

41st

Annual Report

2016-2017



IST LIMITED

(Formerly : Indo Swiss Time Limited)



IST LIMITED

41st Annual Report 2016-2017

BOARD OF DIRECTORS

AIR MARSHAL D. KEELOR (RETD.), CHAIRMAN
SHRIS.C. JAIN, EXECUTIVE DIRECTOR
LT. COL. N.L. KHITHA (RETD.) , DIRECTOR (TECH.)
MRS. SARLA GUPTA, DIRECTOR
SHRIMAYUR GUPTA, DIRECTOR
SHRIGAURAV GUPTAA, DIRECTOR
BRIG. G.S. SAWHNEY (RETD.), DIRECTOR
SHRISUBHASH CHANDER JAIN, DIRECTOR

CHIEF FINANCIAL OFFICER

SHRID.N. TULSHYAN

COMPANY SECRETARY

SHRI BHUPINDER KUMAR

AUDITORS

M/s. O.P. DADU & CO.
CHARTERED ACCOUNTANTS, NEW DELHI

BANKERS

STATE BANK OF INDIA
HDFC BANK LIMITED

REGISTERED OFFICE & WORKS

DHARUHERA INDUSTRIAL COMPLEX,
DELHI JAIPUR HIGHWAY NO. 8,
KAPRIWAS, DHARUHERA,
REWARI – 123106 (HARYANA)
TEL: (01274) 267346-48;
FAX: (01274) 267444;
Website: www.istindia.com;
CIN: L33301HR1976PLC008316

CONTENTS

AGM Notice	1-5
Directors' Report	6-12
Corporate Governance Report	13-20
Management Discussion & Analysis Report	21-22
Annexure 'C' Extract of Annual Return ..	23-30
Annexure 'D' Secretarial Audit Report	31-33
Annexure 'E' To Director Report	34
Annexure 'F' To Director Report	35
Annexure 'G' AOC-1 to Director Report	36
Annexure 'H' AOC-2 to Director Report	37
Independent Auditors' Report	38-43
Balance Sheet	44
Profit & Loss Account	45
Cash Flow Statement	46-47
Notes	48-61
Consolidated - Financial Statements	62-83
Attendance Slip / Ballot / Proxy Form	

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Registered Office : Dharuhera Industrial Complex, Delhi Jaipur Highway No. 8, Kapriwas, Dharuhera, Rewari – 123106 (Haryana)
CIN: L33301HR1976PLC008316; Tel: (01274) 267346-48; Fax : (01274) 267444; Website: www.istindia.com;

NOTICE

Notice is hereby given that the 41st Annual General Meeting of the Company, will be held on Friday, the 29th September, 2017 at 3.30 P.M. at the Registered Office of the Company at Dharuhera Industrial Complex, Delhi Jaipur Highway No. 8, Kapriwas, Dharuhera, Rewari – 123106 (Haryana), to transact the following business:

1. To consider and adopt the Audited Financial Statement (including Audited Consolidated Financial Statement) for the financial year ended 31st March 2017 and Reports of the Directors and Auditors thereon.
2. To appoint a director in place of Shri Mayur Gupta (DIN: 00131376), who retires by rotation and being eligible offers himself for reappointment.
3. To appoint a director in place of Mr. Gaurav Gupta (DIN: 00047372), who retires by rotation and being eligible offers herself for reappointment.
4. To appoint M/s., Chartered Accountants, as Statutory Auditors of the Company, to hold office for a term of 5 year from the conclusion of this 41st Annual General Meeting until the conclusion of the 46th Annual General Meeting and to fix their remuneration and pass the following resolution:

“RESOLVED THAT pursuant to the provisions of Section 139 of the Companies Act, 2013 and the Rules framed there under and as recommended by the Audit Committee of Directors, M/s. Gupta Vigg & Co. Chartered Accountants, (FR No. 001393N), from whom certificate pursuant to section 139 of the Companies Act has been received, be and are hereby appointed as Statutory auditors of the Company in place of retiring auditors M/s. O.P. Dadu & Co., Chartered Accountants, to hold office for a term of 5 years from the conclusion of 41st Annual General Meeting until the conclusion of the 46th Annual General Meeting to be held in the calendar year 2022, subject to re-appointment at every subsequent Annual General Meeting to be held during their tenure, if so required, on such remuneration as may be fixed by the Board of Directors in consultation with the Auditors.”

