

# 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](mailto:rajtube@hotmail.com)

# RAJASTHAN TUBE MANUFACTURING COMPANY LIMITED

## NOTICE

Notice is hereby given that the 24<sup>th</sup> 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 27<sup>th</sup> September 2003. He is member of company's Directors audit, Remuneration and shareholders, grievence committee. He has Vast experience of 10 years in the field of Finance & Liasion With Govt. Department.

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# RAJASTHAN TUBE MANUFACTURING COMPANY LIMITED

## DIRECTORS' REPORT

Dear Shareholders,

Your Directors have pleasure in presenting their 24<sup>th</sup> 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 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 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

Ordinary/Special resolution were passed at the meeting by show of hands/ unanimously/through ballot. There were no special resolution passed by the company through postal ballot at any of the above meetings.

## 7. DISCLOSURES

The Company has complied with the provisions of law and no penalties or strictures have been imposed by the Stock Exchanges or SEBI or any other statutory authority, on any matter related to the capital markets, during the last 3 years. the Directors did not incur any disqualification under section 274 (1)(g) or under any other law applicable to the company. Disclosures on material significant related party transaction are as under:

The following transactions were carried out with related parties in the financial year 2009-2010.

1. Hiring charges: Rs.72000/-paid to M/s Tridev Finance Co. Ltd.
2. Managerial Remuneration: Rs. 600000/-was paid to Shri Harish Chand Jain
3. Rent: Rs. 32000/-paid to Smt. Kanta Devi Jain.
4. Board Meeting Fees: Rs.14760/- paid to key Managment Personel.
5. Salary Rs.180000/- Paid to Shri Pradeep Jain .
6. Salary Rs.180000/- Paid to Shri Sourabh Jain .

## 8. MEANS OF COMMUNICATION

The Board of Directors of the Company approves and take on record un-audited financial results with in one month of the close every quarter and announces forthwith the results to all the Stock Exchanges in the format prescribed by SEBI, where the shares of the Company are listed. Shareholders are intimated through print media of quarterly financial results and performance besides significant matters, with in time period stipulated from time to time by stock exchanges.The quarterly Un-audited financial results are published in leading national newspaper i.e. The Hindustan Times (English) and Khabaron ki Dunia (Hindi)

## 9. GENERAL SHAREHOLDERS INFORMATION

Sl. No.	Slient Items of interest	Particulars
1.	AGM Date, Time and venue	25th Sept., 2010 ( 10:00 AM ) Anokh Gaon, V.K.I.A, Sikar Road, Jaipur
2.	Financial calendar	Year ending March 31,2010
3.	Date of book closure	23rd Sept. to 25th Sept. 2010 (both days inclusive)
4.	Dividend payment date	No dividend was declared
5.	Listing on Stock Exchanges	1. THE STOCK EXCHANGE, MUMBAI Phiroze Jee Jeebhoy Towers, Dalal street, Mumbai-400001 Tel. : +91-22-22721234/33 Fax : +91-22-22723677

2. THE DELHI STOCK EXCHANGE  
ASSOCIATION LTD.  
DSE House, 3/1 Asaf Ali  
Road, New Delhi-110002,  
Tel. : +91-11-46470000/33/34  
Fax : +91-11-46470053/54
3. JAIPUR STOCK EXCHANGE LTD.  
Stock Exchange Building,  
J.L.N Marg, Malviya Nagar,  
Jaipur -302017  
Tel. : +91-141-2729041/94  
Fax : +91-141-2729082
6. Stock Code 530253 (BSE), 8343 (Delhi)  
& 567 (Jaipur)
7. Registrar & Share  
Transfer agents BEETAL FINANCIAL & COMPUTER  
SERVICES (P) LTD.,  
BEETAL HOUSE 3rd FLOOR,  
99, MADANGIR BEHIND LOCAL,  
SHOPPING CENTRE NEAR DADA,  
  
HARSUKH DAS MANDIR,  
NEW DELHI - 110062 .
8. Share Transfer System Share lodged in physical form  
with the Company /its Registrar  
& Share transfer Agents are  
processed and returned, duly  
transferred with in 30 days nor-  
mally, except in cases where  
litigation is involved.  
In respect of share held in demat-  
erIALIZED mode, the transfer takes  
place instantaneously between the  
transferor, transferee and depository  
participant through electronic debit  
/credit of the accounts involved.
9. Dematerialisation of shares and liquidity As at 31st March, 2010, 3548775 share were  
held in dematerialized mode.
10. Outstanding GDRs/ADRs/  
warrents or any convertible  
instruments, conversion date  
and likely impact on equity There are no outstanding instruments  
and hence there will be no dilution.  
of the equity.
11. Plant locations Your company's product plant was located  
at the following address:  
B-61, Ambaji Industrial Area, Abu Road,  
Distt-Sirohi, Rajasthan  
The Plant situated at above address has  
been shifted at the following new address  
Some of Machines have been shifted and  
some will be shifted in due course.  
New Address :-  
28-37, Jatawali Mod, Maharkala, Dehra,  
Tehsil: Chomu, Distt. Jaipur

12. Address for correspondence Reg. Off. 404, Shekhawati Complex, Station Road, Jaipur-302006, Rajasthan.

13. Market Price Data: High/Low during 2009-2010 on the following exchanges: The Shares of the Company are frequently traded in Mumbai Stock Exchanges and there has been no trading in Delhi and Jaipur Stock Exchanges during the year 2009-2010.

High :- Rs. 12.65/-

Low :- Rs. 7.75/-

14. Distribution of shareholding as on March 31, 2010

Range of shares No. of shareholders % of shareholders No. of shares held  
% of shareholding

1 - 500	2231	75.96	515648	11.44
501 -1000	359	12.22	309800	6.87
1001-2000	183	6.23	293412	6.51
2001-3000	50	1.70	129579	2.87
3001-4000	23	0.78	81589	1.81
4001-5000	19	0.65	90048	2.00
5001-10000	26	0.89	187824	4.17
Over 10000	46	1.57	2899900	64.33
Total	2937	100.00	4507800	100.00

15. Categories of Shareholding as on March 31, 2010

Category	No. of share held	% of shareholding
Individuals	8590164	79.65
NRI's	51561	1.14
Companies	866075	19.21
Total	4507800	100.00

## AUDITORS CERTIFICATE

To  
The Members of Rajasthan Tube Mfg. Co. Ltd.

