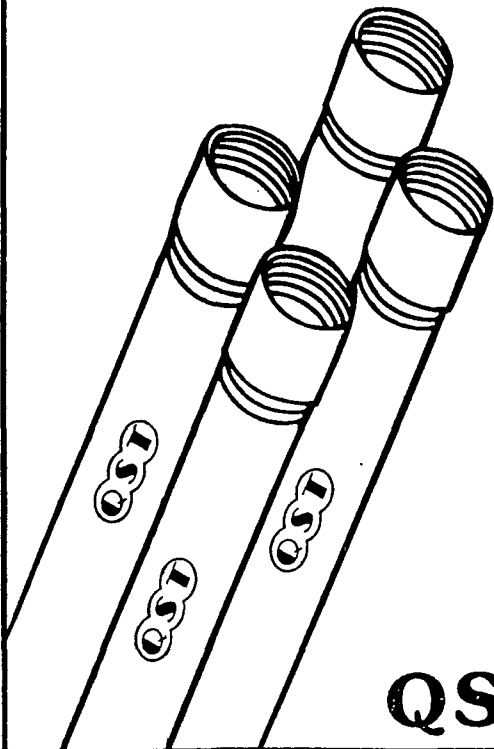


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YU	<input checked="" type="checkbox"/>		<input checked="" type="checkbox"/>

# ANNUAL REPORT

## 1996-97

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# QST LIMITED

**QST LIMITED****ANNUAL REPORT  
1996-97****BOARD OF DIRECTORS :*****Managing Directors***

SHRI SHYAM SUNDER AGRAWAL

SHRI PAWAN KUMAR JAIN

***Directors***

SHRI RAJ KUMAR JAIN

SHRI RADHA KISHAN AGRAWAL

SHRI ASHOK KUMAR JAIN

SHRI JAI KISHAN AGRAWAL

**AUDITORS :**M/s. C. L. KANODIA & Co.  
*Chartered Accountants***CONTENTS**

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**BANKERS :**

PUNJAB NATIONAL BANK

**REGISTERED OFFICE :**Agarwala Building,  
The Mall, Kanpur - 208 004**WORKS :**Bindki Road,  
Distt. Fatehpur (U.P.)

**22nd Annual General Meeting**  
**Saturday, 27th day of September, 1997 at**  
**11 A.M. at Agarwala Building, The Mall, Kanpur.**

Shareholders are requested to bring their copy of the Annual Report alongwith them at the Annual General Meeting, as copies of the Report will not be distributed at the meeting.

**QST LIMITED**

## NOTICE

NOTICE is hereby given that the TWENTY SECOND ANNUAL GENERAL MEETING of the members of QST LIMITED will be held on Saturday, the 27th day of September, 1997 at 11.00 A.M. at the Registered Office of the Company at Agarwala Building, The Mall, Kanpur to transact the following business :-

1. To receive, consider and adopt the Audited Profit & Loss Account for the year ended 31st March, 1997, the Balance Sheet as at that date and the reports of Directors and Auditors thereon.
2. To appoint a Director in place of Shri R.K. Jain, who retires by rotation, and being eligible, offers himself for re-appointment.
3. To appoint a Director in place of Shri R.K. Agrawal, who retires by rotation, and being eligible, offers himself for re-appointment.
4. To appoint Auditors to hold office from the conclusion of this Annual General Meeting until the conclusion of next Annual General Meeting of the Company and to fix their remuneration.

## Special Business

To consider and, if thought fit, to pass, with or without modification, the following resolutions as Ordinary Resolutions :

5. "RESOLVED that Shri S.N. Singh, who was appointed as an additional Director of the Company pursuant to Article 91 of the Company's Articles of Association by the Board of Directors to hold office till the date of this Annual General Meeting under Section 260 of the Companies Act, 1956 and in respect of whom the Company has received a notice under Section 257 of the Act, *ibid* from a Shareholder of the Company be and is hereby appointed as Director of the Company liable to retire by rotation."

6. "RESOLVED that pursuant to the provisions of Sections 269,309,198,311 and other applicable provisions, if any, of the Companies Act, 1956 read with Schedule XIII thereto the approval of the Company be and is hereby accorded to the appointment of Mr. S. N. Singh as Whole Time Director with the designation of Executive Director for a period of 5 years w.e.f. 29th January, 1997 on the following terms and conditions :-

## REMUNERATION

- a. Salary Rs. 10,500/- per month.

## PERQUISITES

In addition to the above, the Executive Director shall be entitled to the following perquisites :-

## b. BONUS/EX-GRATIA

In accordance with the Company's rule as applicable from time to time.

