

**AUDITORS' REPORT**

We have examined the compliance of conditions of Corporate Governance by IST Limited for the year ended 31st March, 2010 as stipulated in Clause 49 of the Listing Agreement entered into with the Stock Exchange.

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

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

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

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

Place : New Delhi
Dated : 31st May, 2010

For O.P. DADU & CO.
Chartered Accountants
FRN. 001201N
(O.P. DADU)
Partner
Membership No. 10871



AUDITORS' REPORT

TO THE MEMBERS OF M/S. IST LIMITED

We have audited the attached Balance Sheet of M/S. IST LIMITED, as at 31st March, 2010, the Profit & Loss Account and also the Cash Flow Statement for the year ended on that date, annexed thereto. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audit.

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

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

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

- i) We have obtained all the information and explanations, which to the best of our knowledge and belief were necessary for the purpose of our audit;
- ii) In our opinion, proper books of accounts as required by law, have been kept by the Company so far as appears from our examination of those books;
- iii) The Balance Sheet, Profit & Loss Account and Cash Flow Statement dealt with by this report are in agreement with the books of account;
- iv) In our opinion, the Balance Sheet, Profit & Loss Account and Cash Flow Statement dealt with by this report comply with the accounting standards referred to in sub-section (3C) of Section 211 of the Companies Act, 1956,
- v) In our opinion, and based on information and explanations given to us, none of the directors is disqualified as on 31st March, 2010 from being appointed as a director in terms of clause(g) of sub-section (1) of Section 274 of the Companies Act, 1956; and
- vi) In our opinion, and to the best of our information and according to the explanations given to us, the said accounts, together with Schedules 'A' to 'R' thereto, subject to and in terms of the above and also subject to Note No.1, regarding Accounting Policies, in schedule R of Notes, give the information required by the Companies Act, 1956, in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India:
 - i) in the case of the Balance Sheet, of the state of affairs of the Company as at 31st March, 2010:
 - ii) in the case of the Profit & Loss Account, of the 'Profit' for the year ended on that date and
 - iii) in the case of Cash Flow Statement, of the Cash Flows of the Company for the year ended on that date.

FOR O.P.DADU & CO.
CHARTERED ACCOUNTANTS

Place : New Delhi
Dated : 31st May, 2010

(O.P.DADU)
Partner
M.No.10871
FRN. 001201N

**ANNEXURE TO THE AUDITORS' REPORT**

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

1. a) The Company has maintained proper records showing full particulars including quantitative details and situation of fixed assets.
b) The management has certified that the fixed assets of the Company have been physically verified during the year and that no material discrepancy was noticed between the physical verification and the book records. In our opinion, the frequency of physical verification of fixed assets is reasonable having regard to the size of the Company and the nature of the assets.
c) In our opinion, the Company has not disposed of substantial part of fixed assets during the year, and the going concern status of the Company is not affected.
2. a) The inventory has been physically verified during the year by the management. In our opinion, the frequency of verification is reasonable.
b) The procedures of physical verification of inventories followed by the management are reasonable and adequate in relation to the size of the company and the nature of its business.
c) The Company is maintaining proper records of inventory. The discrepancies noticed on verification between the physical stocks and the book records were not material.
3. a) The Company has granted Unsecured Loans/Advances of to one Company covered in the register maintained under section 301 of the Companies Act, 1956 during the year. The maximum balance during the year is Rs.15.00 Lacs and the year end balance is NIL.
b) In our opinion, the terms and conditions on which Unsecured Loans/ Advances have been granted to companies, listed in the register maintained under Section 301 of the Companies Act, 1956 are not, prima facie, prejudicial to the interest of the Company except the Loans/Advances are interest free.
c) The company has taken Unsecured Loan from two Companies covered in register maintained under section 301 of the Companies Act, 1956 during the year. The Maximum balance is Rs.220.00 Lacs and the year end balance is NIL.
d) In our opinion, the terms and conditions on which Unsecured Loans have been taken by Companies, listed in the register maintained under section 301 of Companies Act, 1956 are not, prima facie, prejudicial to the interest of the company and the Unsecured Loans are interest free.
e) The year end balance of unsecured loan is NIL.
4. In our opinion and according to the information and explanations given to us, there are adequate internal control system commensurate with the size of the company and the nature of its business with regard to purchases of inventory, fixed assets and with regard to the sale of goods. During the course of our audit we have not observed any continuing failure to correct major weaknesses in internal control system.
5. a) According to the information and explanations given to us, we are of the opinion that the particulars of all contracts and arrangements that need to be entered into the register maintained under section 301 of the Companies Act, 1956 have been so entered.
b) In our opinion and according to the information and explanations given to us, the transactions made in pursuance of contracts or arrangements entered in the register maintained under section 301 of the Companies Act, 1956 and exceeding the value of rupees five lakhs in respect of any party during the year have been made at prices which are reasonable having regard to prevailing market prices at the relevant time.
6. The company has not accepted any deposit with in the meaning of section 58A and 58AA or any other relevant provision of the Companies Act, 1956.
7. In our opinion, the company has an internal audit system commensurate with the size and nature of its business.



