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# **ANNUAL REPORT**

Report **2002-2003** .com



**RAJASTHAN TUBE**  
**MANUFACTURING COMPANY LTD.**

**RAJASTHAN TUBE MANUFACTURING COMPANY LIMITED**

**Annual Report 2002-2003**

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**BOARD OF DIRECTORS :**

**SHRI HARISH CHAND JAIN**  
(Chairman & Managing Director)

**SHRI SANJAY SETHI**

**SHRI SUNIL KUMAR JAIN**

**SHRI DEEPESH JAIN**

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**AUDITORS :**

**PRAMOD & ASSOCIATES**  
Chartered Accountants  
JAIPUR

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**BANKERS :**

**STATE BANK OF BIKANER & JAIPUR**

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**SHARE TRANSFER AGENT :**

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

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**REGISTERED OFFICE :**

404, Shekhawati Complex,  
Station Road, JAIPUR.

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**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 17th Annual General Meeting of RAJASTHAN TUBE MANUFACTURING COMPANY LIMITED will be held at ANOKHA GAOH, Near Road No.14, Vishwakarma Industrial Area, Sikar Road, Jaipur on Saturday the 27th September, 2003 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, 2003, 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 modification the following resolution as a ordinary resolution:

"Resolved that Mr. Deepesh Jain 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."

Registered Office :  
404, Shekhawati Complex,  
Station Road,

JAIPUR

Dated : 11th August, 2003

By order of the Board

Sd/-  
(SUNIL KUMAR JAIN)  
DIRECTOR

## RAJASTHAN TUBE MANUFACTURING COMPANY LIMITED

### 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 404, Shekhawati Complex, Station Road, 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 25th September, 2003 to 27th September, 2003 (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.

### EXPLANATORY STATEMENT PURSUANT TO SECTION 173 (2) OF THE COMPANIES ACT, 1956

The following explanatory statement 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 11th Aug., 2003.

#### ITEM NO. 4

Mr. Deepesh Jain, was appointed an additional Director of the company on 30.01.2003 by the board of Directors of the company. Shri Deepesh Jain is directly related in the field of finance, liason with Govt. Deptt.

According to provision of section 260 of the companies act, 1956 he holds office as Director only up to 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 Deepesh Jain vast experience and in depth knowledge the board of Director consider that the continuance of Shri Deepesh Jain as Director of the company will be highly beneficial to the company.

None of the Directors except Shri Deepesh 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 Seventeenth Annual Report on the operations of your company together with audited statement of accounts for the year ended on 31st March, 2003.

**1. FINANCIAL RESULTS :**

	For the year ended on 31.3.2003 (Rs.in lacs)	For the year ended on 31.3.2002 (Rs.in lacs)
Total Sales & Other Income	3508.45	3291.57
Profit Before Interest & Depreciation	136.65	153.33
Interest	86.29	99.40
Profit Before Depreciation	50.36	53.93
Depreciation	41.55	45.16
Net Profit before Taxation	8.81	8.77
Provision for Taxation	0.70	0.68
Net Profit after Taxation	8.11	8.09

**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 increased to Rs.3508.45 Lacs as compared to Rs.3291.57 Lakh in the previous year. The profit after tax during the year was increased to Rs. 8.11 lacs as compared to Rs. 8.09 lacs in the previous year.

**4. MANAGEMENT DISCUSSION & ANALYSIS REPORT:****(a) INDUSTRY STRUCTURE & DEVELOPMENT :**

Activities of your company come under the category of steel tube industry. With the increased activity in housing and agriculture, the future of the steel tube industry shall continue to remain encouraging.

## RAJASTHAN TUBE MANUFACTURING COMPANY LIMITED

### (b) OPPORTUNITIES, THREATS RISK & CONCERNS :

Presently major requirements of pipes in Rajasthan are being met through units situated outside Rajasthan. The pipes manufactured by the company would be able to compete effectively in the market as they would have a clear price advantage over the other outside suppliers because of lower transportation cost benefits applicable to the company.

The company's product shall enjoy 4% price preference and 80% purchase preference in all Govt. & semi Govt. organisation of Rajasthan Govt.

Steel Tube and pipe industry is expected to show good prospects in view of increased availability of H.R. Coils being basic raw material to manufacture M.S. Steel Tube.

More units with similar facility may come up resulting in greater competition and lower price realisation.

Changed state Govt. policies may effect the profitability of the company

The steel tube industry is subject to market cycle and as constituent of the industry. Your company is also exposed to these constituents. rise in price H.R. Coils, Zinc are also a matter of concern.

### (c) SEGMENT :

The operations of the company is covered in one segment only i.e. steel tube segment.

### (d) OUTLOOK :

Having regard to the prevailing circumstances your company visualizes a hopeful growth in the industry.

