

RAJASTHAN TUBE MANUFACTURING COMPANY LIMITED

BOARD OF DIRECTORS:

| | |
|--------------------------|--------------------------------|
| SHRI HARISH CHAND JAIN | (CHAIRMAN & MANAGING DIRECTOR) |
| SMT RAJSHREE PATNI | (DIRECTOR) |
| SHRI SUNIL KUMAR JAIN | (INDEPENDENT DIRECTOR) |
| SHRI DEEPESH JAIN | (INDEPENDENT DIRECTOR) |
| SHRI MAHENDRA KUMAR JAIN | (INDEPENDENT DIRECTOR) |
| SHRI PRADEEP JAIN | (CHIEF FINANCIAL OFFICER) |

AUDITORS:

PRAMOD & ASSOCIATES
CHARTERED ACCOUNTANTS
JAIPUR

CORPORATE ADVISOR

MEGHA KHANDELWAL & ASSOCIATES
COMPANY SECRETARY
Jaipur

COMPANY SECRETARY

KOMAL BEHL
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-110 062

REGISTERED OFFICE:

404, SHEKHAWATI COMPLEX,
STATION ROAD, JAIPUR

E-MAIL ID FOR INVESTORS GRIEVANCE

- (1) scores@beetalfinancial.com
- (2) rajtube@hotmail.com

WORKS:

28-37, BANKE BIHARI INDUSTRIAL AREA,
JATAWALI MOD, MAHARKALA ROAD, DEHRA
TEH: CHOMU, DIST: JAIPUR
RAJASTHAN-303806

RAJASTHAN TUBE MANUFACTURING COMPANY LIMITED

NOTICE

Notice is hereby given that Thirtieth Annual General Meeting of the members 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 24th September, 2016 at 10.00 A.M. to transact the following businesses:

ORDINARY BUSINESS:

1. To consider and adopt the audited financial statement of the Company for the financial year ended March 31, 2016, the reports of the Board of Directors and Auditors thereon.
2. To appoint a Director in place of Mrs. Rajshree Patni (DIN 06934858), who retires by rotation and, being eligible, seeks re-appointment.
3. To appoint auditors of the company to hold office from the conclusion of this Annual General Meeting until the conclusion of 35th Annual General Meeting and to fix their remuneration, and if thought fit, to pass, with or without modification(s) the following resolution as an Ordinary Resolution:

“RESOLVED THAT, pursuant to Section 139 of the Companies Act, 2013 and the Companies (Audit and Auditors) Rules, 2014 and modifications thereon and pursuant to the recommendation made by the Audit Committee of the Board, M/s Giriraj and Lohiya having registration No. 006031C be and are hereby appointed as the Auditors of the Company in place of the retiring Auditors M/s Pramod and Associates, Chartered Accountants, having registration No.001557C, who have completed their term of more than 10 years as required under Companies Act, 2013 and the new auditors shall hold office from the conclusion of this Annual General Meeting, until the conclusion of sixth Annual General Meeting to be held after this meeting, subject to ratification of the appointment by the members at every Annual General Meeting and that the Board be and is hereby authorized to fix such remuneration as may be determined by the Audit Committee in consultation with the Auditors, in addition to reimbursement of all out-of-pocket expenses as may be incurred in connection with the audit of the accounts of the Company.”

SPECIAL BUSINESS:

4. To approve the remuneration of the Cost Auditors for the financial year ending March 31, 2017 and in this regard to consider and if thought fit, to pass, with or without modification(s), the following resolution as an **Ordinary Resolution**:

“RESOLVED THAT pursuant to the provisions of Section 148 and all other applicable provisions of the Companies Act, 2013 and the Companies (Audit and Auditors) Rules, 2014 (including any statutory modification(s) or reenactment thereof, for the time being in force), M/s. G.K. Gupta & Company, (Firm Registration No. 100205), Cost Accountants appointed as Cost Auditors by the Board of Directors of the Company, to conduct the audit of the cost accounting records of the Company for the financial year ending March 31, 2017, be paid the remuneration amounting to 18000/- (Rupees Eighteen Thousand Only) excluding out of pocket expenses if any;

RESOLVED FURTHER THAT the Board of Directors of the Company and/or the Company Secretary, be and are hereby severally authorized to take all steps and do all such acts, matters, deeds and things and give such directions as may be required, necessary, expedient or desirable for giving effect to the aforesaid resolution, and also further to comply with the requirements, if any, under the Companies Act, 2013.”

