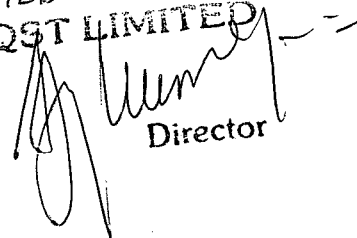


Annual Report

2008 - 2009



CERTIFIED TRUE COPY
For QST LIMITED


Director

QST LIMITED

QST LIMITED (2008-2009)

QST LIMITED ANNUAL REPORT 2008-2009

BOARD OF DIRECTORS :

Shri Raj Kumar Jain
Shri Radha Kishan Agarwal
Shri Ajay Kumar Jain
Shri Navin Agarwal
Shri Vinay Kumar Jain
Shri Amit Kumar Jain
Shri Arun Kumar Jain

AUDITORS :

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

BANKERS :

Bank of Baroda
ICICI Bank Ltd.
Canara Bank

REGISTERED OFFICE :

Agarwala Building
The Mall, Kanpur - 208004

WORKS :

Bindki Road
Distt. Fatehpur (U.P.)

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34th Annual General Meeting

Wednesday 2nd Day of September 2009 at 11.00 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 (2008-2009)**Notice :**

Notice is hereby given that the THIRTY FOURTH Annual General Meeting of the members of **QST LIMITED** will be held on Wednesday the 2nd day of September, 2009 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 Balance Sheet as at 31st March, 2009 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 Ajay 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 :**4. Appointment of Director**

To consider and if thought fit, to pass, with or without modification(s), the following resolution, as an Ordinary Resolution:

"RESOLVED THAT Shri Vinay Kumar Jain, be and is hereby appointed as director of the Company liable to retire by rotation."

5. Appointment of Director

To consider and if thought fit, to pass, with or without modification(s), the following resolution, as an Ordinary Resolution:

"RESOLVED THAT Shri Amit Kumar Jain, be and is hereby appointed as director of the Company liable to retire by rotation."

6. Appointment of Director

To consider and if thought fit, to pass, with or without modification(s), the following resolution, as an Ordinary Resolution:

"RESOLVED THAT Shri Arun Kumar Jain, be and is hereby appointed as director of the Company liable to retire by rotation."

By Order of the Board,

Place : Kanpur

(Ajay Kumar Jain)

Date : 03.08.2009

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 2nd September 2009 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, Phiroze 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 - 208 004

Explanatory Statement

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

Item No. 4 :

Shri Vinay Kumar Jain was appointed as an Additional Director on the board w.e.f 5th April 2009 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

QST LIMITED (2008-2009)

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 Vinay Kumar Jain will act as a Director liable to retire by rotation.

None of the Directors of the Company other than the appointee himself and Shri Ajay Kumar Jain being relative are interested or concerned in the above resolution.

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

appointee himself and Shri Ajay Kumar Jain being relative are interested or concerned in the above resolution.

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

By Order of the Board,

Place : Kanpur

Date : 03.08.2009

(Ajay Kumar Jain)

Director

ITEM NO. 5 :

Shri Amit Kumar Jain was appointed as an Additional Director on the board w.e.f. 5th April 2009 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 Amit Kumar Jain will act as Director liable to retire by rotation.

None of the Directors of the Company other than the appointee himself and Shri Ajay Kumar Jain being relative are interested or concerned in the above resolution.

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

ITEM NO. 6 :

Shri Arun Kumar Jain was appointed as an Additional Director on the board w.e.f. 2nd May, 2009 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 Arun Kumar Jain will act as Director liable to retire by rotation.

None of the Directors of the Company other than the

QST LIMITED (2008-2009)**DIRECTOR'S REPORT****To,**

The Members,

Your Directors have pleasure in presenting herewith the THIRTY FOURTH ANNUAL REPORT and the Audited Accounts of the Company for the year ended 31st March, 2009.

