

42nd

Annual Report

2017-2018



IST LIMITED



IST LIMITED

42nd Annual Report 2017-18

BOARD OF DIRECTORS

AIR MARSHAL D. KEELOR (RETD.), CHAIRMAN
SHRI S.C. JAIN, EXECUTIVE DIRECTOR
LT. COL. N.L. KHITHA (RETD.), DIRECTOR (TECH.)
MRS. SARLA GUPTA, DIRECTOR
SHRI MAYUR GUPTA, DIRECTOR
SHRI GAURAV GUPTA, DIRECTOR
BRIG. G.S. SAWHNEY (RETD.), DIRECTOR
SHRI SUBHASH CHANDER JAIN, DIRECTOR

CHIEF FINANCIAL OFFICER

SHRI D.N. TULSHYAN

COMPANY SECRETARY

SHRI BHUPINDER KUMAR

AUDITORS

M/s. GUPTA VIGG & 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

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Registered Office : 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

NOTICE

Notice is hereby given that the 42nd Annual General Meeting of IST Limited, will be held on Friday, the 28th September, 2018 at 11.30 A.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 2018 and Reports of the Directors and Auditors thereon.
2. To appoint a director in place of Lt. Col. N.L. Khitha (Retd.) (DIN: 01128275), who retires by rotation and being eligible offers himself for reappointment.
3. To appoint a director in place of Mrs. Sarla Gupta (DIN: 00069053), who retires by rotation and being eligible offers herself for reappointment.

SPECIAL BUSINESS

4. **To consider and give your assent or dissent to the following Special Resolution:**

“RESOLVED THAT in partial modification to the resolution passed at the 40th Annual General Meeting of the Company held on 29th September, 2016 for the re-appointment of Mr. Suresh Chand Jain (DIN: 00092079), and pursuant to the provisions of Section 196, 197, 203 and any other applicable provisions of the Companies Act, 2013 and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 (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, consent of the Members of the Company be and is hereby accorded for revision in the remuneration payable to Mr. Suresh Chand Jain, Whole Time Director, designated as Executive Director of the Company with effect from 14th August, 2018 for the remaining period of his present term of appointment ending on 13th August, 2019.

RESOLVED FURTHER THAT the remuneration payable to Mr. Suresh Chand Jain, Whole Time Director w.e.f. 14th August, 2018 shall be as under:

Basic Pay	Rs.72,000/- per month
Dearness Allowance	Rs.36,000/- per month
House Rent Allowance	Rs.45,000/- per month
Special Allowance	Rs.29,500/- per month

PERQUISITES

PART - A

a) **Company's Chauffeur Driven Car**

Company shall provide to the Executive Director One Chauffeur driven Car exclusively for the purposes of Business of the Company. Any expenses incurred by the Executive Director in connection with running and maintenance of the Car provided by the Company shall be re-imbursed to him.

b) **Reimbursement of Expenses**

- (i) Re-imburement of Expenses incurred towards magazine / newspapers at residence;
- (ii) Re-imburement of monthly bill of one Landline Telephone and Internet Connection at residence for the purposes of business of the Company;
- (iii) Re-imburement of actual Expenses incurred by the Executive Director on account of one mobile phone for the purpose of official work.
- (iv) The Managing Director shall also be entitled to reimbursement of reasonable entertainment expenses actually and properly incurred for the purposes of business of the Company.

PART - B

Earned Leave

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

FURTHER RESOLVED THAT the consent of the shareholders of the Company be and is hereby also accorded that in the event of no profits or inadequate profits in any financial year, Mr. Suresh Chand Jain shall be entitled to receive remuneration including perquisites and re-imburements etc. upto the limit as approved by the members hereinabove, as minimum



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remuneration, subject to the limits and conditions prescribed under Schedule V of the Companies Act, 2013, as may be amended from time to time.

RESOLVED FURTHER THAT except for the aforesaid revision in remuneration, all other terms and conditions of his appointment as Whole Time Director of the Company, as approved by the resolution passed at the 40th Annual General Meeting held on 29th September, 2016 shall remain unchanged.

