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**RAJASTHAN**

**RTL**

# **ANNUAL REPORT 2008-2009**



**Rajasthan Tube**

**Manufacturing Company Ltd.**

**RAJASTHAN TUBE MANUFACTURING COMPANY LIMITED**

**ANNUAL REPORT 2008-09**

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**BOARD OF DIRECTORS :**

**SHRI HARISH CHAND JAIN**

(CHAIRMAN & MANAGING DIRECTOR)

**SHRI RAJENDRA KUMAR JAIN**

**SHRI SUNIL KUMAR JAIN**

**SHRI DEEPESH JAIN**

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**AUDITORS :**

**PRAMOD & ASSOCIATES**

CHARTERED ACCOUNTANTS

JAIPUR

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**CORPORATE ADVISOR :**

**V. M. & ASSOCIATES**

COMPANY SECRETARIES

JAIPUR

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**BANKERS :**

**STATE BANK OF BIKANER & JAIPUR**

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**SHARE TRANSFER AGENT :**

**BEETAL FINANCIAL & COMPUTER SERVICES (P) LTD.,**

BEETAL HOUSE , 3rd FLOOR, 99, MADANGIR,

BEHIND LOCAL SHOPPING CENTRE,

NEAR DADA HARSUKH DAS MANDIR,

NEW DELHI .

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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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**E-MAIL ID FOR INVESTORS GRIEVANCE -**

[www.rajtube@hotmail.com](mailto:www.rajtube@hotmail.com)

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

Notice is hereby given that the 23rd 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 September, 2009 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, 2009, 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** in accordance with the provisions of sections 198, 269, 309, 310, 314 read with Schedule XIII and all other applicable provisions, if any, of the Companies Act, 1956 (including any statutory modification or re-enactment thereof, for the time being in force) and as recommended by the Remuneration Committee and approved by Board of Directors Mr. Harish Chand Jain be and is hereby re-appointed as Managing Director, designated as Chairman & Managing Director, of the Company for a further period of five years from 1st October, 2009 on remuneration and upon the terms and conditions set out in the Explanatory Statement relating to this resolution with power to the Board of Directors to alter and vary the terms & conditions and remuneration of the said appointment in such manner as the Board of Directors may deem fit and as is acceptable to Shri Harish Chand Jain and that the consent of the Company be and is hereby accorded to the said Shri Harish Chand Jain to continue to hold such office or place of profit in the Company as a Managing Director."



**RAJASTHAN TUBE MANUFACTURING COMPANY LIMITED**

"**RESOLVED FURTHER** that in the event of any statutory amendment or modification or relaxation by the Central Government to Schedule XIII to the Companies Act, 1956 the Board of Directors be and is hereby authorised to vary or increase the remuneration, including salary, perquisites, allowances etc., within such prescribed limit or ceiling and the terms and conditions including remuneration be suitably amended to give effect to such modification, relaxation or variation without any further reference to the Members of the Company in General Meeting.

"**RESOLVED FURTHER** that the Board of Directors of the Company be and is hereby authorised to take such steps as may be necessary to give effect to this Resolution."

**Registered Office :**

404, Shekhawati Complex,  
Station Road, JAIPUR

By order of the Board

Sd/-

**(SUNIL KUMAR JAIN)**

DIRECTOR

Dated :12th August, 2009

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## 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 24th September, 2009 to 26th September, 2009 (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.
8. **Information provided as per clause 49VI(A) of the listing Agreement**

The following are the details of the Directors seeking reappointments or recommended to be appointed as Director. Shri Sunil Kumar Jain has been director of the company since July, 2000. He is member of company's Directors audit, remuneration and shareholders, grievance committee. He has vast experience of 10 years in the field of Finance & Liasion with Govt. Department.

**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 12th August, 2009.

**Item nos. 4 :**

At the Annual General Meeting held on 25-09-2004 necessary resolutions were passed according approval of the reappointment and remuneration of Mr. Harish Chand Jain as the Managing Director of the Company for a period of five year with effect from 1st October, 1999. The term of his office expires on 30th September, 2009. The remuneration committee has recommended his remuneration and Board of Directors at the Board Meeting held on 12-08-2009 reappointed Mr. Harish Chand Jain as Managing Director, (designated as Chairman & Managing Director) for a further period five year with effect from 1st October, 2009 on the following terms and condition.

