

44th

Annual Report

2019-2020



IST LIMITED



IST LIMITED

44th Annual Report 2019-20

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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NOTICE

Notice is hereby given that the 44th Annual General Meeting of IST Limited, will be held on Thursday, the 31st December, 2020 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:
 - a) the audited financial statement of the Company for the financial year ended 31st March 2020 and Reports of the Board of Directors and Auditors thereon; and
 - b) the audited consolidated financial statement of the Company for the financial year ended 31st March 2020 and Report of Auditors thereon.
2. To appoint a director in place of Mr. Gaurav Gupta (DIN: 00047372), who retires by rotation and being eligible offers himself for reappointment.
3. To appoint a director in place of Lt. Col. Narinder Lal Khitha (Retd.) (DIN: 01128275), who retires by rotation and being eligible offers himself for reappointment.

SPECIAL BUSINESS

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

“RESOLVED THAT pursuant to the recommendation of the Nomination and Remuneration Committee and approval of the Board of Directors at their respective meeting and pursuant to the provisions of Section 196, 197, 203 and any other applicable provisions of the Companies Act, 2013 and the Rules made there under (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 shareholders of the Company be and is hereby accorded to re-appoint **Shri S.C. Jain (DIN : 00092079)** as Whole Time Director, designated as Executive Director of the Company for a further period of 3 years with effect from 14th August, 2020 and to pay him remuneration

as per the existing terms of appointment the detail of which is as given herein below:

RESOLVED FURTHER THAT the remuneration payable to Mr. Suresh Chand Jain, Whole Time Director w.e.f. 14th August, 2020 shall be as under:

Salary Component	Amount (Rs.) Per Month
Basic Pay	72,000
Dearness Allowance	36,000
House Rent Allowance	45,000
Special Allowance	29,500
Total	1,82,500

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-imbursement of Expenses incurred towards magazine / newspapers at residence;
- (ii) Re-imbursement of monthly bill of one Landline Telephone and Internet Connection at residence for the purposes of business of the Company;
- (iii) Re-imbursement of actual Expenses incurred by the Executive Director on account of one mobile phone for the purpose of official work.
- (iv) The Executive 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.

Other Conditions

If during the currency of tenure of the Executive Director, the Company has no profits or its profits are inadequate in any financial year, the payment of salary,



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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.

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-imbursements etc. upto the limit as approved by the members hereinabove, as minimum remuneration, subject to the limits and conditions prescribed under Schedule V of the Companies Act, 2013, as may be amended from time to time.

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 or any committee thereof be and is hereby also authorized to amend, alter, modify or otherwise vary the terms and conditions of appointment of Shri S.C. Jain, Executive Director, including the components of the above mentioned remuneration payable to him subject to the overall cap of Rs. 30.00 Lacs per annum."

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 of Directors

Place: New Delhi
Dated: 04.12.2020

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. 4 is also annexed hereto.
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 24.12.2020 to 31.12.2020 (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 Exchange(s), 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 2019-20 along with the Notice of the 44th 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 2019-20 along with Notice of the 44th 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 44th Annual General Meeting and the Annual Report for 2019-20 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 11:00 A.M. to 5:00 P.M. on any working day, excluding Saturday, Sunday and Public Holiday. 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

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 44th 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 sent along with the Annual Report. Members are advised to read the instructions carefully before exercising their vote.



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STATEMENT PURSUANT TO SECTION 102(1) OF THE COMPANIES ACT, 2013 (THE ACT), THE FOLLOWING EXPLANATORY STATEMENT SETS OUT ALL MATERIAL FACTS RELATING TO BUSINESS MENTIONED UNDER ITEM NO. 4 OF THE ACCOMPANYING NOTICE

Attached to the Notice convening the 44th Annual General Meeting of IST Limited to be held on Thursday, 31st December, 2020.

Item No. 4

Mr. Suresh Chand Jain is Whole Time Director, Designated as Executive Director of the Company. His term of appointment, as per resolution passed by the Shareholders of the Company in Annual General Meeting held on 30th September, 2019, has expire on 13th August, 2020.

On recommendation of Nomination and Remuneration Committee, the Board of Directors of the Company in its meeting held on 07th July, 2020, considered the reappointment of Mr. S.C. Jain as Whole Time Director, to be designated as Executive Director for a further period of 3 years with effect from 14th August, 2020 till 13th August, 2023.

As Shri S. C. Jain has attained age of 75 years, the 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 resolved by passing a Special Resolution with due justification in the explanatory statement.