By Order of the Board of Directors

July 30, 2016

Registered Office:

404, Shekhawati Complex,

Station Road,

JAIPUR

Ph No.- 0141-2372734

CIN: L27107RJ1985PLC003370

(Komal Behl)

Company Secretary

(Membership No.A35516)

Notes:

1. A member entitled to attend and vote at the meeting is entitled to appoint a proxy to attend and vote on a poll instead of him and the proxy need not be a member of the company. The proxy form duly completed and stamp 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.
A person can act as a proxy on behalf of members not exceeding fifty and holding in aggregate not more than ten percent of the total share capital of the company carrying voting rights. A member holding more than ten percent of the total share capital of the Company carrying voting rights may appoint a single person as proxy and such person shall not act as a proxy for any other person or shareholder as per Section 105 of Companies Act, 2013.
2. Shareholders are requested to inform the company immediately of any change in their address.
3. Corporate members intending to send their authorized representatives to attend the Meeting are requested to send to the Company a certified true copy of the Board Resolution authorizing their representative to attend and vote on their behalf at the Meeting.
4. In case of joint holders attending the Meeting, only such joint holder who is higher in the order of names will be entitled to vote.
5. Members who have not registered their e-mail addresses so far, are requested to register their e-mail address for receiving all communications including Annual report, Notices, Circulars, etc from the Company electronically.
6. The Register of Members and Share Transfer Books of the company will remain closed from 22nd September, 2016 to 24th September, 2016 (both dates inclusive).
7. Members are requested to quote their folio number in all their correspondence.
8. Members are requested to bring their copies of Annual Report to the meeting.
9. The shareholders desiring any information as regards accounts are required to write to the Company at an early date so as to enable the Management to keep information ready.
10. Members are requested to bring with them the attendance slip and hand it over at entrance duly signed by them.
11. A statement pursuant to Section 102(1) of the Companies Act, 2013, relating to the Special Business to be transacted at the Meeting is annexed hereto.
12. Copies of the Annual Report 2015-2016 along with Notice of the 30th AGM, instructions for e-voting, Attendance Slip and Proxy Form, are being sent by electronic mode to all members whose email address are registered with the Company/ Depository Participant (s) unless a member has requested for a hard copy of the same. For members who have not registered their email addresses, physical copies of the aforesaid documents are being sent by the permitted mode.
13. Details of Directors seeking appointment / re-appointment at the ensuing Annual General Meeting in pursuance of Regulation 36 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and Secretarial Standard – 2 on General Meeting issued by Institute of Company Secretaries of India.

| Particulars | Mrs. Rajshree Patni |
|---------------------|---------------------|
| DIN | 06934858 |
| Date of Birth | 28/03/1987 |
| Date of Appointment | 27/09/2014 |

| | |
|---|--|
| Qualifications | Graduate |
| Experience in specific functional areas | She holds experience of around 2 years in the company |
| Directorship held in other listed entities | Nil |
| Memberships in the Committees of Board of other listed Companies | Nil |
| Membership and Chairmanship in the Committees of the Board of the Company | Nil |
| No. of shares held in the Company as on 30.06.2016 | 169661 |
| Relationship with any Director(s) | Mr. Harish Chand Jain |
| Terms and conditions of reappointment | Occupies the position of Executive Director and liable to retire by rotation as per the provisions of Section 152 of the Companies Act, 2013 and being eligible offers herself for re-appointment. |
| Details of last drawn remuneration | Nil |

14. **E-VOTING**

The provisions of the Companies Act, 2013 and Listing Agreement requires, a listed Company to provide e-voting facility to its shareholders, in respect of all shareholders' resolutions, to be passed at General Meetings. The complete detail of the instruction for the e-voting is annexed to this notice.