8. We are informed that the Company is not required to maintain cost records U/s 209(1) (d) of the Companies Act, 1956 for any of its products.
9.
 - a) The Company is regular in depositing with appropriate authorities undisputed statutory dues including provident fund, investor education protection fund, employees' state insurance, income tax, sales tax, wealth tax, service tax, custom duty, excise duty, cess and other material statutory dues, wherever applicable to it.
 - b) According to the information and explanations given to us, no undisputed amounts payable in respect of income tax, wealth tax, service tax, sales tax, custom duty, excise duty and cess were in arrears, as at 31st March, 2010 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

Place : New Delhi
Dated : 31st May, 2010

(O.P. DADU)
Partner
M.No.10871
FRN. 001201N

**BALANCE SHEET AS AT 31ST MARCH 2010**

	Schedule	As at 31.03.2010 Rs.	As at 31.03.2009 Rs.
SOURCES OF FUNDS			
SHAREHOLDERS' FUNDS			
(a) Capital	A	5,84,67,546	5,84,67,546
(b) Reserves and Surplus	B	1,21,00,98,577	1,19,24,27,812
		<u>1,26,85,66,123</u>	<u>1,25,08,95,358</u>
LOAN FUNDS			
Secured Loans	C	—	1,53,368
Deferred Tax Liability		1,07,71,000	65,00,000
		<u>1,07,71,000</u>	<u>66,53,368</u>
		<u>1,27,93,37,123</u>	<u>1,25,75,48,726</u>
APPLICATION OF FUNDS			
FIXED ASSETS			
(a) Gross Block	D	25,53,66,466	27,39,96,466
Less : Depreciation		10,93,36,964	10,26,85,350
(b) Net Block		14,60,29,502	17,13,11,116
Add.Capital Works in Progress		77,32,442	2,89,703
		<u>15,37,61,944</u>	<u>17,16,00,819</u>
INVESTMENTS	E	<u>7,30,75,852</u>	<u>7,29,26,631</u>
CURRENT ASSETS, LOANS AND ADVANCES			
(a) Inventories	F	4,54,88,442	4,31,12,358
(b) Sundry Debtors	G	1,85,21,183	2,56,48,467
(c) Cash and Bank Balances	H	14,86,79,478	90,46,540
(d) Loans & Advances	I	88,16,99,419	1,02,11,10,309
		<u>1,09,43,88,522</u>	<u>1,09,89,17,674</u>
Less : Current Liabilities & Provisions	J	4,18,89,195	8,58,96,398
NET CURRENT ASSETS		<u>1,05,24,99,327</u>	<u>1,01,30,21,276</u>
		<u>1,27,93,37,123</u>	<u>1,25,75,48,726</u>
NOTES	R		

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

As per our Report of even date

For and on behalf of the Board

for O.P. DADU & CO.

Chartered Accountants

O.P. Dadu
PartnerD.N. Tulshyan
General Manager (Finance)R.K. Sapra
Company SecretaryD. Keelor
DirectorMayur Gupta
Managing Director

Place : New Delhi

Dated : 31st May, 2010

IST LIMITED



PROFIT & LOSS ACCOUNT FOR THE YEAR ENDED 31ST MARCH 2010

	Schedule	For the year ended 31.03.2010 Rs.	For the year ended 31.03.2009 Rs.
INCOME			
Sale & Services	K	19,69,43,360	20,30,17,529
Other Income	L	58,20,944	26,62,669
Increase/ (Decrease) in Stock	M	(32,89,692)	(85,55,515)
		<u>19,94,74,612</u>	<u>19,71,24,683</u>
EXPENDITURE			
Raw-Material & Components Consumed		3,53,83,345	4,61,61,281
Purchases		2,39,56,413	—
Payments to and Provisions for Employees	N	5,10,00,404	4,64,93,188
Excise Duty		83,15,155	1,50,23,881
Manufacturing Expenses	O	1,99,47,513	1,88,40,744
Other Expenses	P	2,42,36,304	3,04,05,758
Finance Charges	Q	4,62,393	60,17,298
		<u>16,33,01,527</u>	<u>16,29,42,150</u>
Profit before Depreciation		3,61,73,085	3,41,82,533
Depreciation		(80,47,086)	(55,10,458)
Profit before tax		<u>2,81,25,999</u>	<u>2,86,72,075</u>
Less: Provision For Current Tax			
Income Tax & Wealth Tax		49,50,000	1,03,50,000
Fringe Benefit Tax		—	4,05,500
Less : Deferred Tax Credit		<u>42,71,000</u>	<u>1,31,000</u>
Profit after tax		<u>1,89,04,999</u>	<u>1,77,85,575</u>
Prior period Adjustment Income tax		(12,34,234)	(4,00,932)
Profit after Tax and adjustment		<u>1,76,70,765</u>	<u>1,73,84,643</u>
Credit Balance brought forward from previous year		<u>7,83,64,997</u>	<u>6,09,80,354</u>
Balance carried forward to Balance Sheet		<u>9,60,35,762</u>	<u>7,83,64,997</u>
Earning per Share			
Basic & Diluted		3.03	2.98
(Refer note no.12 of schedule R)			