SPECIAL BUSINESS

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

“RESOLVED THAT pursuant to the provisions of Section 196, 197, 203 and any other applicable provisions of the Companies Act, 2013 and the Rules made thereunder (including any statutory modification(s) or re-enactment thereof for the time being in force), read with Schedule V to the Companies Act, 2013 and Articles of Association of the Company and subject to the approval of Central Government or other Government authority/agency/board, if any, approval of the shareholders be and is hereby accorded to re-appoint Lt. Col. N.L. Khitha (Retd.) (DIN: 01128275) as Whole Time Director, designated as Director (Technical) of the Company for a period of 2 years with effect from 01st June, 2017 to 31st May, 2019 and to pay him remuneration, as per details given below:

Basic Pay	30,000/-
Dearness Allowance	18,400/-
House Rent Allowance	20,000/-
Special Allowance	19,600/-
Total	<u>88,000/-</u>

PERQUISITES

PART-A

- a) Reimbursement of actual expenses incurred by the Director (Technical) on use of telephone / mobile phone for official work.

PART-B

- a) **Earned Leave** – One month's leave as per rules of the Company for every 11 months of service. Leave accumulated and not availed off during his tenure as Director (Technical) will be allowed to be encashed as per rules of the Company.
- b) **Reimbursement of Expenses** – Director (Technical) shall also be entitled to reimbursement of expenses actually and properly incurred for the purpose of business and business development of the Company.

OTHER CONDITIONS:

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



IST LIMITED

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

FURTHER RESOLVED THAT the Board of Directors of the Company and /or the Remuneration

Committee be and is hereby also authorized to amend, alter, modify or otherwise vary the terms and conditions of appointment of Lt. Col. N.L. Khitha (Retd.);

FURTHER RESOLVED THAT Mr. S.C. Jain, Executive Director and /or Mr. Gaurav Gupta, Director be and are hereby severally authorized on behalf of the Company to take action as may be expedient, to give effect to the above resolution."

By Order of the Board

Place : New Delhi
Date : 28.08.2017

(Bhupinder Kumar)
(Company Secretary)

Notes :

- 1. A Member entitled to attend and vote at the Meeting is entitled to appoint another person as a Proxy to attend and vote on a Poll on his/her behalf. A Proxy need not be a Member of the Company. However, proxies in order to be effective must be received at the Registered Office of the Company not less than 48 hours before the Annual General Meeting.** A person can act as a proxy on behalf of members holding in the aggregate not more than ten percent of the total share capital of the Company carrying voting rights. A member holding more than ten percent of the total share capital of the Company carrying voting rights may appoint a single person as proxy and such person shall not act as a proxy for any other person or shareholder.
- The Instrument of Proxy in Form MGT 11 (Proxy Form) prescribed under Companies (Management and Administration) Rules, 2014 pursuant to Section 105(6) of the Companies Act, 2013 is given separately in the Annual Report.
- Corporate members intending to send their authorized representatives to attend the Meeting are requested to send to the Company a certified copy of the Board Resolution authorizing their representative to attend and vote on their behalf at the Meeting.
- The Register of Members and Share Transfer Books of the Company will remain closed from 23.09.2017 to 29.09.2017 (both days inclusive) for the purpose of this Annual General Meeting.
- 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.
- Members are requested to bring the Attendance Slip duly filled in along with their copy of Annual Report to the Meeting.
- The Members are requested to contact the Company's Registrars and Share Transfer Agents, MAS Services Limited for all their queries, transfer requests, or any other matter relating to their shareholding in the Company as per their following contact details:
Mas Services Limited,
T-34, 2nd Floor, Okhla Industrial Area,
Phase-II, New Delhi – 110020;
Phone: 011-26387281-83;
Fax : 011-26387384; email: info@masserv.com
- Members are requested to (i) quote their Registered Folio Numbers / DP ID & Client ID Nos. in all correspondences with the Company / with the Registrars and Share Transfer Agents; and (ii) promptly notify any change in their address to the Registrars and Share Transfer Agents, in case they still hold the Equity Shares in physical form.