We have examined the compliance of conditions of corporate governance by Rajasthan Tube Mfg. Co. Ltd., for the year ended on March 31, 2010, as stipulated in Clause 49 of the listing agreement of the said company with the stock exchanges.

The compliance of conditions of corporate governance is the responsibility of management. our examination was limited to procedures and implimentation therof, adopted by the company to ensure compliance with the conditions of corporate governance. it is neither an audit nor an expression of opinion on the financial statements of the company.

In our opinion and to the best of our information and according to the explanations given to us, we certify that the company has complied with the conditions of corporate governance as stipulated in the above mentioned Clause 49 of the listing agreement.

We state that no investor grievances are pending for a period exceeding one month against the company as per the records maintained by the investor grievances committee.

We further state that such compliance is neither an assurance as to the future viability of the company nor the efficiency or effictiveness with which the managment has conducted the affairs of the company.

For PRAMOD & ASSOCIATES  
Chartered Accountants

Jaipur  
Dated : 10th August, 2010

(ABHISHEK DALMIA)  
Partner

SECRETARIAL AUDIT

To,  
The Members,  
RAJASTHAN TUBE MANUFACTURING COMPANY LIMITED  
JAIPUR

For V.M. & ASSOCIATES  
Company Secretaries

Place : Jaipur  
Dated : 12th August, 2010

(MANOJ MAHESHWARI)  
PARTNER  
C.P.No. 1971

CERTIFICATION BY MANAGING DIRECTOR OF THE COMPANY

We hereby certify that for the financial year ending 31st March, 2010 on the basis of the review of the financial statements and the cash flow statement and to the best of our knowledge and belief that :

1. These statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading.
2. These Statements together present a true and fair view of the Company's affairs and are compliance with existing accounting standards, applicable laws and regulations.
3. These are, to the best of our knowledge and belief, no transaction entered into by the company during the 2009-2010 which are fraudulent , illegal or violative of the Company's Code of Conduct.
4. We accept the responsibility for establishing and maintaining internal control. We have evaluated the effectiveness of the Internal control systems of the Company and we have disclosed to the auditors and the Audit committee those deficiencies, of which we are aware, in the design or operation of the internal systems and that we have taken the required steps to rectify these deficiencies.
5. We further certify that:
  - a. There have been no significant changes in internal control during this year.
  - b. There have been no significant change in accounting policies during this year.
  - c. There have been no instances of significant fraud of which we have become aware and the involvement therein, of management or an employees having a significant role in the Company's internal control system.

DECLARATION REGARDING COMPLIANCE BY BOARD MEMBERS AND SENIOR MANAGEMENT PERSONNEL WITH THE COMPANY'S CODE OF CONDUCT :

This is to confirm that the Company has adopted a code of conduct for the Board of Directors and Senior Management of the Company. The same is available on website of the Company as [www. rajtube.com](http://www.rajtube.com)

As Managing Director of the Rajasthan Tube Manufacturing Company Limited and as required by clause 49 (1) (D) (ii) of the Listing Agreement of the Stock Exchange in India, I hereby declare that all the Board Members and Senior Management personnel of the the company have affirmed compliance with the code of conduct for financial year 2009-2010.

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

Dated : 10th August, 2010

(HARISH CHAND JAIN)  
CHAIRMAN & MANAGING DIRECTOR



## AUDITORS ' REPORT

To  
The Members of  
RAJASTHAN TUBE MANUFACTURING COMPANY LIMITED

We have audited the attached Balance Sheet of RAJASTHAN TUBE MANUFACTURING COMPANY LIMITED as at 31st March,2010 and Profit & Loss Account for the year ended on that date annexed thereto and the Cash Flow Statement for the period ended on that date. These financial statements are the responsibility of the Company's Management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in India. Those Standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement . An audit also includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.:-

1. As required by the Companies (Auditors' Report) Order,2003 issued by the Central Government of India in terms of Section 227 (4A) of the Companies Act,1956 we give in the annexure statement on the matters specified in paragraphs 4 and 5 of the said order.
2. Further to our comments in the annexure referred to in paragraph 1 above.
  - (a) We have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit.
  - (b) In our opinion proper books of accounts as required by law have been kept by the company so far as appears from our examination of the books.
  - (c) The Balance Sheet, Profit & Loss Account and Cash Flow Statement referred to in this report are in agreement with the books of accounts.
  - (d) In our opinion the Balance Sheet, Profit and Loss account and the Cash Flow Statement dealt with by this report are in compliance with the Accounting Standards (AS) referred to in Section 211(3C)of the Companies Act ,1956
  - (e) On the basis of the written representations received from directors as on 31st March, 2010 and taken on record by the board of directors, we report that none of the directors is disqualified as on 31st March, 2010 from being appointed as a director in terms of clause (g) of sub-section (1) of section 274 of the Companies Act, 1956;
  - (f) In our opinion and to the best of our information and according to the explanation given to us, the said accounts read with notes thereon, give the information required by the Companies Act,1956 in the manner so required and give a true and fair view.
    - (1) In the case of Balance Sheet, of the state of affairs of the company as at 31st March,2010.
    - (2) In the case of the Profit & Loss Account of the Profit of the company for the year ended on that date.
    - (3) In the case of cash flow statement of the cash flow for the year ended on that date

For PRAMOD & ASSOCIATES  
Chartered Accountants

Jaipur  
Dated : 10th August, 2010

(ABHISHEK DALMIA)  
Partner

## ANNEXURE TO THE AUDITORS' REPORT

Statement referred to in paragraph of report of even date to the members of Rajasthan Tube Manufacturing Company Limited of the accounts for the year ended on 31st March, 2010.