## c. MEDICAL REIMBURSEMENT

Expenditure incurred for self and family, with a maximum of one month's salary in a year or three months' salary over a period of three years.

## d. LEAVE TRAVEL CONCESSION

For self and family once in a year subject to a maximum of one month's salary.

## e. ENCASHMENT OF LEAVE

In accordance with the Company's rule as applicable from time to time.

- f. Contribution to provident fund in accordance with the rules of the Company subject to a maximum of 10% of the salary. Contribution to the provident fund will not be included in computing the ceiling on perquisites to the extent it is not taxable under Income Tax Act, 1961.

- g. Gratuity as per rules of the Company, but shall not exceed one half month's salary for each completed year of service.

**QST LIMITED**

- h. Provision of Car for use of Company's business, use of Car for private purposes shall be paid for by the Executive Director.
- i. Provision of Telephone at the residence of the Executive Director provided that personal long distance calls shall be billed by the Company to the Executive Director.

"RESOLVED FURTHER that subject to the provision of Section 309 read with Section 198(4) and other applicable provisions, if any, of the Companies Act, 1956, where in any financial year during the currency of tenure of the Executive Director, the Company has no profits or its profits are inadequate, remuneration by way of salary and perquisites as detailed above shall be payable to the Executive Director as minimum remuneration."

"RESOLVED FURTHER that the Board of Directors of the Company be and are hereby authorised to further increase, vary and modify the remuneration payable to Executive Director, including the perquisites within the limits prescribed in this behalf under Schedule XIII of the Companies Act, 1956 or any other statutory modification thereof as in force from time to time."

"RESOLVED FURTHER that the Board of Directors of the Company be and are hereby authorised to do all such acts, deeds, matters and things as may be considered necessary, desirable or expedient to give effect to this resolution."

- 7. "RESOLVED THAT pursuant of the provisions of Sections, 269/309/310/198, Schedule XIII and other applicable provisions, if any, of the Companies Act, 1956, the approval of the Company be and is hereby accorded to the increase in salary payable to Shri P.K. Jain, Managing Director of the Company w.e.f. 01.04.97 for the remaining term of his present appointment which expires on 24.08.1999 to Rs. 20,000/- per month with an annual increment of Rs. 1,000/- per month and with relatable increase in the perquisites, benefits and amenities as are being presently allowed to him."

- 8. "RESOLVED THAT pursuant of the provisions of Sections, 269/309/310/198, Schedule XIII and other applicable provisions, if any, of the Companies Act, 1956, the approval of the Company be and is hereby accorded to the increase in salary payable to Shri S.S. Agrawal, Managing Director of the Company w.e.f. 01.04.97 for the remaining term of his present appointment which expires on 24.08.1999 to Rs. 20,000/- per month with an annual increment of Rs. 1,000/- per month and with relatable increase in the perquisites, benefits and amenities as are being presently allowed to him."

- 9. "RESOLVED THAT pursuant of the provisions of Sections, 269/309/310/198, Schedule XIII and other applicable provisions, if any, of the Companies Act, 1956, the approval of the Company be and is hereby accorded to the increase in salary payable to Shri R.K. Jain, Whole Time Director of the Company w.e.f. 01.04.97 for the remaining term of his present appointment which expires on 24.08.1999 to Rs. 20,000/- per month with an annual increment of Rs. 1,000/- per month and with relatable increase in the perquisites, benefits and amenities as are being presently allowed to him."

- 10. "RESOLVED THAT pursuant of the provisions of Sections, 269/309/310/198, Schedule XIII and other applicable provisions, if any, of the Companies Act, 1956, the approval of the Company be and is hereby accorded to the increase in salary payable to Shri R.K. Agrawal, Whole Time Director of the Company w.e.f. 01.04.97 for the remaining term of his present appointment which expires on 24.08.1999 to Rs. 20,000/- per month with an annual increment of Rs. 1,000/- per month and with relatable increase in the perquisites, benefits and amenities as are being presently allowed to him."

- 11. "RESOLVED THAT pursuant of the provisions of Sections, 269/309/310/198, Schedule XIII and other applicable provisions, if any, of the Companies Act, 1956, the approval of the Company be and is hereby accorded to the increase in salary payable to Shri J.K.

**QST LIMITED**

Agrawal, Whole Time Director of the Company w.e.f. 01.04.97 for the remaining term of his present appointment which expires on 24.08.1999 to Rs. 20,000/- per month with an annual increment of Rs. 1,000/- per month and with relatable increase in the perquisites, benefits and amenities as are being presently allowed to him."