9. Dematerialization of the Equity Shares of the Company: The Equity Shares of the Company are compulsorily required to be held under DEMAT mode for Trading on the floor of the Stock Exchanges, where such Equity Shares are listed. These can be held in electronic form with any Depository Participant (DP) with whom the Members have their Depository Account. All the Members, holding Equity Shares of the Company in the physical form, are advised to get the same dematerialized. The Members may contact the Registrars and Share Transfer Agents of the Company at their address mentioned above.
10. Members, who have not registered their e-mail addresses so far, are requested to register their e-mail id for receiving all communication including Annual Report, Notices, Circulars etc. from the Company electronically, with the Company's Registrars and Share Transfer Agents.
11. Electronic copy of the Annual Report for financial year 2016-17 along with the Notice of the 41st Annual General Meeting of the Company (including Attendance Slip and Proxy Form) is being sent to all the members whose email IDs are registered with the Registrar/Depository Participants(s) with their consent for communication purposes unless any member has requested for a hard copy of the same.
12. For members who have not registered their email address, physical copies of the Annual Report for the financial year 2016-17 along with Notice of the 41st Annual General Meeting of the Company inter alia indicating the process and manner of e-voting along with Attendance Slip and Proxy Form is being sent by other permissible modes.
13. Members may also note that the Notice of the 41st Annual General Meeting and the Annual Report for 2016-17 will also be available on the Company's website: www.istindia.com for their download. The physical copies of the aforesaid documents will also be available at the Company's Registered Office for inspection during 10:00 A.M. to 5:00 P.M on any working day, excluding Saturday. Even after registering for e-communication, members are entitled to receive such communication in physical form, upon making a request for the same. For any communication, the shareholders may also send requests to the Company's investor email id: istgroup.ho@gmail.com.

VOTING THROUGH ELECTRONIC MEANS

14. Voting through electronic means: Pursuant to the provisions of Section 108 of the Companies Act, 2013 read with Rule 20 of the Companies (Management and Administration) Rules, 2014, as amended by the Companies (Management and Administration) Amendment Rules, 2015 and the Regulation 44 of SEBI (LODR) Regulations, 2015, the Company is providing remote e-voting facility to enable the members to cast their votes electronically on all the resolutions set forth in the Notice convening the 41st Annual General Meeting. The Company has engaged the services of National Securities Depository Limited (NSDL) to provide the remote e-voting facilities. The Instructions for remote e-voting are provided in the Attendance Slip, which is enclosed along with the Annual Report. Members are advised to read the instructions carefully before exercising their vote.



IST LIMITED

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

Attached to the Notice convening the 41st Annual General Meeting of IST Limited to be held on Friday, the 29th September, 2017.

Item No. 5

Lt. Col. N.L. Khitha (Retd.) is Whole Time Director, Designated as Director (Technical) of the Company. His term of appointment, as per resolution passed by the Shareholders of the Company in Annual General Meeting held on 29th September, 2015, has expired on 31.05.2017.

The Board of Directors of the Company in its meeting held on 30.05.2017 considered reappointment of Lt. Col. N.L. Khitha (Retd.) as Whole Time Director, to be Designated as Director (Technical) for a further period of 2 years with effect from 1st June, 2017.