EXPLANATORY STATEMENT

As required by the provisions of Section 102 of the Companies Act 2013, (hereinafter referred to as "the Act") the following Explanatory Statement set out all material facts relating to the business mentioned under Item No. 4 of the accompanying Notice dated 30th July, 2016.

Item No. 4

The Board, on the recommendation of the Audit Committee, has approved the appointment and remuneration of M/S. G.K. Gupta & Company, the Cost Auditors to conduct the audit of the cost records of the Company for the financial year ending March 31, 2017.

In accordance with the provisions of Section 148 of the Companies Act, 2013 read with the Companies (Audit and Auditors) Rules, 2014, the remuneration payable to the Cost Auditors has to be ratified by the shareholders of the Company.

Accordingly, consent of the members is sought for passing an Ordinary Resolution as set out at Item No. 4 of the Notice for ratification of the remuneration payable to the Cost Auditors for the financial year ending March 31, 2017.

Save and except the above, none of the Directors / Key Managerial Personnel of the Company / their relatives is, in any way, concerned or interested, financially or otherwise, in the resolution set out at Item No. 4 of the Notice.

The Board commends the Ordinary Resolution set out at Item No. 4 of the Notice for approval by the shareholders.

By Order of the Board of Directors

July 30, 2016

Registered Office:

404, Shekhawati Complex, Station Road,
JAIPUR

Ph No.- 0141-2372734

CIN: L27107RJ1985PLC003370

(Komal Behl)

Company Secretary

M.No.A35516

RAJASTHAN TUBE MANUFACTURING COMPANY LIMITED

DIRECTORS' REPORT

Dear Shareholders,

Your Directors have pleasure in presenting their 30th Annual Report on the businesses and operations of your company together with audited statement of accounts for the year ended on 31st March, 2016.

1. FINANCIAL RESULTS:

| | For the year ended on 31.3.2016 (Rs. in Lacs) | For the year ended on 31.3.2015 (Rs. in Lacs) |
|--|--|--|
| Total Sales & Other Income | 8094.78 | 9234.30 |
| Profit Before Interest & Depreciation | 167.21 | 41.10 |
| Interest | 237.52 | 244.94 |
| Profit/ (Loss) Before Depreciation | (70.31) | (203.84) |
| Depreciation | 16.98 | 25.15 |
| Profit/ (Net Loss) before Taxation | (87.29) | (228.99) |
| Provision for Taxation | - | - |
| Deferred Tax (Net) | (110.30) | (2.55) |
| Profit/ (Net Loss) after Taxation | 23.01 | (226.44) |
| Bal brought forward from previous year | 227.55 | 455.41 |
| Profit available for appropriation | 250.56 | 228.97 |
| Adjustment related to Fixed Asset | - | 1.42 |
| Balance carried to Balance Sheet | 250.56 | 227.55 |

2. DIVIDEND:

Your Directors are unable to recommend any dividend during the year under review in view of insufficient profits.

3. RESERVES:

In view of the insufficient profits, your Board of Directors does not appropriate any amount to be transferred to General Reserves during the year under review.

4. STATE OF COMPANY'S AFFAIR:

During the year under review, the sales and other income during the year decreased to Rs.8094.00 Lacs as compared to Rs. 9234.30 Lacs in the previous year. The profit after tax during the year is Rs. 23.01 lacs as compared to a loss of Rs.226.44 lacs in the previous year.

5. CHANGE IN THE NATURE OF BUSINESS:

There is no change in the nature of business in the year under review.

