



## CORPORATE GOVERNANCE REPORT

Your Company has been practicing the principle of good Corporate Governance, which comprises all activities that result in the control of the Company in a regulated manner, aiming to achieve transparent, accountable and fair management.

The details of the Corporate Governance compliance by the Company as per the Clause 49 of the Listing Agreement with Stock Exchanges are as under:-

### A. COMPLIANCE OF MANDATORY REQUIREMENTS

#### 1. COMPANY'S PHILOSOPHY ON CODE OF GOVERNANCE

The Company believes that good Corporate Governance is essential for achieving long term corporate goals and enhancing value to stakeholders. In pursuit, your Company's philosophy of Corporate Governance is aimed at assisting the management of the Company in the efficient conduct of its business and to continuously strive to attain high levels of accountability, transparency, responsibility and fairness in all aspects of its operations. Your Company continues to lay great emphasis on broad principles of Corporate Governance. Your Company, with a view to achieve these objectives, has adopted corporate strategies, prudent business plans and continuous monitoring of performance.

#### 2. BOARD OF DIRECTORS

##### Composition

The strength of the Board as on March 31, 2010 was 4 Directors including one Non-Executive Chairman and one Managing Director. The rest are Non-Executive Directors. The Board meets the requirement of not less than one-third being independent Directors.

None of the Directors hold Chairmanship of more than 5 Committees or Membership in more than 10 committees of Public Limited Companies.

During the year under review 4 Board meetings were held on 27th June, 2009, 30th July, 2009, 30th October, 2009 and 30th January, 2010.

The Composition of Board of Directors, their shareholding, attendance during the year and at the last Annual General Meeting, Number of other Directorships, Committee memberships and Chairmanships held by them as at 31st March, 2010 are given below:-

Directors	Category	Shares held	Attendance		No. of Directorships and Committee Memberships / Chairmanships in other public Companies		
			Board Meetings	Last AGM	Director-ships	Committee Member-ships	Committee Chairman-ships
Shri Mayur Gupta	MD	—	3	Yes	2	2	—
Air Marshal Retd.) D Keeloor	C <sup>1</sup>	—	4	Yes	—	—	—
Brig. (Retd.) G S Sawhney	NE*	—	2	Yes	—	—	—
Shri A N Mukherjee	NE*	—	4	Yes	1	1	—

C= Chairman, MD= Managing Director, NE= Non-Executive Director

\* Also Independent in terms of Provisions of Clause 49(1)(A)(iii)

#### 3. AUDIT COMMITTEE

##### BROAD TERMS OF REFERENCE

The terms of reference of this Committee covers the matters specified for Audit Committee under clause 49 of the Listing Agreement as well as in Section 292A of the Companies Act, 1956.

The broad terms of reference of Audit Committee include inter-alia the following:-

- Review quarterly and annual financial statements before submission to the Board for approval;
- Discuss with Auditors about Internal Control System and to consider their observations and follow-up;



- Review of risk management policies and practices;
- Ensure compliance of Internal Control System;
- Investigate on any matter referred by the Board;
- Make recommendation to the Board on any matter relating to the financial management of the Company, including the Audit Report.

**COMPOSITION**

The Audit Committee of the Company comprises 3 Directors of which all are independent Non-Executive Directors. All these Directors possess knowledge of Corporate Finance, Accounts and Company Law. The Chairman of the Committee is an independent Non-executive Director and was present at the last Annual General Meeting of the Company. The Audit Committee meetings are attended by Statutory Auditors, Accounts and Finance heads. The Company Secretary acts as the Secretary to the Audit Committee

The minutes of the Audit Committee meetings are noted by the Board of Directors at the subsequent Board meeting.

During the year under review 4 Audit Committee meetings were held 27th June, 2009, 30th July, 2009, 30th October, 2009 and 30th January, 2010. The Composition of Audit Committee and attendance at its meeting is as follows:-

Name	Category	No. of Meetings attended
Shri A N Mukherjee	Chairman, Independent, Non-Executive	4
Air Marshal (Retd.) D Keelor	Member, Independent, Non-Executive	4
Brig. (Retd.) G S Sawhney	Member, Independent, Non-Executive	2

**4. REMUNERATION TO DIRECTORS**

The Company does not have a Remuneration Committee. Detailed terms of appointment of the Managing Director are governed under Board and Members resolutions. None of the Non-Executive Directors draw any remuneration from the Company except sitting fees of Rs. 2,500/- for attending each meeting of the Board of Directors.

The details of remuneration paid to the Directors during the Financial year ended 31st March, 2010 are as under:-

- a) The details of remuneration paid to Managing Director are as under:-

Name	Salary (In Rs.)	Perquisites (Rs.)	Total (Rs.)
Mr. Mayur Gupta	9,34,615/-	55,000/-	9,89,615/-

The tenure of the appointment of Managing Director is for a period of two years.