12. "RESOLVED THAT pursuant of the provisions of Sections, 269/309/310/198, Schedule XIII and other applicable provisions, if any, of the Companies Act, 1956, the approval of the Company be and is hereby accorded to the increase in salary payable to Shri A.K. Jain, Whole Time Director of the Company w.e.f. 01.04.97 for the remaining term of his present appointment which expires on 21.08.1999 to Rs. 20,000/- per month with an annual increment of Rs. 1,000/- per month and with relatable increase in the perquisites, benefits and amenities as are being presently allowed to him."
13. "RESOLVED THAT aforesaid remuneration including perquisites, benefits and amenities payable to the Managing/Wholetime Directors under resolution No. 7 to 12 shall be deemed to be the minimum remuneration in the event of absence or inadequacy of profits in any year."
14. "RESOLVED THAT pursuant of the provisions of Sections, 269/309/198/310, and other applicable provisions of the Companies Act, 1956 read with Schedule XIII thereto, the approval of the Company be and is hereby accorded to the increase in salary payable to Shri S.N. Singh, Executive Director of the Company w.e.f. 01.04.97 for the remaining term of his present appointment which expires on 28.01.2002 to Rs. 11,500/- per month with an annual increment of Rs. 1,000/- per month and with relatable increase in the perquisites, benefits and amenities as are being presently allowed to him."

"FURTHER RESOLVED THAT aforesaid remuneration including perquisites, benefits and amenities shall be deemed to be the minimum remuneration in the event of absence or inadequacy of profits in any year."

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

15. "RESOLVED that the approval of the Company be and is hereby accorded to the increase in salary of Smt. Manju Agarwal W/o Shri Shri Ram Agarwal holding office of profit in the Company as Office Executive so that w.e.f. 01.04.97 her salary would be Rs. 10,000/- per month with an annual increment of Rs. 500/- per month and Company's contribution to Provident Fund, for the remaining period of her appointment expiring on 30.04.2000."
16. "RESOLVED that the approval of the Company be and is hereby accorded to the increase in salary of Shri J.K. Jain holding office of profit in the Company as Office Executive so that w.e.f. 01.04.97 his salary would be Rs. 10,000/- per month with an annual increment of Rs. 500/- per month and Company's contribution to Provident Fund, for the remaining period of his appointment expiring on 31.05.97".
17. "RESOLVED that the approval of the Company be and is hereby accorded to the appointment of Shri J.K. Jain, to hold and continue to hold an office of profit under the Company as Office Executive with effect from 01.06. 1997 for a term of 5 years on a salary of Rs. 10,000/- per month with an annual increment of Rs. 500/- per month and Company's contribution to Provident Fund as per Company's rule."

Place : Kanpur  
Dated : 23.08.97

By Order of the Board  
**S.S. AGRAWAL**  
Managing Director

**QST LIMITED**



**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 member of the Company.

Proxy in order to be effective must be deposited at the Registered Office of the Company, at least forty eight hours before the commencement of the meeting.

2. Explanatory Statement pursuant to Section 173(2) of the Companies Act, 1956 is annexed hereto.

3. The Register of the Members and Share Transfer Book of the Company will remain closed from 16.09.97 to 27.09.97 (both days inclusive).

4. Members desirous of any information on the Accounts are requested to send their queries at least ten days before the Meeting to enable the Management to keep the information ready.

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**QST LIMITED**

**Annexure to the Notice****EXPLANATORY STATEMENT  
PURSUANT TO SECTION 173(2) OF  
THE COMPANIES ACT, 1956 :****Item No. 5**

Mr. S.N. Singh was appointed as an Additional Director of the Company under Section 260 of the Companies Act, 1956 and Article No. 91 of the Articles of Association of the Company at the Board Meeting held on 29th January, 1997. Mr. S.N. Singh holds office upto the date of the ensuing Annual General Meeting. The Company has also received notice from a shareholder proposing the name of Shri S.N. Singh for appointment as Director alongwith the requisite fee as required under Section 257 of the Companies Act, 1956.

Because of his rich and varied experience in managing business activities, the Board of Directors consider that it would be in the interest of the Company to avail the services of Mr. S.N. Singh as a Director of the Company, and therefore recommend his appointment.

No Director of the Company except Shri S.N. Singh is interested in the proposed resolution.

**Item No. 6**

Shri S.N. Singh was appointed as Wholtime Director with the designation of Executive Director for a period of 5 years w.e.f. 29.01.97 on a monthly remuneration of Rs. 10,500/- and other benefits as may be permitted by Schedule XIII of the Companies Act, 1956.