As Shri Lt. Col. N.L. Khitha (Retd.) has attained age of 77 years, relevant provisions of the Companies Act, 2013, were also discussed by the Board, which,

interalia, provide that appointment of a person having age of 70 years or above as Whole Time Director may be made by passing a special resolution with due justification in the explanatory statement.

The Board of Directors, keeping in view smooth and efficient running of Technical affairs of the Company by Lt. Col. N.L. Khitha (Retd.) and also keeping in view the good health possessed by him, recommend reappointment of Lt. Col. N.L. Khitha (Retd.), as Whole Time Director, designated as Director (Technical) of the Company for a further period of 2 years with effect from 1st June, 2017 on remuneration and terms and conditions as given in the proposed resolution.

None of the Directors or other Key Managerial Personnel of the Company or their relatives is, in any way, concerned or interested, financially or otherwise, in the proposed Special Resolution except the appointee himself.

By Order of the Board

(Bhupinder Kumar)
(Company Secretary)

Place : New Delhi
Date : 28.08.2017

DETAILS OF DIRECTORS SEEKING APPOINTMENT AT THE FORTHCOMING 41st ANNUAL GENERAL MEETING

Name of the Director	Mr. Mayur Gupta	Shri Gaurav Gupta	Lt. Col. N.L. Khitha (Retd.)
Date of Birth	27.03.1977	21.10.1982	25.09.1937
Date of Appointment	01.10.2006	14.08.2012	01.06.2011
Expertise in Specific functional Areas	MBA (MIS & E-Business) from Bentley College Boston, USA Business Administration & Finance	M.Sc. in International Business Economics from City University, London (UK), Bachelor of Business Administration from IILM, New Delhi. Expertise in Corporate Finance, International Business Economics.	Held various distinguished positions in Indian Army and has vast experience in technical and administration fields, business development.
List of Public Companies in which Directorship is held	1. IST Limited 2. GPC Technology Ltd. 3. Gurgaon Infospace Limited	1. IST Limited 2. GPC Technology Ltd. 3. IST Steel and Power Ltd. 4. Gurgaon Infospace Limited	—
Chairman / Member of the Committees of the Board of Companies on which he is a Director	IST Limited Member, Risk Management Committee, IST Limited GPC Technology Limited Member, Shareholders Grievance Committee	IST Limited Member, Shareholders Grievance Committee GPC Technology Limited Member, Shareholders Grievance Committee IST Steel and Power Limited Member, Audit Committee	IST Limited Member, CSR Committee

**DIRECTORS' REPORT**

Dear Members,

Your Directors are pleased to present their 41st Annual Report on your Company's operations and performance together with the audited statement of accounts for the year ended 31st March 2017.

Financial Results

The performance of the Company for the financial year ended March 31, 2017 and for the previous year ended March 31, 2016 are summarized below:

PARTICULARS	(Rs. In Lacs)	
	For the year ended 31.03.2017	For the year ended 31.03.2016
Revenue from Operations	2,527.38	1,763.92
Other Income	974.58	1,042.36
Total Income	3,501.95	2,806.28
Earnings before Interest, depreciation, tax and amortization (EBIDTA)	1,399.23	1,124.42
Less :- Finance Cost	89.86	33.43
Less :- Depreciation	207.98	207.20
Earning before tax (EBT)	1,101.39	883.79
Tax Expenses		
- Current tax	270.00	218.00
- Tax for earlier years	6.44	(0.74)
- Deferred Tax	(17.21)	3.96
Profit After Tax	842.16	662.57
Add: Balance brought forward from previous year	4,003.70	3,341.13
Surplus carried to Balance Sheet	4,845.85	4,003.70

State of Company's Affairs

During the year under review, the operating revenue of your company has a healthy increased of 43.28% to 2,527.38 Lacs as against Rs. 1,763.92 Lacs achieved in the previous year. The net profit after tax (PAT) for the year has also increased by 27.10% at Rs. 842.16 Lacs as compared to Rs. 662.57 Lacs in the previous year. The Earnings before interest, depreciation, tax & amortizations (EBIDTA) increased by around 24.44% at Rs. 1,399.23 Lacs as compared to Rs. 1,124.42 Lacs in the previous year. The performance of the Company has improved over the previous year due to procurement of new contracts from the Clients.

