

23rd
Annual Report
1998-99

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IST LIMITED

IST LIMITED

23rd Annual Report 1998-99

BOARD OF DIRECTORS

SHRI PREM GUPTA *Chairman*
 AIR MARSHAL D. KEELOR
 P.V.S.M., K.C., A.V.S.M., V.R.C. (RETD.)
 SHRI H.C. BHASIN
 SHRI S.R. BANSAL
 BRIG. G.S. SAWHNEY
 V.S.M. (RETD.)
 SHRI A. N. MUKHERJEE
 SHRI M. L. RUSTAGI *Whole Time Director*

BANKERS

STATE BANK OF INDIA

AUDITORS

O.P. DADU & CO.

REGISTERED OFFICE & WORKS

VILLAGE DUNDAHERA
 DELHI GURGAON ROAD
 DISTRICT GURGAON (HARYANA)

HEAD OFFICE

A/23 NEW OFFICE COMPLEX
 DEFENCE COLONY, NEW DELHI-24

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**IST LIMITED****NOTICE**

Notice is hereby given that the 23rd Annual General Meeting of the members of IST Limited will be held on Thursday, the 30th September, 1999 at 11.00 A.M. at IST Factory, Village Dundahera, Delhi-Gurgaon Road, Gurgaon, (Haryana), to transact the following business :

1. To receive, consider and adopt the audited statement of accounts for the year ended 31st March, 1999 and the Profit & Loss Account for the year ended on that date and the Reports of the Directors and Auditors thereon.
2. To appoint a Director in place of Sh. Prem Gupta, who retires by rotation and being eligible offers himself for re-appointment as a Director.
3. To appoint Director in place of Sh. S.R. Bansal, who retires by rotation and being eligible offers himself for re-appointment as a Director.
4. To appoint auditors and to authorise the Board of Directors to fix their remuneration.

by Order of the Board

Place : New Delhi
Dated : 27th August, 1999

(M.L. RUSTAGI)
Director

NOTES :

1. A member entitled to attend and vote at the meeting is entitled to appoint a proxy to attend and vote instead of himself and the proxy need not be a member. Proxies, in order to be effective, must reach the Head Office of the Company not less than 48 hours before the time fixed for the meeting.
2. Members are requested to intimate the change, if any, in their address.

by Order of the Board

Place : New Delhi
Dated : 27th August, 1999

(M.L. RUSTAGI)
Director

IST LIMITED



DIRECTORS' REPORT

To the Members,

Your Directors present to you their 23rd Annual Report together with the audited Statements of Accounts of the company and the report of the auditors thereon for the year ended 31st March, 1999.

Your company is constantly engaged in improving the quality of its products and modernising the quality and management systems. With this aim in view, your company has obtained ISO 9002 & QS 9000 certificates from RWTUV-Germany who are one of the best accredited companies in the world.

These certifications are the prequalification requirement for becoming one of the approved vendors of MNCs like FORD, Crysler etc. Your company has already been, besides General Motors-Detroit (USA), appointed as an approved vendor by General Motors-Strasbourg (France). Shareholders may kindly appreciate that initially it always takes considerable time for getting its products established in the international market.

Your company is also in the process of getting confirmed orders from Deptt. of Defence & allied organisations. With this, the sales of your company's products will increase during the current year and neutralise the decline in sales in the year ending 31st March, 1999.

Your Directors have kept constant watch and control on the overhead expenses of the company. Apart from some expenses which were absolutely essential, the shareholders will kindly appreciate that there has been all round reduction in expenses.

Despite decline in sales Rs. 344.29 lacs (Rs. 923.67) lacs in the previous year), the loss before provision of interest and financial changes and depreciation has decreased to Rs. 11.96 lacs (Rs. 39.01) lacs in the previous year).

AUDITORS' REPORT

The Auditors have drawn attention to Note No. 1 regarding Accounting Policies, Note No. 3 pertaining to non-provision of interest Rs. 58.61 lacs payable to financial institutions, Note No. 6 pertaining to non-provision of rs. 13.62 lacs for doubtful debts and advances appearing in Schedule 'S' of notes of the Balance Sheet. The Board considers that these notes are self explanatory and no specific clarification is required.

DIVIDEND

In view of the financial losses suffered by the company, your Directors express their inability to recommend payment of any dividend.

DIRECTORS

Sh. Prem Gupta and Sh. S.R. Bansal retire by rotation as Directors of the Company at this meeting and being eligible offer themselves for reappointment.

AUDITORS

M/s. O.P. Dadu & Company, Chartered Accountants who are auditors of your company retire at the ensuing Annual General Meeting. They have offered themselves for reappointment.

PERSONNEL & INDUSTRIAL RELATIONS

Information required U/S 217 (2a) of the Companies Act, 1956 may be treated as NIL. Regular periodical review meetings are held as required under ISO 9002 & QS 9000, in which all the managers participate and deliberate on the performance of the company.



