

Annual Report
2011 - 2012



PREMIER PIPES LIMITED

(Formerly Known as QST Limited)

PREMIER PIPES LIMITED
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ANNUAL REPORT
2011-2012

BOARD OF DIRECTORS:

Mr. AJAY KUMAR JAIN, *Managing Director*
Mr. VINAY KUMAR JAIN, *Whole Time Director*
Mr. AMIT KUMAR JAIN, *Non Executive Director*
Mr. ARUN KUMAR JAIN, *Non Executive Director*
Mr. SATISH KUMAR GARG, *Independent Director*
Mr. SANJAY KUMAR AGARWAL, *Independent Director*
Mr. SATYA NARAIN DUBEY, *Independent Director*
Mr. SHYAM BABU GUPTA, *Independent Director*

BANKERS:

State Bank of India
Kotak Mahindra Bank Ltd.

AUDITORS:

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

COMPANY SECRETARY:

Mr. Vaibhav Shukla

**REGISTRAR AND SHARE
TRANSFER AGENT:**

Skyline Financial Services Pvt. Ltd.
D- 153A, 1st Floor, Okhla Industrial
Area, Phase-I, New Delhi 110 020

CORPORATE LAW ADVISORS:

K. N. Shridhar & Associates
Company Secretaries
Kanpur

ADMINISTRATIVE OFFICE:

Som Biz ness Xqure,
4th Floor, 1-The Mall, Kanpur

REGISTERED OFFICE:

Agarwala Building,
The Mall,
Kanpur

WORKS:

Bindki Road,
Distt. Fatehpur (U.P.)

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37th Annual General Meeting

Saturday 29th Day of September 2012 at 12.30 P.M. at Som Biz-ness Xqure, 4th Floor, 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

Notice :

Notice is hereby given that the THIRTY SEVENTH Annual General Meeting of the members of **PREMIER PIPES LIMITED** will be held on Saturday the 29th Day of September, 2012 at 12.30 P.M. at the Administrative office of the Company at Som Biz - ness Xpure, 4th Floor, 1, The Mall, Kanpur - 208 001 to transact the following business :-

1. To receive, consider and adopt the Audited Balance Sheet as at 31st March, 2012 and the Profit & Loss Account for the year ended on that date together with the reports of the Directors and the Auditors thereon.
2. To appoint a Director in place of Mr. Vinay Kumar Jain who retires by rotation and being eligible, offers himself for re-appointment.
3. To appoint a Director in place of Mr. Sanjay Kumar Agarwal who retires by rotation and being eligible, offers himself for re-appointment.
4. To appoint a Director in place of Mr. Satish Kumar Garg who retires by rotation and being eligible, offers himself for re-appointment.
5. 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.

By Order of the Board of Directors
For PREMIER PIPES LIMITED

Place : Kanpur
Date : 14.08.2012

Vaibhav Shukla
Company Secretary

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 A PROXY NEED NOT BE A MEMBER OF THE COMPANY. THE PROXY IN ORDER TO BE EFFECTIVE MUST BE DEPOSITED AT THE REGISTERED OFFICE OF THE COMPANY NOT LESS THAN FORTY EIGHT HOURS BEFORE THE COMMENCEMENT OF THE MEETING.
2. Members desirous of any information on the accounts are requested to send their queries atleast ten days before the meeting to enable the management to keep the information ready.
3. The Register of Member and Share Transfer Books of the Company shall remain closed from 23.09.2012 to 29.09.2012 (both days inclusive).
4. Members who have multiple folios with identical order of names are requested to intimate to the Company those folios to enable the Company to consolidate all shareholdings into one folio.
5. In case of physical transfer or transmission of shares, copy of PAN Card of the transferee is mandatory.
6. Members are requested to notify changes in their address quoting their Registered Folio Nos. to the Company or its RTA.
7. As per the provisions of the Companies Act, 1956, facility for making nomination is available to the Shareholders in respect of shares held by them. The nomination can be made by filing the prescribed Form No. 9B. Nomination forms may also be requisitioned from the Company.
8. The addresses of Stock Exchanges where Company's Shares are listed are:
 1. The U.P. Stock Exchange Association Ltd. Padam Tower, 14/113, Civil Lines, Kanpur.
 2. Bombay Stock Exchange, Phiroze Jeejeebhoy Towers, Dalal Street, Mumbai 400 001
 3. The Delhi Stock Exchange Association Ltd. DSE House, 3/1, Asaf Ali Road, New-Delhi -110 002
10. The Company has appointed M/s Skyline Financial Services (P) Limited as Registrar and Share Transfer Agent of the Company. Any query in this regard shall be entertained by:
M/s Skyline Financial Services (P) Limited,
D-153/A, 1st Floor Okhla Industrial Area Phase-1,
New Delhi 110 020

Important Communication to Members

To allow paperless compliances by the Companies, the Ministry of Corporate affairs has taken a "Green Initiative in the Corporate Governance". It has issued circulars stating that service of notice/documents including Annual Report can be sent by e-mail to its members. To support this green initiative of the Government, members who have not registered their e-mail addresses, so far are requested to register & who have registered may kindly update their e-mail address to the Company or its Registrar.

DIRECTORS' REPORT

To,
The Members,

Your Directors have pleasure in presenting herewith the **THIRTY SEVENTH ANNUAL REPORT** and the Audited Accounts of the Company for the year ended 31st March, 2012.

The financial figures are summarized below :

FINANCIAL RESULTS :

Particulars	2011-12 (Rs. inLacs)	2010-11 (Rs. inLacs)
Sales and other Income	2054.84	3892.93
Profit/ (Loss) before Depreciation	64.51	68.91
Depreciation	46.01	40.09
Profit / (Loss) before Tax	18.50	28.81
Less : Provision for taxation	3.55	4.50
Profit / (Loss) after Tax	14.95	24.31

DIVIDEND :

In view of the little work of the Company, the Board does not recommend any dividend for the year 2011-2012.