NOTES

R

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

As per our Report of even date

For and on behalf of the Board

for O.P. DADU & CO.
Chartered Accountants

O.P. Dadu
Partner

D.N. Tulshyan
General Manager (Finance)

R.K. Sapra
Company Secretary

D. Keelor
Director

Mayur Gupta
Managing Director

Place : New Delhi
Dated : 31st May, 2010



IST LIMITED

SCHEDULES FORMING PART OF THE ACCOUNTS

	As at 31.03.2010 Rs.	As at 31.03.2009 Rs.
SCHEDULE 'A' SHARE CAPITAL		
AUTHORISED		
1,00,00,000 Equity Shares of Rs.10/- each	<u>10,00,00,000</u>	<u>10,00,00,000</u>
ISSUED		
60,27,728 Equity Shares of Rs. 10/- each	<u>6,02,77,280</u>	<u>6,02,77,280</u>
SUBSCRIBED AND PAID UP		
58,32,056 Equity Shares of Rs. 10/- each fully paid up	<u>5,83,20,560</u>	<u>5,83,20,560</u>
Add : Shares Forfeited	<u>1,46,986</u>	<u>1,46,986</u>
	<u><u>5,84,67,546</u></u>	<u><u>5,84,67,546</u></u>
 SCHEDULE 'B' RESERVES AND SURPLUS		
SHARE PREMIUM ACCOUNT		
Share Premium on 12,11,716 Shares @ Rs.5/- each	<u>60,58,580</u>	<u>60,58,580</u>
GENERAL RESERVE		
As per last year Balance Sheet	<u>1,10,80,04,235</u>	<u>1,10,80,04,235</u>
Profit & Loss		
Credit Balance Brought forward	<u>7,83,64,997</u>	<u>6,09,80,354</u>
Add: Profit for the year	<u>1,76,70,765</u>	<u>1,73,84,643</u>
	<u>9,60,35,762</u>	<u>7,83,64,997</u>
	<u><u>1,21,00,98,577</u></u>	<u><u>1,19,24,27,812</u></u>
 SCHEDULE 'C' SECURED LOANS		
VEHICLES' LOAN		
From ICICI Bank Ltd (Secured by hypothecation of vehicles, by way of first charge)	<u>—</u>	<u>1,53,368</u>
	<u>—</u>	<u>1,53,368</u>



SCHEDULE 'D' FIXED ASSETS

Description of Assets	GROSS BLOCK					DEPRECIATION				NET BLOCK	
	Cost as at 31.3.2009 Rs.	Additions during the Year Rs.	Deductions during the Year Rs.	As at 31.3.2010 Rs.	As at 31.3.2009 Rs.	For the Year Rs.	Deductions during the year Rs.	Upto 31.3.2010 Rs.	As at 31.3.2010 Rs.	As at 31.3.2009 Rs.	
Freehold Land	11,34,70,576	32,23,230	7,57,68,280	4,09,24,526	—	—	—	—	4,09,24,526	11,34,70,576	
Plant & Machinery	14,70,96,513	5,04,55,779	21,54,248	19,53,98,044	9,61,74,127	66,96,227	13,28,972	10,15,41,382	9,38,56,662	5,09,22,386	
Furniture & Office Equipment	57,60,788	7,08,236	—	64,69,084	35,45,891	2,99,642	—	38,45,533	26,23,551	22,14,897	
Vehicles	76,68,589	61,06,223	12,00,000	1,25,74,812	29,65,332	10,51,217	66,500	39,50,049	86,24,763	47,03,257	
Total	27,39,96,466	6,04,93,528	7,91,23,528	25,53,66,466	10,26,85,350	80,47,066	13,95,472	10,95,36,964	14,60,29,502	17,13,11,116	
Previous year	19,09,25,594	8,34,63,814	3,92,942	27,39,96,466	9,75,40,137	55,10,458	3,65,245	10,26,85,350	17,13,11,116		
Capital Work in Progress:									77,32,442	2,89,703	