6. MATERIAL CHANGES & COMMITMENTS:

No material changes and commitments have occurred after the close of the year till the date of this report, which affect the financial position of the company.

7. ORDERS :

No significant or material orders were passed by the Regulators or courts or tribunals which impact the going concern status and company's operation in future.

8. INTERNAL FINANCIAL CONTROL SYSTEMS AND THEIR ADEQUACY:

The company has an Internal Control System commensurate with the size, scale complexity of its operations. The company has formulated Internal Financial Control policy according to Sec 134(5) (e) of the Companies Act, 2013.

The Company has in place adequate internal financial controls with reference to financial statements. During the year, such controls were tested and no reportable material weakness in the design or operation was observed.

9. DETAILS / FINANCIAL POSITION OF SUBSIDIARY / JOINT VENTURE/ ASSOCIATE COMPANY:

The company does not have any subsidiary/ associate or Joint Venture.

10. DEPOSITS :

The Company has not accepted any fixed deposit under Chapter V of the Companies Act, 2013 during the year under report.

11. STATUTORY AUDITORS :

The term of office of M/s. Pramod & Associates, as Statutory Auditors of the Company will expire with the conclusion of forthcoming Annual General Meeting of the Company. M/s. Pramod & Associates has been Statutory Auditors of your Company for more than ten years.

The Board of Directors of the Company has, subject to approval of the Members, decided to make a change in the Statutory Auditors. This change is in order to remain at the forefront of good governance and in recognition of regulatory changes in India.

A resolution proposing appointment of M/s. Giriraj & Lohiya as the Statutory Auditors of the Company pursuant to Section 139 of the Companies Act, 2013 forms part of the Notice.

M/s. Pramod & Associates, over many years, have successfully met the challenge that the size and scale of the Company's operations pose for auditors and have maintained the highest level of governance, rigour and quality in their audit. The Board place on record its appreciation for the services rendered by M/s. Pramod & Associates as the Statutory Auditors of the Company.

12. AUDITORS' REPORT :

The observations of the Auditors have been suitably dealt within the notes on accounts. The Auditor's Report does not contain any qualification, reservation or adverse remark.

13. COST AUDITOR

M/s G.K. Gupta & Co., Cost Accountants, were appointed as the Cost Auditors of the company for the Financial Year 2015-16 and the audit report will be considered by the Board of Directors.

The Board of Directors in their meeting held on 30th May, 2016, have approved the appointment of M/s G.K. Gupta & Co., Cost Accountants as the Cost Auditors of the company for the Financial Year 2016-17 and also fixed the audit fee payable to them. As per the provisions of Section 148 of Companies Act, 2013, read with Companies (Audit and Auditors) Rules, 2014 audit fee payable to the Cost Auditors is to be ratified by the members of the company. Your Directors have proposed a resolution in the notice annexed to this report for approval of the audit fee.

14. SHARE CAPITAL:

The paid up equity share capital as on 31st March 2016 was 44998500. During the year under review, the company has neither issued shares with differential voting rights, nor granted stock options and sweat equity. As on March 31, 2016, none of the Directors of the company hold any convertible instruments of the company.

15. EXTRACT OF ANNUAL RETURN:

Extract of Annual Return of the company as provided under section 92(3) Companies Act, 2013 is annexed herewith as **Annexure I** in the prescribed Form MGT-9 to this Report.

16. PARTICULARS OF ENERGY CONSUMPTION ETC:

- a) CONSERVATION OF ENERGY: The information pursuant to sub-section 3(m) of section 134 of the Companies Act, 2013 read with the Companies (Accounts) Rules, 2014 is either nil or not applicable. However, the company is conscious about its responsibility to conserve energy, power and other energy resources wherever applicable.
- b) TECHNOLOGY ABSORPTION: Your Company has not imported any technology in the year under review.
- c) FOREIGN EXCHANGE EARNING & OUTGO: There was no inflow and outflow of Foreign Exchange during the year.

