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ANNUAL REPORT 1999-2000

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RAJASTHAN TUBE
MANUFACTURING COMPANY LTD.

RAJASTHAN TUBE MANUFACTURING COMPANY LIMITED

Annual Report 1999-2000

BOARD OF DIRECTORS :

SHRI HARISH CHAND JAIN
(Chairman & Managing Director)

SHRI ASHOK KUMAR JAIN

SHRI RAMESH KUMAR JAIN

SHRI PRAKASH CHAND JAIN

SHRI SANJAY SETHI

SHRI SUNIL KUMAR JAIN

AUDITORS :

PRAMOD & ASSOCIATES
Chartered Accountants
JAIPUR.

BANKERS :

STATE BANK OF BIKANER & JAIPUR

SHARE TRANSFER AGENT :

BEETAL FINANCIAL & COMPUTER SERVICES (P) LTD.,
321-S, III Floor, Chirag Delhi,
Near Shahid Bhagat Singh College,
New Delhi - 110017.

REGISTERED OFFICE :

S-53, Raisar Plaza,
Indira Bazar, JAIPUR.

WORKS :

B-61, Ambaji Industrial Area,
Abu Road, (SIROHI)

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RAJASTHAN TUBE MANUFACTURING COMPANY LIMITED**RAJASTHAN TUBE MANUFACTURING
COMPANY LIMITED****NOTICE**

Notice is hereby given that the 14th Annual General Meeting of RAJASTHAN TUBE MANUFACTURING COMPANY LIMITED will be held at **ANOKHA GAON**, Near Road No.14, Vishwakarma Industrial Area, Sikar Road, Jaipur on **Saturday the 26th August, 2000 at 10 A.M.** to transact the following business:

ORDINARY BUSINESS :

1. To receive, consider and adopt the Profit & Loss Account for the year ended on 31st March, 2000, Balance Sheet as on that date, the Directors' Report and Auditors' Report thereon.
2. To appoint Directors in place of those retiring by rotation.
3. To appoint Auditors of the company and to fix their remuneration from the conclusion of this meeting until the conclusion of the next Annual General Meeting, M/s Pramod & Associates, Chartered Accountants, Jaipur, the retiring auditors of the company are eligible for reappointment.

SPECIAL BUSINESS

4. To consider and if thought fit to pass with or without modifications the following Resolution as a Special Resolution :

"Resolved That pursuant to the provisions of Section 81 (1A) and other applicable provisions, if any, of the Companies Act, 1956 and in accordance with the provisions of the Memorandum and Articles of Association of the Company and the regulations/guidelines prescribed by the Government of India/RF serve Bank of India ("RBI")/ The Securities and Exchange Board of India ("SEBI") or any other relevant authority from time to time in this behalf to the extent applicable and subject to such approvals, consents, permissions and sanctions and subject to such conditions as may be prescribed by any of them while granting such approvals, consents, permissions and sanctions which the Board of Directors of the Company (hereinafter referred to as "the Board" which term shall be deemed to include any committee constituted/ to be constituted by the Board to exercise its powers, including the powers conferred by this Resolution) is hereby authorised to accept, the Board be and it is hereby authorised on behalf of the Company to create issue offer and allot for a cash on preferential basis by private placement in one or more tranches, Equity Shares, preference Shares, securities

RAJASTHAN TUBE MANUFACTURING COMPANY LIMITED

convertible into Equity Shares, securities linked to Equity Shares, Convertible/Non Convertible Debentures/Bonds with or without detachable Warrants attached with a right to convert into Equity Shares, and or Equity Warrants with an entitlement to Equity Shares, or any combination of these instruments (hereinafter referred to as "Securities") as the Board at its sole discretion may decide, to individuals, Domestic/Overseas Corporate Bodies, Indian Mutual Funds, Foreign institutional Investors, Non Resident Indians, Indian Financial Institutions, Banks, Investment Institutions and to such other persons, whether Members of not (hereinafter referred to as "the Investors") at such price or prices (including premium if any) not lower than the price calculated in accordance with SEBI Guidelines for preferential issue, as the Board may in its absolute discretion think fit and on such terms and conditions, including the number of Securities to be issued, amount of premium, rate of dividend/interest and related or incidental matters, provided that the number of Equity shares ultimately arising pursuant to this Resolution shall not exceed 10,00,000 (Ten lakhs) Shares of face value of Rs. 10/- each.