1. Period of Agreement : Five year w.e.f. 01-10-2009
2. Remuneration :
  - (a) Salary : Rs. 60,000/- (Rupees Sixty Thousand Only)
  - (b) Perquisites :

**PART-A :****(a) Housing :**

- (i) The expenditure by the Company on hiring furnished accommodation for Mr. Harish Chand Jain will subject to the following ceiling i.e. 40% of the salary over and above 10% payable by Shri Harish Chand Jain.
- (ii) In case of accommodation provided to Mr. Harish Chand Jain is owned by the company 10% of the salary of Mr. Harish Chand Jain shall be deducted by the company.
- (iii) In case no accommodation is provided by the Company Mr. Harish Chand Jain shall be entitled to house rent allowance subject to the ceilings laid down in Housing (1).

- (b) Gas, Electricity : As per Income Tax Rules, 1962 Water & Furnishing Subject to a ceiling of 10% of the salary.
- (c) Medical Reimbursement : For self and family subject to a ceiling of one month salary in a year or 3 months salary over period of three year.
- (d) Leave Travel Concession : For self and family once a year in accordance with the rules of the Company.
- (e) Personal Accident : For an amount the premium in respect of which shall not exceed Rs. 4000- per annum.
- (f) Club Fee : Subject to maximum of two Clubs.

**PART-B :**

- (a) Contribution to the Provident Fund, Superannuation Fund or Annuity Fund will not be included in the computation of the ceiling on perquisites to the extent these either singly or put singly together are not taxable under the Income Tax Act.

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- (b) Gratuity not exceeding half a month's salary for each completed year of service subject to a ceiling of Rs.3,50,000/-

### **PART-C :**

- (a) Provision of car for use on Company's Business and telephone at residence will not be considered perquisites, Personal long distance calls and use of car for private purpose shall be billed the Company to the Managing Director.
- (b) No sitting fees shall be paid for attending the meeting of Board of Directors or committee thereof
3. Not with standing anything above wherein any financial year Company has no profit ,profits are inadequate the company will pay the remuneration by way of salary and perquisite ,not exceeding the limits prescribed in the Schedule XIII of the Companies Act ,1956.
4. The Managing Director shall be in overall charge of the management and general administration of the affairs of the company subject to superintendence, control and directions of the Board and/ or committee(s) of the Board and Memorandum and Articles of Association of the Company subject to such restriction as may be prescribed by the Board of Directors from time to time.
5. Letter of reappointment referred to above will be issued at appropriate time

The particulars set out above may be treated as an abstract of the terms of the contract for reappointment of the Managing Director which is required to be given to every member under the provision of Section 302 (2) of the Companies Act ,1956.

Shri Harish Chand Jain is deemed to be concerned or interested in the resolution which pertains to his appointment and remuneration payable to him .

Your Directors recommends the resolution set out at item no. 4 of the notice for your approval.



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

Dear Shareholders,

Your Directors have pleasure in presenting their 23rd Annual Report on the operations of your company together with audited statement of accounts for the year ended on 31st March, 2009.

**1. FINANCIAL RESULTS :**

	<b>For the year ended on 31.3.2009 (Rs.in lacs)</b>	<b>For the year ended on 31.3.2008 (Rs.in lacs)</b>
Total Sales & Other Income	5462.83	6041.38
Profit Before Interest & Depreciation	74.77	208.32
Interest	139.80	123.48
Profit/(loss) Before Depreciation	(65.03)	85.91
Loss on Sale of Fixed Assets	-	1.07
Depreciation	30.98	33.88
Net Profit/(Loss) before Taxation	(96.01)	50.96
Provision for Taxation	0.60	24.00
Deferred Tax (Net)	(3.36)	(7.03)
Net Profit/(Loss) after Taxation	(93.25)	33.99

**2. DIVIDEND :**

Your Directors are unable to recommend any dividend during the year under review due to loss.

**3. YEAR IN RETROSPECT:**

During the year under review, the sales and other income during the year decreased to Rs.5462.83 Lacs as compared to Rs.6041.38 Lakh in the previous year. The Loss after tax during the year was Rs.93.25 lacs as compared to profit of Rs.33.99 lacs in the previous year.

**4. MANAGMENT DISCUSSION & ANYLYSIS 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.

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**(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 affect 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 constituent. Rise in price H.R. Coils, Zinc are also a matter of concern.

**(c) SEGMENT :**

The operations of the company are 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 maintains 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 Board of Directors of the Company in its meeting held 24-01-2009 decided to shift its manufacturing facilities of Abu Road Plant to its new Works at Village : Dehra, Maharkala, Teh. Chomu, Distt. Jaipur due to freight cost advantage beside marketing issue and the company has started production in its new works. During the year turnover & Profit shall increase substantially due to the above freight cost advantage and tapping of new markets.