IST LIMITED

FIXED DEPOSITS

The Company has not accepted any deposits covered by Companies (Acceptance of Deposit) Rules, 1975.

FOREIGN EXCHANGE EARNING AND OUT-GO

Your company utilised foreign exchange equivalent to Rs. 49.46 lacs for import of raw material and components, stores and spares, capital goods and expenses on overseas travelling. The foreign exchange earned by your company was Rs. 133.89 lacs in respect of exports made by it.

ACKNOWLEDGEMENTS

Your Directors wish to place on record their appreciation and most grateful thanks to I.D.B.I., I.F.C.I., I.C.I.C.I., H.S.I.D.C., State Bank of India, Govt. of Haryana for their continued support and co-operation.

for and on behalf of the Board

Place : New Delhi
Dated : 27th August, 1999

(PREM GUPTA)
Chairman



IST LIMITED**AUDITORS' REPORT**

To the Members

We have examined the attached Balance Sheet of M/s. IST LIMITED, GURGAON as at 31st March, 1999, and the Profit & Loss Account for the year ended on that date, and report that :

1. As required by the Manufacturing and Other Companies (Auditors' Report), Order 1988, issued by the Company Law Board in terms of Section 227(4A) of the Companies Act, 1956, we enclose in Annexure, a statement on the matters specified in paragraph 4 & 5 of the said order.
2. Subject to our comments in the Annexure referred to in paragraph 1 above, we state that :
 - a) 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 ;
 - b) 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 audited by us ;
 - c) The Balance Sheet and Profit & Loss Account dealt with by this report, are in agreement with the books of accounts ; and
 - d) In our opinion the Profit & Loss Account and the Balance Sheet Comply with the Accounting Standards referred to in sub-section 3(C) of Section 211 of the Companies Act, 1956.
3. 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 'L' thereto, subject to and in terms of the above and also subject to Note No. 1, Accounting Policies, Note No. 3 regarding non-provision of doubtful debts and advances Amounting to Rs. 5.22 lacs, Note No. 4 regarding non-provision of gratuity and Leave encashment liability, Note No. 5 regarding interest free loans / advances given and Note No. 7 regarding non provision of depreciation aggregating to Rs. 51.17 lacs, give the information required by the Companies Act, 1956, in the manner so required and give a true and fair view :-
 - i) In the case of the Balance Sheet, of the state of affairs of the Company as at 31st March, 1999; and
 - ii) In the case of the Profit & Loss Account, of the 'Loss' for the year ended on that date.

for O.P. DADU & CO.
Chartered Accountants

Place : New Delhi
Dated : 27th August, 1999

(O.P. DADU)
Partner


IST LIMITED
ANNEXURE TO THE AUDITORS' REPORT

(Referred to in Paragraph 1 of the Report of even date)

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. The Company has maintained proper records of fixed assets showing full particulars including quantitative details and situation thereof. The management has certified that the fixed assets of the Company have been physically verified during the year and that no 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.
2. None of the fixed assets have been revalued during the year.
3. a) The stocks of finished goods, stores and spare parts, raw materials and components, except the goods lying with outside parties for which confirmations are awaited are certified to have been physically verified by the management at reasonable intervals during the year.
 b) The procedures followed by the management for such physical verification required to be improved in relation to the size of the Company and the nature of its business.
 c) The discrepancies between physical stocks and the book records as informed to us were not material and the same have been properly dealt with in the books of account.
 d) In our opinion, the valuation of stocks, is fair and proper in accordance with normally accepted accounting principles. In our opinion the valuation of old inventories should be done on more scientific basis.
4. No Loans have been taken from Company, Firms and Others listed in the Register maintained u/s 301 of the Companies Act, 1956.
5. The Company had given loan to a body corporate in which directors are interested as listed in the Register maintained u/s 301 of the Companies Act, 1956.
6. Interest free loans and advances in the nature of loans have been given to the employees and the same are being repaid as per stipulations where applicable.
7. The internal control procedures with regard to purchases of components, stores, construction materials, plant and machinery, equipment and other assets and for sale of goods appear to be commensurate with the size of the Company and the nature of its business.
8. According to the information and explanations given to us, the transactions of purchase of goods and materials and sale of goods, materials and services made in pursuance of contracts or arrangement entered in the register maintained under section 301 of the Companies Act, 1956 and aggregating during the current year to Rs. 50,000/- or more in respect of each party, have been made at prices which, in our opinion, are reasonable having regard to prevailing market prices for such goods, materials or services or the prices at which similar transactions have been made with other parties, as the case may be.
9. As explained to us, the Company has a regular procedure of determination and making adequate provision to cover the diminution in the value of unserviceable or damaged components, raw materials, stores & spare parts and finished goods. The management has certified that there were no unserviceable or damaged components, raw-materials, stores and spare parts and finished goods as at close of the year requiring any provision.