"Resolved Further That subject of the terms stated herein, the Securities to be allotted shall rank pari passu, in all respects with the existing equity shares of the Company, except, that the new Equity Shares allotted shall qualify for dividend declared, if any, in respect of the financial year in which they have been allotted, prorate for the period commencing from the date of allotment and on the amount paid-up thereon.

"Resolved Further That the issue and allotment of Securities to Non-Resident Indians, Overseas Corporate Bodies, Foreign Institutional investors and/or any other overseas entity will be on repatriation basis, subject to the approval of the Government of India and/or Reserve Bank of India, if Required."

"Resolved Further That such of these Securities to be issued, as are not subscribed may be disposed of by the Board of such persons and in such manner and on such terms as the Board may decide in the beneficial interests of the Company, including offering or placing them with Banks, Financial Institutions, Investment Institutions, Mutual Funds, Foreign Institutional investors and/or such other persons as the Board may in its absolute discretion decide."

"Resolved Further That for the purpose of giving effect of any offer, issue or allotment of Equity Shares and/or Warrants, that may be made in pursuance of this resolution, the Board be and it is hereby authorised on behalf of the Company to do all such acts, deeds, matters and, things as it may, in its absolute discretion, deem necessary or desirable for such purpose and with power on behalf of the Company to settle all questions, difficulties or doubts that may arise in regard to such issue and/or allotments (s) (including to amend or modify any of the terms of such issue or allotment), without being required to seek any further consent or approval of the Members, as it may, in its absolute discretion, deem fit, and is further authorised to delegate all or any of the powers herein conferred to any committee of Directors."

RAJASTHAN TUBE MANUFACTURING COMPANY LIMITED

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

"Resolved That Mr. Sanjay Sethi, who was appointed an additional Director of the Company by the Board of Directors and who ceases to hold office under section 260 of the companies Act 1956 and in respect of whom the company has received a notice in writing proposing his candidature for the office of director, be and is hereby appointed as Director of the company liable to retire by rotation."

- (6) To consider and, if thought fit, to pass the following Resolution with or without modifications as an ordinary Resolution :

"Resolved That Mr. Sunil Kumar Jain, who was appointed an additional Directors of the Company by the Board of Directors and who ceases to hold office under section 260 of the companies act, 1956 and in respect of whom the company has received a notice in writing proposing his candidature for the office of Director, be and in hereby appointed as Director of the company liable to retire by rotation."

Registered Office :
S-53 Raisar Plaza,
Indira Bazar,

JAIPUR
Dated :14th July, 2000

By order of the Board

Sd/-
(RAMESH CHAND JAIN)
DIRECTOR

Notes :

1. A member entitled to attend and vote at the meeting is entitled to appoint one or more proxies to attend and vote on a poll instead of himself and the proxy need not be a member of the company. The proxy form duly completed and stamped must reach the Registered Office of the company at S-53 Raisar Plaza, Indira Bazar, Jaipur not less than 48 hours before the time of holding the aforesaid meeting.
2. Shareholders are requested to advise the company immediately of any change in their addresses.
3. The Register of Members and Share Transfer Books of the Company will remain closed from 24th August, 2000 to 26th August, 2000 (both dates inclusive).
4. Members are requested to quote their folio numbers in all their correspondence.
5. Members are requested to bring their copies of Annual Report to the meeting.
6. The shareholders desiring any information as regards accounts are requested to write to the Company at an early date so as to enable the Management to keep information ready.
7. Members are requested to bring with them the attendance slip and hand it over at entrance duly signed by them.