Your Company is primarily engaged in the business of manufacturing of high precision components for Auto and Consumer Goods Industry. Incorporated in the year 1976, the Company has remained a going concern. The Company has one operative production plant at Dharuhera (Gurgaon). The operations of the Company continued in a smooth and uninterrupted manner during the course of the year.

During the year under review, your Company has not made any default in the re-payment of its financial obligation towards its lender Bank(s) and have met its obligations in time including its tax liability. The Shares of the Company are listed on Bombay Stock Exchange (BSE).

Appropriation of Profit after Tax for Transfer to Reserves

No amount has been transferred to the General Reserve during the year. The net retained earnings have been kept in the profit and loss account.

Dividend

The Board of Directors have decided not to recommend any dividend for the financial year 2016-17.



Share Capital

During the year under review:

- a) No Equity shares have been issued with differential voting rights. Hence, no disclosure is required in terms of Rule 4(4) of Companies (Share Capital and Debentures) Rules, 2014.
- b) No issue of Sweat Equity Share has been made. Hence, no disclosure is required in terms of Rule 8(13) of Companies (Share Capital and Debentures) Rules, 2014.
- c) There was no issue of Employee Stock Option. Hence, no disclosure is required in terms of Rule 12(9) of Companies (Share Capital and Debentures) Rules, 2014.
- d) There was no provision made by the Company for any money for purchase of its own shares by employees or by trustees for the benefit of employees. Hence, no disclosure is required in terms of Rule 16(4) of Companies (Share Capital and Debentures) Rules, 2014.
- e) The issued, subscribed and fully paid up share capital of the Company as on 1st April, 2016 and 31st March, 2017 remained unchanged.

Deposits

The Company has not accepted any deposits from public and as such, no amount on account of principal or interest on deposits from public was outstanding as on the date of the balance sheet.

Consolidated Financial Statements

The audited consolidated financial statements of the Company for the FY 2016-17 which forms part of the Annual Report 2016-17 have been prepared in pursuant to Section 129(3) of the Companies Act, 2013 and Regulation 34 of the SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015 and prepared in accordance with the Accounting Standards AS-21 for consolidation of financial statements and AS-23 for accounting of investments in associates, prescribed by the Institute of Chartered Accountants of India (ICAI), in this regard..

Subsidiaries, Joint Ventures and Associate Companies

The Company has one Subsidiary namely Gurgaon Infospace Limited which is a wholly owned subsidiary and one Associate namely IST Steel & Power Limited as on March 31, 2017. There has been no material change in the nature of the business of the subsidiary. The subsidiary of the Company is engaged in the business of development of Infrastructure for IT / ITES Sector.

None of the Company has become or cease to become the subsidiary, joint venture or associates of your Company during the year 2016-17.

The particulars of Subsidiary(ies) and Associate(s) of the Company are provided in form MGT – 9 attached as Annexure – A to this report.

Pursuant to provisions of Section 129(3) of the Act, a statement containing salient features of the Financial Statements of the Company's subsidiary(ies) in Form AOC-1 is attached to the Financial Statements of the Company.

In accordance to the provisions of section 136 of the Act, the Standalone Financial Statements of the Company, the Consolidated Financial Statements along with relevant documents and separate audited accounts in respect of subsidiaries are available on the website of the Company.

The annual accounts of the subsidiary and the related information will be made available to any member of the Company seeking such information and are available for inspection by any member of the Company at the Registered Office of the Company. The annual accounts of the said subsidiary will also be available for inspection at the Registered office of the respective subsidiary company.

