

RAJASTHAN TUBE MANUFACTURING COMPANY LIMITED

BOARD OF DIRECTORS:

SHRI HARISH CHAND JAIN (CHAIRMAN & MANAGING DIRECTOR)

SHRI SUNIL KUMAR JAIN

SHRI DEEPESH JAIN

AUDITORS:

PRAMOD & ASSOCIATES
CHARTERED ACCOUNTANTS
JAIPUR.

CORPORATE ADVISOR

V M & ASSOCIATES
COMPANY SECRETARIES
JAIPUR

BANKERS:

STATE BANK OF BIKANER & JAIPUR

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 .

REGISTERED OFFICE:

404, SHEKHAWATI COMPLEX,
STATION ROAD, JAIPUR

WORKS:

28-37, JATAWALI MOD, MAHARKALA ROAD, DEHRA,
Teh.: CHOMU. Distt. JAIPUR (Raj.) 303702

E-MAIL ID FOR INVESTORS
GRIEVANCE - rajtube@hotmail.com

RAJASTHAN TUBE MANUFACTURING COMPANY LIMITED

NOTICE

Notice is hereby given that the 24th 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 25th September, 2010 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, 2010, 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.

Registered Office :
404, Shekhawati Complex,
Station Road, JAIPUR

Dated :10th August, 2010

By order of the Board

(SUNIL KUMAR 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 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 23rd September, 2010 to 25th September, 2010 (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 Deepesh Jain has been director of the company since 27th September 2003. 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 & Liaison With Govt. Department.

RAJASTHAN TUBE MANUFACTURING COMPANY LIMITED

DIRECTORS' REPORT

Dear Shareholders,

Your Directors have pleasure in presenting their 24th Annual Report on the operations of your company together with audited statement of accounts for the year ended on 31st March, 2010.

1. FINANCIAL RESULTS:

	For the year ended on 31.3.2010 (Rs.in lacs)	For the year ended on 31.3.2009 (Rs.in lacs)
Total Sales & Other Income	7019.72	5462.83
Profit Before Interest & Depreciation	248.41	74.77
Interest	144.44	139.80
Profit/(loss) Before Depreciation	103.97	(65.03)
Depreciation	29.91	30.98
Net Profit/(Loss) before Taxation	74.06	(96.01)
Provision for Taxation	7.00	0.60
Deferred Tax (Net)	(2.61)	(3.36)
Net Profit/(Loss) after Taxation	69.67	(93.25)

2. DIVIDEND:

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

3. YEAR IN RETROSPECT:

During the year under review, the sales and other income during the year increased to Rs.7019.72 Lacs as compared to Rs.5462.83 Lakh in the previous year. The Profit after tax during the year was Rs.69.67 lacs as compared to Loss of Rs.93.25 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.

(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 transporation 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 constituent . 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:

Since the manufacturing facilities of the Company have already been shifted from Abu Road Plant to its new Works at Village : Dehra, Maharkala, Teh.Chomu, Distt. Jaipur. Due to the company shall benefit immensely from the freight cost advantage besides marketing advantage.

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 2009-2010 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' 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, 2010 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

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

Shri Rajendra Kumar Jain has resigned from the Directorship of the Company w.e.i.29-01-2010

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 COMPLIANCE CERTIFICATE :

As per the requirement of Section 383A of the Companies Act, 1956 and Companies (Compliance Certificate) Rules, 2001, the Company has obtained a Certificate from M/s V.M. & Associates, Company Secretaries in Whole-time Practice, Confirming that the Company has complied with the provisions of the Companies Act, 1956 and a copy of the Compliance Certificate is annexed to this Report.

16. CORPORATE GOVERNANCE CERTIFICATE :

As per Revised Clause 49 of the listing Agreement with the Stock Exchanges, the Compliance Certificate from Chairman and Managing Director and CFO is given as Annexure " III " to the Director Report.

17. CODE OF CONDUCT :

The Company has laid-down a code of conduct for all Board Members And senior management of the Company. All the Board members and senior management personal have affirmed compliance with the code of conduct. The code of conduct has posted on website of the Company i.e. [www. Rajtube.com](http://www.Rajtube.com)

18. ACKNOWLEDGEMENTS:

Your Directors are grateful to the Government authorities, financial institutions, bankers, business constituents for their continued co-operation 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

For and on Behalf of the Board

(HARISH CHAND JAIN)
CHAIRMAN & MANAGING DIRECTOR

Dated : 10th August, 2010

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. 6 (Six) Board Meetings were held during 2009-2010 and the gap between two meetings did not exceed four months. The date on which the Board Meeting were held were 25-04-2009, 29-07-2009, 12-08-2009, 28-10-2009, 30-01-2010, 31-03-2010.