1. The company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets. According to the information and explanations given to us, most of the fixed assets have been physically verified by the Management during the year. In our opinion, the frequency of such physical verification is reasonable having regard to the sizes of the Company and the nature of its assets. no material discrepancies were noticed on such verification as compared to the available records. There was no disposal of fixed assets during the year.
2. Physical verification of Inventory has been conducted by the Management at reasonable intervals. The procedures for physical verification of stocks followed by the Management are reasonable and adequate in relation to the size of the company and nature of its business. The Company is maintaining proper records of inventory and no material discrepancies were noticed on physical verification.
3. The Company has not granted any loans from/to companies under the same management, firms or other parties listed in the Register maintained under section 301 of the Companies Act 1956 .
  - b) Not applicable .
  - c) Not applicable .
  - d) Not applicable .
  - e) The Company has not taken any loans secured or unsecured from companies firms or other parties covered in the register maintained under section 301 of the Act .
  - f) Not applicable .
  - g) Not applicable .
4. In our opinion and according to the information and explanation given to us, there are adequate internal control procedures commensurate with the size of the Company and the nature of its business for the purchase of inventory and fixed assets and for the sale of goods. During the course of our audit, no major weakness has been noticed in the internal controls.
5. In our opinion and according to the information and explanation given to us, the transactions that need to be entered into the register maintained under section 301 of the Companies Act, 1956 have been so entered. In respect of transactions with parties with whom transactions exceeding value of Rupees five lakh have been entered into during the financial year, are of prices which are reasonable having regard to the prevailing market prices of the relevant time.

6. The Company has not accepted any deposits from the public.
7. In our opinion, the company has an internal audit system commensurate with the size and nature of its business.
8. As informed to us, the central Government has not prescribed maintenance of cost records by the small scale industry units under Section 209(1)(d) of the Companies Act, 1956, Hence the company has not maintained these records being a SSI unit.
9. The company is regular in depositing undisputed Statutory Dues including Provident Fund, Investor education and protection fund, Employees' state insurance, income Tax, Sales Tax, Wealth Tax, Service Tax, Custom Duty, Excise Duty, Cess and any other statutory dues applicable to it with the appropriate authorities, According to the information and explanations given to us, no undisputed amounts payable in respect of sales tax, Income tax, Wealth Tax, Service Tax, Custom tax, Excise Duty and Cess were outstanding of the year end for a period of more than six months from the date they became payable, According to the records of the company, there are no disputed amounts that have not been deposited with appropriate authorities on account of Income Tax, Wealth Tax, Service Tax, Custom Duty, Excise Duty, Sales Tax, Cess and Service Tax except the following.

Name of the Statute	Nature of the Dues	Period to which the amt. Relates	Amount Rs.	Forum where the dispute is pending
Employees State Insurance Act.	ESI	1998-2000	94087	Employees State Insurance Court

10. The company has no accumulated losses at the end of the financial year and it incurred cash losses in the current year but not in the immediately preceding financial year.
11. Based in our audit procedures and on the information and explanations given by the management, we are of the opinion that the company has not defaulted in payment of dues to financial institutions and banks. The company does not have any borrowings by way of debentures.
12. The company has not granted any loans and advances on the basis of security by way of pledge of shares, debentures and other securities.
13. In our opinion and according to the information and explanations given to us, the nature of activities of the company does not attract any special statute applicable to chit fund and nidhi/mutual fund/societies.

14. Based on our examination of records and the information and explanations given to us the company has not dealt/traded in shares, securities, debentures and other securities during the year.
15. According to the information and explanations given to us, the company has not given any guarantee for loans taken by others from banks or financial insitutions.
16. The Company has not taken any term loans during the year covered by our audit and there is no term loan outstanding at the year end which was taken in earlier year except Vehicle Loans .
17. Based on our examination Cash Flow Statement of the Company, we are of the opinion that funds raised on short term basis have not been used for long term investments.
18. The company has not any preferential allotment of shares during the year.
19. The company did not have any outstanding debentures during the year.
20. The company has not raised any money through public issue during the year.
21. Based on the audit procedures performed and information and explanations given by the management, we report that no fraud on or by the company has been noticed or reported during the course of our audit.

For PRAMOD & ASSOCIATES  
Chartered Accountants

Jaipur:  
Dated : 10th August, 2010

(ABHISHEK DALMIA)  
Partner

RAJASTHAN TUBE MANUFACTURING COMPANY LIMITED

BALANCE SHEET AS AT 31ST MARCH, 2010

	Sch.	Rupees	As at 31.03.2010 (Rs.)	As at 31.3.2009 (Rs.)
<b>I . SOURCES OF FUNDS</b>				
1. Shareholders' Funds				
A) Share Capital	1	4,49,98,500		4,49,98,500
B) Reserves & Surplus	2	5,57,33,732		4,87,66,574
			10,07,32,232	9,37,65,074
2. Loan Funds				
A) Secured Loans	3	12,55,93,537		11,54,90,631
B) Unsecured Loans	4	11,85,000		11,85,000
			12,67,78,537	11,66,75,631
3. Deferred Tax Liabilites (Net)			16,99,552	19,60,853
			22,92,10,321	21,24,01,558
<b>II .APPLICATION OF FUNDS</b>				
1. Fixed Assets	5			
A) Gross Block		9,58,16,523		8,79,79,718
B) Less: Depreciation		6,09,32,025		5,79,40,624
C) Net Block			3,48,84,498	3,00,39,094
D) Work-in-Progress			67,52,401	16,99,376
2. Investment	6		9,07,000	9,07,000

RAJASTHAN TUBE MANUFACTURING COMPANY LIMITED

BALANCE SHEET AS AT 31ST MARCH, 2010

	Sch.	Rupees	As at 31.03.2010 (Rs.)	As at 31.3.2009 (Rs.)
03. Current Assets, Loans & Advances	7			
A) Inventories		12,98,90,706		7,98,87,124
B) Sundry Debtors		13,43,18,456		9,88,33,799
C) Cash & Bank Balances		93,93,763		73,20,100
D) Loans & Advances		3,14,09,255		4,05,10,027
		<u>30,50,12,180</u>		<u>22,65,51,050</u>
Less:				
Current Liabilities & Provisions	8			
A) Current Liabilities		11,75,85,758		3,77,62,604
B) Provisions		7,60,000		90,32,358
		<u>11,83,45,758</u>		<u>4,67,94,962</u>
			18,66,66,422	17,97,56,088
			<u>22,92,10,321</u>	<u>21,24,01,558</u>