### (e) INTERNAL CONTROL SYSTEM :

Your company maintain an internal control system in different areas like purchases billing for the jobs etc. moreover there are internal auditors who make a constant monitoring to have proper and sufficient care for maintenance of adequate accounting records required for safeguarding the assets of the company and for preventing and detecting fraud and other irregularities.

### (f) DEVELOPMENT : HUMAN RESOURCES / INDUSTRIAL RELATIONS FRONT :

Your Board has nothing to report on the development in human resource as well industrial relations front which have a material bearing on the business of the company.

### (g) DISCLOSURE BY THE MANAGEMENT :

Your board has not received any disclosure by the management relating to any material financial and commercial transactions where any of the managerial staff has personal interest that may have a potential conflict with the interest of the company at large.

### 5. FUTURE PROSPECTS :

The Company has received IS: 4270 for its Black Pipes. Your Directors hope that during this

## RAJASTHAN TUBE MANUFACTURING COMPANY LIMITED

year turnover and profit shall increase substantially due to better prospects of steel industry because of increasing steel price all over the world and also due to the fact that company is going to start job work.

### 6. EXPANSION/DIVERSIFICATION :

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

### 7. DISCLOSURE UNDER THE LISTING AGREEMENTS :

#### 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 application of the company dated 10.06.1999 for delisting of shares from the 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 2002-2003 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. DIRECTOR'S RESPONSIBILITY STATEMENT:

In accordance with the provisions of section 217(2AA) of the Companies Act, 1956 your Directors confirm that :

- (i) In the preparation of the annual accounts, the applicable accounting standards have been followed;
- (ii) They 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 as at March 31, 2003 and of the Profit of the Company for the year ended on that date;
- (iii) They have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- (iv) They have prepared the annual accounts on a going concern basis.

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

## RAJASTHAN TUBE MANUFACTURING COMPANY LIMITED

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

Your Director have coopted Shri Deepesh Jain, an additional Director of the Company. Under section 260 of the Companies Act. 1956 he will vacate office on the date of ensuing Annual General Meeting and will be seeking election for the office of Director of the Company. Your Directors Welcome of Shri Deepesh Jain and are confident that the Company shall be immensely benefited by his 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. CORPORATE GOVERNANCE :

Corporate Governance Report is set out as a separate Annexure-1 which forms part of this report.

### 15. SECRETARIAL AUDIT :

Secretarial Audit was conducted and a certificate from Messrs V.M. & ASSOCIATES, Company Secretaries, obtained certifying that the Company has complied with the provisions of the Companies Act, 1956 is given in the Annexure-II and forms part of this Report.

### 16. 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 :  
404, Shekhawati Complex,  
Station Road,  
JAIPUR  
Dated : 11th August, 2003

For and on Behalf of the Board

Sd/-  
(HARISH CHAND JAIN)  
Chairman & Managing Director

**RAJASTHAN TUBE MANUFACTURING COMPANY LIMITED**

ANNEXURE "I"

## REPORT ON CORPORATE GOVERNANCE

(As per clause 49 of the listing agreement Stock Exchanges)

**1. COMPANY'S PHILOSOPHY :**

Your company believes in conducting its affairs with the highest levels of integrity, with proper authorisations, accountability and transparency, the business operations of your company are conducted not to benefit any particular interest but for the benefit of all shareholders.

**2. BOARD OF DIRECTORS :**

The Company has Executive Chairman and the number of independent Directors exceed 1/2 of the total number of Directors. The number of Non-Executive Directors exceeds 50% of the total number of Directors.

15 (Fifteen) Board Meetings were held during 2002-2003 and the gap between two meetings did not exceed four months. The date on which the Board Meeting were held were 15.4.2002, 30.4.2002, 15.7.2002, 30.7.2002, 31.7.2002, 1.8.2002, 5.8.2002, 16.8.2002, 31.8.2002, 28.9.2002, 30.10.2002, 15.1.2003, 30.1.2003, 25.2.2003, 28.2.2003.

The name and categories of the directors on the board, their attendance at board meetings during the year and at the last Annual General Meeting as also the number of Directorships held by them in other companies are given below :

Name	Category	No. of Board Meetings ended 2002-03	Whether Attended AGM Held on Dt: 28.09.2002	No. of Directorship in other Companies	
				Chairman	Member
Mr. Harish Chand Jain (Chairman)	Non Independent/ Executive Chairman	15	Yes	1	—
Mr. Sunil Kumar Jain	Independent/ Non Executive	15	Yes	—	1
Mr. Sanjay Sethi	Independent/ Non Executive	15	Yes	—	—
Mr. Deepesh Jain (Adl. Director)	Independent/ Non Executive	3	No	—	—

**3. AUDIT COMMITTEE :**

The Audit Committee was constituted on 30.01.2003 comprising the following :-