RAJASTHAN TUBE MANUFACTURING COMPANY LIMITED**EXPLANATORY STATEMENT PURSUANT TO
SECTION 173 (2) OF THE COMPANIES ACT 1956**

The following Explanatory statements pursuant to section 173 of the Companies Act, 1956 set out all material facts relating to the special business mentioned in the accompanied notice dated 14th July, 2000.

Item nos.4 :

In order to plan for long term financial sources as well as for Working Capital needs, it was proposed to raise additional finance. The additional finance is proposed to raise through preferential allotment of equity shares. This method of raising finance require approval of members of the company by way of special resolution under section 81 of the companies Act, 1956 in terms of SEBI guidelines.

The members are requested to authorise the Board of Directors to finalise the same and to take decisions from time to time in this connection.

The directors of the company may be deemed to be concerned or interested to the extent the securities as may be offered to their relative or concern under the same management under this resolution.

Item Nos. 5 :

Mr. Sanjay Sethi was appointed an additional Director of the company on 31.12.1999 by the Board of Director of the Company, Shri Sanjay Kumar Sethi is directly related in the field of marketing, sales (in side Rajasthan) and administration as Jaipur.

According to the provisions of section 260 of the companies Act, 1956 he holds office as Director only upto the date of the ensuing annual General Meeting. As required by section 257 of the Act a notice has been received from member signifying his intention to propose his appointment as a Director.

Having regard to Shri Sanjay Sethi Vast experience and in depth knowledge, the Board of Director consider that the continuance of Shri Sanjay Sethi as Director of the company will be highly beneficial to the company.

None of the Directors except Shri Sanjay Sethi in concerned or interested in the resolution.

Item No. 6 :

Mr. Sunil Kumar Jain, was appointed an Additional Director of the company on 10th July, 2000 by the board of Directors of the company. Shri Sunil Kumar Jain is directly related in the field of sales, liaison with Govt. Deptt.

According to the provisions of section 260 of the companies Act, 1956 he holds office as Director only upto the date of the ensuing annual General Meeting. As required by section 257 of the Act a notice has been received from member signifying his intention to propose his appointment as a Director.

Having regard to Shri Sunil Kumar Jain vast experience and in depth knowledge the Board of Director consider that the continuance of Shri Sunil Kumar Jain as Director of the company will be highly beneficial to the company.

None of the Directors except Shri Sunil Kumar Jain is concerned or interested in the resolution.

RAJASTHAN TUBE MANUFACTURING COMPANY LIMITED**RAJASTHAN TUBE MANUFACTURING
COMPANY LIMITED****DIRECTORS' REPORT**

Dear Shareholders,

Your Directors have pleasure in presenting their Fourteenth Annual Report on the operations of your company together with audited statement of accounts for the year ended on 31st March, 2000.

1. FINANCIAL RESULTS :

	For the year ended on 31.3.2000 (Rs.in lacs)	For the year ended on 31.3.1999 (Rs.in lacs)
Total Sales & Other Income	3699.74	4123.48
Profit Before Interest & Depreciation	161.17	167.14
Interest	93.98	86.28
Profit Before Depreciation	67.19	80.86
Depreciation	57.15	42.86
Deferred Revenue Expenses W/o	2.07	2.07
Net Profit before Taxation	7.97	35.93
Provision for Taxation	0.92	4.05
Net Profit after Taxation	7.05	31.88

2. DIVIDEND :

Your Directors are unable to recommend any dividend during the year under review with a view to conserve funds for the proposed diversification plans.

3. YEAR IN RETROSPECT :

During the year under review, the sales and other income during the year decreased to Rs.3699.74 Lacs as compared to Rs.4123.48 Lakh in the previous year registering an decrease of 10.28% on annualised basis. The profit after tax during the year was decreased to Rs.7.05 lacs as compared to Rs. 31.88 lacs in the previous year.

