Goods under process	2,56,55,726	2,54,93,035
Scrap	16,78,114	6,63,760
	<u>2,85,22,249</u>	<u>2,62,52,578</u>
	<u>(87,15,595)</u>	<u>(22,69,671)</u>



	For the year ended 31.03.2012 Rs.	For the year ended 31.03.2011 Rs.
<b>NOTE '22' : EMPLOYEE BENEFITS EXPENSES</b>		
Salaries, Wages, Bonus etc.	5,46,28,885	4,76,36,119
Gratuity	17,51,420	6,85,971
Contribution to P.F, E.S.I and Other Funds	31,54,114	28,92,806
Staff Welfare Expenses	49,22,164	46,20,481
	<u>6,44,56,583</u>	<u>5,58,35,377</u>
<b>NOTE '23' : FINANCE COSTS</b>		
Interest	72,765	1,23,978
Bank Charges	6,37,668	5,71,273
	<u>7,10,433</u>	<u>6,95,251</u>
<b>NOTE '24' : OTHER EXPENSES</b>		
Stores, Other Materials Consumed	1,26,28,483	1,28,70,044
Power and Fuel	94,10,173	97,08,044
Testing / Job Charges	1,94,266	1,49,916
Rent	41,83,533	43,49,420
Rates & Taxes	88,160	55,716
Insurance	5,50,321	5,21,885
Advertisement Expenses	2,80,110	1,89,454
Repairs & Maintenance		
Building	12,45,939	2,24,757
Plant & Machinery	29,51,131	28,58,349
Others	15,82,463	15,93,075
Travelling & Conveyance [including directors' travelling Rs.11,25,402/- (Previous year Rs.8,45,842/-)]	35,53,946	32,72,540
Selling Expenses		
Sales Tax	41,05,946	62,48,365
Export Expenses	3,861	—
Other Selling Expenses	9,14,517	9,35,590
Brokerage & Commission	48,70,489	1,75,89,697
Auditors Remuneration		
Audit Fee	1,35,000	1,15,000
In Other Capacity		
For Company Law Matters		10,000
For Tax Audit	45,000	40,000
For Certificates etc.	41,500	38,000
For Taxation & other matters	20,000	54,193
For Expenses	35,400	34,500
For Service Tax / Education Cess	29,099	22,971
Internal Audit Fees	88,652	88,240
Directors Remuneration [excluding Rs.55,000/- (previous year Rs.55,000/-) charged to other head of accounts]	25,69,230	21,34,615
Directors Fee	17,500	22,500
Postage, Telegram & Telephone Expenses	7,85,128	7,27,241
Legal, Professional and Service Charges	40,17,177	28,73,453
Exchange rate differences	—	1,20,805
Previous Year Expenses (Net)	5,86,421	27,096
Discount & Liquidated Damages	43,48,199	14,94,075
Miscellaneous Expenses	47,88,412	41,60,456
Sundry Debit / Credit balances adjusted	—	15,57,423
	<u>6,40,70,056</u>	<u>7,40,87,420</u>



## NOTE 25 :

### 1 ACCOUNTING POLICIES

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

#### (i) Principles of Consolidation

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

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

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

#### (ii) Basis of Accounting :

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

#### (iii) Fixed Assets :

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

#### (iv) Depreciation :

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

#### (v) Valuation of Inventories :

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

#### (vi) Revenue Recognition

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

#### (vii) Foreign Exchange Transactions

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

#### (viii) Investments:

Investments are stated at cost and diminution in value is 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 is charged to Profit & Loss Account.

#### (x) Excise Duty :

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

#### (xi) Claims :

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

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

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

	As at 31.3.2012 Rs.	As at 31.3.2011 Rs.
<b>2</b> Contingent Liabilities and Commitments :		
(i) Bank Gurantees given by the Bank	91,64,160	60,82,863
(ii) Gurantees given by the Company on behalf of other Company	5,16,93,83,000	54,28,00,000
(iii) Capital Contracts to be executed	2,33,48,011	2,25,94,628
<b>3</b> 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.		
<b>4</b> Defective stocks are accounted for in production as and when used after rectification.		
<b>5</b> NSC for Rs.60,000/- (Previous year Rs.60,000/-) shown under Loans & Advances are in the name of Company's executives.		
<b>6</b> Previous year's expenses / income aggregate Rs.5,87,527/- Rs.1,106/- respectively (Previous year Rs.1,76,536/- Rs.1,49,440/- ).		
<b>7</b> 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.		
<b>8</b> Based on information available with the company there are no dues to Micro, Small & Medium Enterprises as defined in Micro, SME development Act, 2006 as at 31.03.2012.		
<b>9</b> Earning per Share		
Profit after tax	38,23,66,218	27,17,16,657
Weighted average No. of shares	58,32,056	58,32,056
Nominal Value	10	10
Basic & Diluted	65.56	46.59