Accounting Policies &  
Notes to the Accounts 13

IN TERMS OF OUR REPORT OF  
EVEN DATE ANNEXED.  
For PRAMOD & ASSOCIATES  
Chartered Accountants

FOR AND ON BEHALF OF THE BOARD

(HARISH CHAND JAIN)  
CHAIRMAN & MANAGING DIRECTOR

JAIPUR,  
10th August, 2010 (ABHISHEK DALMIA)  
PARTNER

(SUNIL KUMAR JAIN)  
DIRECTOR

# RAJASTHAN TUBE MANUFACTURING COMPANY LIMITED

## PROFIT & LOSS ACCOUNT FOR THE YEAR ENDED ON 31ST MARCH, 2010

	Sch.	Rupees	Year ended 31.03.2010 (Rs.)	Year ended 31.3.2009 (Rs.)
<b>I. INCOME</b>				
Turnover	-	70,10,55,173		54,56,86,536
Other Income	-	9,16,700		5,96,290
			70,19,71,873	54,62,82,826
<b>II . EXPENDITURE</b>				
Cost of Materials consumed	9	65,69,46,522		52,26,20,473
Manufacturing Exp.	10	52,31,790		42,52,431
Employees Emoluments	11	33,34,070		30,56,472
Other Expenses	12	2,60,62,233		2,28,56,437
			69,15,74,615	55,27,85,813
Profit/(Loss) Before Depreciation			1,03,97,258	(65,02,987)
Less : Depreciation			29,91,401	30,98,267
Less				
NET PROFIT/(LOSS) BEFORE TAXATION			74,05,857	(96,01,254)
Less : Provision for taxation				
Current Tax			7,00,000	60,000
Deferred Tax (Net)			(2,61,301)	(3,35,865)
NET PROFIT/(LOSS) AFTER TAXATION			69,67,158	(93,25,389)
Balance Brought Forward from previous years			2,53,32,626	3,46,58,015
Net Profit Carried over to Balance Sheet			3,22,99,784	2,53,32,626
Basic and Diluted Earnings per Share (in Rs.)			1.55	-
Cash Earning per share (in Rs.) (Before Depreciation and Tax)			2.31	-
Accounting Policies & Notes to the Accounts	13			

FOR AND ON BEHALF OF THE BOARD

IN TERMS OF OUR REPORT OF  
EVEN DATE ANNEXED.  
For PRAMOD & ASSOCIATES  
Chartered Accountants

(HARISH CHAND JAIN)  
CHAIRMAN & MANAGING DIRECTOR

JAIPUR,  
10th August, 2010 (ABHISHEK DALMIA)  
PARTNER

(SUNIL KUMAR JAIN)  
DIRECTOR

RAJASTHAN TUBE MANUFACTURING COMPANY LIMITED

**SCHEDULES 1 TO 13 : FORMING PART OF THE BALANCE SHEET AND  
PROFIT & LOSS ACCOUNT**

	AS AT 31.3.2010 (Rs.)	AS AT 31.3.2009 (Rs.)
<b>SCHEDULE-1 : SHARE CAPITAL</b>		
Authorised :		
80,00,000 Equity Shares of Rs.10/- each	8,00,00,000 =====	8,00,00,000 =====
Issued, Subscribed & Paid up :		
45,07,800 Equity Shares of Rs.10/- each fully paid up	4,50,78,000	4,50,78,000
Less : Allotment Money due towards Capital A/c	79,500 -----	79,500 -----
	4,49,98,500 -----	4,49,98,500 -----
<b>SCHEDULE-2 : RESERVES &amp; SURPLUS</b>		
General Reserve		
Opening balance	26,29,020	22,99,869
Add:transferred from revaluation Reserve	3,29,151 -----	3,29,151 -----
	29,58,171	26,29,020 -----
Revaluation Reserve		
Opening Balance	25,44,938	28,74,089
Less: Transferred to General Reserve	3,29,151 -----	3,29,151 -----
	22,15,787	25,44,938 -----
Investment Allowance Utilisation Reserve	17,47,490	17,47,490 -----
Share Premium		
Opening Balance	1,65,39,000	1,65,39,000
Less:Allotment Money Due towards Premium Account	26,500 -----	26,500 -----
	1,65,12,500	1,65,12,500 -----
Profit & Loss A/c	3,22,99,784 -----	2,53,32,626 -----
	5,57,33,732 -----	4,87,66,574 -----



**SCHEDULE-3 : SECURED LOANS**

	AS AT 31.3.2010 (Rs)	AS AT 31.3.2009 (Rs)
From Banks :		
On Cash Credit Account (See Note :1 below)	12,47,54,272	11,36,41,447
Vehicle Loan (See Note :2 below)	8,39,265	18,49,184
	<u>12,55,93,537</u>	<u>11,54,90,631</u>

**SCHEDULE-4 : UNSECURED LOANS**

From Companies	11,85,000	11,85,000
	<u>11,85,000</u>	<u>11,85,000</u>

**N O T E :**

1. Working Capital Loan is secured by way of first charge as hypothecation over all the current assets of the company including its book Debts. This loan is further secured by First Charge in respect of other movable and immovable assets of Company and personal guarantees of Shri Harish Chand Jain, Managing Director of the company.
2. Vehicle (Car) Loan is Secured against hypothecation of Car & Trucks which is taken on Hire Purchase basis.