- b) The non-Executive Directors are paid by way of sitting fees for each meeting of the Board of Directors and details of remuneration paid to Non-Executive Directors are as under:

Director	Sitting Fees (Rs.)
Air Marshal (Retd.) D Keelor	10,000
Brig. (Retd.) G S Sawhney	5,000
Shri A N Mukherjee	10,000

Apart from the above remuneration, no Director is entitled for any other benefit, bonus, severance fee or performance linked incentives. The Company has not issued any stock options to its employees or Directors.

**5. SHAREHOLDERS/ INVESTORS SHARE TRANSFER CUM GREIVENCE COMMITTEE FUNCTIONS**

The Board has constituted a Committee of three members under the Chairmanship of a Non-executive Director. The Committee generally meets twice in a month, to approve inter-alia, transfer/ transmission of shares, issue of duplicate share certificates and reviews the status of investor's grievances and redressal mechanism and recommends measures to improve the level of investor services. Details of shares transfers/ transmissions approved by the Committee are placed at the Board Meetings from time to time.

## COMPOSITION

The constitution of the Committee of Directors is as under:-

Name of the Members	Category
Air Marshal Retd.) D Keelor	Chairman, Non-executive
Brig. (Retd.) G S Sawhney	Member, Independent, Non-executive
Shri Mayur Gupta	Member, Executive

## COMPLIANCE OFFICER

The Board designated Shri R.K. Sapra, Company Secretary as Compliance Officer.

## DETAILS OF SHAREHOLDER'S COMPLAINTS RECEIVED AND REPLIED TO THE SATISFICATION OF SHAREHOLDERS.

Number of shareholders Complaints received during the period 01.04.2009 to 31.03.2010	10
Number of complaints not solved to the satisfaction of shareholders	NIL
Number of pending complaints as on 31.03.2010, which are solved later on.	NIL

## 6. GENERAL BODY MEETINGS

(i) Details of the Location of the last three Annual General Meetings:

Financial year	Date	Location of the Meeting	Time
2006-07	28.9.2007	Registered Office at Dharuhera Industrial Complex, Delhi Jaipur Highway no. 8, Kapriwas, Dharuhera, Rewari (Haryana)	12.00 Noon
2007-08	15.09.2008	Registered Office at Dharuhera Industrial Complex, Delhi Jaipur Highway no. 8, Kapriwas, Dharuhera, Rewari (Haryana)	11.00 AM
2008-09	04.09.2009	Registered Office at Dharuhera Industrial Complex, Delhi Jaipur Highway no. 8, Kapriwas, Dharuhera, Rewari (Haryana)	11.00 AM

(ii) Special Resolution passed in the previous three AGMs.

- a) In the year 2006-07, following two Special Resolutions were passed through postal ballot:
  - i. To sell, lease or otherwise dispose of the company's assets including land situated at Village Dundahera, Delhi Gurgaon Road, District Gurgaon (Haryana) and building constructed thereon. The result of which was declared on 16th October, 2006.
  - ii. For shifting of registered office from Village Dundahera, Delhi Gurgaon Road, Gurgaon (Haryana) to Dharuhera Industrial Complex, Delhi Jaipur Highway No. 8, Village Kapriwas Dharuhera District Rewari (Haryana) - 123110. The result of which was declared on 27th March, 2007.

In the AGM held on 28.9.2007, no special resolution was transacted.
- (b) The following Special Resolutions were transacted through Postal Ballot during the year 2008-09 - Enhancement of Corporate Guarantee amount from Rs.1.75 Crore to Rs.8.75 Crore for working capital limit; For Fresh Working Capital Limit (Non fund based) Rs.0.75 Crore; and For term Loan and/or working Capital Limit or any other credit facility Rs.20.00 Crore, in favour of IST Steel & Power Limited.  
In the AGM held on 15.09.2008, no special resolution was transacted.
- (c) No special resolution was passed in the year 2008-09 through postal ballot.  
In the AGM held on 04.09.2009, no special resolution was transacted.

## 7. DISCLOSURES

### i) Related Party Transactions

There have been related party transaction as reflected in notes to the accounts but they are not in conflict with the interest of the Company.

**ii) Accounting Standards**

The Company follows the Accounting Standards laid down by the Institute of Chartered Accountants of India and there has been no deviation during the year.

**iii) Details on Non Compliance**

There are no instances of non-compliance by the Company on any matter relating to the Capital Market during the last 3 years.

**iv) Declaration by CEO with regard to Code of Conduct**

The Managing Director, Mr Mayur Gupta has furnished a declaration affirming compliance of Code of Conduct by the Board of Directors and Senior Management Personnel.