The financial figures are summarized as below :

FINANCIAL RESULTS :

Particulars	2008-09 (Rs. in Lacs)	2007-08 (Rs. in Lacs)
Sales and other Income	1313.06	323.41
Profit / (Loss) before Depreciation	1076.39	55.96
Depreciation.	25.39	26.44
Profit / (Loss) before Tax	1051	29.52
Less : Provision for taxation	(0.64)	(0.65)
Profit / (Loss) after Tax	1050.36	28.87
Balance brought forward from previous year.	(992.72)	(1021.59)
Transfer from General Reserve	NIL	NIL
Income Tax of Earlier Year	NIL	NIL
Balance Carried forward	57.63	(992.72)

DIVIDEND

In view of the accumulated losses of the Company, the Board does not recommend any dividend for the year 2008-2009.

OPERATION AND ACTIVITIES

As you know the Company is a Sick Industrial Company as per the provisions of Section 3(1) (0) of the Sick Industrial Companies (Special Provisions) Act, 1985. The Company has paid off all the dues of Punjab National Bank. The Company has settled dues under one time settlement scheme on dt. 24.12.08 and is regularly paying installments to Bank of Baroda. The Company has shown profit from remission of liability due to settlement of secured creditors and job work.

DIRECTORS :

Shri Ajay Kumar Jain Director of the Company retires from the Board by rotation at the ensuing Annual General Meeting and is eligible for re-appointment. During the year

Shri Vinay Kumar Jain and Shri Amit Kumar Jain were appointed as Additional Directors w.e.f. 05.04.09 and Shri Arun Kumar Jain was appointed as Additional Director w.e.f. 02.05.09. They will hold the office upto the date of ensuing Annual General Meeting. Shri Raj Kumar Jain, Shri Radhakrishan Agarwal and Shri Navin Agarwal have tendered their resignation and ceased to be Directors w.e.f. 08.04.09.

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.

AUDITOR'S REPORT :

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

COMPLIANCE CERTIFICATE :

As per the provisions of Sec. 383A of the Companies Act, 1956 the Company has obtained Compliance Certificate from M/s. K. N. Shridhar & Associates, a firm of Practicing Company Secretaries for the Financial Year 2008-09.

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 :-

QST LIMITED (2008-2009)

- i) that in the preparation of the Annual Accounts, the applicable Accounting Standards have been followed along with proper explanation relating to material departures;
- ii) that 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 31st March, 2009 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.

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	(Ajay Kumar Jain) (Vinay Kumar Jain)
Date : 03.08.2009	Director Director

LISTING AGREEMENT :

Company's shares are listed / quoted at the following Stock Exchanges :

1. The U.P. Stock Exchange Association Ltd. Padam Tower 14/113, Civil Lines, Kanpur.
2. Bombay Stock Exchange, Phiroze Jeejeebhoy Tower, Dalal Street, Mumbai.
3. The Delhi Stock Exchange Association Ltd., DSE House, 3/1, Asaf Ali Road, 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,

QST LIMITED (2008-2009)**ANNEXURE TO DIRECTOR'S REPORT FOR THE YEAR ENDED 31ST MARCH, 2009****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 were 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. | NIL |
| Foreign Exchange outgo. | NIL |

By Order of the Board,

Place : Kanpur
Date : 03.08.2009

(Ajay Kumar Jain)
Director

(Vinay Kumar Jain)
Director

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 towards 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.

QST LIMITED (2008-2009)**COMPLIANCE CERTIFICATE**

Under Rule 3 of the Companies (Compliance Certificate) Rules, 2001

Name of the Company : **QST LIMITED**
 Registration No.: L22219UP1975PLC004105
 Nominal Capital : Rs. 4.00 Crore

To,
 The Members
 QST Limited,
 Agarwala Building, The Mall,
 Kanpur.