- 10 Consequent to the adoption of the Accounting Standard 22 on "Accounting For Taxes on Income", the Company has recognized a deferred tax liability of Rs.1,31,33,000 accumulated till 31st March, 2012 ( Previous year Rs.1,35,05,000).
- 11 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.
- 12 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.41,83,533 lacs. (Previous year Rs.43,49,420 lacs). Income from lease recognised in the profit & loss account for the year is Rs.33,17,94,554. (Previous year Rs. 24,65,26,627).
- 13 Information on Related Parties transactions as required by Accounting Standard (AS18)

	<b>Associate Companies Rs.</b>	<b>Key Management Personnel Rs.</b>	<b>Others Rs.</b>
<b>For the year ending 31st March,2012</b>			
Paid for Services & other charges	7,80,000 (5,40,000)		
Sale of Investment			1,005 (—)
Sale of Fixed Assets	— (1,25,00,000)		
Remuneration		26,24,230 (22,12,115)	
Rent	32,11,920 (32,11,920)		9,60,000 (9,60,000)
<b>Outstanding Balance as on 31st March,2012</b>			
Amount Payable		1,58,919 (1,75,000)	
Equity Contribution	6,24,00,000 (6,24,01,005)		
Redeemable Preference Shares	15,00,00,000 (—)		
Security Deposit	39,60,000 (39,60,000)		
Gurantees given by the Company on behalf of other Company	69,50,00,000 (69,50,00,000)		
FDR Pledged by the Company on behalf of other Company	77,49,124 (73,11,983)		
Loans & Advances	12,89,51,000 (10,02,86,551)		

**Associate Companies:**

GPC Technology Ltd. (Galaxy Power Cables Ltd.), Delight Marketing Co. Pvt. Ltd., Delux Investments Pvt. Ltd., Lubetec India Pvt. Ltd., Antique Investment Co. Ltd., Galaxy International Hotels Pvt Ltd., Eastern India Power and Mining Co. Pvt Ltd., Neil Builders (P) Ltd., IST Technology Infrastructure (P) Ltd., Gupta International Investment Co. Ltd., IST Steel and Power Ltd., IST Softect Pvt. Ltd. (AS Plastics Pvt Ltd.), Rex Probuild Private Ltd., Western Indus



Power Pvt. Ltd., Delight Softech Private Ltd., Eastern Softech Private Ltd., AVG Realtors Pvt Ltd., Vinayak Infradevelopers Pvt. Ltd., Galaxy Indus Power Private Ltd., IST Green Power Pvt. Ltd., Wardha Valley Coal Field Pvt. Ltd., IST Finvest LLP, IST Conbuild (P) Ltd., IST Projects (P) Ltd., IST Eco Power (P) Ltd., Mercantile Realtors (P) Ltd.

## Key Management Personnel

Shri Mayur Gupta, Lt. Col. N.L. Khitha (Retd.)

Mrs. Sarla Gupta

## 14. I. RAW MATERIAL AND COMPONENTS CONSUMED

Steel / Brass / Aluminium etc.	Kgs.	1,73,617	4,10,99,335
		(1,69,044)	(4,18,18,492)
Others			72,57,996
			(36,76,442)

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

	Total value of Consumption			Percentage of Total Consumption	
	Total	Imported	Indigenous	Imported	Indigenous
Raw Material & Components	4,83,57,331 (4,54,94,934)	19,40,509 (19,87,080)	4,64,16,822 (4,35,07,854)	4.01 (4.37)	95.99 (95.63)
Stores & Spares	1,26,28,483 (1,28,70,044)	10,16,913 (15,36,946)	1,16,11,570 (1,13,33,098)	8.05 (11.94)	91.95 (88.06)

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

	Amount(Rs.)
a) Raw material & Components	26,08,510 (12,68,468)
b) Stores & Spare parts including Tools	22,20,266 (11,02,077)
c) Capital Goods	28,95,667 (2,27,00,340)

## IV. EXPENDITURE IN FOREIGN CURRENCY

Overseas Travelling	5,71,319 (5,23,115)
Export Sales & Other Expenses	— (23,853)
Exchange Rate Difference (Net)	— (1,20,804)

## V. INCOME IN FOREIGN CURRENCY

Export Sales	19,44,727 (27,77,817)
Exchange Rate Difference (Net)	80,554 (—)

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

Signature to Note '1' to '25'

As per our Report of even date  
for O.P. DADU & CO.  
Chartered Accountants  
FRN. 001201N

For and on behalf of the Board

O.P. Dadu  
Partner

D.N. Tulshyan  
General Manager (Finance)

Manish Mehta  
Company Secretary

D. Keelor  
Director

Mayur Gupta  
Managing Director

MNo. 010871

Place : New Delhi

Dated : 29.05.2012





## CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH 2012

(Pursuant to clause 32 of the listing Agreement)

Amount in Rs.