IST LIMITED

	As at 31.03.2010 Rs.	As at 31.03.2009 Rs.
SCHEDULE 'E' INVESTMENTS (AT COST)		
LONG TERM		
(A) Unquoted (Fully paid up)		
Subsidiary Company		
1,00,000 Equity Shares of Gurgaon Infospace Ltd of Rs.100/- each	1,00,00,000	1,00,00,000
Other Companies		
10 Equity Shares of Galaxy Mercantiles Ltd. of Rs.100/- each	1,005	1,005
0/(4,500) Equity Shares of Galaxy International Hotels Ltd. of Rs.100/- each	—	2,25,000
62,40,000 Equity Shares of IST Steel & Power Ltd of Rs.10/- each	6,24,00,000	6,24,00,000
	<u>7,24,01,005</u>	<u>7,26,26,005</u>
(B) Quoted (Fully paid up)		
4,800 Equity Shares of J.C.T.Ltd. of Rs.2.50 each	2,93,399	2,93,399
2,000 Equity Shares of C.T.Cotton Yarn Ltd. of Rs.10/- each	50,838	50,838
10,000 Equity Shares of Ricoh India Ltd Rs.10/- each	6,09,706	6,09,706
3,000 Equity Shares of JMT Auto Ltd Rs.10/- each	4,25,795	4,25,795
1,000 Equity Shares of DCM Shriram Consolidated Ltd Rs.2/- each	1,07,767	1,07,767
1,500 Equity Shares of UFLEX Ltd Rs.10/- each	3,25,177	3,25,177
	<u>18,12,682</u>	<u>18,12,682</u>
Less: Demuntion in value of Investment	<u>(11,37,835)</u>	<u>(15,12,056)</u>
	<u>6,74,847</u>	<u>3,00,626</u>
	<u>7,30,75,852</u>	<u>7,29,26,631</u>
Aggregate Market value of Quoted Investment	<u>6,74,847</u>	<u>3,00,626</u>

SCHEDULE 'F' INVENTORIES

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

Finished Goods	95,783	89,81,126
Goods under process	2,54,93,035	1,61,70,949
Raw materials and components	1,63,13,284	1,12,13,861
Stores & Spare parts	29,22,580	23,56,227
Scrap (Other)	6,63,760	43,90,195
	<u>4,54,88,442</u>	<u>4,31,12,358</u>

IST LIMITED



	As at 31.03.2010 Rs.	As at 31.03.2009 Rs.
SCHEDULE 'G' SUNDRY DEBTORS		
Debts Outstanding for a period exceeding six months	12,80,964	8,78,680
Other Debts	<u>1,72,40,219</u>	<u>2,47,69,787</u>
	<u>1,85,21,183</u>	<u>2,56,48,467</u>
Notes : Classification of Sundry Debtors	<u>1,85,21,183</u>	<u>2,56,48,467</u>
Unsecured, Considered Good	<u>1,85,21,183</u>	<u>2,56,48,467</u>
SCHEDULE 'H' CASH & BANK BALANCES		
Cash in hand	5,25,793	3,56,569
Cheques / Drafts in Hand	<u>4,50,000</u>	<u>35,90,949</u>
WITH SCHEDULED BANKS		
In Current Accounts including Margin Money	54,34,656	46,07,472
Rs 31,38,859/- (Previous year Rs 8,42,443/-)	<u>14,19,16,974</u>	<u>85,000</u>
In Fixed Deposit Account	3,52,055	4,06,550
With Other Bank	<u>14,86,79,478</u>	<u>90,46,540</u>
SCHEDULE 'I' LOANS & ADVANCES		
Advance recoverable in cash or in kind or for value to be received or pending adjustments	6,10,441	1,07,95,951
Amount Recoverable from 100% Subsidiary Company	<u>85,82,00,000</u>	<u>93,02,00,000</u>
Share Application Money (Pending allotment)	—	4,00,00,000
Advance against Capital goods	—	5,17,021
Sundry Deposits	49,81,975	50,11,830
Loan to Employees	2,32,000	1,10,500
National Saving Certificate Account (Pledged with Mining Engineers Nagore)	40,000	40,000
Income Tax & Fringe Benefit Tax	<u>1,44,43,221</u>	<u>3,39,13,125</u>
Other Receivables	31,75,588	4,67,463
Balance with Central Excise Deptt.	16,194	54,419
	<u>88,16,99,419</u>	<u>1,02,11,10,309</u>
NOTES :	<u>88,16,99,419</u>	<u>1,02,11,10,309</u>
Classification of Loans and Advances :		
Unsecured, Considered Good		
SCHEDULE 'J' CURRENT LIABILITIES AND PROVISIONS		
Current Liabilities		
Sundry Creditors :		
For Capital Goods	—	2,88,60,000
For Goods, Services, Expenses etc.	1,25,54,938	1,04,41,690
For Other Finance	8,22,713	2,79,538
Payable to Customers	<u>26,47,267</u>	<u>30,01,517</u>
Director's Remuneration etc Payable	20,049	75,747
PROVISIONS :		
Gratuity & Earned Leave	1,01,38,728	85,32,406
Income Tax & Fringe Benefit Tax	<u>1,57,05,500</u>	<u>3,47,05,500</u>
	<u>4,18,89,195</u>	<u>8,58,96,398</u>