RESOLVED FURTHER THAT any Director of the Company and / or Company Secretary be and are hereby severally / individually authorised to do all acts, deeds and things, to enter into such agreements(s), deed(s) of amendment(s) or any such document(s), as the Board may, in its absolute discretion, consider necessary, expedient or desirable to give effect to the aforesaid resolution.

By Order of the Board

Place: New Delhi
Dated: 13.08.2018

Bhupinder Kumar
Company Secretary

Notes :

1. The Explanatory Statement as required under section 102 of the Companies Act, 2013 is annexed hereto. Further, additional information with respect to Item No. 3 is also annexed hereto.

M/s Gupta Vigg & Co, Chartered Accountants, were appointed as Statutory Auditors of the Company at the 41st Annual General Meeting held on 29th September, 2017. Pursuant to Notification issued by the Ministry of Corporate Affairs on 7th May, 2018 amending section 139 of the Companies Act, 2013 and the Rules framed thereunder, the mandatory requirement for ratification of appointment of Auditors by the Members at every Annual General Meeting ("AGM") has been omitted, and hence the Company is not proposing an item on ratification of appointment of Auditors at this AGM

2. **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.
3. 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.

4. 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.
5. The Register of Members and Share Transfer Books of the Company will remain closed from 22.09.2018 to 28.09.2018 (both days inclusive) for the purpose of this Annual General 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 bring the Attendance Slip duly filled in along with their copy of Annual Report to the Meeting.
8. 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

9. 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.
10. 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.
 11. 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.
 12. Electronic copy of the Annual Report for financial year 2017-18 along with the Notice of the 42nd 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.
 13. For members who have not registered their email address, physical copies of the Annual Report for the financial year 2017-18 along with Notice of the 42nd 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.
 14. Members may also note that the Notice of the 42nd Annual General Meeting and the Annual Report for 2017-18 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.
 15. 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 42nd 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.

VOTING THROUGH ELECTRONIC MEANS

Place: New Delhi
Dated: 13.08.2018

By Order of the Board

Bhupinder Kumar
Company Secretary



IST LIMITED

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

Attached to the Notice convening the 42nd Annual General Meeting of IST Limited to be held on Friday the 28th September, 2018.

The appointment of Mr. Suresh Chand Jain, Whole time Director designated as Executive Director of the Company was approved by the Shareholders at their meeting held on 29th September, 2012 for a period of 2 years from 14th August, 2012 to 13th August, 2014. Subsequently, he was re-appointed as Executive Director by the Shareholders at their 38th Annual General Meeting held on 30th September, 2014 for a period of 2 years and at the 40th Annual General Meeting held on 29th September, 2016 for a further period of 3 years.

As per the relevant provisions of the Companies Act, 2013, the appointment of a person who has attained the age of seventy years may be made by passing a special resolution with due justification in the explanatory statement. As Mr. Suresh Chand Jain had already attained the age of 70 years, out of abundant caution the Company proposes to take the approval of shareholders through Special Resolution for the instant matter of revision of remuneration of Mr. Suresh Chand Jain.

Taking into consideration the business activity of the Company coupled with higher responsibility cast on Mr. Suresh Chand Jain and in recognition of the valuable services provided by him, the Board of Directors, on recommendation of the Nomination & Remuneration

Committee of the Company, at its meeting held on 13th August, 2018, has approved the proposal to increase the salary of Mr. Suresh Chand Jain, Executive Director, subject to the approval of shareholders, as set out in the resolution being item no. 4 of the accompanying notice w.e.f. 14th August, 2018 for the remaining period of his tenure i.e. upto 13th August, 2019. The proposed remuneration is commensurate with the Industry standards and the Board level position held in similar sized and similar positioned Companies.

Considering the experience of Mr. Suresh Chand Jain in various fields and the trend in the industry the increase in the remuneration is considered to be fair, just and reasonable and is commended for the approval of shareholders.

Except for the aforesaid revision of remuneration, all other terms and conditions of his appointment as Executive Director of the Company as approved by the members of the Company shall remain unchanged.