4. PROJECT IMPLEMENTATION :

The installation of another pipe mill for manufacturing of Black Steel Pipes ranging dia 3" to 6" has been successfully implemented the production in the mill has been started with effect from 07.01.2000.

RAJASTHAN TUBE MANUFACTURING COMPANY LIMITED**5. FUTURE PROSPECTS :**

The Company has also received IS: 3589 for its Black Pipes. Your Directors hope that during this year turnover and profit shall increase substantially due to commencement of production in the new Pipe of Mill and better capacity utilisation in galvanised and M.S.Pipe Plant.

6. EXPANSION/DIVERSIFICATION :

The company has also planned to diversify in rigid PVC PIPE project.

7. DISCLOSURE UNDER THE LISTING AGREEMENTS :**(A) CASH FLOW STATEMENT**

Cash Flow Statement pursuant to Clause 32 of the Listing agreement is annexed herewith as annuxure "A" and forms part of this report.

(B) LISTING OF SHARES

Presently the equity shares of the company are listed at the following recognised Stock Exchanges.

(i) The Jaipur Stock Exchange Limited ,Jaipur

(ii) The Stock Exchange Mumbai,Mumbai.

(iii) The Delhi Stock Exchange Association Limited,New Delhi.

The Stock Exchange Ahmedabad has delisted shares of the company with effect from 03.04.2000 in response to delisting application made by the company on dated 10.06.1999.

The application of the company dated 10.06.1999 for delisting of shares from the Delhi Stock Exchange Association Limited, New Delhi is still pending with the concerned Exchange.

The Company has paid the annual listing fees for the year 1999-2000 to the stock exchanges except to stock exchange where the company has applied for delisting of shares of the company.

8. FIXED DEPOSITS :

The Company has not accepted any fixed deposit during the year under report.

9. Y2K COMPLIANCE :

The Board does not foresee any risk arising out of Y2K compliance as the systems in the company are Y2K compliant. Hence no additional cost is envisaged on this account.

10. PARTICULARS OF EMPLOYEES :

Particulars of employees as required under section 217 (2A) of the Companies Act,1956 read with companies particulars of employees rules,1975 as amended and information as

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per Companies disclosure of particulars in the report of Board of Director Rules, 1988 is nil.

11. PARTICULARS OF ENERGY CONSUMPTION ETC :

The information pursuant to sub-section 1(e) of the section 217 of the Companies Act, 1956 read with the Companies (Disclosure of particulars in the Report of Board of Directors) Rules, 1988 is either nil or not applicable.

12. DIRECTORS :

Shri Ashok Kumar Jain, Director of the Company retire by rotation at the forthcoming Annual General Meeting and being eligible offer himself for reappointment.

During the year under review, the RILCO Ltd. has withdraw its nominee, Shri Govind Saran Agrawal from the Directorship of the company with effect from 14-12-1999.

Your Directors have coopted Shri Sanjay Sethi & Shri Sunil Kumar Jain, an additional Directors of the Company, under section 260 of the Companies Act, 1956. They shall vacate office on the date of ensuing Annual General Meeting and shall be seeking election for the office of Director of the Company, your Director welcome of Shri Sanjay Sethi and Shri Sunil Kumar Jain and are confident that the company shall be immensely benefited by their mature guidance.

13. AUDITORS :

M/s Pramod & Associates, Chartered Accountants, Jaipur retire and being eligible, offer themselves for reappointment. The observations of the Auditors have been suitably dealt with in the notes on accounts.

14. ACKNOWLEDGEMENTS :

Your Directors are grateful to the Government authorities, financial institutions, bankers, business constituents for their continued cooperation and timely support to the company.

Your Directors also express their deep appreciation for the devoted services by workers, staff and executives at all levels of operations in achieving the results for the year.

Industrial relations continued to remain happy and cordial.

Registered Office :

S-53 Raisar Plaza,

Indira Bazar,

JAIPUR

Dated : 14th July, 2000

For and on Behalf of the Board

Sd/-

(HARISH CHAND JAIN)

Chairman & Managing Director