IST LIMITED

	For the year ended 31.03.2010 Rs.	For the year ended 31.03.2009 Rs.
SCHEDULE 'K' SALES & SERVICES		
Export Sales		
Domestic Sales	2,54,19,559	74,11,714
Job Charges (T.D.S. Rs.1,08,559/- Previous Year Rs.1,22,697/-)	16,83,28,773	19,37,66,239
	50,13,125	42,77,975
	19,87,61,457	20,54,55,928
Less: Returns out of earlier year's sale	8,45,444	—
Less : Discount & Liquidated Damages	9,72,653	24,38,399
	19,69,43,360	20,30,17,529
SCHEDULE 'L' OTHER INCOME		
Consultancy Fee (T.D.S Rs.Nil, Previous year Rs.2,01,657/-)	—	16,47,700
Interest (T.D.S. Rs.5,16,622/- Previous year Rs. 29,537/-)	48,56,411	1,35,207
Unspent Liabilities written back	1,52,407	4,594
Profit on Sale of Fixed Assets	—	2,87,302
Profit on sale of Investments (net) [including profit Rs.2,25,000/- on long term investments Previous year Rs.Nil]	2,25,000	2,99,552
Dividend Received	7,500	14,400
Previous year Income (Net)	1,42,226	—
Provision for investment written back	3,74,221	—
Miscellaneous Receipts	63,179	2,73,914
	58,20,944	26,62,669
SCHEDULE 'M' INCREASE / (DECREASE) IN STOCK		
STOCK AS ON 31ST MARCH-2010		
Finished Goods	95,783	89,81,126
Goods under process	2,54,93,035	1,61,70,949
Scrap	6,63,760	43,90,195
	2,62,52,578	2,95,42,270
STOCK AS ON 31ST MARCH-2009		
Finished Goods	89,81,126	80,89,955
Goods under process	1,61,70,949	2,64,54,120
Scrap	43,90,195	35,53,710
	2,95,42,270	3,80,97,785
	(32,89,692)	(85,55,515)
SCHEDULE 'N' PAYMENT TO & PROVISION FOR EMPLOYEES		
Salaries, Wages, Bonus etc.	4,22,79,811	3,85,31,320
Gratuity	10,88,281	3,48,185
Contribution to P.F, E.S.I and Other Funds	34,55,484	37,31,529
Staff Welfare Expenses	41,76,828	36,82,154
	5,10,00,404	4,64,93,188
SCHEDULE 'O' MANUFACTURING EXPENSES		
Stores, Spare Parts & Packing Materials Consumed	1,06,92,402	1,03,78,713
Power and Fuel	91,29,038	82,42,935
Testing / Job Charges	1,26,073	2,19,096
	1,99,47,513	1,88,40,744

IST LIMITED



	For the year ended 31.03.2010 Rs.	For the year ended 31.03.2009 Rs.
SCHEDULE 'P' OTHER EXPENSES		
Rent	40,27,200	35,84,280
Rates & Taxes	46,587	61,672
Insurance	4,40,776	5,32,024
Advertisement Expenses	57,000	1,83,625
Repairs & Maintenance		
Building	1,47,325	1,27,281
Plant & Machinery	14,91,268	16,71,344
Others	14,03,015	10,59,014
Travelling & Conveyance [including directors' travelling Rs.3,77,244/- (Previous year Rs.4,64,853/-)]	21,79,085	23,48,525
Selling Expenses		
Sales Tax	38,77,475	71,85,937
Export Expenses	5,31,927	1,51,332
Other Selling Expenses	9,95,498	7,46,856
Auditors' Remuneration		
Audit Fee	65,000	65,000
In Other Capacity		
For Company Law Matters	10,000	10,000
For Tax Audit	25,000	25,000
For Certificates etc.	35,500	39,500
For Taxation & other matters	20,000	30,000
For Expenses	31,400	31,350
For Service Tax / Education Cess	16,018	18,294
Internal Audit Fees	88,240	67,107
Directors' Remuneration [excluding Rs.55,000/- (previous year Rs.55,000/-) charged to other head of accounts]	9,34,615	9,34,615
Directors' Fee	25,000	35,000
Postage, Telegram & Telephone Expenses	6,47,959	6,91,753
Legal, Professional and Service Charges	19,61,445	20,91,277
Previous Year's Expenses (Net)	—	1,59,733
Demunition in value of Investment	—	15,12,056
Shifting charges of plant	—	11,460
Miscellaneous Expenses	49,38,088	36,91,546
Sundry Debit / Credit balances adjusted	2,40,833	33,40,177
	<u>2,42,36,304</u>	<u>3,04,05,758</u>
SCHEDULE 'Q' FINANCE CHARGES		
Interest to Bank & Others	1,39,931	51,80,469
Bank Charges, Guarantee Commission and Other Finance Charges	3,22,462	8,36,829
	<u>4,62,393</u>	<u>60,17,298</u>

