

Annual Report **2007 - 2008**



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QST LIMITED

QST LIMITED (2007-2008)

**QST LIMITED
ANNUAL REPORT
2007-2008**

BOARD OF DIRECTORS :

Shri Raj Kumar Jain
Shri Radha Kishan Agarwal
Shri Ajay Kumar Jain
Shri Shyam Sunder Agarwal
Shri Navin Agarwal

AUDITORS :

M/s. C. L. Kanodia & Co
Chartered Accountants

BANKERS :

Punjab National Bank
Bank of Baroda
ICICI Bank Ltd.

REGISTERED OFFICE :

Agarwala Building
The Mall, Kanpur - 208004

WORKS :

Bindki Road
Distt. Fatehpur (U.P.)

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33rd Annual General Meeting

Saturday 20th Day of September 2008 at 11.30 A.M. at Agarwala Building, The Mall, Kanpur

Shareholder 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 (2007-2008)**Notice :**

Notice is hereby given that the THIRTY THIRD Annual General Meeting of the members of **QST LIMITED** will be held on Saturday the 20 day of September, 2008 at 11.30 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 Balance Sheet as at 31st March, 2008 and the Profit & Loss Account for the year ended on that date and the reports of the Directors and the Auditors thereon.
2. To appoint a Director in place of Shri Raj Kumar Jain who retires by rotation and being eligible, offers himself for re-appointment.
3. 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 authorize the Board to fix their remuneration.

SPECIAL BUSINESS :

To pass the following resolution with or without modification(s) as an Ordinary Resolution :-

4. To appoint a Director, liable to retire by rotation in place of Shri Navin Agarwal who holds office only upto the date of this Annual General Meeting and in respect of whom a notice under the provisions of section 257 of the companies Act, 1956 has been received by the company from a member signifying his intention to purpose Shri Navin Agarwal as a candidate for the office of Director.

By Order of the Board

Place : Kanpur

Date : 20.08.2008

(R. K. Jain)

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 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. 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.
3. The Company will observe the record date on 20th September 2008 instead of book closure.
4. The addresses of Stock Exchanges where Company's shares are listed :-
(a) The U.P. Stock Exchange Association Ltd. Padam Tower, 14/113, Civil Lines, Kanpur.
(b) Bombay Stock Exchange, Phiroz Jeejeebhoy Towers, Dalal Street, Mumbai- 400 001.
(c) The Delhi Stock Exchange Association Ltd. DSE House, 3/1, Asaf Ali Road, New Delhi- 110 002.
5. The Shares are transferred in house. Any query in this regard shall be entertained by :

M/s QST Limited

Agarwala Building, The Mall,
Kanpur - 208 001

Explanatory Statement

(Pursuant to Section 173 (2) of the Companies Act, 1956)

Item No. 4 :

Shri Navin Agarwal was appointed as an Additional Director on the board w.e.f 11th March 2008 and by virtue of Section 260 of the Companies Act, 1956 read with the Articles of Association of the Company, he holds office upto the ensuing Annual General Meeting of the company. The Company has received notice in writing in terms of Section 257 of the Companies Act, 1956 proposing his candidature for the office of the Director of the Company. If appointed Shri Navin Agarwal will act as a Director liable to retire by rotation.

None of the Directors of the Company other than the appointee himself and Shri R. K. Agarwal being relative are interested or concerned in the above resolution.

The Board recommends that the above resolution may be passed as an Ordinary Resolution.

DIRECTOR'S REPORT

To,
The Members,

Your Directors have pleasure in presenting herewith the THIRTY THIRD ANNUAL REPORT and the Audited Accounts of the Company for the year ended 31st March, 2008.