**SCHEDULE-5 : FIXED ASSETS**

Particulars	GROSS BLOCK				DEPRECIATION			NET BLOCK		
	As at 31.3.2009 (Rs)	Addition (Rs)	Deduction (Rs)	As at 31.3.10 (Rs)	As at 31.3.2009 (Rs)	For the period (Rs)	Deduction 31.3.2010 (Rs)	As at 31.3.2010 (Rs)	As at 31.03.2010 (Rs)	As at 31.3.2009 (Rs)
Leasehold Land	9653995	4752650	-	14406645	-	-	-	-	14406645	9653995
Buildings	18886159	2390165	-	21276324	11629504	590822	-	12220326	9055998	7256655
Plant & Machinery	48247846	639963	-	48887809	37092508	1878609	-	38971117	9916692	11155338
Furniture & Fixtures	323296	-	-	323296	182839	20465	-	203304	119992	140457
Vehicles	10231599	35377	-	10266976	8518125	473489	-	8991614	1275362	1713474
Office Equipments	636823	18650	-	655473	517648	28016	-	545664	109809	146478
<b>TOTAL</b>	<b>87979718</b>	<b>7836805</b>	<b>-</b>	<b>95816523</b>	<b>57940624</b>	<b>2991401</b>	<b>-</b>	<b>60932025</b>	<b>34884498</b>	<b>30039094</b>
Previous Year	86556197	1423521	-	87979718	54842357	3098267	-	57940624	30039094	31713840
Capital Work-in-Progress	-	6752401	-	-	-	-	-	-	-	-

**SCHEDULE-6 : INVESTMENTS (LONG TERM)**

	Rupees	As at 31.3.2010 (Rs.)	As at 31.3.2009 (Rs.)
	-----	-----	-----
A) QUOTED (TRADE)			
54500 Equity Share of Rs.10 each fully paidup of M/s Tridev Finance Company Limited. (Previous year 54500 Equity Shares of Rs.10/- each fully paidup) (Market value of Quoted investment Rs.545000/- Previous year Rs.545000/-)		5,45,000	5,45,000
N.S.C.		3,62,000	3,62,000
		-----	-----
		9,07,000	9,07,000
		-----	-----

**SCHEDULE-7 : CURRENT ASSETS, LOANS & ADVANCES**

	Rupees -----	As at 31.3.2010 -----	As at 31.3.2009 -----
<b>A) INVENTORIES</b> (Taken as valued & certified by the Management)			
Stores	62,45,700		59,29,120
Loose Tools	1,86,319		1,86,319
Raw Materials	1,90,48,413		1,80,66,683
Stock in process	1,73,57,582		1,21,16,298
Finished Stock	8,70,52,692		4,35,88,704
	-----	12,98,90,706	----- 7,98,87,124
<b>B) SUNDRY DEBTORS</b> (Unsecured, considered)			
Debts outstanding for a period exceeding six months	4,03,43,055		82,88,170
Other Debts	9,39,75,401		9,05,45,629
	-----	13,43,18,456	----- 9,88,33,799
<b>C) CASH &amp; BANK BALANCES</b>			
Cash in hand	4,86,831		8,64,293
Balances with scheduled Commercial Banks			
In Current Accounts	99,714		67,547
In Fixed Deposits	86,79,000		62,49,000
Interest Accrued & Due thereon	1,28,218		1,39,260
	-----	93,93,763	----- 73,20,100
<b>D) LOANS &amp; ADVANCES</b> (Unsecured, considered good)			
Advances recoverable in cash or in kind or for value to be received	3,02,20,066		4,01,46,138
Sundry Deposits	11,89,189		3,63,889
	-----	3,14,09,255	----- 4,05,10,027
		----- 30,50,12,180	----- 22,65,51,050

**SCHEDULE-8: CURRENT LIABILITIES & PROVISIONS**

	Rupees	As at 31.3.2010	As at 31.3.2009
	_____	_____	_____
A) CURRENT LIABILITIES			
Sundry Creditors	10,83,44,870		3,35,07,257
Other Liabilities	92,40,888		42,55,347
	-----		-----
		11,75,85,758	3,77,62,604
B) PROVISIONS			
Provision for Taxation	7,60,000		89,30,000
Provision for Gratuity	-		1,02,358
	-----		-----
		7,60,000	90,32,358
		-----	-----
		11,83,45,758	4,67,94,962
		-----	-----

**SCHEDULE- 9 : COST OF MATERIALS CONSUMED, INCREASE/DECREASE IN STOCK**

	Year ended 31.3.2010	Year ended 31.3.2009
	-----	-----
A) Raw Materials consumed	70,56,51,794	53,65,72,519
B) (Increase)/Decrease in Stock :		
Closing Stock		
Finished Goods	8,70,52,692	4,35,88,704
Stock in process	1,73,57,582	1,21,16,298
	-----	-----
	10,44,10,274	5,57,05,002
Less :		
Opening Stock		
Finished Goods	4,35,88,704	3,82,78,587
Stock in process	1,21,16,298	34,74,369
	-----	-----
	5,57,05,002	4,17,52,956
	-----	-----
	(4,87,05,272)	(1,39,52,046)
	-----	-----
	65,69,46,522	52,26,20,473
	-----	-----

**SCHEDULE-10 : MANUFACTURING EXPENSES:**

	Year ended 31.3.2010	Year ended 31.3.2009
Stores, Loose Tools consumed	20,70,117	22,66,563
Power, Fuel & Water	25,06,215	18,10,109
Repairs to Plant & Machinery	6,55,458	1,75,759
	<u>52,31,790</u>	<u>42,52,431</u>

**SCHEDULE-11 : EMPLOYEES EMOLUMENTS :**

Salaries, Wages & Bonus	32,71,233	29,36,665
Employees State Insurance Premium	6,611	17,825
Staff Welfare Expenses	37,780	51,804
Provident Fund	18,446	50,178
	<u>33,34,070</u>	<u>30,56,472</u>

**SCHEDULE-12 : OTHER EXPENSES**

Printing & Stationery	48,074	45,050
Postage, Telegram & Telephone	1,24,939	1,43,228
Rates & Taxes	59,421	93,659
Insurance	1,86,609	1,86,585
Traveling Expenses & Conveyance	1,79,485	85,029
Interest others	1,44,44,886	1,39,80,482
Professional Charges	1,87,700	1,84,000
Rent	32,000	48,000
Miscellaneous Expenses	9,01,445	11,14,782
Excise Duty on Closing	20,06,793	(22,50,945)
Stock of Finished Goods (Net)		
Bank Commission	27,95,952	23,73,760
Consignment Commission & Other Exp.	4,71,231	3,82,038
Remuneration to Auditor's	35,000	35,000
Vehicle Running & Maintenance	45,73,938	64,23,669
Board Meeting Expenses	14,760	12,100
	<u>2,60,62,233</u>	<u>2,28,56,437</u>

## RAJASTHAN TUBE MANUFACTURING COMPANY LIMITED

### SCHEDULE-13 : ACCOUNTING POLICIES AND NOTES ON ACCOUNTS

#### I. SIGNIFICANT ACCOUNTING POLICIES :

##### (1) CONVENTION

The accounts are prepared under the historical cost convention and on the basis of a going on concern and on the accrual system of accounting.