The Board considers his appointment to be beneficial and in the interest of the Company and recommend for the approval of the proposed resolution by the Shareholders.

None of Directors of the Company, except Shri S.N. Singh is in any way concerned or interested in the proposed resolution.

**Item No. 7 to 13**

The existing terms of appointment of Sarva Shri P.K. Jain and S.S. Agrawal, Managing Directors and R.K. Jain, R.K. Agrawal, and J.K. Agrawal, Wholtime Directors were renewed for 5 years w.e.f. 25.08.94 at the Board Meeting of the Company held on 22.08.94 on the terms and conditions as mentioned in the proposed Resolution. Shri A.K. Jain was also appointed as Wholtime Director at the aforesaid meeting for a term of 5 years w.e.f. 22.08.94. The terms of remuneration of the above Managing Directors and Wholtime Directors was uniform.

In view of the increase in the cost of living, the aforesaid managerial persons have requested the Company to grant suitable increase in their salary and relatable perquisites w.e.f. 01.04.97 for the remaining term of their appointment.

The Board of Directors recommend that the proposed resolution be passed by the shareholders.

Shri P.K. Jain and Shri R.K. Jain are interested in that part of the resolution which relates to Shri P.K. Jain, S.S. Agrawal and Shri J.K. Agrawal are interested in that part of resolution which relates to Shri S.S. Agrawal, Shri P.K. Jain and Shri R.K. Jain are interested in that part of the resolution which relates to Shri R.K. Jain, Shri R.K. Agrawal is interested in that part of the resolution which relates to himself, Shri J.K. Agrawal and Shri S.S. Agrawal are interested in that part of the resolution which relates to Shri J.K. Agrawal and Shri A.K. Jain is interested in that part of the resolution which relates to himself.

No other Director is in any way concerned or interested in the proposed resolutions.

**Item No. 14**

Shri S.N. Singh was appointed as Executive Director for 5 years w.e.f. 29.01.97 at the Board Meeting of the Company held on 29th January, 1997 on terms and conditions as mentioned in the proposed resolution.

In view of the increase in the cost of living, he has requested the Company to grant suitable increase in his salary and relatable perquisites

**QST LIMITED**

w.e.f. 01.04.97 for the remaining term of his appointment.

The Board of Directors recommend that the proposed resolution be passed by the shareholders.

None of Directors of the Company, except Shri S.N. Singh is in any way concerned or interested in the proposed resolution.

*Item No. 15*

Smt. Manju Agarwal W/o Shri Shri Ram Agarwal, holding office of profit in the Company was appointed as Office Executive with effect from 01.05. 1995 at the Board Meeting of the Company held on 29.04.95 for a term of 5 years on a salary of Rs. 7,000/- per month with an annual increment of Rs. 500/- per month and Company's contribution to Provident Fund which was limited to Rs. 500/- per month. In view of the overall increase in the cost of living Smt. Agarwal has requested the Company for suitable increase in her salary w.e.f. 01.04.97 for the remaining term of her appointment.

The Board of Directors recommend that the proposed resolution be passed by the shareholders.

None of Directors of the Company, except Shri R.K. Agarwal is in any way concerned or interested in the proposed resolution.

*Item No. 16*

Shri J.K. Jain holding office of profit in the Company was appointed as Office Executive w.e.f. 01.06.1992 at the Board Meeting of the Company held on 30.11.92 for a term of 5 years on a salary of Rs. 7,000/- per month with an annual increment of Rs. 500/- per month and Company's contribution to Provident Fund which was limited to Rs. 500/- per month. In view of the overall increase in the cost of living Mr. Jain has requested to the Company for suitable increase in his salary w.e.f. 01.04.97 for the remaining term of his appointment.

The Board of Directors recommend that the proposed resolution be passed by the shareholders.

None of Directors of the Company, except Shri P.K. Jain and Shri R.K. Jain are in any way concerned or interested in the proposed resolution.

*Item No. 17*

The present term of appointment of Shri J.K. Jain, holding an office of profit in the Company as Office Executive expires on 31.05.97. The Board of Directors are of the opinion that for the sake of continuity of the present management and for efficient running of the Company, the services of Shri J.K. Jain should continue to be available to the Company.

The Board of Directors recommend that the proposed resolution be passed by the shareholders.

None of the Directors of the Company, except Shri P.K. Jain and Shri R.K. Jain are in any way concerned or interested in the proposed resolution.