**SCHEDULE 'R' NOTES****1. ACCOUNTING POLICIES**

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

- (i) **Basis of Accounting :**
The financial statements are prepared under the historical cost convention in accordance with the generally accepted accounting principles in India and the provisions of the Companies Act, 1956.
- (ii) **Fixed Assets :**
 - a) Fixed Assets are stated at Cost less Depreciation.
 - b) Plant & Machinery manufactured within the plant is stated at Cost (less Depreciation wherever applicable). The over head expenses are, however, allocated on estimates given by Technical Personnel.
- (iii) **Depreciation :**
Depreciation is calculated on Straight Line Method at the rates prescribed in schedule XIV of the Companies Act, 1956
- (iv) **Valuation of Inventories :**
 - a) Raw Material, Stores, Spares and purchased components, Finished Goods, and Goods under process are valued at cost on weighted average basis or net realisable value which ever is lower.
 - b) Tools and Instruments are valued at cost less depletion in value.
 - c) Stock of Scrap is valued at estimated realisable value.
- (v) **Revenue Recognition**
 - a) Sales are recognized when goods are supplied and are inclusive of excise duty and sales tax.
 - b) Processing Income : Processing income is recognized after services are rendered.
- (vi) **Foreign Exchange Transactions**
Foreign Exchange transactions are recorded at the exchange rate prevailing on the date of transaction. The difference in realized gains and losses on foreign exchange transactions other than those relating to the fixed assets are recognized in the profit and loss account.
- (vii) **Investments:**
Investments are stated at cost and diminution in value is provide for.
- (viii) **Employees Retirement Benefits :**
Company's Contribution towards Provident Fund is charged to Profit & Loss Account. The amount of gratuity & leave encashment benefits on the basis of actuarial valuation is charged to Profit & Loss Account.
- (ix) **Excise Duty :**
The Excise Duty is accounted for at the time of despatch of goods from the Factory.
- (x) **Claims :**
Credits for certain claims such as interest on Telephone Deposits, Insurance, Customs 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 Liabilites 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 31.3.2010 Rs.	As at 31.3.2009 Rs.
2 Contingent Liabilities not provided for in respect of :		
(i) Gurantees given by the Bank	36,82,500	28,61,275
(ii) Gurantees given by the Company on behalf of other Company	69,50,00,000	69,50,00,000
(iii) Claims / Demands against the Company not acknowledged as debts:		
a) Demand of Income Tax being disputed by the Company	1,47,380	—
b) Demand raised by various Workmen being disputed by the Company.	Unascertainable	Unascertainable
3 Company has Cash Credit Limit from State Bank of India (Secured by first charge on current assets consisting raw material, work in process, finished goods, book-debts & other current assets of the company; first charge on fixed assets consisting movable tangible property both present and future; plant & machinery purchased ; and equitable mortgage on land of an associated company, GPC Technology Limited admeasuring 11.26696 acres situated at Village Malapura Dist.Riwari,(Haryana) /		
4 In view of accounting standard on "Accounting for retirement benefits in the Financial statement of Employer's" issued by ICAI being mandatory, the company has made provision for gratuity & leave encashment on actuarial valuation.		
5 Defective stocks are accounted for in production as and when used after rectification.		
6 Fixed Deposits Rs.69,00,000/- (Nil) pledged with Punjab National Bank as security on behalf of other company and FDR of Rs.85,000/- (85,000/-) pledged with Sales Tax Authorities Delhi.		
7 NSC for Rs.40,000/-(Previous year Rs.40,000/-) pledged with M/s Mining Engineers, Nagore shown under Loans & Advances are in the name of Company's executive.		
8 Previous year's expenses / income aggregate Rs.49,360 / Rs.1,91,586 respectively (Previous year Rs.7,29,553/ Rs.5,69,820).		
9 The company's investment in its wholly owned subsidiary namely Gurgaon Infospace Limited are held in its own name except six equity shares which are held in the name of its nominees.		
10 Based on information available with the company there are no dues to Micro, Small & Medium Enterprises as defined in Micro, SME development Act, 2006 as at 31.03.2010		
11 The Company has filed SLP with the Hon'ble Supreme Court of India against the order of the Hon'ble Punjab and Haryana High Court setting aside allotment of a Free Hold Plot by HUDA. The Apex Court has been pleased to admit the SLP and has ordered stay against the order of the Hon'ble High Court.		
12 Earning per Share		
Profit after tax	1,76,70,765	1,73,84,643
Weighted average No of share	58,32,056	58,32,056
Nominal Value	10	10
Basic & Diluted	3.03	2.98



13. 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.107.71 lacs accumulated till 31st March, 2010 (Previous year Rs.65.00 lacs) is in respect of