The financial figures are summarized as below :

FINANCIAL RESULTS :

Particulars	2007-08 Rs. In lacs)	2006-07 (Rs. in lacs)
Sales and other Income	323.41	186.09
Profit/(Loss) before Depreciation	55.96	(3.56)
Depreciation.	26.44	26.56
Profit/(Loss) before Tax	29.52	(30.12)
Less : Provision for taxation	(0.65)	(0.53)
Profit/(Loss) after Tax	28.87	(30.65)
Balance brought forward from previous year.	(1021.59)	(990.94)
Transfer from general Reserve	NIL	Nil
Income Tax Earlier Year	NIL	Nil
Balance Carried forward	(992.72)	(1021.59)

DIVIDEND

The Company is a Sick Industrial Company as per the provisions of section 3(1)(o) of the Sick Industrial Companies (Special Provisions) Act, 1985, In view of the accumulated losses of the Company, the Board does not recommend any dividend for the year 2007-2008.

OPERATION AND ACTIVITIES

The Company is under financial crisis. During the year, there was no production activities. The Company is mainly based on job work. The Company was declared sick by the Hon'ble BIFR, New Delhi and Punjab National Bank was appointed as a Operating Agency for rehabilitation. The Company has compromised the outstanding dues of Punjab National Bank during the year and the joint compromise application was filed before the Hon'ble Debt Recovery Tribunal, Allahabad. The same was finalized and the Hon'ble Debt Recovery Tribunal has passed order on 16th April 2008. As per the terms of the joint application the Company is making payment to the Bank. Further the claim of Bank of Baroda is still pending before Hon'ble Debt Recovery Tribunal, Allahabad. The Company has also filed application for one time settlement with Bank of Baroda.

DIRECTORS :

Shri Raj Kumar Jain Director of the Company retire from the Board by rotation at the ensuing Annual General Meeting and is eligible for re-appointment. Shri Navin Agarwal was appointed as a Additional Director w.e.f. 11.03.2008 on the board of Company. Shri Shyam Sunder Agarwal ceased as Director on 21-01.2008 due to his sad demise.

AUDITOR'S :

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.

AUDITOR'S REPORT :

The observations in the Auditors Report are self-explanatory and do not call for any further explanation.

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.

INDUSTRIAL RELATIONS :

Your Directors would like to appreciate the co-operation extended by the officers, staff and workers of the Company in sharing the burden of working in the adverse circumstances.

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.

DIRECTOR'S RESPONSIBILITY STATEMENT :

Pursuant to section 217 (2AA) of the Companies Act, 1956, the Directors confirm :-

- that in the preparation of the Annual Accounts, the applicable accounting standards have been followed alongwith proper explanation relating to material departures ;

QST LIMITED (2007-2008)

- ii) that the Directors have selected such accounting policies and applied them consistently and made judgements and estimate 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 31st March, 2008 and the Profit of the Company for the year ended on that date.
- iii) that the Directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of Companies Act, 1956 for safeguarding the assets of the Company and for preventing and detecting fraud & other irregularities.
- iv) that the Directors have prepared the annual accounts on a going concern basis.

LISTING AGREEMENT :

Company's shares are listed/quoted at the following stock exchanges :

1. The U.P. Stock Exchange Association Ltd., Kanpur.

2. Bombay Stock Exchange, Mumbai.
3. The Delhi Stock Exchange Association Ltd., New Delhi-

Even Due to the financial constraints the company has paid the fees of stock exchanges where the shares are listed.

CORPORATE GOVERNANCE :

A report on corporate governance is given separately. Due to the bad phase which the company is passing through, the company could not appoint independent directors as required by the listing agreement.

ACKNOWLEDGEMENT :

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.

By Order of the Board,

Place : Kanpur

(R. K. Jain)

(R. K. Agarwal)

Date : 20-08.2008

Director

Director

QST LIMITED (2007-2008)**ANNEXURE TO DIRECTOR'S REPORT FOR THE YEAR ENDED 31ST MARCH, 2008****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) During the year no manufacturing activities was done by the Company. Therefore the furnace oil consumption was NIL.
(ii) Power consumption was reduced in welders, Motors and Tube Mills by replacement of critical components with newly designed ones for job work. |
| (b) Additional Investments and proposal, if any, being implemented for reduction of consumption of energy. | No additional investment has been made during the year. There is no new proposal to invest. |
| (c) Impact of measures of (a) & (b) above for reduction of energy consumption and consequent impact on the cost of production of goods. | The Company is relying on existing arrangements for energy conservation. |
| (d) Total energy consumption per unit of production as per Annexure 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 |
|--|-------------------------------|

