

24th
Annual Report
1999-2000

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IST LIMITED

IST LIMITED

24th Annual Report 1999-2000

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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NOTICE

Notice is hereby given that the 24th Annual General Meeting of the members of IST Limited will be held on Friday, the 29th September, 2000 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, 2000 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. H.C. Bhasin, who retires by rotation and being eligible offers himself for re-appointment as a Director.
3. To appoint Director in place of Brig. G.S. Sawhney, 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.

SPECIAL BUSINESS

To consider and if thought fit, to pass with or without modifications, the following resolutions as **Special Resolutions** :

5. "RESOLVED that subject to the confirmation by Company Law Board under section 17 of the Companies Act, 1956, the Objects Clause III (A) of Memorandum of Association of the Company be altered by addition of the following clauses as new Clauses No. 4,5,6 and 7 after Clause No. 3:
 4. To design, build, construct, develop, own operate, lease, hire, sell, market, support and maintain Information Technology Park / Software Technology Park / Hardware Technology Park and call centres in India or elsewhere either on its own or in partnership with any individual / firm / Companies, in accordance with the laws of India.
 5. To carry on in India or elsewhere any of the business in the field of Internet Service Providers, Telecommunications; to provide services related to E-Commerce, Electronic Data Interchange, Networking, High End Voice, Data and Image Transfer Solutions, Web T.V., On Line Shopping, Creation of Web sites and Web based solutions, CGI Interface, FTP Access, Usenet and Telnet, Internet Relay Chat, Domain Name Registration and Routing, Computer Storage Space Solutions. To develop, design, conceptualize, improve, produce, reproduce, market, patent, distribute, buy, sell, licence, provide, import, export, implement, operate, support and maintain information technology and communication based products and services including those through the internet world wide computer network; voice data and image transfer in any form including digital data packets, storage media such as floppies, disk drives, magnetics tapes, publishing, multimedia. To provide services of consultancy and training, designing, coding and integrating systems for intranet and internet solutions, and to develop, configure or deal in computer hardware and systems including assemblies, sub-assemblies and other accessories, peripherals thereof, digital products, and the development and marketing of software and all types of products and services relating to the computer industry.
 6. To engage in E-Commerce and related services for all kinds of products and services including merchandise, financial products and services, distribution and collection services using the worldwide computer networks and web services available and to obtain / offer agencies, tie-ups, distributorships of organisations that develop and market internet related products and services any buy, sell, market, distribute or deal in such products and services and acquire or rent computer / storage space on the worldwide web or similar networks for this purpose.
 7. To establish, promote, purchase, setup or connect with and / or lease any database, net work, data and information processing centres, call centres and bureaus either of its own or franchise centres for dissemination of knowledge and information related to the computer, communications and information technology industry in various forms including print, video, CD-ROM, electronic media and digital media, Internet, Intranet, Modems, Fax Modems, Video Conferencing, E-mail, Voicemail, Voice Response Systems, Multiplexers, Line Drivers, Routers, Bridges, Hubs, VSATs, Radio Trunking, Networking, Telecom Software, Cable wireless Networks, ERP solutions and satellite communications.
6. "RESOLVED that pursuant to Section 31 and all other applicable provisions, if any, of the Companies Act, 1956, the Articles of Association of the company be altered in the following manner :

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The following new Article 44A be inserted after the existing Article 44

44A DEMATERIALISATION OF SECURITIES**(a) Definitions**

For the purpose of this Article :

'Beneficial Owner' means a person or persons whose name is recorded as such with a depository; 'SEBI' means the Securities & Exchange Board of India.

'Depository' means a company formed and registered under the Companies Act, 1956 and which has been granted a certificate of registration to act as a depository under the Securities and Exchange Board of India Act, 1992, and

'Security' means such security as may be specified by SEBI from time to time.

(b) Dematerialisation of Securities

Notwithstanding anything contained in these Articles, the Company shall be entitled to dematerialise its securities and to offer securities in a dematerialised form pursuant to the provisions of the Depositories Act, 1996 or any amendments thereof.

(c) Issue of Securities and option for investors

Notwithstanding anything contained in these Articles, the company shall be entitled to dematerialise its securities under the Depositories Act and offer and issue its securities in the dematerialised form and the company shall intimate the details of allotment to the depository immediately on allotment of such securities.

Investors in a new issue and the beneficial owners shall have the option to rematerialise the shares subsequent to the allotment or dematerialisation, as the case may be, in which event the Company shall issue to the investor/beneficiary the required certificates of securities subject to the provisions of applicable laws, rules, regulations or guidelines.

(d) Securities in depository mode to be in fungible form

All securities held in the depository mode with a depository shall be dematerialised and be in fungible form. To such securities held by a depository on behalf of the beneficial owner, nothing contained in Sections 153, 153A, 153B, 187B, 187C and 372A of the Act shall apply.

(e) Rights of depositories and Beneficial Owners

I. Notwithstanding anything to the contrary contained in the Act or these Articles, a depository shall be deemed to be the registered owner for the purposes of effecting transfer of ownership of security on behalf of the beneficial owner.