	Current Year	Previous Year
Difference between the WDV of assets as per books of accounts and WDV for Income Tax purpose as per Income Tax Act, 1961.	<u>41,827,906</u>	<u>27,653,859</u>
Expenses allowed for tax purpose on payment basis	-10,138,728	-8,532,406
	31,689,178	19,121,453
Net Deferred Tax Liability	10,771,000	6,500,000

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

Operating Lease Expenses :

The Company has various operating leases for office facilities, factory, guest house and residential premises for employee that are renewable on a periodic basis cancellable at its option. Rental expenses for operating leases recognised in the profit & loss account for the year is Rs.40.27 Lacs.(Previous year Rs.35.84 Lacs)

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

	Subsidiary Company Rs.	Associate Companies Rs.	Key Management Personnel Rs.	Others Rs.
For the year ending 31st March,2010				
Paid for Services & other charges		4,65,000 (2,10,000)		
Purchase of Investment		— (1,25,00,000)		
Sale of Investment		— (—)		2,25,000 (80,000)
Remuneration			10,14,615 (10,24,615)	
Rent		29,47,200 (29,84,280)		9,60,000 (480,000)
Outstanding Balance as on 31st March,2010				
Amount Payable			20,049 (2,36,716)	
Amount Receivable	85,82,00,000 (93,02,00,000)	— (65,60,000)		
Equity Contribution		7,24,01,005 (7,26,26,005)		
Share Application Money		— (4,00,00,000)		
Security Deposit		39,60,000 (39,60,000)		
Guarantees given by the Company on behalf of other Company		69,50,00,000 (69,50,00,000)		
FDR Pledged by the Company on behalf of other Company		69,00,000 (—)		

Subsidiary Company

Gurgaon Infospace Ltd

Associate Companies:

GPC Technology Ltd (Galaxy Power Cables Ltd), Delight Marketing Co. Pvt. Ltd, Delux Investments Pvt. Ltd, Lubetec India Pvt. Ltd, Antique Investment Co. Ltd, Galaxy International Hotels Pvt Ltd, Eastern India Power and

IST LIMITED



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. (Formerly AS Plastics Pvt Ltd.), Rex Propbuild Private Ltd, Western Indus Power Pvt. Ltd, Delight Softech Private Ltd, Eastern Softech Private Ltd, AVG Autoparts Pvt Ltd. Vinayak Infradevelopers Pvt. Ltd

Key Management Personnel : Shri Mayur Gupta

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

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

Licensed Capacity

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

II. QUANTITATIVE INFORMATION WITH REGARD TO FINISHED GOODS.

	Unit	Quantity	Value (Rs.)
Opening Stock			
Own Manufactured Defence Stores Components			85,59,275
Own Manufactured Other Components			(73,08,365)
			4,21,851
			(7,81,590)
Production			
Own Manufactured Defence Stores Components			4,52,94,553
Own Manufactured Other Components			(5,33,33,568)
			6,69,32,593
			(5,40,30,656)
Purchases of Rap Seed Meal	Kgs	2,024.360	2,39,56,413
		(—)	(—)
Sales & Services			
Own Manufactured Defence Stores Components			3,20,89,684
Own Manufactured Other Components			(8,18,50,805)
			12,39,89,269
			(10,64,42,383)
Scrap and Other Sales			1,39,05,363
			(1,04,46,366)
			50,13,125
			(42,77,975)
Sale of Rap Seed Meal	Kgs	1,975.160	2,19,45,919
		(—)	(—)
Closing Stock			
Own Manufactured Defence Stores Components			—
Own Manufactured Other Components			(85,59,275)
			95,783
			(4,21,851)

NOTE :

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

III. RAW MATERIAL AND COMPONENTS CONSUMED

Steel / Brass / Aluminium Etc.	Kgs.	1,34,680	3,16,21,844
		(1,50,692)	(4,19,85,000)
Others			37,61,501
			(41,76,281)

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

	Total value of Consumption			Percentage of Total Consumption	
	Total	Imported	Indigenous	Imported	Indigenous
Raw Material & Components	3,53,83,345 (4,61,61,281)	30,05,521 (49,17,114)	3,23,77,824 (4,12,44,167)	8.49 (10.65)	91.51 (89.35)
Stores & Spares	1,06,92,402 (1,03,78,713)	12,63,672 (19,73,818)	94,28,730 (84,04,895)	11.82 (19.02)	88.18 (80.98)

V. C.I.F. VALUE OF IMPORTS

Amount(Rs.)

a) Raw material & Components	31,22,155 (32,82,474)
b) Stores & Spare parts including Tools	12,00,228 (14,23,060)
c) Capital Goods	4,19,37,797 (27,02,769)

VI. EXPENDITURE IN FOREIGN CURRENCY

Overseas Travelling	63,725 (1,03,380)
Export Sales & Other Expenses	1,273 (1,18,068)
Exchange Rate Difference (Net)	1,30,281 ---