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.

The Board of Directors recommends the Special Resolution set out at item no. 5 of the accompanying Notice for the approval of the Members.

By Order of the Board

Bhupinder Kumar
Company Secretary

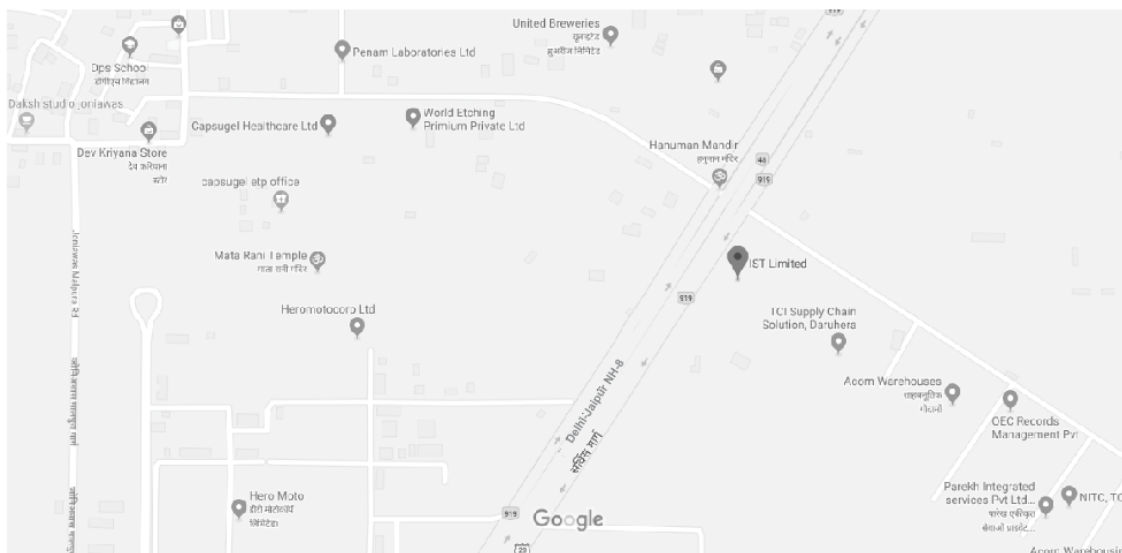
Place: New Delhi
Dated: 13.08.2018

DETAILS OF DIRECTORS' SEEKING APPOINTMENT/RE-APPOINTMENT AT THE FORTHCOMING 42nd ANNUAL GENERAL MEETING

Name of the Director	Mrs. Sarla Gupta	Lt. Col. N.L. Khitha (Retd.)
Date of Birth	25.01.1955	25.09.1937
Date of Appointment	14.02.2015	01.06.2011
Expertise in Specific functional Areas	Undergraduate	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	Whole Time Director Gurgaon Infospace Limited Director, IST Limited Director, IST Steel and Power Limited Director, IST Steel and Power Limited	Whole Time Director, IST Limited
Chairman / Member of the Committees of the Board of Companies on which he is a Director		IST Limited Member, CSR Committee

IST Limited

Dharuhera Industrial Complex, Delhi Jaipur Highway No. 8, Kapriwas, Dharuhera, Rewari – 123106 (Haryana)





IST LIMITED

DIRECTORS' REPORT

Dear Members,

Your Directors are pleased to present their 42nd Annual Report on your Company's operations and performance together with the audited statement of accounts for the year ended 31st March 2018.