Particulars	2011-2012	2010-2011
<b>(A) CASH FLOW FROM OPERATING ACTIVITIES</b>		
Net Profit before tax and extraordinary items	40,48,28,420	29,16,85,356
Depreciation	1,22,08,626	1,09,40,127
Interest (Net)	(3,10,48,779)	(94,24,853)
Amount written back (net)	—	(9,42,566)
(Profit) / Loss on sale of Fixed Assets	51,353	(7,23,219)
(Profit) / Loss on Investments & Derivatives	(995)	(1,31,227)
Demunition in value of Investment	61,006	(2,57,996)
Dividend	(2,76,46,902)	(84,47,839)
<b>Operating Profit before working capital changes</b>	<b>35,84,52,729</b>	<b>28,26,97,783</b>
Change in :		
Trade receivables	2,33,73,219	(3,52,16,932)
Inventories	(1,87,34,616)	56,21,372
Short Term Loan & Advances	(8,09,93,149)	(2,96,48,110)
Other Current Assets	(63,23,541)	(5,11,382)
Long Term Loan & Advances	(6,51,09,060)	(7,00,37,723)
Long Term Provision	12,50,880	65,818
Trade Payables	55,78,669	(13,34,526)
Other Current Liabilities	(29,24,37,823)	(31,11,21,021)
Other Long Term Liabilities	3,20,68,298	(40,13,27,123)
Cash From Operations	(4,28,74,394)	(4,82,52,653)
Interest Paid	(72,765)	(1,23,978)
Direct Taxes Paid	(5,55,73,266)	(2,64,61,219)
Net Cash from Operating Activities	(9,85,20,425)	(7,48,37,850)
<b>(B) CASH FLOW FROM INVESTING ACTIVITIES</b>		
Purchase of Fixed assets	(10,41,08,395)	(7,24,03,781)
Sale of Fixed assets	7,38,608	1,31,12,059
Amount Recoverable (Fixed Assets)	37,35,00,000	30,45,00,000
Interest Received	3,11,21,544	95,48,831
Non Current Investment	(14,99,98,995)	3,05,177
Current Investment	28,60,12,562	(31,69,39,189)
Profit on Investments & Derivatives	995	1,31,227
Dividend	2,76,46,902	84,47,839
Net Cash used in Investing Activities	46,49,13,221	(5,32,97,837)
<b>(C) CASH FLOW FROM FINANCING ACTIVITIES</b>		
Borrowings / Repayment of borrowings (Net)	14,26,144	—
Net Cash from Financing Activities	14,26,144	—
Net change in Cash & cash Equivalents (A+B+C)	36,78,18,940	(12,81,35,687)
Cash & Cash Equivalents		
- Opening Balance	2,22,67,072	15,04,02,759
- Closing Balance	39,00,86,012	2,22,67,072
	<b>36,78,18,940</b>	<b>(12,81,35,687)</b>

As per our Report of even date  
for O.P. DADU & CO.  
Chartered Accountants  
FRN. 001201N

For and on behalf of the Board

O.P. Dadu  
Partner

D.N. Tulshyan  
General Manager (Finance)

Manish Mehta  
Company Secretary

D. Keelor  
Director

Mayur Gupta  
Managing Director

MNo. 010871

Place : New Delhi

Dated : 29.05.2012



# IST Limited

Regd. Office : Dharuhera Industrial Complex  
Delhi-Jaipur Highway No. 8, Kapriwas, Dharuhera,  
Rewari-123106 (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 36th 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-123106 (Haryana), on Friday, the 28th September, 2012 at 11.00 A.M.

Signature of the Member or Proxy \*

\* Please indicate whether Member or Proxy.



# IST Limited

Regd. Office : Dharuhera Industrial Complex  
Delhi-Jaipur Highway No. 8, Kapriwas, Dharuhera,  
Rewari-123106 (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 36th 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-123106 (Haryana), on Friday, the 28th September, 2012 at 11.00 A.M. and at every adjournment thereof.

Affix  
Revenue  
Stamp

Signed this \_\_\_\_\_ day of \_\_\_\_\_ 2012.

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