VII. INCOME IN FOREIGN CURRENCY

Export Sales	2,54,19,559 (74,11,714)
Exchange Rate Difference (Net)	---
Other Miscellaneous	(2,07,864) ---
	(3,66,698)

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

Signature to schedule 'A' to 'R'

As per our Report of even date

For and on behalf of the Board

For O.P. DADU & CO.
Chartered AccountantsO.P. Dadu
PartnerD.N. Tulshyan
General Manager (Finance)R.K. Sapra
Company SecretaryD. Keelor
DirectorMayur Gupta
Managing Director

Place : New Delhi

Dated : 31st May, 2010

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

I. Registration Details

Registration No. 055-8316

State Code 05

Balance Sheet Date 31 03 2010
Date Month Year

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

Public Issue
0000000

Rights Issue
0000000

Bonus Issue
0000000

Private Placement
0000000

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

Sources of Funds
Total Liabilities
1321226

Total Assets
1321226

Paid-up Capital
0058468

Reserve & Surplus
1210099

Secured Loans
0000000

Unsecured Loans
0000000

Deferred Tax Liability
0010771

Investments
0073076

Application of Funds
Net Fixed Assets
0153762

Misc. Expenditure
0000000

Net Current Assets
1052499

Accumulated Losses
0000000

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

Turnover
0202764

Total Expenditure
000174638

Profit Before Tax
+ 0028126

Profit After Tax
+ 0017671

Earning Per Share in Rs.
3.03

Dividend Rate %
00



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

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

For and on behalf of the Board

Place : New Delhi
Dated : 31st May, 2010

D.N. Tulshyan
General Manager (Finance)

R.K. Sapra
Company Secretary

D. Keelor
Director

Mayur Gupta
Managing Director

CASH FLOW STATEMENT FOR THE YEAR ENDING 31ST MARCH, 2010

(Pursuant to clause 32 of the Listing Agreement)

Amount in Rs.

Particulars	2009-2010	2008-2009
(A) CASH FLOW FROM OPERATING ACTIVITIES		
Net Profit before tax and extra ordinary items	2,81,25,999	2,86,72,075
Adjusted for:		
Depreciation	80,47,086	55,10,458
Interest (Net)	(47,16,480)	50,45,262
Amount written back (net)	2,40,883	33,40,177
Loss on Surrender of Land	10,91,255	—
Loss on sale of Fixed Assets	33,897	(2,87,302)
Loss / Profit on Investments & Derivatives	(2,25,000)	(2,99,552)
Demunition in value of Investment	(3,74,221)	15,12,056
Dividend	(7,500)	(14,400)
Operating Profit before working capital changes	40,89,920	(14,400)
Change in :	3,22,15,919	4,34,78,774
Trade receivables	68,85,289	4,96,29,820
Inventories	(23,76,084)	1,00,34,852
Provisions	16,06,322	3,12,346
Trade Payables	22,46,475	(2,20,98,262)
Loans & advances	79,40,986	96,92,260
Cash from operations	4,85,18,907	9,10,49,790
Interest paid	(1,39,931)	(51,80,469)
Direct Taxes paid	(57,13,218)	(1,39,36,522)
Net Cash from Operating Activities	4,26,65,758	7,19,32,799
(B) CASH FLOW FROM INVESTING ACTIVITIES		
Purchase of Fixed assets	(6,79,36,267)	(8,37,53,517)
Sale of Fixed assets	4,77,42,904	3,15,000
Amount Recoverable (Fixed Assets)	7,20,00,000	11,95,50,000
Interest Received	48,56,411	1,35,207
Investment in Shares	2,25,000	(1,24,20,000)
Investment in Shares Application Money	4,00,00,000	(4,00,00,000)
Profit on Investments & Derivatives	2,25,000	2,99,552
Dividend	7,500	14,400
Net Cash used in Investing Activities	9,71,20,548	(1,58,59,358)



IST LIMITED

Particulars	2009-2010	2008-2009
(C) CASH FLOW FROM FINANCING ACTIVITIES		
Borrowings / Repayment of borrowings (Net)	(1,53,368)	(90,90,296)
Unsecured Loan	—	(4,90,00,000)
Net Cash from Financing Activities	(1,53,368)	(5,80,90,296)
Net change in Cash & cash Equivalents (A+B+C)	13,96,32,938	(20,16,855)
Cash & Cash Equivalents		
- Opening Balance	90,46,540	1,10,63,295
- Closing Balance	14,86,79,478	90,46,540
	<u>13,96,32,938</u>	<u>(20,16,755)</u>

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

For and on behalf of the Board

O.P. Dadu
Partner

D.N. Tulshyan
General Manager (Finance)

R.K. Sapra
Company Secretary

D. Keelior
Director

Mayur Gupta
Managing Director

Place : New Delhi
Dated : 31st May, 2010