Financial Results

The performance of the Company for the financial year ended March 31, 2018 and for the previous year ended March 31, 2017 are summarized below:

PARTICULARS	(Rs. In Lacs)	
	For the year ended 31.03.2018	For the year ended 31.03.2017
Revenue from Operations	2,466.02	2,820.68
Other Income	1,178.05	1,108.59
Total Income	3,644.07	3,929.27
Earnings before Interest, depreciation, tax and amortization (EBIDTA)	1,581.48	1,534.18
Less :- Finance Cost	19.65	97.84
Less :- Depreciation	276.43	286.55
Earning before tax (EBT)	1,285.40	1,149.79
Tax Expenses		
- Current tax	320.00	270.00
- Deferred Tax	(40.90)	(5.54)
- Tax for earlier years	0.03	6.44
Profit After Tax	1,006.27	878.89
Add: Balance brought forward from previous year	4,954.81	4,075.92
Surplus carried to Balance Sheet	5,961.08	4,954.81

State of Company's Affairs

Your Company is primarily engaged in the business of manufacturing of high precision engineering components / assemblies for Automobile 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, the operating revenue of your company declined to 2,466.02 Lacs as against Rs. 2,820.68 Lacs achieved in the previous year. The net profit after tax (PAT) for the year has however improved to Rs. 1,006.27 Lacs as compared to Rs. 878.89 Lacs in the previous year. The Earnings before interest, depreciation, tax & amortizations (EBIDTA) increased to Rs. 1,285.40 Lacs as compared to Rs. 1,149.79 Lacs in the previous year. The Basic and Diluted Earnings Per Share (EPS) also improved by Rs. 2.18 per share.

The 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).

During the year one of the significant and important change in the Indian Business environment was implementation of Goods and Service Tax (GST) w.e.f. 01.07.2017, This was followed by changes in the GST rates through various notifications issued from time to time. Apart from the initial phase, which was challenging for the industry as a whole, your Company managed to implement the same smoothly and efficiently.

The transition of Accounting from Indian GAAP to Ind-AS was another change that has been implemented by your Company proficiently. In February, 2015, the Ministry of Corporate Affairs (MCA) notified the final roadmap on implementation and applicability of Ind AS which was scheduled to be implemented in phased manner. Accordingly, from the year 2017-18 the financials of the Company was prepared in accordance with Ind AS (with date of transition being 1st April, 2016). The financial statements for the year ended 31st March, 2017 and opening balance sheet as at 1st April, 2016 earlier reported under India GAAP, have been restated in accordance with Ind-AS to make them comparable.



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 2017-18.

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, 2017 and 31st March, 2018 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 2017-18 which forms part of the Annual Report have been prepared in accordance with the Indian Accounting Standards (Ind AS) notified under the Companies (Indian Accounting Standards) Rules, 2015 under Section 133 of the Companies Act, 2013 and other relevant provisions as may be prescribed in this regard.

Subsidiaries and Associate Companies

The Company has one wholly owned Subsidiary namely 'Gurgaon Infospace Limited', and one Associate namely 'IST Steel & Power Limited' as on March 31, 2018. 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 2017-18

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) and Associates 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 website www.istindia.com.

Directors and Key Managerial Personnel

In accordance with the provisions of Section 152 of the Companies Act 2013 and the Articles of Association of the Company, Lt. Col. N.L. Khitha (Retd.), the Whole time Director designated as Director (Technical) (DIN: 01128275) and Mrs. Sarla Gupta (DIN: 00069053) 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 of Lt. Col. N.L. Khitha (Retd.) and Mrs. Sarla 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".

In terms of section 196, 197 read with Schedule V and other applicable provisions, if any, of the Companies Act, 2013 and on recommendation of Nomination and Remuneration Committee, the Board of Directors at its Meeting held on 13th August, 2018 had revised the remuneration of Mr. S.C. Jain (DIN: 00092079), Executive Director of the Company, subject to approval by the Members at the ensuing annual general meeting.

In terms of Section 203 of the Companies Act, 2013 the Company has following Key Managerial Personnel as on 31.03.2018:

- a) Mr. S.C. Jain, Whole Time Director designated as Executive Director.
- b) Lt. Col. N.L. Khitha (Retd.), 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 as well as ensuring 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 2017-18, is given in the Corporate Governance Report, which forms part of this Annual Report.

Pursuant to the provisions of the Companies Act, 2013 and as per regulation 19(4) & 20(4) and Part D of Schedule II of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Board has carried out an Annual Performance Evaluation of its own performance, each of Director individually and that of its Committees.