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 and also the number of Directorships held by them in other companies are given below :

Name	Category	No. of Board Meetings attended 2009-10	Whether Attended AGM Held on Dt:26.09.2009	No. of Directorship in other Companies Chairman Member	
Mr.Harish Chand Jain (Chairman)	Non Independent/ Executive Chairman	6	Yes	-	1
Mr.Sunil Kumar Jain	Independent/ Non Executive/	6	Yes	-	1
Mr.Deepesh Jain	Independent/ Non Executive	6	No	-	-
Mr.Rajendra kumar Jain	Independent/ Non Executive	4	No	-	-

3. AUDIT COMMITTEE

The Company constituted an Audit Committee consisting of Non-executive Directors during 2002-2003 , five Meeting's were held during the year from 1.04.2009 to 31.03.2010. The said meeting's were held on 25-04-2009,29-07-2009,12-8-2009,28-10-2009,30-01-2010 The constitution of committee and attendance of each member of the committee as on March 31, 2010 are given below :-

SL. No.	Names Of Members	Category	No. of Meetings attend during the year 2009-2010 Held Attending	
1.	Mr. Sunil Kumar Jain (Chairman)	Independent/Non executive	5	5
2.	Mr. Deepesh Jain (Having expert financial and accounting knowledge)	Independent/Non executive	5	5
3.	Mr. Rajendra Kumar Jain	Independent/Non executive	4	4

The Audit committee has been vested with the following powers :

1. To investigate any activities within its terms of reference
2. To seek information from any employee
3. To obtain outside legal or other professional advice
4. To secure attendance of outsiders with relevant expertise if it considers necessary

TERMS OF REFERENCE :

1. Overseeing the company's financial reporting process and disclosure of its financial information ensure that financial statement is correct sufficient and credible
2. Recommending the appointment and removal of external auditor, fixation of audit fees and also approval for payment of any other services
3. Reviewing with management the annual financial statements before submission to the board focussing primarily on :
 - * Any changes in accounting policies and practices
 - * Major accounting entries based on exercise of judgment by management
 - * Qualification in draft audit report
 - * Significant adjustments arising out of audit
 - * The going concern assumption
 - * Compliance with accounting standards
 - * Compliance with Stock Exchanges and legal requirements concerning financial statements
 - * Any related party transactions i.e. transaction of the company of material nature with promoters or the management . their subsidiaries or relative etc. that may have potential conflict with the interest of company at large
4. Reviewing with the management. external and internal auditors the adequacy of internal control systems
5. Reviewing the adequacy of internal audit function . including the structure of the internal audit department staffing of the official headings the department . reporting structure coverage and frequency of internal audit
6. Discussion with internal auditors any significant findings and follow up thereon
7. Reviewing the findings of any internal investigations by the internal auditors into matter where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the board
8. Discussion with external auditors before the audit commences . nature and scope of audit as well as have post audit discussion to ascertain any area of concern
9. Reviewing the company's financial and risk management policies

10. To look into the reasons for substantial defaults in the payment to the depositors. debentures holders , shareholders (in case of non payments of declared dividends) and creditors

4. REMUNERATION COMMITTEE

The Remuneration Committee determines and recommends to the Board of Directors, Remuneration payable to the Managing Director . The Board of Directors approves the remuneration to the Directors on the basis of their performance as well as Company's performance, subject to consents as may be required.

The Non-Executive Director are not paid any remuneration except for the sitting fees for attending the Board Meeting / Committee Meetings.

The resolutions for the appointment and remuneration payable including commission to the Directors are approved by the shareholders of the Company.

The remuneration to the Directors consists of a fixed salary and other perquisites. The Leave Travel allowance, is paid as per the Company rules. Provident Fund and superannuation are provided for as per the Company's policy. Wherever applicable the perquisites are considered a part of remuneration and taxed as per Income laws. The commission recommended by the Remuneration Committee to the Board are paid in accordance with the provisions of the Companies Act, 1956.

The Remuneration Committee presently consist of Mr. Deepesh Jain Mr.Sunil Kumar Jain & Mr.Rajendra Kumar Jain .

5. SHAREHOLDERS/INVESTORS GRIEVANCE COMMITTEE.

Presently, the committee comprised of three non executive directors chaired by Shri Rajendra Kumar Jain beside Shri Sunil Kumar Jain and Shri Deepesh Jain are member of the committee. Shri Harish Chand Jain, Managing Director is the compliance officer of the company. The committee constituted to specifically look into the redressing of shareholders and investors complaints like transfer of shares, non receipt of balance sheet, non receipt of declared dividend etc.

The committee meets every fortnight.

There is no investor complaint pending as on 30th June, 2010.

6. GENERAL BODY MEETINGS

The details of last three Annual General Meetings are as under:

AGM No.	Date	Time	Vanue
21st AGM	29th Sept., 2007	10.00 AM	ANOKHA GAON, Near Road No.14, V.K.I.A., Sikar Road, Jaipur
22nd AGM	27th Sept., 2009	10.00 AM	ANOKHA GAON, Near Road No.14 V.K.I.A., Sikar Road, Jaipur
23rd AGM	26th Sept., 2009	10.00 AM	ANOKHA GAON, Near Road No.14 V.K.I.A., Sikar Road, Jaipur