##### (2) FIXED ASSETS AND DEPRECIATION

Fixed Assets are stated at cost and amount added/adjusted on revaluation less accumulated depreciation in the books of account. The company capitalises all costs incidental to acquisition and installation of fixed assets.

Depreciation on fixed assets is charged on straight line method at the rates prescribed in Schedule XIV of the Companies Act, 1956 as amended by circular No. 1/12/92/CLV/dated 16.12.93 except on GI Plant and Building which have commenced commercial production w.e.f. 16th February, 1996, and vehicals purchased after 01-04-1998 depreciation has been provided on written down value method at the rates prescribed in Schedule XIV of the Company Act, 1956.

The amount of Depreciation on increase due to revaluation is being directly transferred to General Reserve from Revaluation Reserve.

##### (3) VALUATION OF INVENTORIES :

Inventories are valued as under :

- |                      |   |  |
|----------------------|---|--|
| (a) Stores           | : | At cost.                                     |
| (b) Loose tools      | : | At cost.                                     |
| (c) Raw materials    | : | At cost (FIFO)                               |
| (d) Stock in process | : | At estimated cost                            |
| (e) Finished goods   | : | At lower of cost or net<br>realisable value. |

As per the consistent practice of the company, while valuing stocks, the relative impact/incidence of manufacturing, administrative and financial expenses has been considered. Cost includes estimated apportioned overheads. Finished goods lying in factory premise are valued inclusive of excise duty. Goods sent on Consignment held in stock has been valued at the Invoice Price. Raw material are valued on FIFO basis except Zinc which was valued on average cost basis.

##### (4) SALES

Sales are inclusive of conversion sale net of return, excise duty, rebate, claims, Freight and discount etc. Consignment Sales are recognised on receipt of statement of account from the Agent.

##### (5) EXCISE DUTY

Excise duty is accounted for at the time of removal of the goods.

**(6) INVESTMENT**

Investment are valued at cost .

**(7) RETIREMENT BENIFITS :**

Provision for gratuity has been made on the basis of actuarial valuation in the accounts in respect of employees who has completed qualifying period of service.

**(8) DEFERRED TAX :**

Deferred tax is recognised, subject to the consideration of prudence, on timing differences, being the difference between taxable income and accounting income that originate in one period and are capable of reversal in one or more subsequent periods. Deferred tax assets arising from temporary timing differences are recognised to the extent there is reasonable certainty that the assets can be realised in future.

**(9) CONTINGENT LIABILITIES :**

Contingent liabilities are not provided for in the accounts and are separately shown in the notes to the accounts.

**II. NOTES ON ACCOUNTS :**

(1)Contingent liabilities not provided for :

	As at 31.3.2010 (Rs.)	As at 31.3.2009 (Rs.)
(i) Guarantee given by Bank against which the Directors have given counter guarantees.	18,81,854	1,63,31,854
(ii) Letter Credit Outstanding	8,48,00,000	4,59,70,000

(2) Payment to Auditors.

	Current Year (Rs)	Previous Year (Rs)
(i) Audit fees	14,500	14,500
(ii) Tax Audit	5,000	5,000
(iii)Reimbursement of Expenses	15,500	12,200

(3) Sundry Debtors and Creditors balances are subject to confirmation from respective parties.

(4)The company extends the benefit of encashment of leave to its employees while in service as well as on retirement. As the company does not have any defined retirement benefit scheme in the respect, Accounting Standard AS-15 issued by the Institutute of Chartered Accountants of India is not considered applicable, encashment of leave accumulated while in service is at the option of employees and is accounted for as and when claimed hance not provided for.

(5) In the opinion of the management the Current Assets and Advances are approximately of the value stated, if realised in the ordinary course of business unless otherwise stated. The provisions for all liabilities are adequate.

- (6) Provision for taxation for the current year has been made after taking into consideration benefits admissible under the provision of the Income Tax Act, 1961 and as per section 115 JB of the Income Tax Act, 1961.
- (7) Lease hold Land ,Building and Plant & Machinery located at factory premises at B-61, Ambaji Industrial Area, Abu Road as on 01-04-94 have been revalued as per valuation report of approved valuer and difference between revaluation cost and cost as per books has been incorporated in books and the corresponding amount of net increase Rs.1,57,33,295/- has been transferred in revaluation reserve account.
- (8) The information regarding SSI units is under compilation and hence dues to such units can not be readily determined hence the same was not disclosed in balance sheet. Normally dues to all the creditors are paid in accordance with the agreed credit terms.
- (9) The Company operates solely in the Steel Tube/Pipes and Sheets segment hence no separate information for segment wise disclosure is required.
- (10) Related Party Transactions:
- (a) Relationship :
- (i) Company under common Control of the Promoters.  
(a) Tridev Finance Company Limited.
- (ii) Key Management Personnel  
(a) Shri Harish Chand Jain (Managing Director)  
(b) Shri Sunil Kumar Jain (Director)
- (b) The Following Transactions were carried out with related parties in the Financial year 2009-2010.
1. Hiring Charges : Rs.72000/- paid to M/s Tridev Finance Co. Ltd.
  2. Managerial Remuneration : Rs.600000/- was paid to Shri Harish Chand Jain
  3. Rent : Rs.32000/- paid to Smt. Kanta Devi Jain Relative of Shri Harish Chand Jain.
  4. Board Meeting Fees : Rs.14760/- paid to Key Management Personnel.
  5. Salary Rs.180000/- Paid to Shri Pradeep Jain.
  6. Salary Rs.180000/- Paid to Shri Sourabh Jain.
- (c) The following balance were due from/to the related parties as on 31.03.2010
1. Investment in Equity share of M/s Tridev Finance Co. Ltd. Rs.5,45,000/-.
- (11) Gross book value of Fixed Assets includes the net incremental effect on revaluation of Land, Building, Plant and Machinery located at B-61, Ambaji Industrial Area, Abu Road, which were revalued as per valuation made as on 1-04-94 by approved Valuer.