The Board of Directors, keeping in view smooth and efficient running of administrative affairs of the Company

by Mr. S.C. Jain and also keeping in view the good health possessed by him, recommends reappointment of Mr. S.C. Jain, as Whole Time Director, designated as Executive Director of the Company for a further period of 3 years with effect from 14th August, 2020 on remuneration and terms and conditions as given in the proposed resolution.

The terms and conditions of appointment of the Sh. S.C. Jain are open for inspection by the members at the Registered Office of the Company from 11.00 a.m. to 5.00 p.m. during working business days (except Saturday, Sunday and Public Holiday) till the date of Annual General Meeting.

The brief resume of Sh. S.C. Jain is given in the Annexure to the notice under the head 'Brief profile of the Director(s) seeking appointment / re-appointment'.

Save and except appointee director, none of the Director(s), Key Managerial Person(s) of the Company including their relatives are, in any way, concerned or deemed to be interested, except to the extent of their shareholding, if any in the Company, in the proposed Special Resolution(s) at item no. 4.

The Board of Directors recommends the Special Resolution set out at item no. 4 of the accompanying Notice for the approval of the Members.



DETAILS OF DIRECTORS SEEKING APPOINTMENT / RE-APPOINTMENT AT THE FORTHCOMING 44TH ANNUAL GENERAL MEETING

Name of the Director	Mr. S.C. Jain	Lt. Col. N.L. Khitha (Retd.)	Gaurav Gupta
Date of Birth	06.09.1945	25.09.1937	21.10.1982
Date of Appointment	14.08.2012	01.06.2011	14.08.2012
Expertise in Specific functional Areas	B.Sc. (Hons), M.Sc. (Physics). Expertise in Business Development, Corporate Affairs and Administration.	Held various distinguished positions in Indian Army and has vast experience in technical and administration field, business development.	M.Sc. in International Business Economics from City University, London (UK), Bachelor of Business Administration from ILM, New Delhi, Expertise in Corporate Finance, International Business Economics.
List of Public Companies in which Directorship is held	Whole Time Director, IST Limited Director, GPC Technology Ltd. Director, Gurgaon Infospace Ltd. Director, IST Steel and Power Limited	IST Limited, Whole Time Director,	IST Limited, Director GPC Technology Limited, Director IST Steel and Power Ltd., Executive Director Gurgaon Infospace Limited, Director
Chairman / Member of the Committees of the Board of Companies on which he / she is a Director	IST Limited Member, Shareholders Grievance Committee; Chairman, Risk Management Committee GPC Technology Ltd. Member, Shareholders Grievance Committee IST Steel and Power Limited Member, Nomination and Remuneration Committee.	IST Limited Member, CSR Committee	IST Limited, Member Stakeholders Relationship Committee GPC Technology Limited, Member Stakeholders Relationship Committee IST Steel and Power Limited, Member, Audit Committee



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BOARDS' REPORT

Dear Members,

Your Directors are pleased to present their 44th Annual Report on your Company's operations and performance together with the audited statement of accounts for the year ended 31st March 2020.

Financial Results

The performance of the Company for the financial year ended March 31, 2020 and for the previous year ended March 31, 2019 are summarized below:

PARTICULARS	(Rs. In Lacs)	
	For the year ended 31.03.2020	For the year ended 31.03.2019
Revenue from Operations	1,755.07	2,237.06
Other Income	1,093.22	1,058.13
Total Income	2,848.29	3,295.19
Earnings before Interest, depreciation, tax and amortization (EBIDTA)	997.98	1,228.63
Less :- Finance Cost	59.56	6.76
Less :- Depreciation	339.94	275.29
Earning before tax (EBT)	598.48	946.58
Tax Expenses		
- Current tax	131.08	189.89
- Tax for earlier years	1.74	16.16
- Deferred Tax	(33.81)	(20.73)
Profit After Tax	499.47	761.26
Add: Balance brought forward from previous year	6,722.34	5,961.08
Surplus carried to Balance Sheet	7,221.81	6,722.34

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 except for a shorter period during the nationwide lockdown in the month of March, 2020. For the Company, the focus immediately shifted to ensuring the health and well-being of all employees, and on minimizing the adverse effect on the operation of the Company due to the disruption. Post the lifting of lockdown, the Operations were gradually resumed while complying with the advisories issued by the Government of India from time to time.