II. Save as otherwise provided in (a) above, the depository as the registered owner of securities shall not have any voting or other rights in respect of the securities held by it.

III. Every person holding securities of the Company and whose name is entered as the beneficial owner in the register maintained by a depository shall be deemed to be a member of the company. The beneficial owner of securities shall alone be entitled to all the rights and benefits and be subject to all liabilities in respect of the securities held by the depository.

(f) Service of documents

Notwithstanding anything to the contrary in the Act or these Articles, where securities are held in a depository mode, the records of the beneficial owner may be served by a depository on the company by means of electronic mode or by delivery of floppies or discs.

(g) Transfer of Securities

Nothing contained in Section 108 of the Act or these Articles shall apply to a transfer of securities effected by a transferor and transferee both of whom are entered in the Register maintained under the Depositories Act by a depository as beneficial owners.

(h) Distinctive numbers of securities held in the depository mode

Nothing contained in the Act or these Articles regarding the necessity of having distinctive numbers for securities issued by the Company shall apply to securities held in the depository mode.



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(i) Register and Index of Beneficial Owners

The Register and Index of beneficial owners maintained by a depository under the Depositories Act, 1996 shall be deemed to be Register and Index of Members and holders of securities for the purpose of these Articles and the Act."

by Order of the Board

Place : New Delhi
Dated : 26th August, 2000

(M.L. RUSTAGI)
Whole Time 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.

EXPLANATORY STATEMENT

(u/s 173(2) of the Companies Act, 1956.

ITEM NO. 5

The Company is negotiating for development of part of its land at its Factory premises at Dundahera, Gurgaon as a Software Technology Park and for other allied activities.

The Board in its opinion thinks that development of Software Technology Park would become substantial part of the business of the Company in future.

Further the board, in tune with the latest trend and future potentials in the field of Information Technology and its allied activities including E-commerce, Setting up Call Centres, Internet Services Providers, Telecommunication, propose to diversify in the aforesaid activities in the field of Information Technology and its allied activities.

Further in the opinion of the board the above activities will complement the company's decision of setting up Software Technology Park.

Therefore, in accordance with the Section 17 of the Companies Act, 1956, the Board recommends alteration of the Objects Clause III(A) of Memorandum of Association of the Company by addition of the new clauses No. 4, 5, 6, & 7 as set out in the resolution after Clause No. 3.

ITEM NO. 6

Company's equity shares are being dematerialised w.e.f. 29.1.2001. The company is entering into agreement with National Securities Depository Limited (NSDL) and Central Depository Services (India) Ltd. (CDSL) to enable shareholders who may wish to dematerialise their shareholding in the company. As per provisions of the Depositories Act, 1996 and that of Depository System, the provisions of the Companies Act, 1956 relating to issue, holding, transfer, transmission of shares and other securities, have been amended to facilitate the Depository System. With this view, it is proposed to amend the Company's Articles of Association, suitably, as set out in the Resolution at Item No. 6.

None of the Directors is interested in the above resolutions.

by Order of the Board

Place : New Delhi
Dated : 26th August, 2000

(M.L. RUSTAGI)
Whole Time Director

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DIRECTORS' REPORT

To the Members.

Your Directors take pleasure in presenting their 24th 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, 2000.

The year under review has ended in a surplus of Rs. 58.98 lacs as against a loss of Rs. 82.85 lacs in the previous year after providing depreciation Rs. 44.82 lacs (Rs. 53.51 lacs in the previous year) and income tax liability Rs. 4.38 lacs (Nil in the previous year).

After excluding the other income, there has been an increase in the sales and decrease/increase in the value of stocks to the order of 34.5% over the previous year. Your Directors are pleased to inform that the era of losses has now been arrested.

Your Directors are also pleased to inform the shareholders that during the year under review, the term loans taken by the company from the financial institutions have been paid in full.

Your Directors are endeavouring to broaden the scope of activities of your company. The development of Software Technology Park on part of the land of the company is a step towards that direction and your directors are happy to report that the negotiations in this directions are already at an advance stage.

Shareholders would kindly also note from the enclosed agenda of the ensuing AGM that the alteration in the Memorandum of Association of the company by way of addition in the Object Clause is being proposed.

The anticipated orders from the Deptt. of Defence have also been received.

The certificates of your company as ISO 9002 & QS 9000 is beginning to bring its results.

The exports are increasing and many RFQs (Request for Quorations) are under consideration.

Thus, barring unforeseen circumstances, your Directors are optimistic about the results of the current year.

AUDITORS' REPORT

The Auditors have drawn attention to Note No. 1 regarding Accounting Policies, Note No. 5 pertaining to non-provision of Rs. 5.77 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 position of your company, your Directors express their inability to recommend payment of any dividend.

DIRECTORS

Sh. H.C. Bhasin & Brig. G.S. Sawhney 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.



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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. 45.69 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. 184.90 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 : 26th August, 2000

(PREM GUPTA)
Chairman