	Current year	Previous year
	-----	-----
Land	81,53,840	81,53,840
Building	19,24,184	19,24,184
Plant & Machinery	56,55,271	56,55,271
	-----	-----



(12) Depreciation includes Rs 3,29,151 against revalued amount of fixed assets and equivalent amount has been withdrawn from revaluation reserve and transferred to general reserve.

(13) The managing director has been paid Rs 600000/- (previous year RS.480000/-) as remuneration as per schedule XIII of the Companies Act, 1956. Computation of net profit for the purpose, of managerial remuneration in accordance with the Companies Act, 1956 has not been given as no commission by way of a percentage of profit is payable for the year under review.

(14) Tax deducted at source on interest income included in other income is Rs.129655/- (Previous year Rs.124774/-).

(15) Inventory includes goods in transit and consignment stock pending sale.

(16) Details of licensed capacity, installed capacity and actual production of Steel pipes and M.S. Sheet.

	Unit	Current Year	Previous Year
Licensed/Registered capacity	MT	50000.000	50000.000
Installed capacity	MT	45000.000	45000.000
Actual Production	MT	8908.020	7945.255

(17) Details of stocks and turnover of Steel Pipes and M.S. Sheet:

	Unit	CURRENT YEAR		PREVIOUS YEAR	
		Qty (MT)	Value (Rs)	Qty (MT)	Value (Rs)
Opening Stock					
Steel Pipes & Sheet	MT	1222.616	41546704	930.506	37392461
Repairable goods	MT	81.680	2042000	25.815	886126
Slitted Material (in process)	MT	381.125	12116298	102.480	344369
Turnover					
Steel Pipes & Sheet	MT	18337.306	701055173	14017.235	545686536
Closing Stock					
Steel pipes	MT	2011.290	85205388	1222.616	41546704
Repairable goods	MT	83.740	1847304	81.680	2042000
Slitted Material	MT	459.650	17357582	381.125	12116298

**NOTE :-**

(a) Production include M.S. Sheet production of NIL (Previous year 1392.310)

(b) production does not include outside purchase of 5723.815 MT pipe (previous year 5393.440 MT.)

(18) Details of raw materials consumed :-

	Unit	CURRENT YEAR		PREVIOUS YEAR	
		Qty(MT)	Value (Rs)	Qty (MT)	Value (Rs)
a) HR Coils, Pipes & Sockets	MT	14142.486	703462259	14033.745	533767046
b) Zinc	MT	17.000	2189536	20.115	2805473

(19) Deferred Tax Liabilities (Net)

	Deferred Tax Liability/Assets as at 31-03-2010	Deferred Tax Liability/Assets as on 31-03-2009
Deferred Tax Liabilities		
1) Depreciation	16,99,552.00	19,71,438.00
(A)	16,99,552.00	19,71,438.00
Deferred Tax Assets		
1) Gratuity Provision	-	10,585.00
(B)	-	10,585.00
Deferred Tax Liability(Net) (A-B)	16,99,552.00	19,60,853.00

Persuant to accounting standard (AS)22 Accounting for taxes on incomes, the Company has recorded a net cumulative deferred tax liability of Rs.5059337 upto 31-03-2003 as reduction in general reserve. Further the impact of Deferred Tax Liability of ( Rs.261301) for the year ended 31.03.2010 has been credited to Profit and Loss Account.

(21). All raw materials, stores and spares consumed are indigenous.

(22). C.I.F.value of imports : Rs. Nil (Previous year Nil)

(23). F.O.B. value of exports : Rs. Nil (Previous year Nil)

(24). Corresponding figures of the previous year have been regrouped to confirm with this year's grouping wherever necessary.

(25). Figures have been rounded off to the nearest rupee.

(26). Additional information pursuant to Part IV of Schedule VI of the Companies Act, 1956.

# BALANCE SHEET ABSTRACT AND COMPANY'S GENERAL BUSINESS PROFILE

## I. Registration Details :

Registration No. 3370

State Code 17

Balance Sheet Date 31-03-2010

## II. Capital Raised During the year (Amount in Rs.Thousands)

Public Issue

/-----\  
|                  NIL                  |  
\-----/

Rights Issue

/-----\  
|                  NIL                  |  
\-----/

Bonus Issue

/-----\  
|                  NIL                  |  
\-----/

Private Placement

/-----\  
|                  NIL                  |  
\-----/

## III. Position of Mobilisation and Deployment of Funds (Amount in Rs.Thousand)

Total Liabilities

/-----\  
|                  229210                  |  
\-----/

Total Assets

/-----\  
|                  229210                  |  
\-----/

### SOURCES OF FUNDS

Paid-up-Capital

/-----\  
|                  44998                  |  
\-----/

Reserves & Surplus

/-----\  
|                  55734                  |  
\-----/

Secured Loans

/-----\  
|                  125594                  |  
\-----/

Unsecured Loans

/-----\  
|                  1185                  |  
\-----/

### DEFERRED TAX LIABILITIES

/-----\  
|                  1699                  |  
\-----/

### APPLICATION OF FUNDS

Net Fixed Assets

/-----\  
|                  41637                  |  
\-----/

Investments

/-----\  
|                  907                  |  
\-----/

Net Current Assets

/-----\  
|                  186666                  |  
\-----/

Misc. Expenditure

/-----\  
|                  NIL                  |  
\-----/

Accumulated Losses

/-----\  
|                  NIL                  |  
\-----/

IV. Performance of the Company (Amount in Rs.Thousand) :

Turnover (Gross Revenue)		Total Expenditure	
/-----\		/-----\	
	701972		691575
\-----/		\-----/	
Profit/(Loss) Before Tax		Profit/(Loss) after Tax	
+ -	/-----\	+ -	/-----\
+	10397	+	6967
\-----/		\-----/	