**v) CEO certificates**

The Managing Director, Mr Mayur Gupta has furnished the required certificate to the Board of Directors pursuant to clause 49 of the Listing Agreement.

**8. MEANS OF COMMUNICATION**

The Company's financial results are forthwith communicated to all the Stock Exchanges with whom the Company has listing arrangements as soon as they are approved and taken on record by the Board of Directors of the Company. Thereafter the results are normally published in The Pioneer and Regional Newspaper.

**9. GENERAL SHAREHOLDERS INFORMATION****Annual General Meeting**

Day, Date & Time	Wednesday, the 8th September, 2010 at 11.00 A.M..
Venue	Registered Office : Dharuhera Industrial Complex, Delhi Jaipur Highway no. 8, Kapriwas, Dharuhera, Rewari (Haryana)
Financial year	1st April to 31st March
Book Closure	30th August, 2010 to 8th September, 2010 (both days inclusive)
Financial Calendar (Tentative) :	1st April, 2010 to 31st March, 2011
<b>Approval and Adoption of Financial Results for the quarter ended</b>	<b>Financial reporting (On or before)</b>
30th June, 2010	14th August, 2010
30th September, 2010	14th November, 2010
31st December, 2010	14th February, 2011
31st March, 2011	15th May, 2011 (in case of unaudited financial results) or 30th May, 2011, in case of Audited Financial Results.

**Listing on Stock Exchanges:**

The Equity shares of the Company are listed on Bombay Stock Exchange Ltd. (Stock Code 508807) and Delhi Stock Exchange Ltd.

**Distribution of shareholding as on 31st March, 2010**

No. of Equity Shares held	No. of Shareholders	% of Shareholders	No. of Shares held	% of Shareholding
Upto 500	7486	97.461	698305	11.974
501-1000	115	1.497	82105	1.408
1001-2000	46	0.599	64962	1.114
2001-3000	6	0.078	15049	0.258
3001-4000	3	0.039	10828	0.186
4001-5000	3	0.039	13405	0.230
5001-10000	10	0.130	68720	1.178
10001 and above	12	0.156	487732	83.637
<b>GRAND TOTAL</b>	<b>7681</b>	<b>100.00</b>	<b>5831108</b>	<b>100.00</b>

# IST LIMITED



## Shareholding pattern as on 31st March, 2010:

CATEGORY	NO. OF SHARES HELD	% OF HOLDING
Promoters	4373752	74.995
Financial Institutions, Mutual funds, Banks	300	0.005
Foreign Institutional Investors	0	0
Private Body Corporates	491871	8.434
Indian Public	959418	16.451
NRIs/ OCBs	3910	0.067
Others	2805	0.048
Grand Total	5832056	100.000

## Stock Market Data – Bombay Stock Exchange

The monthly high and low quotations and volume of shares traded on the Bombay Stock Exchange are as under:

Month	High Price	Low Price	No. of Shares Traded
April, 09	85.00	65.20	3,184
May, 09	104.30	66.00	9,280
June, 09	136.50	105.05	2,76,591
July, 09	131.25	102.10	5,140
August, 09	148.35	112.55	6,697
September, 09	137.80	114.10	8,648
October, 09	131.30	99.80	6,593
November, 09	111.45	95.55	4,251
December, 09	114.95	100.05	9,719
January, 10	177.00	110.00	17,122
February, 10	171.40	134.00	8,146
March, 10	173.10	150.00	12,816

## Dematerialization of Shares and Liquidity

The Company's shares are compulsorily traded in dematerialized form. As on 31st March, 2010, 2299845 (39.43) Equity shares of total paid up equity shares were held in Dematerialized form.

**NSDL/ CDSL –ISIN : INE684B01011**

## Outstanding GDR/ Warrants and Convertible Bonds etc.

There is no outstanding GDR/ Warrants and Convertible Bonds etc.

## Registrar and Share Transfer Agents

MAS Services Ltd.

T-34, 2nd Floor, Okhla Industrial Area, Phase - II, New Delhi-110020.

Phone: 011- 26387281, 26387282, 26387283

Fax: 011-26387384 e-mail: info@masserv.com

## Share Transfer System

Share transfer requests received in physical form are registered within 15 days from the date of receipt and demat requests are normally confirmed within the prescribed time from the date of receipt.

## Investor correspondence address

Shareholders correspondence should be addressed to the Registrar and Transfer Agents at the address given below or to the Registered Office/ Corporate Office of the Company.

## MAS Services Ltd.

T-34, 2nd Floor, Okhla Industrial Area,  
Phase - II, New Delhi-110020.

## IST Limited

**Registered Office:** Dharuhera Industrial Complex  
Delhi-Jaipur Highway No. 8, Rewari (Haryana)  
**Corporate Office:** A-23, New Office Complex,  
Defence Colony, New Delhi-110024