I have examined the registers, records, books and papers of M/s QST Limited (the Company) as required to be maintained under the Companies Act, 1956, (the Act) and the Rules made thereunder and also the provisions contained in the Memorandum and Articles of Association of the Company for the Financial Year ended on 31st March, 2009. In my opinion and to the best of my information and according to the examinations carried out by me and explanations furnished to me by the Company, its officers and agents, I certify that in respect of the aforesaid financial year:

1. The Company has kept and maintained all registers as stated in Annexure 'A' to this certificate, as per the provisions and the rules made thereunder and all entries therein have been duly recorded.
 2. The Company has duly filed the forms and returns as stated in Annexure 'B' to this certificate, with the Register of Companies, Regional Director, Central Government, Company Law Board or other rules made thereunder wherever required.
 3. The Company being a Public Company, the comments are not required.
 4. The Board of Directors duly met 7 (seven) times on 29.04.08, 28.07.08, 27.08.08, 30.10.08, 24.12.08, 31.01.09 and 25.03.2009 in respect of which proper notices were given and the proceedings were properly recorded and signed in
5. The Company has observed record date on 20th September, 2008 during the Financial Year.
 6. The Annual General Meeting for the Financial Year ended on 31.03.2008 was held on 20.09.2008 after giving due notice to the members of the Company and the resolutions passed thereat were duly recorded in Minutes Book maintained for the purpose.
 7. No Extra Ordinary General Meeting was held during the Financial Year.
 8. The Company has not advanced any loans to directors, persons, companies or firms as referred under Section 295 of the Act.
 9. The Company has not entered into any contracts falling within the purview of Section 297 of the Act.
 10. The Company was not required to make any entries in the register maintained under Section 301 of the Act.
 11. As there were no instances falling within the purview of Section 314 of the Act, the Company has not obtained any approvals from the Board of Directors, Members or Central Government.
 12. The Company has not issued any duplicate share certificates during the Financial Year.
 13. The Company:
 - i. has delivered all the certificates on lodgment thereof for transfer / transmission or any other purpose in accordance with the provisions of the Act, there was no allotment of shares during the year.

QST LIMITED (2008-2009)

- ii. has not deposited any money in a separate Bank Account as no dividend was declared during the Financial Year.
 - iii. was not required to post warrants to any member of the Company as no dividend was declared during the Financial Year.
 - iv. has no unpaid, unclaimed dividend account, application money, matured deposits, matured debentures and the interest accrued thereon, due for payment, which have remained unclaimed or unpaid for a period of seven years required to be transferred to Investor Education and Protection Fund;
 - v. has duly complied with the requirements of Section 217 of the Act..
14. The Board of Directors of the Company is duly constituted. There was no appointment of Additional Directors, Alternate Directors and Directors to fill casual vacancy during the Financial Year.
 15. There was no appointment of Managing Director / Whole time Director during the Financial Year in the Company.
 16. The Company has not appointed any Sole Selling Agent during the Financial Year.
 17. The Company was not required to obtain any approval of the Central Government, Company Law Board, Regional Director, Registrar and / or such authorities prescribed under the various provisions of the Act during the financial year.
 18. The Directors have disclosed their interest in other Firms / Companies to the Board of Directors pursuant to the provisions of the Act and the rules made thereunder.
 19. The Company has not issued Equity shares during the Financial Year.
 20. The Company has not bought back any shares during the Financial Year.
 21. There was no redemption of preference shares or debentures during the Financial Year as such there was none.
 22. There were no transaction necessitating the Company to keep in abeyance the rights to dividend, rights shares and bonus shares pending registration of transfer of shares.
 23. The Company has not accepted deposits including any unsecured loans falling within the purview of Section 58A during the Financial Year.
 24. The Company has not made any borrowings during the Financial Year.
 25. The Company has not made any loans or advances or provided securities to and consequently no entries have been made in the register kept for the purpose.
 26. The Company has not altered the provisions of the Memorandum with respect to situation of the Company's Registered Office from one State to another during the year under scrutiny.
 27. The Company has not altered the provisions of Memorandum with respect to name of the Company during the year under scrutiny.
 28. The Company has not altered the provisions of Memorandum with respect to object of the Company during the year under scrutiny.
 29. The Company has not altered the provisions of Memorandum with respect to share capital of the Company during the year under scrutiny.
 30. The Company has not altered its Articles of Association during the Financial Year.