(C) FOREIGN EXCHANGE EARNINGS AND OUTGO:

- | | |
|---|----------------|
| (f) Activities relating to exports, initiatives taken to increase exports, development of new export markets for products and services and exports plans. | Not Applicable |
| (g) Total Foreign exchange used and earned.
Foreign exchange outgo. | NIL
NIL |

Place : Kanpur
Date : 20-08.2008

By Order of the Board,
(R. K. Jain) (R. K. Agarwal)
Director Director

QST LIMITED (2007-2008)**FORM - B****FORM FOR DISCLOSURE OF PARTICULARS WITH RESPECT TO ABSORPTION****(I) RESEARCH AND DEVELOPMENT (R & D):**

- | | |
|--|---|
| 1. Specific areas in which R & D carried out by the Company. | Due to Non - manufacturing activities not applicable. |
| 2. Benefits derived as a result of the above R&D | Nil |
| 3. Future Plan of action. | No new plan due to sickness of the Company. |
| 4. Expenditure on R & D | |
| (a) Capital | Nil |
| (b) Recurring | Nil |
| (c) Total | Nil |
| (d) Expenditure as a percentage of total turnover. | Nil |

(II) TECHNOLOGY ABSORPTION, ADAPTATION & INNOVATION :

- | | |
|---|--|
| 1. Efforts, in brief, made toward technology adsorption ,adaptation and innovation. | No new technology was required to be observed. |
| 2. Benefits derived as a result of the efforts. | Not applicable |
| 3. Details of imported Technology. | No new technology imported during the last five years. |

Corporate Governance Report For the Period 1st April 2007 to March 31st, 2008

A. Company's Philosophy :

At QST, we believe in philosophy of serving society through industry. This philosophy is backed by principles of concern, commitment, ethics, excellence and learning in all its acts and relationships with shareholders, customers, associates and community at large which has always propelled the group towards higher horizons.

At QST, we continue to strive to transform the business environment in which we operate.

We believe in the principles of trusteeship, fair and transparency in all our dealings. We endeavor to have a work culture, which is performance driven and conducive to improving discipline in all our personal and professional relationships.

The Company views corporate governance under the following major parameters ;

1. Transparency in relation to appointments, remuneration, meetings of the Directors on the Board of the Company, Responsibility and accountability of the Board of Directors.
2. Providing maximum possible information to the shareholders regarding the functioning and performance of the Company pertaining to financial and other non-financial matters.
3. Interest and External controls and audits.

The details composition of the existing Board of Directors is given below :

Name of the Directors	Designation	Executive/ Non-Executive Independent	No. of B. M. attended	Attend at last AGM Held
Shri S. S. Agarwal	Director	Non-Executive	7	Yes
Shri R. K. Jain	Director	Non-Executive	9	Yes
Shri R. K. Agarwal	Director	Non-Executive	9	Yes
Shri Ajai Kumar Jain	Director	Non-Executive	9	Yes
Shri-Navin Agarwal	Director	Non-Executive	1	No

B. Location of Plant :

The Company has one plant located at Bindki Road, Chaudagra, Distt. Fatehpur (U.P.)

C. Registered Office is located at Agarwala Building, The Mall, Kanpur.

D. Board of Directors :

1. Composition - The present strength of the Board of Directors is four. There are all non-executive Directors.
2. During the period under review, nine Board meeting were held on the following dates
 1. 28th April, 2007
 2. 29th June, 2007
 3. 30th July, 2007
 4. 27th Aug., 2007
 5. 29th Oct., 2007
 6. 17th Nov., 2007
 7. 3rd Dec., 2007
 8. 31st Jan., 2008
 9. 11th Mar., 2008