By Order of the Board

Place : Kanpur

**S.S. AGRAWAL**

Dated : 23.08.97

*Managing Director*

**QST LIMITED**



## DIRECTORS' REPORT

To  
The Members of  
QST Limited

Your Directors have pleasure in presenting herewith the Twenty Second Annual Report and the Audited Accounts of the Company for the year ended 31st March, 1997. Your Company has made satisfactory progress both in physical and financial terms as summarised below:

### FINANCIAL RESULTS :

	1996-97 (Rs. in Lacs)	1995-96 (Rs. in Lacs)
Sales and Other Income	7086.96	5958.24
Profit before Depreciation	126.90	104.25
Less : Depreciation	29.82	22.07
Profit before tax	97.08	82.18
Less : Provision for taxation	38.00	25.00
Profit after tax	59.08	57.18
Add : Balance brought forward from previous year	246.57	189.39
Balance carried forward	305.65	246.57

### DIVIDEND :

In order to conserve financial resources for the operations, the Board of Directors consider it in the Company's interest not to recommend any dividend for the year under review.

### OPERATIONS :

Yours Directors are pleased to report that inspite of weak market coupled with tight money market conditions, your Company has achieved turnover Rs. 6,894.23 lacs during the year under review as against Rs. 5,875.73 lacs in the previous year, thereby an increase of 17.33%. Export turnover during the year amounted to Rs. 932.68 lacs.

### CURRENT SITUATION :

The Company is putting all its concerted efforts to accelerate its growth rate by improvement in quality and better management of available funds. The Company also expects to achieve higher export turnover during the current year.

### DIRECTORS :

Shri R.K. Jain and Shri R.K. Agarwal, Directors of the Company retire from the Board by rotation at the ensuing Annual General Meeting and are eligible for re-appointment.

### AUDITORS :

M/s. C.L. Kanodia & Co., Chartered Accountants, retire as Auditors of the Company at the conclusion of the ensuing Annual General Meeting and are eligible for re-appointment.

### PARTICULARS OF EMPLOYEES :

There was no employee during the year in respect of whom provisions of Section 217 (2-A) of the Companies Act, 1956 read with Companies (Particulars of Employees) Rules, 1975 as amended were applicable and as such the statement of particulars of employees is not annexed.

### AUDITORS' REPORT :

The observations in the Auditors' Report as referred to therein are self explanatory and do not call for any further explanation.

### INDUSTRIAL RELATIONS :

It was another year of good industrial harmony throughout the Company. The Directors also wish to place on record their appreciation for the dedicated services rendered by the officers, staff and workers of the Company.

### CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION & FOREIGN EXCHANGE EARNINGS & OUTGO :

Particulars with respect to Conservation of Energy etc. as required under Section 217 (1) (e) of the Companies Act, 1956 read with Companies (Disclosure of Particulars in the Report of Board of Directors) Rules, 1988 are set out in the Annexure forming part of this report.

### ACKNOWLEDGEMENTS :

Your Directors place on record their sincere thanks to the Company's Bankers, shareholders, customers, dealers, and business constituents for their support and co-operation and are grateful to you for the trust and confidence reposed in the Company.

For and on Behalf of the Board

S.S. Agarwal  
Managing Director  
P.K. Jain  
Managing Director

Place : Kanpur  
Dated : 23.08.1997

**QST LIMITED**

## Annexure to Directors' Report for the Year Ended 31st March, 1997

**ADDITIONAL INFORMATION AS REQUIRED UNDER SECTION 217 (1) (e) OF THE COMPANIES ACT, 1956 AND THE COMPANIES (DISCLOSURE OF PARTICULARS IN THE REPORT OF BOARD OF DIRECTORS) RULES, 1988.**

**(A) CONSERVATION OF ENERGY :**(a) *Energy conservation measures taken*

- (i) The Company continues to lay great emphasis on conservation of energy. The Company has adopted various measures to optimise furnace oil utilisation in Zinc melting bath.
- (ii) Power consumption was reduced in welders, Motors and Tube Mills by replacement of critical components with newly designed ones.

(b) *Additional investments and proposals, if any, being implemented for reduction of consumption of energy.*

Additional investments will be made as and when required.

(c) *Impact of measures at (a) & (b) above for reduction of energy consumption and consequent impact on the cost of production of goods.*

Measures outlined above have resulted in significant reduction of electricity consumption in HF Welders and considerable savings.

(d) *Total energy consumption per unit of production as per Form A of the Annexure in respect of specified industries.*

Not Applicable

**(B) TECHNOLOGY ABSORPTION :**(e) *Efforts made in technology absorption.*

As per Form B of the Annexure

**QST LIMITED**