42

Earning per Share in Rs.(Annualised)	Dividend Rate %
/-----\	/-----\
NIL	NIL
\-----/	\-----/

V. Generic Name of Three Principal Products/Services of Company:  
(As per Monetary Terms) :

Item Code No.(ITC Code)	/-----\	/-----\
730410.01		STEEL TUBES AND PIPES
Product Description	\-----/	\-----/
Item Code No.(ITC Code)	/-----\	/-----\
Product Description	\-----/	\-----/
Item Code No.(ITC Code)	/-----\	/-----\
Product Description	\-----/	\-----/

SIGNED SCHEDULES 1 TO 13.

FOR AND ON BEHALF OF THE BOARD

IN TERMS OF OUR REPORT OF  
EVEN DATE ANNEXED.

For PRAMOD & ASSOCIATES  
Chartered Accountants

(HARISH CHAND JAIN)  
CHAIRMAN & MANAGING DIRECTOR

JAIPUR,  
10th August, 2010

(ABHISHEK DALMIA)  
PARTNER

(SUNIL KUMAR JAIN)  
DIRECTOR

CASH FLOW STATEMENT FOR THE YEAR ENDED 31st MARCH, 2010

	Year Ended 31-3-2010 (Rs."000)	Year Ended 31.3.2009 (Rs."000)
<b>A. CASH FLOW FROM OPERATING ACTIVITIES</b>		
Net Profit Before Tax and Extra-ordinary Items	7406	(9601)
Adjustment for :		
Depreciation	2991	3098
Loss on Sale of Fixed Assets	-	-
Investment Income (Interest on Deposits etc.)	(917)	(596)
Interest	14445	13980
Operating Profit before working Capital Changes	23925	6881
Adjustment for :		
Trade and other Receivables	(35485)	30368
Inventories	(50003)	5919
Trade Payables	71551	(58170)
Cash Generated from Operations	9988	(15002)
Interest Paid	(14445)	(13980)
Direct Taxes Paid	(700)	(60)
Cash Flow before Extra-Ordinary Items	(5157)	(29042)
Extra-Ordinary Items - Revaluation Reserve	-	-
<b>NET CASH FLOW FROM OPERATING ACTIVITIES</b>	<b>(5157)</b>	<b>(29042)</b>
<b>B. CASH FLOW FROM INVESTING ACTIVITIES :</b>		
(Purchase)/Sales of Fixed Assets	(12890)	(3123)
Purchase of Investments	-	(362)
Loss on Sale of Fixed Assets	-	-
Interest / Dividends Received	917	596
(Increase)/Decrease in Loans and Advances	9101	(4057)
Increase in Interest Accrued on Investment	-	-
<b>NET CASH USED IN INVESTING ACTIVITIES</b>	<b>(2872)</b>	<b>(1168)</b>
<b>C. CASH FLOW FROM FINANCING ACTIVITIES :</b>		
Proceeds from issue of Share Capital	-	-
Proceeds from Long Term Borrowings	10103	25461
<b>NET CASH FROM FINANCING ACTIVITIES</b>	<b>10103</b>	<b>25461</b>
Net Increase/Decrease in Cash and Cash Equivalents	2074	(2413)
Cash and Cash Equivalents as at (Opening Balance)	7320	9733
Cash and Cash Equivalents as at (Closing Balance)	9394	7320

Note : Figures in Brackets Represent Outflows.

FOR AND ON BEHALF OF THE BOARD

IN TERMS OF OUR REPORT OF  
EVEN DATE ANNEXED.  
For PRAMOD & ASSOCIATES  
Chartered Accountants

(HARISH CHAND JAIN)  
CHAIRMAN & MANAGING DIRECTOR

JAIPUR,  
10th August, 2010      (ABHISHEK DALMIA)  
PARTNER

(SUNIL KUMAR JAIN)  
DIRECTOR

RAJASTHAN TUBE MANUFACTURING COMPANY LIMITED

Regd. Office :  
404, Shekhawati Complex, Station Road, Jaipur.

PLEASE COMPLETE THIS ATTENDANCE SLIP AS PER THE DETAILS ON THE ENVELOPE AND  
HAND IT OVER AT THE ENTRANCE OF THE MEETING HALL.

I hereby record my presence at the 24<sup>th</sup> ANNUAL GENERAL MEETING on Saturday  
25th September, 2010 at 10.00 A.M. at " ANOKHA GAON " Near Road No.14, Vish-  
wakarma Industrial Area, Sikar Road, Jaipur.

(IN BLOCK LETTERS)

NAME OF THE SHARE HOLDER/PROXY
SIGNATURE OF THE SHAREHOLDER/PROXY

Ledger Folio No....., No.of Share held .....  
DP Id No..... Client Id.No.....  
..... (TEAR HERE) .....  
FORM OF PROXY

RAJASTHAN TUBE MANUFACTURING COMPANY LIMITED

Regd. Office :  
404, Shekhawati Complex, Station Road, Jaipur.

Ledger Folio No.: .....  
DP Id No..... Client Id.No.....  
I/We .....  
of ..... being a  
Member/ Members of Rajasthan Tube Manufacturing Company Limited here appoint  
of ..... ( or failing him .....  
of ..... or failing him .....  
of ..... ) as my/our Proxy to attend and vote for me/us  
and on my/our behalf at the 24<sup>th</sup> Annual General Meeting of the Company to be  
held on Saturday, the 25th September, 2010 at 10.00 A.M. and at any adjournment  
thereof.

Signed this ..... day of ..... 2010.

Signed by the said .....  
One Rupee  
Revenue  
Stamp

Note : This Form in order to be effective should, completed and must be  
deposited at the Registered Office of the Company, not less than  
48 Hours before the meeting.