17. CORPORATE SOCIAL RESPONSIBILITY:

The provisions of CSR are not applicable to the company for the Financial Year 2015-2016 as the company does not fall under the provisions of Section 135 of the Companies Act, 2013.

18. DIRECTORS:

- a) In accordance with the provisions of the Act and the Articles of Association of the Company, Smt Rajshree Patni, Director of the Company, retire by rotation at the ensuing Annual General Meeting and being eligible has offer herself for re-appointment.
- b) The Company has received declarations from all the Independent Directors of the Company confirming that they meet the criteria of independence as specified in Section 149(6) of the Companies Act, 2013 and under SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.
- c) The Board of Directors has carried out an annual evaluation of its own performance, Board committees and individual directors pursuant to the provisions of the Act and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.
The performance of the Board was evaluated by the Board after seeking inputs from all the directors on the basis of the criteria such as the Board composition and structure, effectiveness of board processes, information and functioning, etc.
The performance of the committees was evaluated by the board after seeking inputs from the committee members on the basis of the criteria such as the composition of committees, effectiveness of committee meetings, etc.
The Board and the Nomination and Remuneration Committee ("NRC") reviewed the performance of the individual directors on the basis of the criteria such as the contribution of the individual director to the Board and committee meetings like preparedness on the issues to be discussed, meaningful and constructive contribution and inputs in meetings, etc. In addition, the Chairman was also evaluated on the key aspects of his role.

In a separate meeting of independent Directors, performance of non-independent directors, performance of the board as a whole and performance of the Chairman was evaluated, taking into account the views of executive directors and non-executive directors. The same was discussed in the board meeting and Nomination and Remuneration meeting that followed the meeting of the independent Directors, at which the performance of the Board, its committees and individual directors was also discussed.

19. NO. OF BOARD MEETINGS:

Six meetings of the Board of Directors were held during the year. Apart from this one meeting of Independent Directors was also held during the year.

20. AUDIT COMMITTEE:

The Audit Committee comprises Independent Directors namely Shri Sunil Kumar Jain (Chairman), Shri Deepesh Jain and Shri Mahendra Kumar Jain as other members. All the recommendations made by the Audit Committee were accepted by the Board.

21. VIGIL MECHANISM/ WHISTLE BLOWER POLICY:

The company has a vigil mechanism policy to deal with instance of fraud and mismanagement, if any. The detail of the policy is posted on the website of the company.

22. NOMINATION & REMUNERATION COMMITTEE:

The Nomination & Remuneration Committee comprises Independent Directors namely Shri Deepesh Jain (Chairman), Shri Sunil Kumar Jain and Shri Mahendra Kumar Jain as other members.

23. PARTICULARS OF LOANS GIVEN, INVESTMENTS MADE, GUARANTEES GIVEN AND SECURITIES PROVIDED:

There is no outstanding loan & guarantee at the year end as prescribed under section 186 of the Companies Act, 2013. The company has not made any investment during the year as prescribed under section 186 of the Companies Act, 2013.

24. CONTRACTS AND ARRANGEMENTS WITH RELATED PARTIES:

The Board of Directors of the Company, as per the provisions of Regulation 23 of the Listing Regulations, has formulated a policy on Material Related Party Transactions. The said policy is available on the website of the Company www.rajtube.com. During the year, there have been no materially significant related party transactions undertaken by the Company under Section 188 of the Companies Act, 2013 and Regulation 23 of the Listing Regulations that may have potential conflict with the interest of the Company at large. Form No. AOC-2 which forms part of the Board's Report is annexed herewith as **Annexure - II**.

Also, Refer note no. 36 of the financial statements as at 31st March, 2016 which forms part of this Annual Report for details of related party transactions.