During the year under review, the operating revenue of your company declined to 1,755.07 Lacs as against Rs. 2,237.06 Lacs achieved in the previous year. The Earnings before interest, depreciation, tax & amortizations (EBIDTA) declined to Rs.997.98 Lacs as compared to Rs. 1,228.63 Lacs in the previous year. The net profit after tax (PAT) for the year has also declined to Rs. 499.47 Lacs as compared to Rs. 761.26 Lacs in the previous year. The Basic and Diluted Earnings Per Share (EPS) for the year was Rs. 4.28 per share.

The Company has not made any default in the re-payment of its financial obligation towards its lender Bank(s) and has met its obligations in time including its tax liability.

The Equity 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 has decided not to recommend any dividend for the financial year 2019-20.



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, 2019 and 31st March, 2020 remained unchanged.
- f) The Company had sub-divided its equity shares during the year from the denomination of Rs. 10/- per share to Rs. 5 per share resulting in the increase of number of fully paid –up equity shares of the company from 58,32,056 to 1,16,64,112.

Deposits

The Company has not accepted any deposits, within the meaning of Section 73 of the Companies Act, 2013 read with Companies (Acceptance of Deposits) Rules, 2014 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.

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, 2020. 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 2019-20.

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 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.

Consolidated Financial Statements

The audited consolidated financial statements of the Company for the FY 2019-20 and its subsidiary(ies), which forms part of the Annual Report have been prepared in the same form and manner as that of its own and in accordance with the Indian Accounting Standards (Ind AS), form part of the Annual Report.

Board of Directors

In accordance with the provisions of Section 152 of the Companies Act 2013 and the Articles of Association of the Company, Mr. Gaurav Gupta (DIN: 00047372) shall retire by rotation at the ensuing Annual General Meeting and being eligible has offered himself for re-appointment, subject to approval of the shareholders. The brief detail



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of Mr. Gaurav Gupta is furnished in the explanatory statement to the notice of the 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 28th August, 2020 had re-appointed Mr. S.C. Jain, whole time director designated as Executive Director, for a further term of 3 years w.e.f. 14th August, 2020 to 13th August, 2023 subject to approval by the shareholders. Your Board of Directors recommends that the appointment of Mr. S.C. Jain be confirmed / approved at the forthcoming annual general meeting.

The Company has received declaration from all the independent directors stating that they continue to meet the criteria of independence laid down under the Companies Act, 2013 and Listing Regulations. Further, all the Directors have confirmed that they have complied with the Company's code of conduct.

The Board of Directors devises operational and financial strategies for the organization and monitor the effectiveness of the practices adopted by the Company. The members of the Board are judgmental, responsible and experienced and have varied industrial expertise. The diversity of the Board enhances the quality of the decisions making by utilizing the different skills, qualification, professional experience, knowledge etc., 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.

Board Evaluation

Pursuant to the provisions of the Companies Act, 2013 and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Board has carried out Annual Performance Evaluation of its own performance, each of Director individually and that of its Committees. The performance was evaluated by the Board after seeking inputs from all the Directors on the basis of criteria such as the Board composition and structure, effectiveness of board processes, information flow and functioning etc.

The performance of the Committees was also evaluated by the Board after seeking inputs from all the members of the respective Committee on the basis of criteria such as the composition of the committee, effectiveness of committee, information flow and functioning etc.

Further, Board has also carried out an Annual evaluation of Independent Directors. The Performance Evaluation was based on their contribution to Company's objectives and plans, efficient discharge of their responsibilities, participation in Board/Committee meetings, adherence to the Code of Conduct and other relevant parameters.

During the year a Separate Meeting of Independent Directors was held to assess the performance of Non-independent Director and the Chairperson of the Company. While evaluating the performance of any member, the views of executive directors and non-executive directors were also taken into consideration.

Familiarization Program for Independent Directors

In terms of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the company regularly appraises the Directors at the meetings about the changes and updates in the regulatory and business environment to enable them to familiarize with the Company's procedure and practices. The familiarization programs are conducted as and when required or on the specific request of a Director which includes visit to manufacturing unit, meeting with senior and middle level management to make them understand the in-depth about the financials and operations of the Company.

Number of Meetings of the Board

During the year under review, the board of the directors of the company met 7 times, including one meeting of Independent Directors, the details of such meetings have been provided in Corporate Governance Report that form part of the Annual Report. The intervening gap between any two meetings was within the period prescribed by under the Companies Act, 2013 and SEBI Listing Regulations.

Meeting of Independent Directors

In term of the requirement of Schedule IV of the Companies Act, 2013 and as per Regulation 25 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Independent Directors of the Company convened