The Policy for determining Material Subsidiaries, adopted by your Board, in conformity with Regulation 16(c) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, can be accessed on the Company's corporate website www.istindia.com.



Directors and Key Managerial Personnel

The tenure of office of Lt. Col. N.L. Khitha (Retd), Whole Time Director designated as Director (Technical) was upto 31.05.2017. The Board on recommendation of Nomination and Remuneration Committee, at its meeting held on 30.05.2017 has re-appointed him as Whole time Director designated as Director (Technical) for a further period of 2 years w.e.f 01.06.2017 till 30.05.2019 subject to approval by the Members at the ensuing annual general meeting in terms of section 196, 197 read with Schedule V and other applicable provisions, if any of the Companies Act, 2013.

In accordance with the provisions of the Companies Act 2013 and the Articles of Association of the Company, Mr. Mayur Gupta and Mr. Gaurav Gupta Director of the Company shall retire by rotation at the ensuing Annual General Meeting and being eligible has offered themselves for re-appointment, subject to approval of the shareholders at the ensuing annual general meeting in term of Section 152(6) of the Companies Act, 2013. The brief detail relating to Mr. Mayur Gupta and Mr. Gaurav Gupta is furnished in the explanatory statement to the notice of the ensuing AGM under the head "Directors Seeking Appointment / Re-appointment at this Annual General Meeting".

During the year under review Mr. R.K. Sapra, Company Secretary (KMP) of the Company had resigned and was relieved from his services w.e.f. 31.01.2017. Mr. Bhupinder Kumar joined the Company as the Company Secretary (KMP) of the Company w.e.f. 22.02.2017.

In terms of Section 203 of the Companies Act, 2013 the Company has following Key Managerial Personnel as on 31.03.2017:

- a) Mr. S.C. Jain, Whole Time Director designated as Executive Director.
- b) Lt. Col. N.L. Khitha, Whole Time Director designated as Director (Technical).
- c) Mr. D.N. Tulshyan, Chief Financial Officer.
- d) Mr. Bhupinder Kumar, Company Secretary.

Board Diversity

Board of Directors forms one of the foremost Pillars of a robust Corporate Governance Framework. Acting as the agents of shareholders, directors are expected collectively to devise operational and financial strategies for the organization and to monitor the effectiveness of the company's practices, and therefore should be Judgmental, responsible and experienced. In order to achieve this, it has always been the endeavor of the Company to have a Board having wide experience and varied industrial expertise. The diversity at Board enhances the quality of the decisions making by utilizing the different skills, qualification, professional experience, gender, knowledge etc. of the members of the Board, necessary for achieving sustainable and balanced development and Good Corporate Governance. The Board of your Company possesses the appropriate expertise and experience, combination of Industry Knowledge, diversity and integrity which is in the best interest of the Company.

The Board of the Company has adopted a policy on Board Diversity framed in accordance with the regulation 19(4) & 20(4) and Part D of Schedule II of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 which sets out a framework to promote diversity on Company's Board of Directors (the 'Board').

Director's Appointment, Remuneration and Evaluation

Considering the requirement of Diversity of the Board, the Nomination and Remuneration Committee of the Directors while recommending the candidature of any individual on the Board of the Company, consider their independent standing in their respective field/profession, make analysis as to how they may effectively contribute to Company's business goals and Policy decisions. The Committee considers ethical standards of integrity, qualification, expertise and experience of the person for appointment as Director and who is not disqualified under Section 164 of the Companies Act, 2013 and rules made thereunder.

Remuneration to Whole-Time Director and Executive Director is governed under relevant provisions of the Companies Act, 2013 and rules made thereunder. Independent Directors are paid sitting fees for attending the meetings of the Board/Committees thereof. The detail of the director's remuneration, including the sitting fees paid during the financial year 2016-17, is given in the Corporate Governance Report, which forms part of this Annual Report.