

26th
Annual Report
2001-2002



IST LIMITED

IST LIMITED

26th Annual Report 2001-2002

BOARD OF DIRECTORS

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 *Managing 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

CONTENTS

Notice	2
Directors' Report	3-4
Auditors' Report	5-7
Balance Sheet	8
Profit & Loss Account	9
Schedules	10-19
Balance Sheet Abstract	20-21
Cash Flow Statement	22-23

**IST LIMITED****NOTICE**

Notice is hereby given that the 26th Annual General Meeting of the Company will be held on Saturday, the 28th September, 2002 at 11.00 A.M. at IST Factory, Village Dundahra, Delhi-Gurgaon Road, Gurgaon, (Haryana), to transact the following business :

1. To receive, consider and adopt the audited Balance Sheet as at 31st March, 2002 and the Profit & Loss Account for the year ended on that date together with the reports of the Directors and Auditors thereon.
2. To appoint a Director in place of Sh. S.R. Bansal,, who retires by rotation and being eligible offers himself for re-appointment as a Director.
3. To appoint a 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.

by Order of the Board

Place : New Delhi
Dated : 20th August, 2002

(M.L. RUSTAGI)
Managing 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.

Report  junction.com

IST LIMITED**DIRECTORS' REPORT**

To the Members,

Your Directors are pleased to present their 26th 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, 2002.

During the year under review, your company has earned a profit of Rs. 56.76 lacs (previous year Rs. 37.32 lacs) before provision of income tax of Rs. 9.12 lacs (previous year Nil). The improvement has come by all out efforts of your management towards cost control.

Your directors hope that this trend of increase in the profits would continue.

The shareholders may recall that all the term loans have since been repaid and currently, the company is only enjoying the working capital facilities from State Bank of India.

Your company is making efforts to add new MNCs to its customer list. In some cases, the negotiations are at advance stage and supplies may commence during this financial year.

Thus, directors are optimistic about future of your company.

AUDITORS' REPORT

The Auditors have drawn attention to Note No. 1 regarding Accounting Policies, Note No. 5 regarding Non-provision of Rs. 2.48 lacs for doubtful debts, Note No. 10 regarding Non-provision of Rs. 9.54 lacs for diminution in the value of investments and Note No. 11 regarding Non-provision of deferred tax liability aggregating Rs. 42.23 lacs 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

Although, the financial position of the company has improved, yet it does not permit the outflow of funds for payment of dividend Hence, your directors express their inability to recommend payment of any dividend.

DIRECTORS

Sh. S.R. Bansal and Brig. G.S. Sawhney, retire by rotation as Directors of the company at this meeting and being eligible offer themselves for reappointment.

DIRECTORS RESPONSIBILITY STATEMENT

Pursuant to the requirement under section 217 (2AA) of the Companies Act 1956, with respect to Directors' Responsibility Statement, it is hereby confirmed that in the preparation of the Annual Accounts :

- i) the applicable accounting standards have been followed and wherever required, there are no material departures.
- ii) the Directors have selected such accounting policies and applied them consistently and made judgements and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year and of the profit of the company for that period.
- iii) Proper and sufficient care has been taken for the maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the company and for preventing and detecting fraud and other irregularities.
- iv) The Accounts have been prepared on a going concern basis.

**IST LIMITED****LISTING OF SHARES**

The shares of your company are listed at Delhi and Mumbai Stock Exchanges.

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.

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.

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. 60.57 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. 237.41 lacs in respect of exports made by it.

ACKNOWLEDGEMENTS

Your Directors wish to place on record their appreciation and most grateful thanks to 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 : 20th August, 2002

(M.L. RUSTAGI)
Managing Director

Report Junction.com

IST LIMITED**AUDITORS' REPORT**

To the Members

We have audited the attached Balance Sheet of M/s. IST LIMITED, as at 31st March, 2002, and also the Profit & Loss Account 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 Manufacturing and Other Companies (Auditors' Report), Order 1988, 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 and Profit & Loss Account dealt with by this report, are in agreement with the books of accounts ;
- iv) In our opinion the Balance Sheet and Profit and Loss Account dealt with by this report comply with the accounting standards referred to in sub-section (3C) of Section 211 of the Companies Act, 1956, subject to Note No.1 (iii), 10 and 11 of Schedule S.
- v) In our opinion, and based on information and explanations given to us, none of the directors are disqualified as on 31st March, 2002 from being appointed as directors 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 'S' thereto, subject to and in terms of the above and also subject to Note No. 1, regarding Accounting Policy, Note No. 5 pertaining to Non-Provision of Rs. 2.48 lacs for Doubtful debts Note No. 11 pertaining to non provision of Rs. 9.54 lacs for diminution in value of investments, appearing in Schedule 'S' 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, 2002; and
 - ii) In the case of the Profit & Loss Account, of the 'Profit' for the year ended on that date.

for O.P. DADU & CO.
Chartered Accountants

Place : New Delhi
Dated : 20th August, 2002

(O.P. DADU)
Partner


IST LIMITED

ANNEXURE TO THE AUDITORS' REPORT

(Referred to in Paragraph 3 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 bodies 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 were 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 adequate 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.
10. The Company has taken certain loans, which were repaid during the year. The Company has been advised that these loans are not covered under the provision of Section 58 A of the Companies Act, 1956. Subject to this, the Company has not accepted any deposit within the meaning of Section 58 A of the Companies Act, 1956.