25. MANAGERIAL REMUNERATION/PARTICULARS OF EMPLOYEES:

The information required under Section 197 of the Act read with rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 are given below:

- a. The ratio of the remuneration of each director to the median remuneration of the employees of the Company for the financial year:

| EXECUTIVE DIRECTORS | RATIO TO MEDIAN REMUNERATION |
|-----------------------|------------------------------|
| Mr. Harish Chand Jain | 3.87 |
| Mrs. Rajshree Patni | - |

Non- executive directors and Mrs. Rajshree Patni are only being paid sitting fees. They do not draw any remuneration.

- b. The remuneration of any of the directors/CFO/CS did not increase in the relevant financial year.
c. The percentage increase in the median remuneration of employees in the Financial Year:

| Median Remuneration at the end of F.Y. 2014-2015 | Median Remuneration at the end of F.Y. 2015-2016 | % increase in the median remuneration of employees |
|--|--|--|
| 160000 | 192000 | 20% |

*While calculating median remuneration, remuneration of only those employees is considered who were in employment for the complete financial year 2015-2016.

- d. The number of permanent employees on the roll of the company at the end of the relevant financial year: 30
e. There is no increase in the remuneration of employees or managerial personnel, hence comparison is not made.
f. There is no variable component of remuneration availed by directors in the relevant financial year.
g. The company affirms the remuneration is as per the remuneration policy of the company.
h. The statement containing particulars of employees as required under section 197(12) of the Act read with Rule 5(2) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, is provided in a separate annexure forming part of this report. Further, the report and the accounts are being sent to the members excluding the aforesaid annexure. In terms of section 136 of the Act, the said annexure is open for inspection at the Registered Office of the Company. Any shareholder interested in obtaining a copy of the same may write to the Company Secretary.

26. SECRETARIAL AUDIT REPORT:

As per the requirement of Section 204 (1) of the Companies Act, 2013 and Rule 9 of the Companies (Appointment and Remuneration Personnel) Rules, 2014, the Company has obtained a Certificate from Ms. MEGHA KHANDELWAL, Company Secretary in Whole time Practice, Confirming that the Company has complied with the provisions of the Companies Act, 2013 in the Financial Year 2015-2016 and a copy of the Secretarial Audit Report is annexed to this Report as **Annexure- III**.

27. CORPORATE GOVERNANCE:

The company is committed to maintain the highest standard of Corporate Governance and adhere to the Corporate Governance requirement as set out by SEBI. As regards to the Corporate Governance Report as specified in Para C of Schedule V of SEBI (Listing Obligations and disclosure Requirements) Regulations 2015, the same is not applicable to the Company as the equity share capital of the company is less than Rs. 10 crore and net worth is less than Rs. 25 crore.

28. RISK MANAGEMENT POLICY:

Pursuant to the requirement of Companies Act, 2013 and of listing regulations, the company has a robust Enterprise Risk Management framework to identify, evaluate business risk & opportunities. This framework seeks to create transparency, minimize adverse impact on the business objectives and enhance the Company's competitive advantage. The business risk framework defines the risk management approach across the enterprise at various levels including documentation and reporting. The framework has different risk models which help in identifying risks trend, exposure and potential impact analysis at a Company level.

29. DIRECTORS' RESPONSIBILITY STATEMENT:

In Pursuant to section 134(5) of the Companies Act, 2013, the board of directors, to the best of their knowledge and ability, confirm that:

- a) in the preparation of the annual accounts for the year ended March 31, 2016, the applicable accounting standards read with requirements set out under Schedule III to the Act, have been followed and there are no material departures from the same;
- b) the Directors have selected such accounting policies and applied them consistently and made judgments 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, 2016 and of the profits of the Company for the year ended on that date;
- c) the Directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- d) the Directors have prepared the annual accounts on a 'going concern' basis;
- e) the Directors have laid down internal financial controls to be followed by the Company and that such internal financial controls are adequate and are operating effectively; and
- f) the Directors have devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems are adequate and operating effectively.

30. MANAGEMENT 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 transportation cost benefits applicable to the company.