FINANCIAL PERFORMANCE :

The Company has achieved the sales and other Income of Rs. 2054.84 lacs against Rs. 4027.18 lacs reported last year. The Profit after tax was Rs. 14.95 lacs during the year.

OPERATION AND ACTIVITIES :

The Company has started its manufacturing as well as trading activities and is in a recovering phase. Further, the suspension in trading in securities of the Company has been revoked w.e.f. 13th August 2012 and the Company has entered into tripartite agreement with both the Depositories i.e. NSDL and CDSL and obtained ISIN number for dematerialization of the securities of the Company.

DIRECTORS :

Mr. Vinay Kumar Jain, Mr. Sanjay Kumar Agarwal and Mr. Satish Kumar Garg, Directors of the Company retire from the Board by rotation at the ensuing Annual General Meeting and are eligible for re-appointment.

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

COMPLIANCE CERTIFICATE :

As per the provisions of Section 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 2011-2012.

COST AUDIT :

The Central Government vide its Order No. 52/86 CAB- 1991 dated 16th April, 1991 has directed the Company to carry out audit of the Cost Accounts maintained by the Company in respect of Steel Tubes and Pipes. Your Board has appointed Cost Auditor, qualified from ICWAI, to carry out the cost audit for this purpose.

CORPORATE GOVERNANCE:

A separate statement on Corporate Governance is enclosed as a part of the Director's Report along with the Certificate for Compliance as Annexure I and the Management Discussion and Analysis as Annexure II to this Report.

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 Annexure III & form part of this report.

DIRECTORS RESPONSIBILITY STATEMENT :

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

- 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, 2012, 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 Limited, Padam Tower 14/113, Civil Lines, Kanpur.
2. Bombay Stock Exchange Limited, Floor 25, Phiroze Jeejeebhoy Tower, Dalal Street, Mumbai.
3. The Delhi Stock Exchange Association Limited, DSE House, 3/1 Afaf Ali Road, New Delhi.

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

Kanpur
14.08.2012

(Ajay Kumar Jain) (Vinay Kumar Jain)
(Managing Director) (Whole Time Director)

Corporate Governance Report 1st April, 2011 to 31st March, 2012.

Annexure I

1. COMPANY'S PHILOSOPHY ON CORPORATE GOVERNANCE:

At PREMIER PIPES LIMITED, 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 PREMIER PIPES LIMITED, 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. Internal and External controls and audits.

2. BOARD OF DIRECTORS:

As on 31st March 2012, the Board of Premier Pipes Limited comprises of two Executive Directors (Managing Director and Whole Time Director) and Six Non-Executive Directors. Out of Six, Four Non-Executive Directors are Independent Directors.

The composition of the Board of Directors, attendance of each director at the Board of Directors' Meeting and at the last Annual General Meeting and number of memberships of committees of each director are as follows:

Name of Directors	Categories	No. of Board Meetings attended	Attendance at last AGM	No. of other Directorship		No. of other Committee Membership	
				Public	Private	Chairman	Member
Mr. Ajay Kumar Jain	Promoter Executive Director	13	Yes	2	1	-	-
Mr. Vinay Kumar Jain	Promoter Executive Director	13	Yes	2	5	-	-
Mr. Amit Kumar Jain	Promoter Non-Executive Director	13	Yes	3	3	-	-
Mr. Arun Kumar Jain	Promoter Non-Executive Director	06	Yes	2	5	-	-
Mr. Satish Kumar Garg	Non-Executive & Independent Director	07	Yes	-	-	-	-
Mr. Sanjay Kumar Agarwal	Non-Executive & Independent Director	06	Yes	2	12	-	-
Mr. Satya Narain Dubey	Non-Executive & Independent Director	05	Yes				
Mr. Shyam Babu Gupta	Non-Executive & Independent Director	08	Yes				

Details of Board Meeting held during the year 2011-12

The Board of Directors duly met 13 (thirteen) times on 4th April 2011, 10th May 2011, 27th May 2011 28th Jun 2011, 30th Jun 2011, 18th July 2011, 10th August 2011, 8th September 2011, 11th November 2011, 1st February 2012, 10th February 2012, 20th February 2012, 23rd March 2012, respect of which proper notices were given and the proceedings were properly recorded and signed in the Minutes Book maintained for the purpose.

3. AUDIT COMMITTEE:

Terms of reference of the Audit Committee include review of:

- Financial statements and draft audit report, including quarterly/half-yearly financial information;
- Reports relating to compliance with laws and to risk management;
- Management letters/ letters of internal control weakness issued by statutory/internal auditors; and
- Records of related party transactions
- Any change in accounting policies and practices.

During the year, four meetings were held one of which was before finalization of accounts. The said meetings were held on 27th May 2011, 10th Aug 2011, 11th Nov 2011, 10th Feb 2012.

During the year the Committee was re-constituted and the present composition of the committee and attendance of each member is as below :

Name	Category	Designation	No. of Meetings attended
Mr. Satish Kumar Garg	Independent Director	Chairman	4
Mr. Sanjay Kumar Agarwal	Independent Director	Member	4
Mr. Shyam Babu Gupta	Independent Director	Member	3
Mr. Ajay Kumar Jain	Executive Director, CEO	Member	4

4. REMUNERATION COMMITTEE:

During the year the Committee was re-constituted and the present composition of the committee is :

Name	Category	Designation
Mr. Satya Narain Dubey	Independent Director	Chairman
Mr. Amit Kumar Jain	Non-Executive Director	Member
Mr. Arun Kumar Jain	Non-Executive Director	Member